



M. A. MALLIK & CO.
CHARTERED ACCOUNTANTS

Head Office :
Aziz Chamber (2nd Floor)
6. Jubilee Road, Chittagong.
Phone : 613331, 2853523

Branch Office :
Room No. 6, First Floor
Dost Building, H. S. Surhwardy Road
Chittagong. Phone No. : 622176

Name : **Bangladesh Steel Re-Rolling Mills Limited**

Address : **Chittagong, Bangladesh**

REPORT AND ACCOUNTS

December 31, 2011

FOR YEAR/PERIOD ENDED

M.A.MALLIK & Co.

CHARTERED ACCOUNTANTS

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Chittagong, Phone No.: 622176

Date:....July 14, 2012

**INDEPENDENT AUDITOR'S REPORT - REVISED
TO THE SHAREHOLDER OF
BANGLADESH STEEL RE-ROLLING MILLS LIMITED**

Report on the Financial Statements

We have audited the accompanying Financial Statements of **BANGLADESH STEEL RE-ROLLING MILLS LIMITED**, which is comprised of the Statement of Financial Position as at December 31, 2011 and the Statement of Comprehensive Income, Statement of Changes in Equity, Statement of Cash Flows for the year then ended. We report that, the revised Auditor's Report and the related Statement of Financial Position, Statement of Comprehensive Income, Statement of Changes in Equity, Statement of Cash Flows differ from our report dated 25th April'12 due to derecognizing the stock dividend as Income as well as Investment. Details of changes in Gain on sale of shares, Provision for Taxation and Deferred Tax thereof are stated in Notes -39, 12, 29 & 22 respectively.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Bangladesh Financial Reporting Standards (BFRS), and for such internal control a management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an expert opinion on these financial statements based on our audit. We conducted our audit in accordance with Bangladesh Standards on Auditing (BSA). Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatements.

Scope

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risk of material misstatement of the Financial Statements whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the Financial Statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made by management as well as evaluating the overall presentation of the Financial Statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements of the Company prepared in accordance with Bangladesh Financial Reporting Standards (BFRS), including Bangladesh Accounting Standards (BAS) give a true and fair view of the state of the Company's affairs as at December 31, 2011 and the results of its financial performance, its Cash Flows statement and Changes in Equity for the year then ended and comply with the Companies Act, 1994 and other applicable laws and regulations.

Report on other legal and regulatory requirements

In our opinion, the Financial Statements comply with the applicable sections of the Companies Act, 1994, and other applicable laws and regulations.

We also report that:

- We have obtained all the information and explanation which to the best of our knowledge and belief were necessary for the purposes of our audit and made due verification thereof;
- In our opinion, proper books of account as required by law have been kept by the Company so far as it appeared from our examination of those books.
- The Company's Statement of Financial Position, Statement of Comprehensive Income dealt with by the report are in agreement with the books of account and records.
- The expenditure incurred was for the purpose of the Company's business.



A stylized handwritten signature in black ink, appearing to be "M.A. Mallik & Co." with a flourish at the end.

M. A. Mallik & Co.
Chartered Accountants

M. A. MALLIK & Co.

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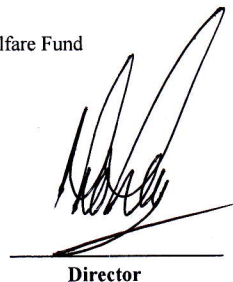
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Date:.....

Bangladesh Steel Re-Rolling Mills Limited

Statement of Financial Position As At December 31, 2011

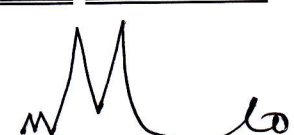
	Notes	31-12-2011 Revised	31-12-2010 Re-stated	
		BD Taka	Combined	Individual
			BD Taka	BD Taka
Assets				
Property, Plant and Equipment	10	6,471,665,967	4,687,589,294	2,871,973,488
Accumulated depreciation		(1,661,888,027)	(1,456,692,369)	(757,283,962)
		4,809,777,940	3,230,896,925	2,114,689,526
Capital Work-in-Progress	11	39,163,676	-	-
Investment in Related Companies	12	739,262,754	794,270,000	794,270,000
Investment	13	342,826,697	238,476,634	236,347,934
Total non current assets		5,931,031,067	4,263,643,559	3,145,307,460
Current Assets:				
Inventories	14	5,142,826,219	2,878,376,056	1,361,127,992
Accounts Receivable	15	443,148,097	459,554,397	456,879,003
Advance, Deposits and Pre-payments	16	692,608,030	820,486,344	371,335,285
Due from Related Companies	17	2,411,252,979	2,259,450,416	2,258,172,554
Cash and bank balances	18	60,448,811	92,672,112	76,263,415
Total current assets		8,750,284,136	6,510,539,325	4,523,778,249
Total assets		14,681,315,203	10,774,182,884	7,669,085,709
Equity				
Share Capital	19	643,454,910	589,700,400	589,700,400
Reserve for issuance of Shares against Merger	20	1,238,234,883	1,238,234,883	-
Proposed Bonus Shares		-	53,754,510	53,754,510
Reserve and Surplus		983,992,640	1,294,031,135	1,294,031,135
Retained Earnings		1,314,210,434	485,972,890	485,972,890
Total Equity		4,179,892,867	3,661,693,818	2,423,458,935
Liabilities				
Long Term Loan	21	331,889,228	588,973,607	453,839,654
Deferred Tax Liabilities	22	656,454,998	-	-
Total Non-current liabilities		988,344,226	588,973,607	453,839,654
Current liabilities				
Short Term Liabilities	23	3,218,766,714	3,052,542,281	1,243,119,714
Trade Creditors	24	2,564,880,784	109,754,541	450,130,797
Liabilities for Expenses	25	387,651,285	90,830,101	24,232,108
Advance against Sales	26	102,301,655	143,360,467	142,991,738
Long Term Loan - Current portion	27	379,018,128	407,302,889	329,474,472
Due to Related Companies	28	2,554,975,594	2,394,595,763	2,374,201,746
Provision for Income Tax	29	256,237,264	130,360,222	45,445,005
Provision for WPPF and Workers Welfare Fund	30	16,775,066	14,770,624	4,601,174
Other Liabilities	31	32,471,620	179,998,571	177,590,366
Total current liabilities		9,513,078,110	6,523,515,459	4,791,787,120
Total liabilities		10,501,422,336	7,112,489,066	5,245,626,774
Total equity and liabilities		14,681,315,203	10,774,182,884	7,669,085,709


Director


Director


Company Secretary




M. A. Mallik & Co.
Chartered Accountants

Dated, Chittagong
14th July, 2012

BANGLADESH STEEL RE-ROLLING MILLS LIMITED

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED DECEMBER 31, 2011

Particulars	Share Capital (BD Tk)	Reserve for issuance of Shares against Merger (BD Tk)	Bonus Share (BD Tk)	General Reserve (BD Tk)	Revaluation Reserve (BD Tk)	Retained Earnings (BD Tk)	Total Capital and Reserve (BD Tk)
Balance as at January 01, 2010	121,250,200	-	121,250,200	11,271,971	1,512,310,300	220,399,491	1,986,482,162
Issue of Share Capital	347,200,000	-	-	-	-	-	347,200,000
Revaluation Reserve transferred to Retained earnings for adj. of depreciation	-	-	-	-	(58,133,229)	58,133,229	-
Transfer of Revaluation Surplus on sale of Revalued Assets	-	-	-	-	(171,417,907)	-	(171,417,907)
Profit earned during the year as earlier report	-	-	-	-	-	385,466,445	385,466,445
Adjustment due to derecognition of stock dividend as income	-	-	-	-	-	(119,140,500)	(119,140,500)
Adjustment for short provision of Tax- Assessment Year 2010-11	121,250,200	-	(121,250,200)	-	-	266,325,945	266,325,945
Bonus Share Distribution	-	-	53,754,510	-	-	(5,131,265)	(5,131,265)
Proposed Bonus Share for the year -2009	-	-	-	-	-	(53,754,510)	-
Balance as at December 31, 2010	589,700,400	-	53,754,510	11,271,971	1,282,759,164	485,972,890	2,423,458,935

Particulars	Share Capital (BD Tk)	Reserve for issuance of Shares against Merger (BD Tk)	Bonus Share (BD Tk)	General Reserve (BD Tk)	Revaluation Reserve (BD Tk)	Retained Earnings (BD Tk)	Total Capital and Reserve (BD Tk)
Balance as at January 01, 2011	589,700,400	-	53,754,510	11,271,971	1,282,759,164	485,972,890	2,423,458,935
NAV of Merged Meghna Engineering Works Limited as on 1st January 2011	-	1,238,234,883	-	-	(53,785,760)	53,785,760	1,238,234,883
Revaluation Reserve transferred to Retained earnings for adj of depreciation	-	-	-	-	1,614,899	(1,614,899)	-
Prior years adjustment in respect of sale of Revalued Assets	-	-	-	-	(52,170,861)	52,170,861	-
Transfer of Revaluation Surplus on sale of Revalued Assets	-	-	-	-	(558,936)	-	(558,936)
Profit earned during the year	-	-	-	-	-	872,584,922	872,584,922
Deferred tax on Revalue Assets	-	-	-	-	(257,308,698)	-	(257,308,698)
Cash dividend for 2010	-	-	-	-	-	(96,518,239)	(96,518,239)
Allotment of Bonus Share	53,754,510	-	(53,754,510)	-	-	-	-
Balance as at December 31, 2011	643,454,910	1,238,234,883	-	11,271,971	972,720,669	1,314,210,434	4,179,892,867


Director

Dated, Chittagong
14th July, 2012


Company Secretary



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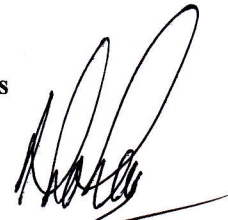
Bangladesh Steel Re-Rolling Mills Limited

Statement of Cash Flows

For the year ended December 31, 2011

	2011 (BD Tk)	2010 (BD Tk)
Cash flow from operating activities		
Cash collection from customers	12,639,747,522	10,050,442,184
Cash payment for cost and expenses	(11,145,172,046)	(10,444,439,271)
Income tax paid	(149,308,208)	(106,775,824)
Cash generated from operation	1,345,267,268	(500,772,911)
Cash flow from investing activities		
Payment for acquisition of property, plant and equipment	(1,797,634,899)	(561,544,103)
Proceeds from Sale of property, plant and equipment	10,112,341	8,064,658
Investment in related companies	(49,342,817)	-
Sales proceeds of investment in shares	1,002,647,589	177,850,526
Management fees	76,159,065	67,515,579
Rental income	420,000	2,972,642
Dividend income	146,983	542,821
Capital work in progress	(39,163,676)	-
Cash in/(out) flow from investing activities	(796,655,414)	(304,597,877)
Cash flow from financing activities		
Loan from/(to) related companies	8,577,268	255,830,776
Net (Repayment)/sanction of Long term loan	(285,369,140)	87,146,569
Financial expenses	(410,009,134)	(343,185,886)
Net Short term loan received/ (paid off)	166,224,433	324,439,648
Financial income	36,259,657	23,828,180
Proceeds from share issue	-	347,200,000
Repayment of investors fund	-	(75,000)
Dividend paid	(96,518,239)	-
Cash in/(out) flow from financing activities	(580,835,155)	695,184,287
Total Cash In/ (Out) flow	(32,223,301)	(110,186,501)
Opening Cash and Bank balances	92,672,112	202,858,613
Closing Cash and Bank balances	60,448,811	92,672,112


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Bangladesh Steel Re-Rolling Mills Limited

Notes to the Financial Statements

For the Year ended 31st December 2011

1.00 Legal Form of the Enterprise

Bangladesh Steel Re-Rolling Mills Limited (herein after referred to as “the Company” “BSRM”) was incorporated on 28th December, 1960 under the Companies Act 1913 vide certificate : C/186, No 1491/92 of EP of 1960-61, as Private Limited Company and converted to the Public Limited Company on 3rd November 2009 under the Companies Act 1994. Having judgment of Honorable High Court division of Supreme Court bearing Judgment No. 256 of 2009 dated 25.01.2011, Meghna Engineering Works Limited has been merged with Bangladesh Steel Re-Rolling Mills Limited with effect from 1st January, 2011 as Honorable High Court gave liberty to include all income, expenses, assets and liabilities with effect from 1st January, 2011.

1.01 Location of the business

The registered office of the Company is situated at Ali Mansion, **1099/1207** Sadarghat Road, Chittagong. The Factory of Re-rolling mills is located at 147/148/149, Baizid Bostami Road, Nasirabad I/A, Chittagong and Steel Melting works is located at 78/79, Nasirabad I/A,

1.02 Nature of the Business

Bangladesh Steel Re-Rolling Mills Limited now has two different production steps after merger.

At first steps there is a steel melting works (which was previously known as Meghna Engineering Works Limited). At this step, MS Billet is produced from scraps and sponge iron etc. This unit is identified as Steel Melting Works (SMW).

By rolling these MS billets the next process of the company is to produce MS Rod and other MS products.

The principal activities of the company are manufacturing of MS Billet from scrap, production/manufacture of MS Rod and other MS products from billet and selling thereof. The company also deals in sale of imported MS Product like angle, channel, I Beam, H Beam, ingot etc.

2.00 Basis of preparation**2.01 Statement of compliance**

These financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS), Bangladesh Financial Reporting Standards (BFRS), Bangladesh Accounting Standards (BAS), the Companies Act 1994, the Securities and Exchange Rules 1987 and other applicable laws in Bangladesh.

2.02 Authorization for issue:

These financial statements have been authorized for issue by the Board of Directors of the company on April 25, 2012.

2.03 Basis of Measurement:

These financial statements have been prepared on historical cost convention except as disclosed in the accounting policies below.

2.04 Functional and presentation currency:

Items included in these financial statements are measured using the currency of the primary economic environments in which the company operates (the functional currency). These financial statements are presented in Bangladesh Taka (Taka / Tk/ BDT) which is also the functional currency of the company. The amounts in these financial statements have been rounded off to the nearest Taka.



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2.05 Use of Estimates and Judgments:

The preparation of financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenditure.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revision to accounting estimates is recognized in the period in which the estimate is revised if the revision affects only that period or in the period of revision and future periods if the revision affects both current and future periods.

In particular, information about significant areas of estimation uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amount recognized in the financial statements are described in the following notes;

2.06 Presentation of comparative information:

With effect from January 01, 2011, MEWL has been merged with BSRM in accordance with the amalgamation scheme as approved by the Honorable High Court on January 25, 2011. Hence figure for the financial year ended December 31, 2011 are not comparable with the previous year. However for the reference Balance Sheet and Income Statement also have been shown for the last year - combined and individual status of BSRM.

Comparative information have been disclosed in respect of the year 2010 for all numeric information in the financial statements and also the narrative and descriptive information where it is relevant for understanding of the current year's financial statements.

Previous year's/period's phrases & amounts have been re-arranged, wherever considered necessary, to conform the presentation for the year under review and figures has been rounded off to the nearest taka.

2.07 Reporting Period:

Reporting period of this financial statement is from 1st day of January, 2011 to 31st December, 2011

3.00 Significant Accounting Policies

Accounting policies set out below have been applied consistently to all periods presented in these financial statements:

3.01 Property, plant and equipment:**Recognition and measurements:**

Items of property, plant and equipment are measured at cost and revalued amount less accumulated depreciation and accumulated impairment losses, if any.

The cost of an item of property, plant and equipment comprises its purchase price, import duties and non refundable taxes, after deducting trade discount and rebates and any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the intended manner.

When cost parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (Major components) of property, plant and equipment.

Subsequent Costs:

The cost of replacing or upgrading of an item of property, plant and equipment is recognized in the carrying amount of the item if it is probable that the future economic benefits embodied within the item will flow to the company and its cost can be measured reliably. The carrying amount of the replaced component is derecognized. The costs of the day to day servicing of property, plant and equipment are recognized in profit or loss as incurred.



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Depreciation:

Depreciation on plant, property and equipment is charged on diminishing balance method. Full year's depreciation has been charged in the year of acquisition and no depreciation has been charged in year of disposal.

No depreciation has been charged on Capital Work in Progress, Land and Land development.

Rate of Depreciation have been appended below:

<u>Item</u>	<u>Rate (%)</u>
Factory Building and shed	05% to 15%
Motor vehicles	20%
Furniture and fixture	10%
Office equipments	15%
Plant and Machinery	07.50-15%
Electrical installation	07.5%
Other Assets	10-15%

Gain or losses on disposal:

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss on disposal or retirement of an item of property, plant and equipment is determined as the difference between sales proceed and the carrying amount of the asset and is recognized in profit or loss.

Revaluation of Non-Current Assets:

The non-current assets of the Company was revalued in the year 2008 considering the book value of the assets on 31.12.2006 and the revaluation was done by M/S Hoda Vasi Chowdhury & Co, Chartered Accountants. As per the revaluation report the net revalued gain amount stands at Tk. 1,673,400,176 for Rolling part of the company. These revaluation gain has been adopted and considered in to the accounts by the management of the Company in the year 2008 by enhancing the cost of non-current assets correspondently crediting the Revaluation Reserve under the head of Reserve and Surplus in the Statement of Financial Position. Details of revaluation Gain/ (Loss) on non-current assets has been shown in the non-current assets schedule.

Depreciation on Revalued Assets:

The revalued surplus amount of property, plant and equipment is used by the company and depreciation charged thereon has been transferred from revaluation reserve account to retained earnings not through Statement of Comprehensive Income Account and which are duly shown in the statement of changes in equity for the year under audit as per BAS-16. Accordingly an amount of Tk. 52,170,861 for the year 2011 has been transferred from revaluation reserve to retained earnings through the statement of changes in equity.

3.02 Capital work in progress:

Capital work in progress consist of acquisition or construction costs of new plant and machinery, civil structure, capital components and related installation cost, until the date, it is placed in operation. In case of import of components, capital work in progress is recognized when risks and rewards associated with such assets are transferred to the company.



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3.03 Inventories:

Inventories are measured at lower of cost and net realizable value. The cost of inventories includes expenditure incurred in acquiring these inventories and bringing them to their existing location and condition in accordance with BAS-2.

<u>Category</u>	<u>Valuation procedures</u>
Finished goods-	Finished Goods are valued at Cost or Net
Raw Materials-	Raw Materials are valued at Cost or Net
Realizable Value whichever is lower.	
Store and spares-	Based on Weighted average method.

3.04 Financial Instruments:

The company initially recognizes receivable and deposits on the date that they are originated. All other financial assets are recognized initially on the date at which the company becomes a party to the contractual provisions of the transaction. The company derecognizes a financial asset when the contractual rights or probabilities of receiving the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred. Financial assets include cash and cash equivalents, short term investments, accounts receivable, other receivables and deposits.

Accounts Receivables:

Accounts receivable represents the amounts realizable from various buyers on account of supply of finished goods and scrap. Accounts receivable is initially recognized at its value which is the fair value of the consideration given in return. After initial recognition, these are carried at value less impairment losses, if any, due to uncollectability of any amount so recognized.

Due from related parties:

This amount represents short term fund transfer between BSRM and other companies of BSRM Group of Companies for reciprocal benefits and best utilization of funds.

Advance, deposits and pre-payments:

Advances are initially measured at its value. After initial recognition, advances are carried at value less deduction, adjustments or charges to other account heads, such as property, plant and equipment, inventory or expenses.

Deposits are measured at payment value.

Prepayments are initially measured at payment value. After initial recognition, prepayments are carried at value less charges to Statement of Comprehensive Income.

Cash and bank balances

Cash and cash equivalents include cash in hand, deposits held at call with banks and other short term fixed deposits with banks as per cash and bank book.

3.05 Impairment:

Financial assets:

Financial assets are impaired if objective evidence indicates that a loss event has occurred after initial recognition of the assets and that the loss event had a negative effect on the estimated future cash flows that can be estimated reliably.

Non financial assets:

The carrying amount of the company's assets is reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists then the asset's recoverable amount is estimated. An impairment loss is recognized if the carrying amount of an asset or its cash generating unit exceeds its recoverable amount.



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3.06 Financial liabilities:

The company initially recognizes financial liabilities on the transaction date at which the company becomes a party to the contractual obligation of the liability.

The Company derecognizes a financial liability when its contractual obligations are discharged or cancelled or expired.

Financial liabilities include trade creditors, due to related parties, short term loan, current portion of long term loan, liabilities for expenses, provision for tax, provision for WPPF and other liabilities.

Short term liabilities:

This amount represents short term financing liability by the company from different bankers and financial institution. Liability is recognized at the date of the transactions.

Liabilities for expenses and others:

Liabilities for expenses and others are recognized when its contractual obligations arising from past events are certain and the settlement of which is expected to result in an outflow from the Company of resources embodying economic benefits

Provision for taxation:

Current tax:

The Company made the provision for tax considering the applicable provision of Income Tax Ordinance 1984 & calculated the taxable income applying the ruling rate thereon.

Deferred tax:

Deferred income tax is provided for all temporary timing differences arising between the tax base of assets and liabilities and their carrying amounts in the financial statements in accordance with the provision of IAS 12. Tax rate prevailing at the balance sheet date is used to determine deferred income tax.

Other Liabilities:

Other liabilities includes associated companies inter transactional balance as well as loan from directors.

3.07 Leased Assets:

Operating Lease:

Payments made under operating leases are recognized as expense on a straight line basis over the term of the lease.

3.08 Revenue Recognition:

Revenue from sale of goods is measured at the fair value of the consideration received or receivable, net of returns and allowances, trade discounts and rebates, if any. Revenue is recognized when the significant risks and rewards of ownership have been transferred to the buyer, recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably and there is no continuing management involvement with the goods. Rental income is shown on accrual basis, interest and profit on sale of fixed assets as shown on realization basis.

3.09 Issuance of Shares Pursuant to the Scheme of Amalgamation/Merger:

As per verdict of the High Court necessary shares of the company will be allotted in favour of the shareholders of the transferor company (MEWL) after having approval from regulatory authority on the basis of the scheme of amalgamation and net assets of the transferor company. Brief scheme of amalgamation as approved by the Honorable High Court on January 25, 2011 are as follows:

Effective Date of Scheme: January 01, 2011

Purchased Consideration: Through allotment of equity shares of the company against Net assets of the transferor company as on 31 December 2010. Calculation of NAV is detailed in Note-20.

Date of Allotments of Share: Allotment will be made after obtaining consent from the regulatory authority Securities and Exchange Commission (SEC) for which the company applied through letter no. BSRM/SEC/1180/2011 dated September 25, 2011. Approval of SEC is under process.



M. A. MALLIK & Co.

CHARTERED ACCOUNTANTS

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Dost Building, H.S. Surhwardy Road
Chittagong. Phone No: 622176
Date:.....

4.00 Financial Risk Management

The Company has exposure to the following risks from its use of financial instruments:

- a) Credit risk
- b) Liquidity risk
- c) Market risk

Risk Management Frame work:

The company management has overall responsibility for the establishment and oversight of the Company's risk management framework. The Company's management policies are established to identify and analyze the risks faced by the Company to set appropriate risk limits and controls and to monitor risks and adherence to limit. Risk management policies, procedures and systems are review regularly to reflect changes in market conditions and the Company's activities.

Credit risk:

Credit risk is risk of financial loss if a customer fails to meet it's contractual obligations which arises principally from the Company's receivables from customers.

Liquidity risk:

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with it's financial liabilities that are settled by delivering cash. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet it's liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

Market risk:

Market risk is the risk that changes in market prices such as foreign exchange rates, will affect the Company's income or the value of it's holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

5.00 Employee Benefit Schemes

A Contributory Recognized Provident Fund is maintained by the Company and necessary provision has been duly provided in to the accounts. Appropriate provision has been made for workers Participation Fund As per Law.

The company maintains a gratuity scheme for its employees. Employees are entitled to gratuity after completion of five years of continuous regular service with the company.

As per practice of the company provision has not been made for gratuity at the stage of merger.

6.00 Foreign currency transactions

Transactions in foreign currencies are recorded in the books at the rate of exchange prevailing on the date of the transaction. Monetary assets and liabilities in foreign currencies at the date of statement of financial position are translated in to Bangladesh taka at the rate of exchange prevailing at that date. Non- monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.



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7.00 Related Party transactions

Name of the Company	Relationship	Nature of the transactions
BSRM Steels Limited	Associated company and BSRM Group of Companies entity	Sale and purchase of MS products, short term loan
BSRM Steel Mills Limited	BSRM Group of Companies entity	Short term and long term loan
H. Akbaerali & Co Ltd	-do-	Short term loan & rental agreement
Karnafully Engineering Works Limited	-do-	Short term loan & rental agreement.
Chittagong Power Company Limited	-do-	Short term loan & rental agreement.
BSRM Recycling Limited	-do-	Short term loan & rental agreement
BSRM Iron & Steel Co. Ltd	-do-	Short term loan
Bangladesh Steels Limited	-do-	Short term loan & rental agreement
BSRM Logistics Limited	-do-	Short term loan & transportation cost and carrying agreement.
BSRM Ispat Limited	-do-	Short term loan
BSRM Real Estate Limited	-do-	Short term loan
BSRM Metals Limited	-do-	Short term loan

8.00 Earning Per Shares

Basic Earnings:

This represents profit for the year attributable to ordinary shareholders. As there is no preference dividend, non controlling interest or extra ordinary items, the net profit after tax for the year has been considered fully attributable to the ordinary shareholders.

Diluted Earnings Per share:

No diluted earnings per share is required to be calculated for the year as there is no scope for dilution during the year under audit

9.00 Taxation Status

Assessment upto A/Y 2011-12 have been settled and tax paid thereon except the following:

- Assessment year 2002-03, 2003-04, 2004-05 & 2005-06 of Bangladesh Steel Re-Rolling Mills Ltd. are pending before the Honorable High Court for a disputed amount of Tk. 1,05,61,562/-, 1,00,84,379/-, 92,95,500/- & 98,61,000/- respectively and disputed tax have been adjusted with advance tax by the tax authority, hence if the order favoured to the Company, the same amount shall stand as refundable.
- Assessment year 2003-04, 2005-06 & 2009-10 of Meghna Engineering Works Limited (transferor Company) are pending before the Honorable High Court for a disputed amount of Tk. 1,47,64,000/-, 32,66,000/- & 23,20,000/- respectively and disputed tax have been adjusted with advance tax by the tax authority, hence if the order favoured to the Company, the same amount shall stand as refundable.



M. A. MALLIK & Co.
CHARTERED ACCOUNTANTS

10.00 Property, Plant and Equipment

10.00 Property, Plant and Equipment														
Name of Assets	COST					DEPRECIATION								Written Down Value as on 31.12.2011
	As at 1 January 2011	Acquisition under merger at MEWL on 01.01.11	Total on 01.01.11	Addition during the year	Disposal	As at 31st December 2011	Rate	As at 1 January 2011	Acquisition under merger at MEWL on 01.01.11	Total on 01.01.11	Less: Disposal	Dep. for Jan to Dec '11	As at 31st December 2011	
Land	66,563,941	215,622,000	282,185,941	1,428,219,527	-	1,710,405,468	-	-	-	-	-	-	-	1,710,405,468
Building & Factory Shed	207,648,157	226,758,398	434,406,556	117,795,547	-	552,202,102	5 to 15%	124,240,708	118,809,827	243,050,535	-	22,761,178	265,811,713	286,390,389
Motor Vehicles	41,670,849	16,124,234	57,795,083	2,731,939	8,395,441	52,131,581	20.00%	22,418,019	9,985,021	32,403,040	5,722,228	5,090,154	31,770,966	20,360,615
Furniture and Fixture	9,815,205	1,684,463	11,499,668	3,782,546	-	15,282,214	10.00%	4,025,726	786,470	4,812,197	-	1,047,002	5,859,198	9,423,015
Office Equipments	29,635,283	19,184,790	48,820,074	8,105,147	-	56,925,220	15.00%	17,630,129	9,205,324	26,835,453	-	4,673,905	31,509,358	25,415,862
Plants and Machinery	898,666,023	995,323,803	1,893,989,826	200,988,938	4,071,114	2,090,907,650	7.50 - 15%	348,728,063	407,548,053	756,276,116	1,545,087	101,597,980	856,329,009	1,234,578,641
Electric Installation	140,540,332	337,258,247	477,798,578	35,818,378	-	513,616,957	7.50%	49,701,756	150,636,476	200,338,232	-	23,494,404	223,852,636	289,764,321
Others Assets	3,831,231	3,659,870	7,491,101	192,877	-	7,683,978	10 to 15%	1,311,155	2,417,237	3,728,391	-	545,326	4,273,717	3,410,261
Total (BD Tk)	1,398,371,021	1,815,615,806	3,213,986,827	1,797,634,899	12,466,555	4,999,155,171		568,055,556	699,408,408	1,267,463,964	7,267,315	159,209,949	1,419,406,599	3,579,748,572
Name of Assets	REVALUATION					DEPRECIATION								Written Down Value as on 31.12.2011
	As at 1 January 2011	Acquisition under merger at MEWL on 01.01.11	Total on 01.01.11	Addition during the year	Disposal	As at 31st December 2011	Rate	As at 1 January 2011	Acquisition under merger at MEWL on 01.01.11	Total on 01.01.11	Adjustment for disposal	Charged during the year	As at 31st December 2011	
Land	543,872,839	-	-	-	-	543,872,839	-	-	-	-	-	-	-	543,872,839
Building & Factory Shed	97,252,214	-	-	-	-	97,252,214	5 to 15%	14,358,498	-	-	-	4,284,326	18,642,824	78,609,390
Motor Vehicles	4,101,931	-	-	-	1,091,673	3,010,258	20.00%	2,032,265	-	-	532,737	302,146	1,801,674	1,208,584
Furniture and Fixture	(453,917)	-	-	-	-	(453,917)	10.00%	(123,012)	-	-	-	(33,091)	(156,102)	(297,815)
Office Equipments	(2,291,896)	-	-	-	-	(2,291,896)	15.00%	(898,719)	-	-	-	(215,296)	(1,114,015)	(1,177,881)
Plants and Machinery	658,367,797	-	-	-	-	658,367,797	7.50 - 15%	137,751,268	-	-	-	39,193,333	176,944,602	481,423,195
Electric Installation	172,624,631	-	-	-	-	172,624,631	7.50%	36,058,377	-	-	-	10,242,469	46,300,846	126,323,785
Others Assets	128,870	-	-	-	-	128,870	10 to 15%	49,728	-	-	-	11,871	61,599	67,271
Total (BD Tk)	1,473,602,469	-	-	-	1,091,673	1,472,510,796		189,228,405	-	-	532,737	53,785,760	242,481,428	1,230,029,368
Grand Total	2,871,973,490	1,815,615,806	3,213,986,827	1,797,634,899	13,558,228	6,471,665,967	-	757,283,962	699,408,408	1,267,463,964	7,800,052	212,995,709	1,661,888,027	4,809,777,940
Combined 2010	4,314,411,941	-	-	562,267,593	189,090,240	4,687,589,294	-	1,266,507,262	-	-	7,981,929	198,167,037	1,456,692,369	3,230,896,925
Individual-2010	2,642,034,990	-	-	419,028,738	189,090,240	2,871,973,488	-	640,187,338	-	-	7,981,929	125,078,553	757,283,962	2,114,689,526

Allocation of Depreciation

Cost of Sales-MS Billets
Cost of Sales-MS Products

Administrative Costs
Total Depreciation

Amount (Tk.)
71,682,107
133,871,303
205,553,410
7,442,299
212,995,709



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11.00 Capital Work-in-Progress

	2011	2010	
	Amount (BD Tk)	(Combined) Amount (BD Tk)	(Individual) Amount (BD Tk)
Plant and Machinery- upgradation and expansion of BSRM	9,005,499	-	-
Building and Factory Shed- construction of storage and delivery shed	20,912,568	-	-
Plant and Machinery- construction of 16 MT Furnace at SMW	9,152,921	-	-
Building and Factory Shed- construction of shed for generator	92,688	-	-
	39,163,676	-	-

12.00 Investment in Related Companies

BSRM Steels Limited

739,262,754	794,270,000	794,270,000
--------------------	--------------------	--------------------

The Company has invested Tk. 794,270,000 against purchase of 79,427,000 ordinary shares of BSRM Steels Limited. In the year 2009 & 2010 BSRM Steels Limited declared stock dividend @15% & 20% respectively and accordingly the company recognised stock dividend as income in the respective year correspondingly increasing its total investment. As per global practice stock dividend does not usually shows as income rather stock dividend are disclosed showing increase the number of shares in the notes to accounts. After signing of the audit report, it reveals to the Company management and decided to change the accounts and accordingly the accounts changed derecognizing the income in the year 2011 as well as comparative figure of 2010 were restated. The reconciliation of investments are given below:

	2011			2010		
	No of share	Amount (BD Tk)	Cost per share	No of share	Amount (BD Tk)	Cost per share
Balance of investment at the beginning of the year	91,341,050	794,270,000	8.70	79,427,000	794,270,000	10.00
Stock dividend in 2010 @20%	18,268,210			11,914,050		10.00
Total	109,609,260	794,270,000	7.25	91,341,050	794,270,000	8.70
Sold during the year	(7,591,000)	(55,007,246)	7.25			
	102,018,260	739,262,754	7.25	91,341,050	794,270,000	8.70

13.00 Investment

Investment in Non Marketable Share (Note - 13.01)	1,000,300	1,000,300	300
Investment in Marketable Share (Note - 13.02)	27,065,145	24,608,420	24,479,720
Investment in FDR (Note - 13.03)	314,761,252	212,867,914	211,867,914
	342,826,697	238,476,634	236,347,934

13.01 Investment in Non Marketable Share

Islamic steamship Co. Ltd	300	300	300
Appolo Hospital Ltd	1,000,000	1,000,000	-
	1,000,300	1,000,300	300



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13.02 Investment in Marketable Shares/bond

Grameen Phone Limited
ACI Zore Coupon Bond
Lafarge Surma Cement Limited
ACI
Eastern Life Insurance Limited
Pragati Life Insurance Limited
Progressive Life Insurance Limited

2011	2010	
Amount (BD Tk)	(Combined) Amount (BD Tk)	(Individual) Amount (BD Tk)
9,966	9,966	9,966
17,772,635	22,215,794	22,215,794
7,063,372	2,382,660	2,253,960
1,176,693	-	-
179,537	-	-
345,746	-	-
517,196	-	-
27,065,145	24,608,420	24,479,720

13.03 Investment in FDR

FDR with Banks
FDR with Leasing Company

292,661,861	212,867,914	211,867,914
22,099,391	-	-
314,761,252	212,867,914	211,867,914

14.00 Inventories

Raw Materials

M S Scrap
M S. Billets

Store and spares

Finished goods:

Finished goods-own production
Finished goods-Imported
Finished goods-Locally purchased

2,078,684,887	965,378,852	-
647,034,794	634,446,396	436,252,154
776,284,732	617,176,900	263,501,931
1,380,735,643	546,270,322	546,270,321
114,637,358	22,982,071	22,982,071
145,448,805	92,121,515	92,121,515
5,142,826,219	2,878,376,056	1,361,127,992

Quantity movements of Raw materials and Finished goods has been shown in Schedule "A" attached with these report

15.00 Accounts Receivable

Receivable from MS Product sale
Receivable from scrap sale

440,386,501	456,879,003	456,879,003
2,761,596	2,675,394	-
443,148,097	459,554,397	456,879,003

Ageing of Accounts Receivables

Dues within 3 months
Dues over 3 months but within 6 months
Dues over 6 months

Total

362,505,230
15,905,745
64,737,122
443,148,097

Receivables are unsecured but considered good. There are no such trade receivable due by or to directors or other officers of the Company
Management considered the receivables are collectable. Receivables includes Tk. 840,940 was due from related companies.

16.00 Advance, Deposits and Pre-payments

Advance (Note - 16.01)
Deposits (Note - 16.02)

667,964,489	796,144,803	361,257,662
24,643,541	24,341,541	10,077,623
692,608,030	820,486,344	371,335,285



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	2011	2010	
	Amount	(Combined)	(Individual)
	(BD Tk)	Amount	Amount
		(BD Tk)	(BD Tk)
16.01 Advances			
Advance against expenses	62,051,889	17,833,146	11,642,754
Advance against salary:	5,846,802	4,216,267	3,066,978
Advance against L/C	236,968,003	335,557,032	110,825,805
Advance against scrap purchase	12,224,669	176,565,442	-
VAT and duty	25,971,545	25,401,319	23,329,347
Interest recoverable account	150,890,735	-	-
Rent recoverable account	-	601,058	601,058
Advance for land	16,482,327	168,040,000	168,040,000
Staff Taxation	-	23,080	23,080
Guarantee Margin	1,478,249	2,783,018	1,468,198
Advance Income Tax	156,050,270	65,124,441	42,260,442
	667,964,489	796,144,803	361,257,662

All advances and deposits amount are considered good and recoverable.

16.02 Deposits

Deposit to Custom	552,890	552,890	-
Bakhrabad Gas System Ltd	422,576	422,576	-
Karnaphuli Gas Distribution Ltd.	1,808,267	1,808,267	1,808,267
Meghna Petroleum Ltd.	40,000	40,000	40,000
Power Development Board	13,917,968	13,917,967	1,820,244
United Leasing Co. Limited	3,675,663	3,675,663	3,675,663
Mercantile Bank Ltd	27,475	27,475	-
MIDAS Financing Ltd.	1,410,456	1,410,456	1,410,456
Ansar & VDP	266,086	266,087	266,087
Others	2,522,159	2,220,160	1,056,906
	24,643,541	24,341,541	10,077,623

All advances and deposits amount are considered good and recoverable.

The company has no pending current liability for VAT. VAT current account represent positive balance (advance payment) as of 31st December 2011.

17.00 Due from related companies

H. Akbarali & Company Ltd.	1,170,960,958	723,469,134	723,469,134
Karnafully Engineering Works Ltd.	71,646,810	66,346,810	66,346,810
Chittagong Power Co. Ltd.	18,950,231	18,487,011	18,487,011
BSRM Wires Ltd	-	30,715,588	30,715,588
BSRM Recycling Industries Ltd.	151,046,660	470,161,117	470,161,117
BSRM Iron & Steel Co. Ltd.	626,400,839	-	-
Bangladesh Steels Ltd.	29,238,527	27,387,828	27,409,966
BSRM Logistics Ltd.	143,051,600	110,302,721	109,002,721
BSRM Steel Mills Ltd.	-	627,699,832	627,699,832
BSRM Ispat Ltd.	196,480,375	184,880,375	184,880,375
BSRM Real Estates Ltd.	3,466,979	-	-
BSRM Metals Ltd	10,000	-	-
	2,411,252,979	2,259,450,416	2,258,172,554

Inter company receivables represents short term financial arrangement availed from/to its sister companies as and when necessary with an interest @ 14.50 per annum.



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18.00 Cash and Bank Balances

Cash in hand (Note - 18.01)
Cash at Bank (Note - 18.02)

18.01 Cash in Hand

Corporate office
Factory office
Dhaka Office
Overseas office
Regional office at Comilla

18.02 Cash at Bank

Exim Bank Ltd (CDA Branch,Ctg.)
Standard Chartered Bank
Agrani Bank Ltd, CD A/C (LDE, Ctg)
Agrani Bank Ltd CD A/C (Baizid,ctg)
Agrani Bank Ltd (Dhaka)
Janata Bank Ltd (Dhaka)
Uttara Bank Ltd (Dhaka)
Bank Al-Falah Limited (Agrabad), Ctg
Sonali Bank Ltd, (Kalibari, Ctg)
Janata Bank Ltd (Old, LDE, Ctg)
Janata Bank Ltd (Agrabad, Ctg)
Pubali Bank Ltd (Agrabad, Ctg)
Standard Chartered Bank (Dhaka)
Sonali Bank Ltd (STD)
Indian Overseas Bank (A/C No.817)
AB Bank Ltd.
Agrani Bank Ltd (Comilla Branch)
The City Bank Ltd. (Agrabad , Ctg)
The City Bank Ltd.
Dhaka Bank Ltd (Jubilee Road Branch, Ctg.)
HSBC (Agrabad, Ctg)
Prime Bank Ltd (O.R.Nizam Road Branch)
South East Bank Ltd. (CDA Branch,Ctg)
IFIC Bank Ltd (Upashahar Branch,Syl)

Balance c/d

2011	2010	
Amount (BD Tk)	(Combined) Amount (BD Tk)	(Individual) Amount (BD Tk)
3,529,403	3,814,357	2,932,279
56,919,408	88,857,755	73,331,136
60,448,811	92,672,112	76,263,415
873,130	1,533,750	1,221,671
1,598,901	1,370,000	800,000
1,042,285	905,607	905,608
15,087	-	-
-	5,000	5,000
3,529,403	3,814,357	2,932,279
2,982	5,102,511	5,102,511
(6,089,956)	5,154,276	1,669,084
612,687	76,284	32,991
1,434,964	7,472,571	3,210,446
25	1,195	1,195
4,202	756,650	756,650
3,338	3,338	3,338
24,291	24,935	24,935
239,998	982,759	981,167
1,008	1,007	1,008
762	761	762
16,270	-	-
244,214	1,775,979	1,775,979
71,048	71,046	71,046
1,802	1,802	1,802
2,962,338	498,885	498,885
10,755	28,042	28,042
517,305	53,957	53,957
1,906,657	-	-
6,053,695	8,346,449	3,222,799
(12,091,571)	16,778,169	16,778,169
3,512,386	6,506,804	6,472,630
5,594,023	2,725,998	2,725,998
2,289	2,289	2,289
5,035,512	56,365,707	43,415,681



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	2011	2010	
	Amount (BD Tk)	(Combined) Amount (BD Tk)	(Individual) Amount (BD Tk)
Balance b/d	5,035,512	56,365,707	43,415,681
Sonali Bank Ltd (Khulna)	49,484	93,009	93,009
Commercial Bank of Ceylon	62,292	303,419	303,419
State Bank of India (Ctg.)	5,314,007	1,060,982	970,184
State Bank of India (Sylhet)	10,547	161,547	161,547
HSBC (Kolkata)	65,523	6,011	4,358
Trust Bank Ltd.	518,137	101,587	101,321
Mercantile Bank Ltd.	231,266	649,426	624,366
Mutual Trust Bank Ltd.	2,376,502	634,029	628,874
HSBC(\$ Account	684	684	684
Premier Bank Ltd CD A/C(Khatungonj)	71,151	1,087,301	1,087,300
Islami Bank Bang.Ltd. (Jubilee Rd.Br.), Ctg.	17,660,280	6,502,761	5,897,902
One Bank Ltd (Agrabad,Ctg)	346,752	36,077	35,345
Jamuna Bank Ltd. (CD A/C)	331,490	5,701	2,948
NCCBL	94,890	1,402,337	1,402,337
Southeast Bank (Pahartali Branch, Ctg.)	(6,647,760)	1,125,998	635,292
Janata Bank Ltd (New) (LDE, Ctg.)	1,167,064	3,169,244	3,145,996
Dutch Bangla Bank Ltd. (Agrabad)	60,143	1,807,678	1,490,718
Premier Bank,O.R.Nizam Road	46,600	1,808,320	1,803,045
United Comm. Bank,Jubilee Rd.	1,288,334	3,749,660	3,546,779
Shahjalal Bank Ltd. (Jubilee Rd.Ctg.)	6,851,209	595,937	518,414
Bangladesh Commerce Bank	7,550	8,700	-
Al-Arafah Islami Bank Ltd	6,254,044	2,137,423	2,134,475
National Bank Ltd (Jubilee Road)	822,183	2,037,081	1,810,121
Social Islami Bank Ltd (Jubilee Road)	69,754	3,595	2,112
Dutch Bangla Bank Ltd (Jubilee Road)	3,736,641	3,456,661	3,176,805
Basic Bank Ltd.	19,275	97,281	88,201
Habib Bank Ltd	2,705,412	199,136	-
Bank Alfalah Ltd. (CD Account)	(9,876,450)	151,158	150,596
Puabli Bank Ltd (CDA Avenue Branch)	-	99,305	99,305
Trust Bank Ltd	18,246,892	-	-
	56,919,408	88,857,755	73,331,136

Consequence to the merger the bank accounts lies in the name of Meghna Engineering Works Limited , be renamed under the name and style Bangladesh Steel Re-Rolling Mills Limited which is under proess.

All bank balances are reconciled with bank statements and negative balance shown in the bank book represents book overdraft.



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2011	2010	
Amount (BD Tk)	(Combined) Amount (BD Tk)	(Individual) Amount (BD Tk)

19.00 Share Capital

Authorized Capital

50,00,00,000 No Ordinary Shares of Tk.10 each.

5,000,000,000	5,000,000,000	5,000,000,000
5,000,000,000	5,000,000,000	5,000,000,000

Issued, subscribed & paid up

Ordinary shares of Taka 10 each issued and fully paid-up as on 1st

589,700,400	121,250,200	121,250,200
-------------	-------------	-------------

12,125,020 No ordinary shares of Tk. 10 each

-	121,250,200	121,250,200
---	-------------	-------------

Issued as fully paid up bonus shares (issued date 31st January,10)

11,586,300 No ordinary shares of Tk. 10 each

-	115,863,000	115,863,000
---	-------------	-------------

Issued as fully paid up shares in cash (issue date 20th June, 10)

23,133,700 No ordinary shares of Tk. 10 each

-	231,337,000	231,337,000
---	-------------	-------------

Issued as fully paid up shares in cash (issue date 21st September, 10)

5,375,451 Ordinary Shares @ Tk 10 each

53,754,510	-	-
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Issued as fully paid up Bonus shares (issue date 10th January'11)

64345491 No ordinary shares @ TK 10 each

643,454,910	589,700,400	589,700,400
--------------------	--------------------	--------------------

Share holding position as on 31st December 2011

Name of Shareholders

	2011		2010	
	Nos of Share	%	Nos of Share	%
Mr. Alihussain Akberali	7,635,425	11.87%	6,639,500	11.26%
Mr. Aameir Alihussain	7,275,751	11.31%	6,326,740	10.73%
Mr. Zohair Taherali	2,325,415	3.61%	2,022,100	3.43%
Mrs. Tehseen Zohair Taherali	2,321,137	3.61%	2,018,380	3.42%
Mrs. Sabeen Aameir	2,300	0.00%	2,000	0.00%
Mrs. Bilkis Alihussain	8,325,218	12.94%	7,239,320	12.28%
Mr. Abdul Qadir Zohair	2,300	0.00%	2,000	0.00%
VORTEX Investments Limited	1,822,945	2.83%	1,720,000	2.92%
Mr. Saifuddin Abbas Unwala	9,200,000	14.30%	8,000,000	13.57%
Mr. Iqbal Hussain	10,435,000	16.22%	10,000,000	16.96%
Mr. Abbas Jumani	5,000,000	7.77%	5,000,000	8.48%
Mr. Ali Asgar Badruddin	10,000,000	15.54%	10,000,000	16.96%
	64,345,491	100.00%	58,970,040	100.00%



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20.00 Reserve for issuance of Shares against Merger

This represents Net Asset value of MEWL as on 31st December 2010 to be considered for allotment of shares of the company after having approval from Securities and Exchange Commission which is yet to be received. Brief calculation of NAV is as under:

<u>Particulars</u>	<u>Amount in TK.</u>	<u>Amount in TK.</u>
Non Current asset	1,118,336,098	
Current Asset	2,341,133,162	
Total Assets		3,459,469,260
Non Current Liabilities	135,208,954	
Current Liabilities	2,086,025,423	
Total Liabilities		2,221,234,377
Net Assets		1,238,234,883

21.00

Long Term Loan	Total Term Loan	Current Portion of Long Term	2011 Long Term Portion	2010 Combined	2010 Stand alone
IDLC	54,185,421	42,609,064	11,576,357	56,400,700	56,400,700
Agrani Bank Limited (for BMRE)	42,835,774	17,896,014	24,939,760	38,882,889	-
MIDAS	93,741,539	37,496,616	56,244,923	93,750,000	-
IPDC of Bangladesh	83,114,362	36,388,524	46,725,838	84,212,403	84,212,403
The City Bank Limited	-	-	-	11,638,057	9,136,993
Prime Bank Limited	97,197,917	63,461,478	33,736,440	63,961,099	63,961,099
One Bank Limited	5,621,540	4,240,000	1,381,540	-	-
AB Bank Limited	104,999,903	36,000,000	68,999,903	109,323,892	109,323,892
United Commercial Bank Limited	55,607,689	39,513,200	16,094,489	-	-
United Leasing Company Limited	21,788,124	21,788,124	-	7,947,829	7,947,829
Jamuna Bank Limited	61,638,711	24,183,908	37,454,803	46,589,112	46,589,112
Shahjalal Islami Bank Limited	58,777,970	37,945,200	20,832,769	49,817,866	49,817,866
National Credit and Commerce Bank Limited	31,398,406	17,496,000	13,902,406	26,449,760	26,449,760
	710,907,356	379,018,128	331,889,228	588,973,607	453,839,654

The details of security given by the company against the Term Loan are given in the Schedule "C" attached with these report.



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22.00 Deferred tax liabilities:

Previously Bangladesh Steel Re-Rolling Mills Limited and Meghna Engineering Works Limited did not recognize deferred tax liability. During the year under audit deferred tax liability has been recognized and measured in accordance with the provisions of IAS/BAS 12- Income Tax and accordingly charged to Comprehensive Income Statement, details of which are given below:

<u>Cost</u>	<u>Base on taxation rule</u>	<u>Book value as per Accounts</u>	<u>Basis for deferred tax</u>	<u>Amount of deferred tax</u>	<u>Rate applied</u>
Assets other than land	804,952,972	1,869,343,104	1,064,390,132	399,146,300	37.50%
Charged to Comprehensive Income Revaluation				399,146,300	
Assets other than land		686,156,529	686,156,529	257,308,698	37.50%
Charged to Revaluation Reserve				257,308,698	
Total				656,454,998	

23.00 Short term liabilities

Cash Credit and Hypo	541,202,170	801,720,843	384,843,288
Factoring loan	9,279,710	-	-
Time loan	84,050,000	675,850	-
Deferred L/C	1,634,890,490	484,474,022	319,235,647
Trust Receipt	949,344,344	1,765,671,566	539,040,779
	3,218,766,714	3,052,542,281	1,243,119,714

The details of security given by the company against the Short Term Loan are given in the Schedule "B" attached with these report.

24.00 Trade Creditors

Against Purchase of Materials	215,826,345	13,973,691	354,349,947
BSRM Steels Limited	2,343,023,154	-	-
BSRM Iron and Steel Co Ltd.	6,031,285	95,780,850	95,780,850
	2,564,880,784	109,754,541	450,130,797

All trade payable were arise as usual in business operation & paid regularly.



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25.00 Liabilities for expenses

	2011	2010	
	Amount (BD Tk)	(Combined) Amount (BD Tk)	(Individual) Amount (BD Tk)
Gas	2,641,083	530,229	14,291
Power	100,498,005	52,169,030	-
Telephone exp.	70,151	65,235	65,235
Audit fee	135,000	82,800	54,000
Salaries and other benefits	4,443,924	7,953,352	5,525,997
Carrying charges	2,873,072	1,720,701	-
Office rent	-	94,140	94,140
Guest house rent	20,000	73,670	73,670
Godown rent payable	60,450	73,400	73,400
Spare purchase	189,029	-	-
Casual wages	580,054	2,722,335	203,733
Repairs and maintenance	85,740	15,620	-
Entertainment expenses	17,516	-	-
Financial expenses	6,578,838	15,252,142	10,893,879
Sister concern interest	246,732,766	-	-
Carriage on sales	12,523,416	6,381,144	6,381,144
ULC bill collection Ch. & Interest	158,176	-	-
Carriage inward	144,611	41,247	41,247
Computer expenses	-	7,050	7,050
Contractor carrying	-	131,770	131,770
Electricity expenses	633,969	259,053	44,446
E-Mail expenses	-	130,000	130,000
Guest house exp.	7,450	-	-
BOC	37,549	164,501	-
C & F and others	8,858,878	2,346,729	-
Conveyance	178,188	117,847	-
Others	183,420	498,106	498,106
	387,651,285	90,830,101	24,232,108

26.00 Advance against sales

Advance against sales	102,301,655	143,360,467	142,991,738
	102,301,655	143,360,467	142,991,738

This liability arises in the normal course of business and be settled within short period.



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27.00 Term Loan Current Portion

	2011	2010	
	Amount (BD Tk)	(Combined) Amount (BD Tk)	(Individual) Amount (BD Tk)
IDLC	42,609,064	35,006,916	35,006,916
United Leasing Company Limited	21,788,124	37,184,671	37,184,671
IPDC of Bangladesh Limited	36,388,524	63,559,797	63,559,797
Agrani Bank Limited	17,896,014	17,896,014	-
The City Bank Limited	-	19,633,764	15,669,720
Prime Bank Limited	63,461,478	69,798,911	51,330,552
United Commercial Bank Limited	39,513,200	-	-
MIDAS	37,496,616	37,500,000	-
One Bank Limited	4,240,000	11,097,708	11,097,708
AB Bank Limited	36,000,000	36,000,000	36,000,000
Jamuna Bank Limited	24,183,908	24,183,908	24,183,908
Shahjalal Islami Bank Limited	37,945,200	37,945,200	37,945,200
National Credit and Commerce Bank Limited	17,496,000	17,496,000	17,496,000
	379,018,128	407,302,889	329,474,472

28.00 Due to related Companies

East Bengal Trading & Ind.Corp.Ltd.	21,609,040	21,659,040	21,659,040
BSRM Wires Ltd	21,994,461	-	-
BSRM Steels Ltd.	2,471,446,838	1,779,420,958	1,779,420,958
BSRM Steels Mills Ltd.	39,925,255	-	-
BSRM Iron & Steel Co. Ltd	-	591,682,744	571,288,727
BSRM Real Estates Ltd.	-	1,833,021	1,833,021
	2,554,975,594	2,394,595,763	2,374,201,746

Due to related companies represents short term financial arrangement availed from its sister companies as and when necessary with an interest @ 14.50 per annum.

29.00 Provision for Income Tax

Opening balance	130,360,222	99,792,021	55,782,360
Add: Provision during the year	256,237,264	130,360,222	50,576,270
: Adjustment against previous years	18,947,986	6,983,803	-
	405,545,472	237,136,046	106,358,630
Less: Paid during the year	149,308,208	106,775,824	60,913,625
	256,237,264	130,360,222	45,445,005

Provision for taxation has been made at the rate of 5% on gain on sale of sponsor's shares under section 53M of ITO 1984 and SRO 269 dated 1st July, 2010.

30.00 Provision for WPPF and Welfare fund

Opening Balance	14,770,624	-	-
WPPF Provision	24,607,518	21,627,132	4,601,174
Less: Paid with salary-WPPF	(22,603,076)	(6,856,508)	-
	16,775,066	14,770,624	4,601,174



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31.00 Other liabilities

	2011	2010	
	Amount	(Combined)	(Individual)
	(BD Tk)	Amount	Amount
		(BD Tk)	(BD Tk)
Liability for other Finance	150,000	792,000	792,000
Earnest money	50,000	50,000	-
Provident Fund	339,864	441,189	344,072
Security receipt	1,846,234	710,109	285,087
Sundry creditors	4,468,133	13,909	-
Retention money receipt A/C	1,351,894	507,586	507,586
Staff Taxation	68,871	238,369	-
Tax deduction at source	419,466	705,277	289,573
VAT deduction at source	859,908	2,187,899	1,857,116
Directors account	22,128,491	153,926,174	153,926,173
Refundable Share Money Deposit (Note-31.01)	788,759	19,663,759	19,588,759
Rent Payable	-	762,300	-
	32,471,620	179,998,571	177,590,366

31.01 Refundable Share Money Deposit

Mr. Ali Asgar Badruddin	-	18,800,000	18,800,000
Mr. Aquil Hatimbhai	200,000	200,000	200,000
Mr. Hussain Habib	46,484	46,484	46,484
Mr. Munira S. Abbas	138,751	138,751	138,751
Mr. Shahnaz Hussain	358,374	358,374	358,374
Karnafully Engineering Works Ltd	-	75,000	-
Mr. Faisal I Poonalwalla	45,150	45,150	45,150
	788,759	19,663,759	19,588,759

32.00 Revenue

Local Sales	12,663,121,064	10,119,387,236	7,626,006,833
Export Sales	1,278,970	5,519,793	5,519,793
	12,664,400,034	10,124,907,029	7,631,526,626

Export Details

Quantity Exported (M. Ton)

24

Sale proceeds of Export in US\$

18,480



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33.00 Cost of Sales

Opening Stock of Scrap and Spong Iron
Add : Purchase

Less : Closing Stock of Scrap and Sponge Iron
Less : Sale of Scrap

Consumption of Scrap and Sponge Iron

Opening Stock of Billets
Add : Purchase of Billets

: Scrap consumed for billet production by SMW

Less: Sale of Billets to other parties

Less : Closing Stock of Billets

Raw Material Consumed

Add: Manufacturing Expenses:

- : Direct Expenses
- : Direct Materials Consumed
- : Factory Overhead (Note-33.01)
- : Power Consumed
- : Gas Consumed
- : Welding Gas/Lq.Oxygen Consumed
- : Fuel & Lubricants
- : Stores Consumed
- : Depreciation (Note-10.00)

Total Manufacturing Charges

Cost of goods Manufactured

Add : Opening Stock of Finished goods

Less : Closing Stock of finished goods

Cost of Sales

Imported Items:

Opening Stock of Import Finished Goods

Add: Import during the year

Less: Closing Stock of Import F. Goods

Cost of Sale of Imported finished goods

Locally Purchased goods:

Opening Stock of Locally purchased goods

Add: Purchase

Less: Closing Stock Locally purchased goods

Cost of sales of locally purchased goods

Consumption of scrap against Scrap sale

Consumption of billets against billets sale

Total Cost of Sale

2011	2010	
Amount (BD Tk)	(Combined) Amount (BD Tk)	(Individual) Amount (BD Tk)
965,378,852	750,545,247	-
5,455,922,110	3,132,555,178	-
6,421,300,962	3,883,100,425	-
2,078,684,887	965,378,852	-
331,154,896	90,725,158	-
4,011,461,179	2,826,996,415	-
634,446,396	409,672,481	246,338,478
1,445,960,448	2,086,779,956	3,588,331,638
4,011,461,179	2,826,996,415	-
6,091,868,023	5,323,448,852	3,834,670,116
1,150,303,307	2,075,081,800	-
647,034,794	634,446,396	436,252,153
4,294,529,922	2,613,920,656	3,398,417,963
62,866,262	44,897,280	28,690,046
382,631,135	270,204,822	-
171,213,032	133,490,794	76,051,577
226,995,263	217,187,208	29,878,574
30,631,115	27,595,282	21,044,719
10,471,446	12,198,259	5,811,295
9,671,237	10,334,228	6,875,173
80,578,968	71,552,009	60,097,410
205,553,410	185,165,759	112,077,276
1,180,611,868	972,625,641	340,526,070
5,475,141,790	3,586,546,297	3,738,944,033
546,270,322	359,742,045	359,742,045
6,021,412,112	3,946,288,342	4,098,686,078
1,380,735,643	546,270,322	546,270,322
4,640,676,469	3,400,018,020	3,552,415,756
22,982,071	47,028,068	47,028,068
465,880,238	120,304,966	120,304,966
488,862,309	167,333,034	167,333,034
114,637,358	22,982,071	22,982,071
374,224,951	144,350,963	144,350,963
92,121,515	110,444,113	110,444,113
5,145,046,885	3,458,828,425	3,458,828,425
5,237,168,400	3,569,272,538	3,569,272,538
145,448,805	92,121,515	92,121,515
5,091,719,595	3,477,151,023	3,477,151,023
331,154,896	90,725,159	-
1,150,303,307	2,075,081,800	-
11,588,079,218	9,187,326,965	7,173,917,742



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33.01 Factory Overhead

	2011	2010	
	Amount	(Combined)	(Individual)
	(BD Tk)	Amount	Amount
		(BD Tk)	(BD Tk)
Salaries and allowances	114,855,639	94,723,132	48,845,614
General expenses	248,279	165,923	107,757
Land revenue	4,506,485	2,779,938	324,259
Godown rent	2,673,262	2,263,200	2,263,200
Guest house rent	649,400	910,600	910,600
Electricity expenses	2,115,613	2,033,861	728,470
WASA	46,549	158,350	-
Printing and stationery	416,890	361,428	361,428
Factory office expenses	951,053	1,071,570	649,939
Repairs and maintenance	14,749,797	13,936,892	8,337,115
Carrying charges	21,543,126	9,889,233	9,310,766
Insurance	760,292	1,320,367	1,101,586
Conveyance expenses	551,558	440,693	440,693
Postage and telegram	41,030	48,987	48,987
Paper and periodicals	8,098	12,222	7,115
Medical expenses	1,993,005	791,333	511,148
Generator expenses	3,005,355	636,589	156,424
Guest House expenses	169,231	309,499	309,499
Entertainment expenses	1,928,370	1,636,977	1,636,977
	171,213,032	133,490,794	76,051,577

34.00 Administrative Expenses

Advertisement expenses	73,930	105,293	-
Staff welfare	15,266	340,414	320,914
Postage and telegram	573,711	455,000	386,290
Carrying charges	571,679	358,408	-
Paper and periodicals	19,370	19,110	19,110
Medical expenses	73,634	62,737	30,323
Computer expenses	2,082,641	828,006	443,081
Training expenses	529,134	393,428	261,929
Legal expenses	124,450	54,606	54,606
Fees and renewals	2,000,868	2,489,803	1,816,865
Audit fee	156,750	148,675	111,875
Entertainment exp.	5,558,290	4,153,121	1,865,408
Taxes	16,205	31,325	31,325
Salary and allowances	70,485,877	58,754,727	44,101,552
Electric expenses	1,092,257	982,607	645,859
Motor vehicle expenses	7,558,608	7,243,462	4,449,895
Godown rent	558,532	442,000	442,000
Donation and subscription	3,809,162	641,899	605,699
Office rent	5,173,278	948,930	711,449
Balance c/d	100,473,641	78,453,551	56,298,180



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	2011	2010	
	Amount (BD Tk)	(Combined) Amount (BD Tk)	(Individual) Amount (BD Tk)
Balance b/d	100,473,641	78,453,551	56,298,180
Printing and stationery	1,937,653	1,101,638	594,841
General expenses	1,063,914	127,618	90,118
Traveling and conveyance	2,896,200	1,968,753	316,240
Telephone expenses	4,056,606	4,204,657	3,718,117
Office expenses	1,527,439	1,122,021	810,126
Guest house rent(Vaiji)	180,000	180,000	180,000
Legal and professional fees	3,089,996	9,364,435	7,557,101
Others	257,283	89,556	89,556
Brokerage & Commission	-	674,340	-
Lease rent	30,351,906	30,421,361	30,421,361
Director Remuneration (Note-34.01)	24,600,000	24,600,000	12,600,000
Depreciation (Note-10)	7,442,299	13,001,277	13,001,277
	177,876,938	165,309,207	125,676,917

34.01 Director Remuneration

Mr. Alihussain Akberali	7,200,000	7,200,000	3,600,000
Mr. Zohair Taherali	7,200,000	7,200,000	3,600,000
Mrs. Tehseen Zohair Taherali	4,800,000	4,800,000	2,400,000
Mr. Aameir Alihussain	4,800,000	4,800,000	2,400,000
Mrs. Sabeen Aameir	600,000	600,000	600,000
	24,600,000	24,600,000	12,600,000

35.00 Selling & distribution Expenses

Promotional offers for Dealers	110,980	14,930	14,930
Advertisement expenses	556,160	636,680	636,680
Traveling expenses	3,134,797	3,846,500	3,846,500
Brokerage and commission	139,761	1,931,486	1,931,486
Export charges	79,513	71,130	71,130
Discount allowed	217,500	-	-
Carriage on sales	28,132,597	15,862,852	15,862,852
Bad debts	420,332	1,242,806	1,242,806
Advertisement exp. (Marketing)	2,081,359	-	-
Sales commission	2,584,149	-	-
	37,457,148	23,606,384	23,606,384



M. A. MALLIK & Co.

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Chittagong. Phone No: 622176
Date:.....

36.00 Other Income

	2011	2010	
	Amount (BD Tk)	(Combined) Amount (BD Tk)	(Individual) Amount (BD Tk)
Profit on sale of Motor Car (Note - 36.01)	3,458,286	257,894	205,211
Profit on sale of Induction Motor (Note - 36.02)	1,362,543	-	-
Profit on sale of Shearing Machine	-	2,858,931	2,858,930
Profit on sale of Mobile Crane	-	142,048	142,047
Profit on sale of Land & Building	-	77,206,827	77,206,827
Written off of Bhatary Land & Building	-	(1,625,746)	(1,625,746)
Miscellaneous Income	92,271	-	-
Received against shop at Uttara	-	2,100,000	2,100,000
	4,913,100	80,939,953	80,887,269

36.01 Sale of Motor Car

Sale Proceeds	6,131,500	552,685	500,000
Original Cost	8,395,441	755,190	755,190
Less: Accumulated depreciation (Note-10)	6,254,964	460,399	460,401
Less: Balance of Revalued amount	532,737	-	-
written Down Value	2,140,477	294,791	294,789
Profit from sales of Car	3,458,286	257,894	205,211

36.02 Sale of Induction Motor

Sale Proceeds	3,888,570	-	-
Less: Original Cost	4,071,114	-	-
Less: Accumulated depreciation	1,545,087	-	-
written Down Value	2,526,027	-	-
Profit from sales of Induction Motor	1,362,543	-	-

37.00 Financial Expenses:

Interest on short term credit	198,414,573	226,648,224	103,026,588
Interest on ULC Factoring Loan	898,155	33,759	33,759
Interest on related companies	396,199,577	109,201,050	103,688,740
Interest on term loan	117,582,754	131,768,438	87,940,256
Bank Charges	6,198,976	8,796,358	4,862,465
Bank Guarantee Commission	64,232	45,173	64,072
Interest income from related companies	(309,349,133)	(133,307,114)	(125,839,094)
	410,009,134	343,185,888	173,776,786



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38.00 Interest income

Interest income from FDR with-

	2011	2010	
	Amount	(Combined)	(Individual)
	(BD Tk)	Amount	Amount
		(BD Tk)	(BD Tk)
Habib Bank Ltd.	19,099,470	23,742,127	23,742,127
Dhaka Bank Ltd.	2,234,377	-	-
Jamuna Bank Ltd.	2,482,106	-	-
Mercantile Bank Ltd.	3,341,171	70,650	70,650
NCCBL	4,296,642	-	-
The City Bank Limited	85,000	-	-
Prime Bank Ltd.	1,147,500	-	-
Basic Bank Limited	750,000	-	-
IPDC of Bangladesh Ltd	2,099,391	-	-
National Bank Ltd.	724,000	-	-
Standard Chartered Bank	-	15,403	15,403
	36,259,657	23,828,180	23,828,180

39.00 Non operating income

Dividend Income	146,983	542,821	542,821
Management Fee (Note-39.01)	76,159,065	67,515,579	67,515,579
Profit on Sales of Shares (Note-39.02)	1,002,647,589	9,553,670	9,553,670
Rental income (Note-39.03)	420,000	2,972,642	2,972,642
	1,079,373,637	80,584,712	80,584,712

39.01 **Management Fees:** BSRM Steels Limited has entered in to a management sharing agreement with the Company on 15th October, 2005 for using the Goodwill of BSRM. According to the terms of the agreement BSRM Steels Limited has to pay Tk. 250 per M. Ton as Management Fees on monthly basis, provided that, BSRM Steels Limited has net profit in it's Book.

39.02 Profit from sale of shares:

BSRM Steels Limited	999,852,720
Others	2,794,869
	1,002,647,589

Profit on sale of shares of BSRM Steels Limited

Sale Proceeds from sale of shares (7,591,000 No Shares)	1,054,859,966
Cost of share sold	55,007,246
Profit	999,852,720



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39.03 Rental income

BSRM Recycling Inds. Ltd
BSRM Iron & Steel Co.Ltd.
Janata Bank Ltd.
Delta Life Insurance Co. Ltd.
Kazi Sirajul Islam
Columbia Electronic
Islam Enterprise
Sing- Tech International
Silicon View Computers & Trading Ltd.

Less : Municipal Tax
Land Revenue
Land Revenue (Bhatiary)
Repairs and maintenance

2011	2010	
Amount (BD Tk)	(Combined) Amount (BD Tk)	(Individual) Amount (BD Tk)
180,000	180,000	180,000
240,000	240,000	240,000
-	1,878,504	1,878,504
-	12,793	12,793
-	340,200	340,200
-	155,290	155,290
-	15,750	15,750
-	358,020	358,020
-	195,384	195,384
420,000	3,375,941	3,375,941
-	118,332	118,332
-	-	-
-	30,000	30,000
-	254,967	254,967
-	403,299	403,299
420,000	2,972,642	2,972,642

A building at Motijheel, Dhaka was sold in December, 2010 and hence the rental income has declined in this year.

40.00 Earning Per Share

Basic EPS

Profit attributable to the Ordinary Shareholders (Net Profit After Tax)	872,584,922	438,844,076	266,325,945
Number of ordinary shares outstanding during the year	64,345,491	58,970,040	58,970,040
Basic Earning Per Share	13.56	7.44	4.52

Diluted EPS

No diluted EPS was required to be calculated for the year since there was no scope for dilution of share during the year under review

41.00 Subsequent Events:

The Board of Directors has recommended 100% Stock dividend on Paid up share capital for the year of 2011. This recommendation will be considered by the Share holders of the company in the next annual general meeting .

42.00 Capital Commitment

Production enhancement:

The Company has decided for BMRE of the existing Rolling Mill Plant to increase its capacity to 4,50,000 M. Ton per annum . The project cost will stands Tk.4.85 billion. Letter of Credit for importing machineries are yet to be opened. Civil construction work has already been started since 2011.

43.00 Contingent Liabilities:

Steel Melting Works:

A Bank guarantee of Tk. 792,820 was given to Bakhrabad Gas system Limited which is included in the Advance ,deposits and Prepayments. An amount of TK 552,890 deposited to Custom Authority against their several claims which is under appeal and the above deposit has also been shown in Advance, Deposit and Pre- Payment of the account.



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Re-Rolling Mills part

Bank guarantee has been given to Bakhrabad Gas System Limited & other against which an amount of Tk. 685,429 was given as guarantee margin and an amount of Tk 992,255 has deposited to the Custom Authority against their various claim which are under appeal. The above margin and deposit has been shown in Advance, Deposit and Prepayments. Other than above, no other contingent liability are there against the Company.

44.00 Capacity Utilization	2011	2010
Ton)		
M.S Rod, Angle, Channel etc	120,000	120,000
Yearly Production (M. Ton)		
M.S Rod, Angle, Channel etc	105,121	91,861
Capacity Utilized		
M.S Rod, Angle, Channel etc	87.60%	76.55%
45.00 No of Employees:		
No of employee whose yearly salary was below Tk. 36,000	Nil	
No of employee whose yearly salary was above Tk. 36,000	669	

46.00 Others

The transfer of the legal titles relating to the immovable properties acquired on merger on January 01, 2011, from Meghna Engineering Works Limited is under process. However, the physical possession of the immovable properties of the Meghna Engineering Works Limited which was acquired by the Company on January 01, 2011 continues to remain with the Bangladesh Steel Re-Rolling Mills Limited.

All transactions among the related companies have been made through Account Payee Cheques or bank transfers from July 2011 and interests were charged on all related companies payable and receivable balances.



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622176 Date:.....

Bangladesh Steel Re-Rolling Mills Limited

Notes to the Financial Statements

Statement of Quantities Movement

Schedule-A

2011

Items Name	Opening as on 01 January 2011	Purchase	Production	Consumption	Sale	Closing as on 31 December 2011
	Figure in M. Ton					
	Quantity	Quantity	Quantity	Quantity	Quantity	Quantity
MS Scrap	33,020	137,363		110,654	8,789	50,940
Billet	15,058	26,800	105,121	108,456	25,450	13,073
Finished goods-Own production	11,588		104,118		91,963	23,743
Finished goods-Imported	392	5,788			4,739	1,440
Finished goods locally procured	1,868	86,876			86,279	2,465

2010

Items Name	Opening as on 01 January 2010	Purchase	Production	Consumption	Sales	Closing as on 31 December 2010
	Figure in M. Ton					
	Quantity	Quantity	Quantity	Quantity	Quantity	Quantity
MS Scrap	29,100	103,720		96,696	3,103	33,020
Billet	11,365	49,243	91,861	82,123	55,289	15,058
Finished goods-Own production	8,110		78,838		75,360	11,588
Finished goods-Imported	825	2,027			2,460	392
Finished goods locally procured	2,508	70,948			71,587	1,868



M. A. MALLIK & Co.
CHARTERED ACCOUNTANTS

BANGLADESH STEEL RE-ROLLING MILLS LTD.
Statement of Short Term Loan Facilities

Schedule-B

S.L	NAME OF BANKS	SANCTION LIMIT (Figure In Crore)			Rate of Interest	Nature of Security
		BSRM				
		L/C	LTR	CC -H/OD		
1	AGRANI BANK LTD.	46.00	10.00	58.00	12%	Mortgage: 1. Plot No. 147,148,149 Nasirabad I/A 2.79 Acres or 279.00 decimals of land. 2. Plot No. 3796 Madarbari 0.451 acres or 40.50 decimals of land 3. Plot No. 10 Agrabad Commercial Area 1.29 Bghia or 42.57 decimals land 4. Plot No. 91/99 Panchlaish R/A 20.75 decimals Land. 5. Plot No. 1786/2330 Sitakunda, Bhatuary 155.00 Decimals Nal Land. 6. 144, Motijheel C/A, 11.55 decimals land 7. Plot No. 23,25,26,29,30,2585,2584,2578,2577, 22 and full of R-S plot No. 24 198.00 decimals of land at Jalalbad. 8. Plot No. 8 of Block D Sholashahar Light I/A (Ruby Investment) 325.00 decimals of Land Total Land =(279.00+83.07+20.75+155.00+11.55+198.00+325.00)=1072.37
2	AL-ARAFAH ISLAMIC Bank.	80.00	65.00	10.00	17%	Post dated Cheque, Corporate Guarentee & Personal Guarantee all Directors.
3	BANK AL-FALAH LTD.	70.00	30.00	-	16%	Gross Corporate Guarantee, Personal Guarantee of all Directors, Hypothecation of Stocks & Book Debts with RJSC
4	BASIC BANK LTD.	40.00	30.00	2.00	15.50%	For SOD Facility Hypothecation of Stocks & Book Debts with RJSC
5	COMM. BANK OF CEYLON	15.00	14.00	-	14.50%	Hypothecation of Stocks & Book Debts with RJSC & Personal Guarantee all Directors.
6	DHAKA BANK LTD	20.00	18.00	15.50	16%	Corporate Guarantee, Post dated Cheque & Personal Guarantee all Directors.Hypothecation of Stocks & Book Debts with RJSC
7	HABIB BANK LTD.	15.00	5.00	2.00	13%	Legal Mortgage of Section Steel, Equitable Mortgage of Section Steel, CG & PG.
8	HSBC	150.00	98.00		14%	DP note, PG of all Directors, Corporate Guarantee. Registered mortgage of residence at Nasirabad H/S of Mr. Alihussain Akberali.Hypothecation of Stocks & Book Debts with RJSC
9	ISLAMIC BANK LTD.	200.00	200.00		15.25%	Lien for Tk. 2.00 Crore FDR at 28.02.12 of IPDC Mortgage 710.50 decimal Land Sonapahar

Contd.....P/2



M. A. MALLIK & Co.
CHARTERED ACCOUNTANTS

Page-02

S.L	NAME OF BANKS	SANCTION LIMIT (Figure In Crore)				Rate of Interest	Nature of Security
		BSRM			CC-H/OD		
		L/C	LTR				
10	JAMUNA BANK LTD	35.00	20.00	3.00	16%	Hypothecation of Stocks & Book Debts with RJSC& Corporate Guarantee,Personal Guarantee of all Directors	
11	MERCANTILE BANK.	150.00	80.00		15.50%	Counter Guarantee, Personal Guarantee, Postdated Cheque &Hypothecation of Stocks & Book Debts with RJSC	
12	NATIONAL BANK LTD.	150.00	125.00	5.00	15.50%	Post dated Cheque, Corporate Guaranteee & Personal Guaranteee all Directors.	
13	ONE BANK LTD.	75.00	37.52		15.50%	Post dated Cheque, Corporate Guaranteee & Personal Guaranteee all Directors.	
14	PRIME BANK LTD.	60.00	50.00	15.00	15.50%	Hypothecation of Stocks & Book Debts with RJSC, IGPA, Cross Corporate Guarantee, PG of al Directors	
15	PUBALI BANK LTD	100.00	50.00	25.00	15.50%	Post dated Cheque, Corporate Guaranteee & Personal Guaranteee	
16	SCB	115.00	103.50	3.00	14%	DP note, PG of all Directors, Corporate Guaranteee & Registered Mortgage over 2.60 acre land of Bangladesh Steels Limited.	
17	STATE BANK OF INDIA	14.00	14.00		14%	Personal Guaranteee of all directors, Hypo. Of current Assets	
18	SHAHJALAL ISLAMIC BANK	200.00	100.00	15.00	16%	Post dated Cheque, Corporate Guaranteee & Personal Guaranteee	
19	TRUST BANK LTD.	100.00	60.00	20.00	15.50%	Cross Corporate Guaranteee of the availing concerns &Charge created on the Fixed & Floting assets	
20	SOCIAL ISLAMIC BANK	80.00	60.00	20.00	15.50%	Post dated Cheque, Corporate Guaranteee & Personal Guaranteee, Insurance policy	
21	SONALI BANK LTD.	75.00	50.00	10.00	15.50%	Post dated Cheque, Corporate Guaranteee & Personal Guaranteee. 2.58 Acres of Land, 1) R,S Plot No.82,92,98,99,1257,101,100,87,75 Industrial Plot No: 54/55 P.S No 82,92,98,99,1257,101,100,87,75 Industrial Plot No: 54/55 P.S 37 1.95 Acres. 2) PS No. 33 0.63 Areas of Land. Total= 1.95+ 63	
TOTAL		1,790.00	1,220.02	203.50			



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BANGLADESH STEEL RE-ROLLING MILLS LIMITED

Statement of Long Term Loan Facilities

Schedule-C

Name of Banks	Type of Facility	Mode of Payment	Rate of Interest	Security
AB BANK LTD.	Term Loan	Monthly	14.50%	1. Lien of total 189000 nos. shares on BSRM Wires Ltd. 2. Lien of 105000 nos shares of BSRM Recycling Int. Ltd. 3. Corporate Guarantee of BSRM Wires Ltd. & BSRM Recycling Ind. Ltd.
AGRANI BANK LTD.	Term Loan	Half yearly	13%	1. Registered mortgage of total 1072.37 decimals land and Factory Building .
NCC BANK LTD.	Term Loan	Monthly	15.50%	1. Personal Guarantee of all Directors, 2. Corporate guarantee of Meghna Engineering Works Ltd. 3. Hypothecation of Machinery
PRIME BANK LTD.	Term Loan	Monthly	14.50%	1. Personal Guarantee of all Directors, 2. Corporate guarantee of Meghna Engineering Works Ltd. 3. Hypothecation of Machinery
ONE BANK LTD.	Term Loan	Monthly	16.00%	1. Personal Guarantee of all Directors, 2. Hypothecation of Machinery
JAMUNA BANK LTD.	Term Loan	Monthly	14.00%	1. Personal Guarantee of all Directors, 2. Corporate guarantee of Meghna Engineering Works Ltd. 3. Hypothecation of Machinery.
SHAHJALAL ISLAMI BANK LTD.	Term Loan	Monthly	15.50%	1. Personal Guarantee of all Directors, 2. Corporate guarantee of Meghna Engineering Works Ltd. 3. Hypothecation of Machinery
UNITED COMMERCIAL BANK LTD.	Term Loan	Quarterly	17.00%	1. Personal Guarantee of all Directors, 2. Hypothecation of Machinery
IPDC OF BD. LTD.	Term Loan	Quarterly	16.00%	1. Personal Guarantee of all Directors, 2. Corporate guarantee of Meghna Engineering Works Ltd. 3. Floating charge over all movable assets of BSRM. 4. Lien of Share of directors in BSRM.
IDLC FINANCE LTD.	Term Loan	Monthly	15.50%	1. Lien of total 3,82,300 shares of BSRM Steels Limited, 2. Personal Guarantee of all Directors, 3. Corporate Guarantee of Meghna Engineering Works Ltd.
MIDAS FINANCING (Lease Finance)	Term Loan	Monthly	17.00%	1. Personal Guarantee of all Directors, 2. Corporate guarantee of Meghna Engineering Works Ltd.
UNITED LEASING CO. LTD.	Term Loan	Monthly	15.59%	1. Lien of 4850 Shares of H. Akberali & Co. Ltd. 2. Personal Guarantee of Mr. Alihussain Akberali & Mr. Aameir Alihussain, 3. Corporate Guarantee of H. Akberali & Co. Ltd.
UNITED LEASING CO. LTD.	Lease Finance	Monthly	15.59%	1. Personal Guarantee of Mr. Alihussain Akberali & Mr. Aameir Alihussain, 2. Corporate Guarantee of H. Akberali & Co. Ltd.

