

**Auditor's Report  
and  
Audited Financial Statements  
Of  
Bangladesh Steel Re-Rolling  
Mills Limited.  
For the year ended June 30, 2021.**

**Independent Auditor's Report  
To the Shareholders of Bangladesh Steel Re-Rolling Mills Limited**

**Report on the Audit of the Consolidated and Separate Financial Statements**

**Opinion**

We have audited the consolidated financial statements of Bangladesh Steel Re-Rolling Mills Limited and its subsidiaries ("the Group") as well as the separate financial statements of Bangladesh Steel Re-Rolling Mills Limited ("the Company") which comprise the consolidated and separate statement of financial position as at 30 June 2021, and the consolidated and separate statement of profit or loss and other comprehensive income, consolidated and separate statement of changes in equity and consolidated and separate statement of cash flows for the year then ended, and notes to the consolidated and separate financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated and separate financial statements give a true and fair view of the consolidated financial position of the Group and the separate financial position of the Company as at 30 June 2021, and of its consolidated and separate financial performance and its consolidated and separate cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

**Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated and Separate Financial Statements section of our report. We are independent of the Group and the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code), and the guidelines issued by Bangladesh Securities and Exchange Commission (BSEC) and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code and the Institute of Chartered Accountants of Bangladesh (ICAB) Bye Laws. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Key audit matters**

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated and the separate financial statements for 2020-21. These matters were addressed in the context of our audit of the consolidated and the separate financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial statements.



Key Audit Matter	How our audit addressed the key audit matter
<p><b>Amalgamation of BSRM Steel Mills Limited with Bangladesh Steel Re-Rolling Mills Limited</b></p> <p>On December 15, 2020, The Honorable High Court Division of the Supreme Court of Bangladesh, approved a verdict on amalgamation of BSRM Steel Mills Limited with Bangladesh Steel Re-Rolling Mills Limited.</p> <p>According to the order of Honorable High Court Division of the Supreme Court of Bangladesh, and on that basis, recorded by the Registrar of Joint Stock Companies and Firms and also approved by the Board of Directors, both the Company's books of account was merged with effect from 1 February, 2021 by issuing 62,516,390 ordinary shares of the company to the previous shareholders of BSRM Steel Mills Limited.</p> <p>Management applied judgment to determine whether the purchase price allocation need to be accounted for as a business combination in accordance with IFRS 3. Hence, there are common control prevailing in the group structure, management determined that this transaction should not be in accordance with IFRS 3.</p> <p>The difference between total consideration and net assets of BDT 1,546 million was recognized as "Share Premium" as there is no guidance in IFRS Standards for business combination under common control.</p> <p>The amalgamation of BSRM Steel Mills Limited is considered to be a key audit matter, in view of the following:</p> <ul style="list-style-type: none"> <li>▪ The weight of this acquisition, which has a significant impact in the financial statements</li> <li>▪ The fact that the acquisition was performed with a related party</li> </ul>	<p>Our audit procedures included the following:</p> <ul style="list-style-type: none"> <li>▪ We obtained, read and understood the merger Scheme and Verdict of The Honorable High Court Division of the Supreme Court of Bangladesh</li> <li>▪ We performed audit procedures to obtain evidence of the acquisition date balance, as provided for in the terms of merger and audited by Rahman Mostafa Alam &amp; Co., Chartered Accountants.</li> <li>▪ We assessed the criteria, used for recognition of the transaction</li> <li>▪ We reviewed the qualitative and quantitative information included in the accompanying notes to the consolidated financial statements relating to merger.</li> </ul>



Key Audit Matter	How our audit addressed the key audit matter
<p><b>Revenue from sale of goods recognition-</b></p> <p>As described in the Notes 5.00 to the separate and consolidated financial statements of the Group/Company, Revenue from the sale of goods is recognized, when the Group/Company has delivered products to the customers at the shipping point and control has passed. The sales of the Company are derived from factories and various depots located across the country with relatively transactions of small amounts. In determining the sales price, the Group/ Company considers the effect of discounts. During the year ended 30 June 2021, the Group/Company has recognised revenues of BDT 59,905 million and BDT 59,875 million respectively.</p> <p>We focused on the proper cut-off on sales to the Company's customers due to the fact that the documents of confirming the acceptance of the products were provided by numerous customers based in different locations. There is a risk of differences between the timing of acceptance of the products by the Company's customers and when revenue was recorded. Accordingly, there could be potential misstatements that these revenue transactions are not recognized in the proper reporting periods.</p> <p>We identified revenue recognition as a key audit matter because revenue is one of the key performance indicators of the Company and therefore there is an inherent risk of manipulation of the timing of recognition of revenue by management to meet specific targets or expectations.</p>	<p>Our audit procedures included the following:</p> <ul style="list-style-type: none"> <li>▪ We read the Group/Company's revenue recognition policy and assessed its compliance in terms of IFRS 15 'Revenue from contracts with customers'</li> <li>▪ We assessed the design and tested the operating effectiveness of internal controls related to revenue recognition and applicable discounts.</li> <li>▪ Performed sample tests of individual sales transaction and traced to sales invoices, sales orders and other related documents. In respect of the samples selected, we tested recognition of revenue based on underlying sales invoices, sales orders and other related documents.</li> <li>▪ We selected a sample of invoices on which discounts were given and obtained the discount schemes approved by the management. We noted the accounting of discounts by the Group/Company for the selected sample.</li> <li>▪ Selected samples of sales transactions recognized shortly before and after the reporting date, including the sales returns recorded after that date, to examine whether sales transactions were recorded in the correct reporting periods.</li> <li>▪ Assessed the relevant disclosures made within the financial statements</li> </ul>



The key audit matter	How the matter was addressed in our audit
<p><b>Accuracy and completeness of disclosure of related party transactions- see note 26 and 46 to the financial statements</b></p> <p>We identified the accuracy and completeness of disclosure of related party transactions as set out in respective notes to the separate and consolidated financial statements as a key audit matter due to the high volume of business transactions with related parties during the year ended 30 June 2021.</p>	<p>Our procedures in relation to the accuracy and completeness of disclosure of related parties' transactions included:</p> <ul style="list-style-type: none"> <li>▪ Obtaining an understanding of the Group/Company's policies and procedures in respect of identifying related parties; approval and recording of related party transactions including how management determines all transactions/ balances with related parties are determined at arm's length and entered into in the normal course of business and further fully disclosed in the financial statement.</li> <li>▪ We tested, on a sample basis, related party transactions with the underlying contracts and other documents and for appropriate authorization and approval for such transactions.</li> <li>▪ We read minutes of shareholder meetings, board meetings and minutes of meetings of those charged with governance in connection with transaction with related parties effected during the year.</li> <li>▪ Evaluating the completeness of the disclosures through review of statutory information, books and records and other documents obtained during the course of our audit</li> </ul>



The Key Audit Matter	How the matter was addressed in our audit
<p><b>Completeness and accuracy of deferred tax liabilities- see note 36 to the financial statements</b></p> <p>As at 30 June 2021, deferred tax liabilities amounted to BDT 3,670 million</p> <p>Deferred tax is recognised on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements.</p> <p>The calculation of deferred taxes takes into account the expected point in time when, and the manner in which, the assets and liabilities are expected to be realized or settled. The applied tax rates correspond to those that are enacted or substantively enacted at the balance sheet date.</p> <p>Deferred taxes primarily result from Tangible and intangible assets (including revalued tangible assets), Investment in associate, employee benefits and unabsorbed depreciation. Due to merger, there was significant adjustments in the deferred tax calculation.</p> <p>These calculations are complex because of the applicable tax rules and the necessary subjective estimates and accompanying uncertainty.</p> <p>Therefore, we have defined the carrying amount of deferred tax liabilities as a key audit matter.</p>	<p>Our audit procedures in relation to completeness and accuracy of deferred tax liabilities included the following:</p> <ul style="list-style-type: none"> <li>▪ We obtained an understanding, evaluated the design and tested the operational effectiveness of the Group/Company's key controls over the recognition and measurement of deferred tax liabilities and the assumptions used in estimating the group/company's deductible temporary difference.</li> <li>▪ We also assessed the completeness and accuracy of the data used for the estimations of deductible temporary difference.</li> <li>▪ We performed the mathematical accuracy of the deferred tax calculation.</li> <li>▪ We involved tax specialties to assess key assumptions, controls, recognition and measurement of deferred tax liabilities.</li> <li>▪ We also assessed the appropriateness of presentation of disclosures against IAS 12 - Income Tax.</li> </ul>



### **Other information included in the Company's 30 June 2021 Annual Report**

Management is responsible for the other information. The other information comprises the information included in the annual report, but does not include the consolidated and the separate financial statements and our auditor's report thereon. The annual report is expected to be made available to us after the date of this auditor's report.

Our opinion on the consolidated and the separate financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated and the separate financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated and the separate financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

### **Responsibilities of Management and Those Charged with Governance for the Financial Statements**

Management is responsible for the preparation of consolidated and separate financial statements that give a true and fair view in accordance with IFRSs, and for such internal control as management determines is necessary to enable the preparation of consolidated and separate financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated and separate financial statements, management is responsible for assessing the Group's and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group and the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's and the Company's financial reporting process.

### **Auditor's Responsibilities for the Audit of the Consolidated and Separate Financial Statements**

Our objectives are to obtain reasonable assurance about whether the consolidated and separate financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated and separate financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Group's and the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated and separate financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated and separate financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's



report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### Other Matter

The financial statements of Bangladesh Steel Re-Rolling Mills Limited for the year ended 30 June 2020 were audited by Rahman Rahman Huq, Chartered Accountants, who expressed an unmodified opinion on those financial statements on 15 October 2020. The consolidated financial statements of the group were prepared and audited for the year ended 30 June 2020.

### Report on other legal and regulatory requirements

In accordance with the Companies Act 1994 and the Securities and Exchange Rules 1987, we also report the following:

- i) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit and made due verification thereof;
- ii) 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 these books;
- iii) The statement of financial position and statement of profit or loss and other comprehensive income dealt with by the report are in agreement with the books of account and returns; and
- iv) The expenditure incurred was for the purposes of the company's business.

### A. Qasem & Co.

Chartered Accountants

RJSC Firm Registration Number: 2-PC7202



**Md. Johirul Islam FCA**

Partner

Enrolment Number: 1257

DVC: 2110251257AS749528

Place: Chattogram

Date: 25 OCT 2021



# Consolidated Statement of Financial Position

Bangladesh Steel Re-Rolling Mills Limited

As at 30 June, 2021

	Notes	2021	2020
		BDT	BDT
<b>Assets:</b>			
<b>Non-current assets</b>			
Property, plant and equipment	18.a	38,630,655,777	39,752,029,515
Capital work-in-progress	19.a	1,295,288,934	526,546,290
Right-of-use assets	44.a	102,089,943	104,354,825
Intangible assets	20.a	21,212,828	27,395,912
Investment in subsidiaries and associate	21.a	7,320,070,740	6,670,318,879
Other investments	22.a	164,500,300	3,500,300
<b>Total non-current assets</b>		<b>47,533,818,522</b>	<b>47,084,145,722</b>
<b>Current assets</b>			
Short term investments	23.a	1,947,709,647	1,587,887,281
Inventories	24.a	14,710,197,317	18,824,750,861
Trade and other receivables	25.a	4,526,507,802	3,788,361,170
Current account with related companies	26.a	3,189,916,578	3,464,207,701
Advances and deposits	27.a	7,026,579,199	6,477,879,301
Cash and cash equivalents	28.a	1,598,183,676	261,944,191
<b>Total Current assets</b>		<b>32,999,094,219</b>	<b>34,405,030,505</b>
<b>Total assets</b>		<b>80,532,912,742</b>	<b>81,489,176,227</b>
<b>Equity and liabilities:</b>			
<b>Shareholder's equity</b>			
Share capital	29.00	2,985,846,260	2,360,682,360
Share premium	30.00	2,057,514,350	511,970,250
General reserve	31.01	30,170,818	30,170,818
Revaluation reserve	31.02	17,076,734,288	12,130,382,922
Fair value reserve		414,531,335	-
Retained earnings		15,521,180,004	8,548,435,479
<b>Equity attributable to owners of the company</b>		<b>38,085,977,055</b>	<b>23,581,641,829</b>
Non- controlling interests		-	7,824,801,021
<b>Total equity</b>		<b>38,085,977,055</b>	<b>31,406,442,850</b>
<b>Non-current liabilities</b>			
Long term borrowings- non-current portion	32.a	728,339,400	2,663,787,828
Defined benefit obligations- gratuity	33.a	366,317,421	315,351,000
Lease liabilities- non-current portion	44.00	81,934,096	84,781,021
Deferred tax liability	36.a	3,670,214,397	5,105,249,789
<b>Total non-current liabilities</b>		<b>4,846,805,314</b>	<b>8,169,169,638</b>
<b>Current liabilities</b>			
Trade payables	37.a	474,552,413	226,537,728
Short term borrowings	38.a	32,537,442,420	29,852,294,869
Long term borrowings of Current portion	38.b	1,294,202,615	3,339,257,469
Current account with related companies	39.a	-	5,729,133,918
Contract liabilities	40.a	646,725,298	300,135,895
Liabilities for expenses	41.a	1,149,329,482	1,524,396,974
Current tax liability	34.a	834,937,333	636,051,682
Provision for WPPF and Welfare Fund	42.a	317,276,646	110,303,052
Lease liabilities- current portion	44.00	27,618,291	23,693,019
Other liabilities	43.a	313,225,843	167,799,986
Unclaimed dividend account	45.00	4,820,032	3,959,148
<b>Total current liabilities</b>		<b>37,600,130,373</b>	<b>41,913,563,739</b>
<b>Total liabilities</b>		<b>42,446,935,686</b>	<b>50,082,733,377</b>
<b>Total equity and liabilities</b>		<b>80,532,912,742</b>	<b>81,489,176,227</b>
Net Assets Value (NAV) per share	15.a	127.56	99.89

## Footnotes:

The accompanying notes form an integral part of these financial statements.

A. Qasem & Co.

Chartered Accountants

RJSC Firm Registration Number: 2-PC7202

Md. Johirul Islam FCA

Partner

Enrolment Number: 1257

DVC: 2110251257AS749528

Place: Chattogram

Dated: 25 OCT 2021



Aamer Alhussain  
Managing Director

Zohair Taherali  
Director

Shekhar Ranjan Kar FCA  
Company Secretary

# Consolidated statement of profit or loss and other comprehensive income

Bangladesh Steel Re-Rolling Mills Limited  
For the year ended 30 June, 2021

	Note	2021 BDT	2020 BDT
Revenue	5.a	59,905,904,343	48,194,730,492
Cost of sales	6.a	(52,806,200,371)	(42,016,475,784)
<b>Gross profit</b>		<b>7,099,703,972</b>	<b>6,178,254,708</b>
Selling and distribution costs	7.a	(1,080,878,244)	(1,233,455,818)
Administrative costs	8.a	(564,833,375)	(588,616,831)
Other operating income	9.a	11,524,981	27,454,639
<b>Operating profit</b>		<b>5,465,517,333</b>	<b>4,383,636,698</b>
Finance costs	10.a	(784,519,817)	(2,346,738,524)
Finance income	11.a	72,947,851	107,957,572
<b>Net finance costs</b>		<b>(711,571,966)</b>	<b>(2,238,780,952)</b>
Non-operating income	12.a	54,792,911	64,367,226
<b>Profit before WPPF and Welfare Fund</b>		<b>4,808,738,279</b>	<b>2,209,222,972</b>
Contribution to WPPF and Welfare Fund	42.01.a	(254,551,352)	(110,303,052)
Share of profit of equity accounted investee, net of tax	13.03	950,337,483	231,504,243
<b>Profit before tax</b>		<b>5,504,524,410</b>	<b>2,330,424,163</b>
Income tax expenses/benefits			
Current Tax	35.a	(486,130,927)	(834,834,689)
Deferred Tax	36.a	(48,030,618)	(250,094,992)
<b>Profit after tax</b>		<b>4,970,362,865</b>	<b>1,245,494,483</b>
<b>Profit attributable to:</b>			
Equity holders of the company		4,970,362,865	921,840,741
Non-controlling interests		-	323,653,742
		<b>4,970,362,865</b>	<b>1,245,494,483</b>
<b>Other comprehensive income</b>			
Other comprehensive income that may be reclassified to profit or loss in subsequent periods (net of tax):			
Exchange differences on translation of foreign operations		145,860	(2,542,148)
		<b>145,860</b>	<b>(2,542,148)</b>
Other comprehensive income that will not be reclassified to profit or loss in subsequent periods (net of tax):			
Fair value reserve on financial assets (net of tax)		414,531,335	-
Actuarial gain/(loss) on defined benefit plans (net of tax)		-	(6,497,166)
Actuarial gain/(loss) on defined benefit plans- net of tax (Associate's portion)		-	(473,233)
		<b>414,531,335</b>	<b>(6,970,399)</b>
		<b>414,677,195</b>	<b>(9,512,547)</b>
<b>Other comprehensive income/ (loss) for the year, net of tax</b>		<b>5,385,040,060</b>	<b>1,235,981,936</b>
<b>Total comprehensive income for the year, net of tax</b>		<b>5,385,040,060</b>	<b>1,235,981,936</b>
<b>Total comprehensive income attributable to:</b>			
Equity holders of the company		5,385,040,060	912,328,194
Non-controlling interests		-	323,653,742
		<b>5,385,040,060</b>	<b>1,235,981,936</b>
<b>Earnings per share</b>			
Basic earnings per share (Taka)	14.a	<b>18.96</b>	<b>3.90</b>

## Footnotes:

The accompanying notes form an integral part of these financial statements.

A. Qasem & Co.  
Chartered Accountants  
RJSC Firm Registration Number: 2-PC7202

Md. Johirul Islam FCA  
Partner  
Enrolment Number: 1257  
DVC: 2110251257AS749528

Aameir Aljussain  
Managing Director

Zohair Taberati  
Director

Shekhar Ranjan Kar FCA  
Company Secretary

Place: Chattogram  
Dated : 25 OCT 2021



# Consolidated Statement of Changes in equity

Bangladesh Steel Re-Rolling Mills Limited  
For the year ended 30 June, 2021

	Attributable to owners of the company							Total
	Share capital	Share premium	Fair Value Reserve	General reserve	Revaluation reserve	Retained earnings	Total	
Balance at 1 July 2019	2,360,682,360	511,970,250	-	30,170,818	12,151,476,722	7,953,071,846	23,007,371,996	30,508,519,275
10% cash dividend paid for 2019	-	-	-	-	(261,055,360)	(261,055,360)	(261,055,360)	(261,055,360)
Transfer against difference in depreciation between cost and revalued amount	-	-	-	-	28,125,037	28,125,037	7,031,267	7,031,267
Transfer of Deferred Tax to Retained Earnings by the equity accounted investees due to excess depreciation between cost and revalued model	-	-	-	-	1,346,787	1,346,787	1,346,787	1,346,787
Exchange differences on translation of foreign operations	-	-	-	-	(2,542,148)	(2,542,148)	(2,542,148)	(2,542,148)
Dividend paid by BSRM Steels Limited adjusted against Retained earnings	-	-	-	-	(85,381,057)	(85,381,057)	(85,381,057)	(85,381,057)
Actuarial gain/(loss) on defined benefit plans (net of tax)	-	-	-	-	(6,497,166)	(6,497,166)	(6,497,166)	(6,497,166)
Actuarial gain/(loss) on defined benefit plans-net of tax (Associate's portion)	-	-	-	-	(473,233)	(473,233)	(473,233)	(473,233)
Profit after tax for the year	-	-	-	-	921,840,741	921,840,741	323,653,742	1,245,494,483
<b>Balance at 30 June 2020</b>	<b>2,360,682,360</b>	<b>511,970,250</b>	<b>-</b>	<b>30,170,818</b>	<b>12,130,382,922</b>	<b>8,548,435,477</b>	<b>23,581,641,827</b>	<b>31,406,442,848</b>
Balance at 1 July 2020	2,360,682,360	511,970,250	-	30,170,818	12,130,382,922	8,548,435,477	23,581,641,827	31,406,442,848
Transfer of BSRM Steel Mills Ltd Balance as on 01 Feb 2021	-	-	-	-	8,220,573,719	2,782,073,767	11,002,647,486	11,002,647,486
Issue of Shares due to Merger	625,163,900	-	-	-	-	-	625,163,900	625,163,900
Share Premium due to Merger	-	1,545,544,100	-	-	-	-	1,545,544,100	1,545,544,100
Adjustment of subsidiary company's profit up June 2020	-	-	-	-	-	(1,796,131,696)	(1,796,131,696)	(1,796,131,696)
Opening non-controlling balance adjustment	-	-	-	-	-	-	8,851,191	8,851,191
Adjustment for Unabsorbed Depreciation arisen due to merger	-	-	-	-	-	774,657,906	774,657,906	774,657,906
Adjustment Against BSRM SML Portion for Merger	-	-	-	-	(2,830,956,955)	804,679,539	(2,026,277,416)	(9,859,929,629)
Adjustment against share of Revaluation Reserve of Associate due to merger	-	-	-	-	(423,134,484)	-	(423,134,484)	(423,134,484)
Fair Value Reserve on Financial Assets of BSL	-	-	414,531,335	-	-	-	414,531,335	414,531,335
Annual cash dividend paid @15% for 2020	-	-	-	-	-	(354,102,354)	(354,102,354)	(354,102,354)
Interim cash dividend @10% for 2020-21	-	-	-	-	-	(236,068,236)	(236,068,236)	(236,068,236)
Exchange differences on translation of foreign operations	-	-	-	-	-	145,860	145,860	145,860
Transfer against difference in depreciation between cost and revalued amount	-	-	-	-	(20,130,914)	25,975,374	5,844,460	5,844,460
Transfer of Deferred Tax to retained earnings by the equity accounted investees due to excess depreciation between cost and revalued model	-	-	-	-	-	1,151,503	1,151,503	1,151,503
Profit after tax for the year	-	-	-	-	-	4,970,362,865	4,970,362,865	4,970,362,865
Revaluation of property, plant and equipment of subsidiary	-	-	-	-	-	-	-	-
<b>Balance at 30 June 2021</b>	<b>2,985,846,260</b>	<b>2,057,514,350</b>	<b>414,531,335</b>	<b>30,170,818</b>	<b>17,076,734,288</b>	<b>15,521,180,004</b>	<b>38,085,977,055</b>	<b>38,085,977,055</b>

## Footnotes:

The accompanying notes form an integral part of these financial statements.

A. Qasem & Co.

Chartered Accountants

RJSC Firm Registration Number: 2-PC7202

  
Md. Johirul Islam FCA

Partner

Enrollment Number: 1257

DVC: 2110251057AS749528

Place: Chattogram

Dated: 25 OCT 2021



  
Aahair Aljussain  
Managing Director

  
Zohair Taberail  
Director

  
Shekhar Ranjan Kar FCA  
Company Secretary

# Consolidated statement of cash flows

Bangladesh Steel Re-Rolling Mills Limited

For the year ended 30 June, 2021

	2021 BDT	2020 BDT
<b>Cash flows from operating activities</b>		
Cash receipts from customers	59,263,732,243	74,270,543,775
Cash payments to suppliers and employees	(49,332,677,702)	(65,208,651,937)
Income tax paid	(549,952,337)	(2,178,458,719)
Interest paid	(639,772,146)	(1,205,612,604)
<b>Net cash from/(used in) operating activities</b>	<b>8,741,330,058</b>	<b>5,677,820,515</b>
<b>Cash flows from investing activities</b>		
Acquisition of property, plant and equipment	(78,052,894)	(538,302,593)
Addition to capital work-in-progress	(1,198,224,289)	(863,331,816)
Disposal of property, plant and equipment	10,886,680	11,537,839
Dividend income	293,133,975	375,000
Investment at BMS Steel Ltd (JV)	-	(3,825,000)
Increase/ (Decrease) in short term investments	(654,138,668)	397,937,440
<b>Net cash from/(used in) investing activities</b>	<b>(1,626,395,195)</b>	<b>(995,609,130)</b>
<b>Cash flows from financing activities</b>		
(Repayments) / Receipts of long term Loans	(3,338,248,412)	(3,803,030,709)
Dividend Paid	(585,350,558)	(261,055,360)
Lease payment	(26,287,073)	(19,919,381)
Short Term Borrowings/repayment	3,203,711,709	(4,617,316,127)
Loan to/ from Related Companies	(5,009,947,887)	3,495,881,888
<b>Net cash from/(used in) financing activities</b>	<b>(5,756,122,221)</b>	<b>(5,205,439,689)</b>
<b>Net (decrease)/ increase in cash and cash equivalents</b>	<b>1,358,812,641</b>	<b>(523,228,304)</b>
Cash and cash equivalents at 01 July	261,944,191	784,729,225
Adjustment of Cash and Cash equivalents due to merger	(23,618,287)	-
Effect of movements in exchange rates on cash and cash equivalents held	1,045,131	443,269
<b>Cash and cash equivalents at 30 June</b>	<b>1,598,183,676</b>	<b>261,944,191</b>
<b>Net Operating Cash flow per share</b>	<b>29.28</b>	<b>24.05</b>

A. Qasem & Co.  
Chartered Accountants  
RJSC Firm Registration Number: 2-PC7202



Md. Johirul Islam FCA  
Partner

Enrolment Number: 1257


DVC: 2110251257AS749528


Place: Chattogram


Dated: 25 OCT 2021



11B  
21B

  
Aameir Alhussain  
Managing Director

  
Zohair Taberati  
Director



Shekhar Ranjan Kar FCA  
Company Secretary

# Statement of financial position

Bangladesh Steel Re-Rolling Mills Limited  
As at 30 June, 2021

	Notes	2021 BDT	2020 BDT
<b>Assets:</b>			
<b>Non-current assets</b>			
Property, plant and equipment	18.00	38,630,370,632	15,938,417,359
Capital work-in-progress	19.00	1,295,288,934	267,408,809
Right-of-use assets	44.00	102,089,943	104,354,825
Intangible assets	20.00	21,212,828	15,030,379
Investment in subsidiaries and associate	21.00	7,332,328,183	13,073,131,183
Other investments	22.00	164,500,300	1,000,300
<b>Total non-current assets</b>		<b>47,545,790,820</b>	<b>29,399,342,855</b>
<b>Current assets</b>			
Short term investments	23.00	1,947,709,647	558,883,575
Inventories	24.00	14,710,197,317	9,853,143,743
Trade and other receivables	25.00	4,526,507,802	3,346,575,433
Current account with related companies	26.00	3,200,940,893	1,651,039,056
Advances and deposits	27.00	7,025,537,822	2,015,080,837
Cash and cash equivalents	28.00	1,575,195,160	226,554,453
<b>Total Current assets</b>		<b>32,986,088,641</b>	<b>17,651,277,097</b>
<b>Total assets</b>		<b>80,531,879,462</b>	<b>47,050,619,953</b>
<b>Equity and liabilities:</b>			
<b>Shareholder's equity</b>			
Share capital	29.00	2,985,846,260	2,360,682,360
Share premium	30.00	2,057,514,350	511,970,250
General reserve	31.01	30,170,818	30,170,818
Revaluation reserve	31.02	17,076,734,286	12,130,382,920
Fair value reserve		414,531,335	-
Retained earnings		15,521,180,006	8,548,435,479
<b>Total Equity</b>		<b>38,085,977,055</b>	<b>23,581,641,827</b>
<b>Non-current liabilities</b>			
Long term borrowings- non-current portion	32.00	728,339,400	2,323,136,465
Defined benefit obligations- gratuity	33.00	366,317,421	259,300,000
Lease liabilities- non-current portion	44.00	81,934,096	84,781,021
Deferred tax liability	36.00	3,670,214,397	2,676,575,321
<b>Total non-current liabilities</b>		<b>4,846,805,314</b>	<b>5,343,792,807</b>
<b>Current liabilities</b>			
Trade payables	37.00	474,552,412	5,547,228,084
Short term borrowings	38.01	32,537,442,420	9,332,878,052
Long term borrowings of Current portion	38.02	1,294,202,615	2,008,394,290
Current account with related companies	39.00	-	4,945,797
Contract liabilities	40.00	646,725,298	249,860,229
Liabilities for expenses	41.00	1,149,136,050	671,402,821
Provision for income tax	34.00	834,097,486	86,980,212
Provision for WPPF and Welfare Fund	42.00	317,276,646	43,476,238
Lease liabilities- current portion	44.00	27,618,290	23,693,019
Other liabilities	43.00	313,225,843	152,367,429
Unclaimed dividend account	45.00	4,820,032	3,959,148
<b>Total current liabilities</b>		<b>37,599,097,092</b>	<b>18,125,185,319</b>
<b>Total liabilities</b>		<b>42,445,902,406</b>	<b>23,468,978,126</b>
<b>Total equity and liabilities</b>		<b>80,531,879,462</b>	<b>47,050,619,953</b>
<b>Net Assets Value (NAV) per share</b>	15.00	<b>127.56</b>	<b>99.89</b>

## Footnotes:

The accompanying notes form an integral part of these financial statements.

### A. Qasem & Co.

Chartered Accountants  
RJCSC Firm Registration Number: 2-PC7202



Md. Johirul Islam FCA

Partner

Enrolment Number: 1257

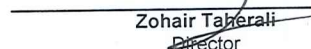
DVC: 2110251257AS749528

Place: Chattogram

Dated: 25 OCT 2021



  
Aameir Afihussain  
Managing Director

  
Zohair Taherali  
Director

  
Shekhar Ranjan Kar FCA  
Company Secretary

# Statement of profit or loss and other comprehensive income


Bangladesh Steel Re-Rolling Mills Limited  
For the year ended 30 June, 2021

	Note	2021 BDT	2020 BDT
Revenue	5.00	59,875,852,466	45,722,355,688
Cost of Sales	6.00	(52,778,622,860)	(42,048,067,068)
Gross profit		7,097,229,606	3,674,288,620
Selling and distribution costs	7.00	(1,080,878,244)	(1,223,320,504)
Administrative costs	8.00	(550,150,219)	(419,390,443)
Other operating income	9.00	11,524,981	27,454,639
Operating profit		5,477,726,124	2,059,032,312
Finance costs	10.00	(783,209,274)	(1,228,909,939)
Finance income	11.00	72,947,851	23,297,335
Net finance cost		(710,261,423)	(1,205,612,604)
Non-operating income	12.00	30,428,372	16,105,053
Profit before WPPF and Welfare Fund		4,797,893,073	869,524,761
Contribution to WPPF and Welfare Fund	42.01	(254,551,352)	(43,476,238)
Share of profit of equity accounted investees, net of tax	13.00	960,517,273	509,569,502
Profit before tax		5,503,858,994	1,335,618,025
Income tax expenses/benefits			
Current Tax	35.00	(485,465,510)	(287,507,544)
Deferred Tax	36.00	(48,030,618)	(126,269,740)
Profit after tax		4,970,362,865	921,840,741
<b>Other comprehensive income</b>			
Other comprehensive income that may be reclassified to profit or loss in subsequent periods (net of tax) :			
Exchange differences on translation of foreign operations		145,860	(2,542,148)
		145,860	(2,542,148)
Other comprehensive income that will not be reclassified to profit or loss in subsequent periods (net of tax) :			
Fair value reserve on financial assets (net of tax)		414,531,335	-
Actuarial gain/(loss) on defined benefit plans (net of tax)		-	(6,497,166)
Actuarial gain/(loss) on defined benefit plans-net of tax (Associate's portion)		-	(473,233)
		414,531,335	(6,970,399)
		414,677,195	(9,512,547)
Other comprehensive income/ (loss) for the year, net of tax		5,385,040,060	912,328,194

Earnings per share  
Basic earnings per share (Taka) 14.01 18.96 3.90

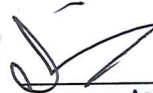
Footnotes:  
The accompanying notes form an integral part of these financial statements.


A. Qasem & Co.  
Chartered Accountants  
RJSC Firm Registration Number: 2-PC7202


  
Md. Johirul Islam FCA  
Partner  
Enrolment Number: 1257  
DVC: 2110251257A5749528

Place: Chattogram  
Dated: 25 OCT 2021



  
Aamer Ali Hussain  
Managing Director

  
Zohair Zaherati  
Director

  
Shekhar Ranjan Kar FCA  
Company Secretary

## Statement of changes in equity

Bangladesh Steel Re-Rolling Mills Limited

For the year ended 30 June, 2021

Particulars	Share capital	Share premium	Fair Value Reserve	General reserve	Revaluation reserve	Retained earnings	Total
<b>Balance at 1 July 2019</b>	2,360,682,360	511,970,250	-	30,170,818	12,151,476,720	7,953,071,848	23,007,371,996
10% cash dividend paid for 2019	-	-	-	-	-	(261,055,360)	(261,055,360)
Transfer against difference in depreciation between cost and revalued amount	-	-	-	-	-	28,125,067	28,125,067
Transfer of Deferred Tax to Retained Earnings by the equity accounted investees due to excess depreciation between cost and revalued model	-	-	-	-	(21,093,800)	1,346,787	1,346,787
Exchange differences on translation of foreign operations	-	-	-	-	-	(2,542,148)	(2,542,148)
Dividend paid by BSRM Steels Limited adjusted against Retained earnings	-	-	-	-	-	(85,381,057)	(85,381,057)
Actuarial gain/(loss) on defined benefit plans (net of tax)	-	-	-	-	-	(6,497,166)	(6,497,166)
Actuarial gain/(loss) on defined benefit plans-net of tax (Associate's portion)	-	-	-	-	-	(473,233)	(473,233)
Profit after tax for the year	-	-	-	-	-	921,840,741	921,840,741
<b>Balance as at 30 June 2020</b>	<b>2,360,682,360</b>	<b>511,970,250</b>	-	<b>30,170,818</b>	<b>12,130,382,920</b>	<b>8,548,435,479</b>	<b>23,581,641,827</b>
<b>Balance at 1 July 2020</b>	<b>2,360,682,360</b>	<b>511,970,250</b>	-	<b>30,170,818</b>	<b>12,130,382,920</b>	<b>8,548,435,479</b>	<b>23,581,641,827</b>
Transfer of BSRM Steel Mills Ltd Balance as on 1 Feb 2021 due to Merger	-	-	-	-	8,220,573,719	2,782,073,767	11,002,647,486
Issue of Shares due to Merger	625,163,900	-	-	-	-	-	625,163,900
Share Premium due to Merger	-	1,545,544,100	-	-	-	-	1,545,544,100
Adjustment of subsidiary company's profit upto June 2020	-	-	-	-	-	(1,796,131,696)	(1,796,131,696)
Adjustment for Unabsorbed Depreciation arisen due to merger	-	-	-	-	-	774,657,906	774,657,906
Adjustment Against BSRM SML Portion for Merger	-	-	-	-	(2,830,956,955)	804,679,539	(2,026,277,416)
Adjustment against share of Revaluation Reserve of Associate (BSL) due to merger	-	-	-	-	(423,134,484)	-	(423,134,484)
Fair Value Reserve on Financial Assets of BSL	-	-	414,531,335	-	-	-	414,531,335
Annual cash dividend paid @15% for 2020	-	-	-	-	-	(354,102,354)	(354,102,354)
Interim cash dividend @10% for 2020-21	-	-	-	-	-	(236,068,236)	(236,068,236)
Exchange differences on translation of foreign operations	-	-	-	-	-	145,860	145,860
Transfer against difference in depreciation between cost and revalued amount	-	-	-	-	(20,130,914)	25,975,374	5,844,460
Transfer of Deferred Tax to Retained Earnings by the equity accounted investees due to excess depreciation between cost and revalued model	-	-	-	-	-	1,151,503	1,151,503
Profit after tax for the year	-	-	-	-	-	4,970,362,865	4,970,362,865
<b>Balance as at 30 June, 2021</b>	<b>2,985,846,260</b>	<b>2,057,514,350</b>	<b>414,531,335</b>	<b>30,170,818</b>	<b>17,076,734,286</b>	<b>15,521,180,006</b>	<b>38,085,977,055</b>

### Footnotes:

The accompanying notes form an integral part of these financial statements.

A. Qasem & Co.

Chartered Accountants

RJSC Firm Registration Number: 2-PC7202

Mr. Johurul Islam FCA

Partner

Enrollment Number: 1257

DVC: 2110251057AS 749528

Place: Chattogram

Dated: 25 OCT 2021



  
Aameir Alipossain  
Managing Director

  
Zohair Zaheralli  
Director

  
Shekhar Ranjan Kar FCA  
Company Secretary



**Bangladesh Steel Re-Rolling Mills Limited**

**Statement of cash flows  
For the year ended 30 June, 2021**

	Note	2021	2020
		BDT	BDT
<b>Cash flows from operating activities</b>			
Cash receipts from customers		59,208,451,443	45,694,322,545
Cash payments to suppliers, employees and advance tax		(49,289,647,243)	(34,732,516,858)
Income tax paid		(549,952,337)	(201,754,781)
Interest paid		(638,461,603)	(1,205,612,604)
<b>Net cash from operating activities</b>		<b>8,730,390,260</b>	<b>9,554,438,302</b>
<b>Cash flows from investing activities</b>			
Acquisition of Property, plant and equipment		(78,052,894)	(390,816,671)
Addition of capital work-in-progress		(1,198,224,289)	(592,111,326)
Disposal of Property, plant and equipment		10,886,680	11,537,839
Dividend income		293,133,975	-
Investment at BMS Steel Ltd (JV)		-	(3,825,000)
Increase/ (Decrease) in investments		(654,138,668)	(296,275,314)
<b>Net cash used in investing activities</b>		<b>(1,626,395,195)</b>	<b>(1,271,490,472)</b>
<b>Cash flows from financing activities</b>			
(Repayment) / Receipt of Long term loans		(3,338,248,412)	(1,497,364,026)
Dividend paid		(585,350,558)	(261,055,360)
Lease rent payment	44.00	(26,287,073)	(19,919,381)
Receipt/(Repayment) of short term borrowings		3,203,434,444	(115,750,864)
Loan to/from related Companies		(5,009,947,887)	(6,924,300,143)
<b>Net cash from financing activities</b>		<b>(5,756,399,486)</b>	<b>(8,818,389,773)</b>
<b>Net increase/(decrease) in cash and cash equivalent</b>		<b>1,347,595,576</b>	<b>(535,441,943)</b>
Cash and cash equivalents at 01 July		226,554,453	761,556,711
Effect of movements in exchange rates on cash and cash equivalents held		1,045,132	439,685
<b>Cash and cash equivalents at 30 June</b>	<b>28.00</b>	<b>1,575,195,160</b>	<b>226,554,453</b>
<b>Net Operating Cash flow per share</b>	<b>16.00</b>	<b>29.24</b>	<b>40.47</b>

A. Qasem & Co.  
Chartered Accountants  
RJSC Firm Registration Number: 2-PC7202



Md. Johirul Islam FCA  
Partner  
Enrolment Number: 1257  
DVC: 2110251257AS 749528

Place: Chattogram  
Dated :

25 OCT 2021



AA13  
218



Kamair Aljussain  
Managing Director



Zohair Taberati  
Director



Shekhar Ranjan Kar FCA  
Company Secretary

# Notes to the Financial Statements

Bangladesh Steel Re-Rolling Mills Limited

## 1 Reporting entity

### A. Legal form of the entity

Bangladesh Steel Re-Rolling Mills Limited is a public company limited by shares is domiciled in Bangladesh. The company was formed and incorporated with the Registrar of Joint Stock Companies and Firms in Bangladesh on 28 December 1960 vide the certificate C/186-No. 1491/92 E.P. of 1960-1961 under Companies Act 1913 (since repealed and substituted by the Companies Act 1994) as a private company limited by share. The company was converted into a public limited company on 03 November 2009 under the Companies Act 1994. The company is listed with Dhaka Stock Exchange Limited (DSE) and Chittagong Stock Exchange Limited (CSE) as a publicly quoted company. Trading of the shares of the company started in two stock exchanges from 27 April 2015.

The company has set up its Re-Rolling Mill and Steel Melting Workshop (SMW previously known as Meghna Engineering Works Limited) at 147/148/149 and 78/79 Baizid Bostami Road, Nasirabad Industrial Area, Chattogram, Bangladesh respectively and commenced commercial production from 1987 after first BMRE. The principal place of business is located at Ali Mansion, 1207/1099, Sadarghat Road, Chattogram, Bangladesh.

The Honourable High Court Division of Supreme Court of Bangladesh has approved the amalgamation of BSRM Steel Mills Limited with Bangladesh Steel Re-Rolling Mills Limited on 15 December 2020, upon application under section 228 and 229 of the Companies Act 1994.

After receiving the approval from The Honourable High Court Division of Supreme Court of Bangladesh and order from the Registrar of Joint Stock Companies and Firms, the Board has decided to merge both the Company's books of account with effect from 1 February, 2021.

### Nature of the business

The main activity of the company is to manufacture M.S. products by setting up rolling and re-rolling mills.

M.S. billets are manufactured from scraps and sponge iron etc. at Steel Melting Works (SMW) and BSML and these billets are re-rolled in the next step at Re-Rolling Mills to manufacture M.S. products. The company also deals in sale of M.S. products like Angle, Channel, I-Beam, H-Beam and Ingot etc.

### B. Branch office of the company

The company is maintaining branch offices at Kolkata & Agartala, India with approval from Reserve Bank of India vide letter no Ref: FC.CO.FID/455/10.83.493/2014 Dated 28 October 2014 and FE.CO.FID/1707/10.83.493/2014-15 Dated April 24, 2015 respectively. The branch offices are allowed to enjoy short term against SBDC as approved by Bangladesh Bank vide letter Ref No-FEPD(Import policy)/117/2015-11287 Dated December 30, 2015 which was renewed on December 14, 2016 vide their letter Ref: FEPD (Import policy)/117/2016/10636. Kolkata Branch office is now doing business of export/import.

### C. BSRM (Hong Kong) Limited- subsidiary

BSRM (Hong Kong) Limited was incorporated on 30 May 2018 in Hong Kong as a private company limited by shares. Registered office of the company is in Hong Kong. The company has share capital of HKD 1 (1 share) which is owned by Bangladesh Steel Re-Rolling Mills Limited.

### D. BSRM Steels Limited- associate

BSRM Steels Limited was incorporated on 20 July 2002, vide the certificate C-No. 4392 of 2002 as a private limited company under Companies Act 1994. The company was converted to a public limited company on 20 December 2006. The company is listed with Dhaka Stock Exchange Limited and Chittagong Stock Exchange Limited as a publicly quoted company. Trading of the shares of the company started in two stock exchanges from 18 January 2009. Bangladesh Steel Re-Rolling Mills Limited directly holds 31.19% of ordinary shares in BSRM Steels Limited.

The main objective of BSRM Steels Limited is to manufacture M.S. products by setting up rolling and re-rolling mills. The company has set up its Rolling mill at 4, Fouzderhat Industrial Estate, Latifpur, Sitakunda, Chattogram and commenced commercial production from 01 April 2008.



## Notes to the Financial Statements (Continued)

The Honorable High Court Division of Supreme Court of Bangladesh has approved the amalgamation of BSRM Iron & Steel Co. Ltd. (BISCO) with BSRM Steels Limited on 03 August 2017 and after receiving the approval from the Honorable High Court Division of Supreme Court of Bangladesh and order from the Registrar of Joint Stock Companies and Firms, the Board of Directors of BSRM Steels Limited has taken decision to effect the amalgamation from 01 October 2017 and accordingly as per provision of section 228 and 229 of the Companies Act 1994 by transferring all assets and liabilities of BSRM Iron & Steel Co. Ltd. to BSRM Steels Limited.

A new melting unit, located at Mirsharai, Chattogram has started its commercial production of billet on April 16, 2019. This new unit is supplying Billet to the rolling unit of BSRM Steels Limited. The annual production capacity of this plant is 450,000 MT.

### E. BMS Steel Limited - Joint Venture Company

BMS Steel Limited was incorporated on 18 December 2018 in Kenya as a private limited company. Registered office of the company is in Nairobi, Kenya. The company has share capital of KES 3,000,000,000 (3,000,000 share) out of which 100 ordinary shares had been issued initially. The parties to the JV company are Bangladesh Steel Re-Rolling Mills Limited (holding 18%), Vortex Investments Limited (holding 22%), MMD Steel Limited (holding 30%), and Safal Investments (Mauritius) Limited (holding 30%). The company is yet to commence operation. Later on, the company issued 14,900 numbers of shares on pro-rata basis.

## 2 Basis of accounting

### A. Statement of compliance

The consolidated financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRS), the Companies Act 1994, the Securities and Exchange Rules 1987 and other applicable laws and regulations in Bangladesh. Cash flows from operating activities are prepared under direct method as prescribed by the Securities and Exchange Rules 1987.

The consolidated financial statements have been prepared on a historical cost basis, except for financial assets and contingent consideration that have been measured at fair value where applicable. The financial statements provide comparative information in respect of the previous period and have been prepared on going concern basis.

### B. Basis of Consolidation

The consolidated financial statements comprise the financial statements of the company and its subsidiaries as at 30 June 2021. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if, and only if, the Group has:

Power over the investee (i.e., existing rights that give it the current ability to direct the relevant activities of the investee)

- Exposure, or rights, to variable returns from its involvement with the investee
- The ability to use its power over the investee to affect its returns

Profit or loss and each component of OCI are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group's accounting policies. All intra-Group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

### C. Other regulatory compliances

The Group entities are also required to comply with the following major laws and regulations along with the Companies Act 1994:

- i) The Income Tax Ordinance, 1984
- ii) The Income Tax Rules, 1984
- iii) The Value Added Tax and Supplementary Duty Act, 2012
- iv) The Value Added Tax and Supplementary Duty Rules, 2016
- v) The Customs Act, 1969
- vi) Bangladesh Labour Law, 2006
- vii) The Securities and Exchange Ordinance, 1969
- viii) The Securities and Exchange Rules, 1987
- ix) The Financial Reporting Act 2015



## Notes to the Financial Statements (Continued)

**D. Basis of measurement**

These consolidated financial statements have been prepared on going concern basis under the historical cost convention except for some classes of property, plant and equipment which are measured at revalued amount.

**E. Going concern**

The Group and the Company have adequate resources to continue operation in foreseeable future (except otherwise stated). For this reason, management continues to adopt going concern basis in preparing the financial statements. The current revenue generations and resources of the Group and the Company provide sufficient fund to meet the present requirements of existing business and operations.

**F. Reporting period**

The separate financial statements of the company and the consolidated financial statements of the group cover twelve months from 1 July 2020 to 30 June 2021 and is followed consistently.

**G. Authorization for issue**

These consolidated financial statements for the year ended 30 June, 2021 have been authorized for issue by the Board of Directors on 23 October 2021.

**H. Consistency**

Unless otherwise stated, the accounting policies and methods of computation used in preparation of the financial statements as at and for the year ended 30 June 2021 are consistent with those policies and methods adopted in preparing the financial statements as at and for the year ended 30 June 2020.

**I. Comparative information**

Comparative information has been disclosed in respect of 2020 in accordance with IAS 1: Presentation of Financial Statements, for all numeric information in the financial statements and also the narrative and descriptive information where it is relevant for understanding of the current period's financial statements. Prior year's figures have been rearranged wherever considered necessary to ensure comparability with the current year.

Significant deviation against last year's comparative figures in the Statement of Financial Position, Statement of profit and loss and other comprehensive income and Statement of cash flow has risen due to merger of BSRM Steel Mills Limited with the company which came in to effect on 1 February, 2021.

**J. Functional and presentation currency**

These financial statements are prepared in Bangladesh Taka, which is the functional currency of the Group and the Company. All financial information presented in Taka has been rounded off to the nearest integer except when otherwise indicated.

**K. Current versus non-current classification**

The Group and the Company presents assets and liabilities in the statement of financial position based on current/non-current classification.

**An asset is current when it is:**

- a. expected to be realized or intended to be sold or consumed in the normal operating cycle,
  - b. held primarily for the purpose of trading,
  - c. expected to be realized within twelve months after the reporting period
- Or
- d. cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

The Company classifies all other assets as non-current.

**A liability is current when:**

- a. it is expected to be settled in the normal operating cycle,
- b. it is held primarily for the purpose of trading,
- c. it is due to be settled within twelve months after the reporting period and
- d. there is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Group and the Company classifies all other liabilities as non-current. Deferred tax assets and liabilities are classified as non-current assets and liabilities respectively.



## Notes to the Financial Statements (Continued)

### 3 Use of estimates and judgements

In preparing these consolidated and separate financial statements, management has made judgements and estimates that affect the application of the Group's accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognized prospectively.

#### Judgements, assumptions and estimation uncertainties

Information about judgements made in applying accounting policies and assumptions and estimation uncertainties that have the most significant effects on the amounts recognized in the financial statements is included in the following notes:

Note	18.00	Property, plant and equipment
Note	20.00	Intangible assets
Note	24.00	Inventories
Note	25.00	Trade and other receivables
Note	33.00	Defined benefit obligations-gratuity
Note	35.00	Current tax expenses
Note	36.00	Deferred tax liability
Note	43.00	Other liabilities
Note	44.00	Lease
Note	47.00	Contingent liabilities

#### Measurement of fair values

A number of the Group's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

The Group has an established control framework with respect to the measurement of fair values. This includes a valuation team that has overall responsibility for overseeing all significant fair value measurements, including Level 3 fair values, and reports directly to the Chief Financial Officer. The valuation team regularly reviews significant unobservable inputs and valuation adjustments.

Significant valuation issues are reported to the Group's Audit Committee.

When measuring the fair value of an asset or a liability, the entity uses market observable data as far as possible. Fair values are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows.

**Level 1:** Quoted prices (unadjusted) in active markets for identical assets and liabilities.

**Level 2:** Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

**Level 3:** Inputs for the assets or liabilities that are not based on observable market data.

If the inputs used to measure the fair value of an asset or liability might be categorized in different levels of the fair value hierarchy as the lowest level input that is significant to the entire measurement.



## Notes to the Financial Statements (Continued)

### 4 Summary of significant accounting policies

The specific accounting policies selected and applied by the Group's management for significant transactions and events that have material effect within the framework of IAS 1 "Presentation of Financial Statements", in preparation and presentation of financial statements have been consistently applied throughout the year and were also consistent with those used in earlier years, except otherwise stated.

For a proper understanding of the financial statements, these accounting policies are set out below in one place as prescribed by the IAS 1 "Presentation of Financial Statements". The recommendations of IAS-1 relating to the format of financial statements were also taken into full consideration for fair presentation.

Set out below is an index of the significant accounting policies, the details of which are available on the following:

- A. Basis of consolidation and disclosure of interest in other entities
- B. Foreign currency
- C. Consistency
- D. Property, plant and equipment
- E. Capital work-in-progress
- F. Intangible assets
- G. Inventories
- H. Investment in subsidiary and associate
- I. Financial assets
- J. Financial liabilities
- K. Impairment
- L. Cash flow statement
- M. Provisions, contingent liabilities and contingent assets
- N. Borrowing costs
- O. Taxation
- P. Share capital
- Q. Employee benefits
- R. Revenue recognition
- S. Finance income and costs
- T. Other operating income
- U. Earnings per share (EPS)
- V. Duty drawback
- W. Measurement of fair values
- X. Events after the reporting period
- Y. Leases
- Z. Segment reporting

#### A. Basis of consolidation and disclosure of interest in other entities

##### i. *Business combinations*

The Group accounts for business combinations using the acquisition method when the acquired set of activities and assets meets the definition of a business and control is transferred to the Group. In determining whether a particular set of activities and assets is a business, the Group assesses whether the set of assets and activities acquired includes, at a minimum, an input and substantive process and whether the acquired set has the ability to produce outputs.

The Group has an option to apply a 'concentration test' that permits a simplified assessment of whether an acquired set of activities and assets is not a business. The optional concentration test is met if substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or group of similar identifiable assets.

The consideration transferred in the acquisition is generally measured at fair value, as are the identifiable net assets acquired. Any goodwill that arises is tested annually for impairment. Any gain on a bargain purchase is recognised in profit or loss immediately. Transaction costs are expensed as incurred, except if related to the issue of debt or equity securities.

The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts are generally recognised in profit or loss.

Any contingent consideration is measured at fair value at the date of acquisition. If an obligation to pay contingent consideration that meets the definition of a financial instrument is classified as equity, then it is not remeasured and settlement is accounted for within equity. Otherwise, other contingent consideration is remeasured at fair value at each reporting date and subsequent changes in the fair value of the contingent consideration are recognised in profit or loss.



## Notes to the Financial Statements (Continued)

If share-based payment awards (replacement awards) are required to be exchanged for awards held by the acquiree's employees (acquiree's awards), then all or a portion of the amount of the acquirer's replacement awards is included in measuring the consideration transferred in the business combination. This determination is based on the market-based measure of the replacement awards compared with the market-based measure of the acquiree's awards and the extent to which the replacement awards relate to pre-combination service.

### ii. *Subsidiaries*

Subsidiaries are entities controlled by the Group. The Group 'controls' an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

Subsidiary is an enterprise controlled by the parent entity. Control exists when an investor is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. The financial statements of subsidiary are included in the consolidated financial statements from the date that control commences until the date that control ceases. The consolidated financial statements have been prepared in accordance with IFRS 10: Consolidated Financial Statements.

### iii. *Non-controlling interests*

NCI are measured initially at their proportionate share of the acquiree's identifiable net assets at the date of acquisition. Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

### iv. *Loss of control*

When the Group loses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary, and any related NCI and other components of equity. Any resulting gain or loss is recognised in profit or loss. Any interest retained in the former subsidiary is measured at fair value when control is lost.

### v. *Interests in equity-accounted investees*

The Group's interests in equity-accounted investees comprise interests in associates and a joint venture.

Associates are those entities in which the Group has significant influence, but not control or joint control, over the financial and operating policies. A joint venture is an arrangement in which the Group has joint control, whereby the Group has rights to the net assets of the arrangement, rather than rights to its assets and obligations for its liabilities.

Interests in associates and the joint venture are accounted for using the equity method. They are initially recognised at cost, which includes transaction costs. Subsequent to initial recognition, the consolidated financial statements include the Group's share of the profit or loss and OCI of equity accounted investees, until the date on which significant influence or joint control ceases.

### vi. *Transactions eliminated on consolidation*

Intra-group balances and transactions, and any unrealised income and expenses (except for foreign currency transaction gains or losses) arising from intra-group transactions, are eliminated. Unrealised gains arising from transactions with equity-accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

## B. *Foreign currency*

### i. *Foreign currency transactions*

Foreign currency transactions are recorded in BDT at applicable rates of exchange ruling at the dates of transactions in accordance with IAS-21 "The Effects of Changes in Foreign Exchange Rates." Exchange rate difference at the statement of financial position date are charged/credited to statement of profit or loss and other comprehensive income, to the extent that this treatment does not contradict with the Schedule XI of Companies Act 1994. This Schedule requires all exchange gains and losses arising from foreign currency borrowings, taken to finance acquisition of construction of fixed assets, to be credited/ charged to the cost/value of such assets.

The financial statements are presented in BDT, which is company's functional currency. Transactions in foreign currencies are recorded in the books at the exchange rate prevailing on the date of the transaction. Monetary assets and liabilities in foreign currencies at the date of statement of financial position are translated into BDT at the exchange rate prevailing at that date. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the initial transaction. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rate at the date when the fair value was determined. Exchange differences arising on the settlement of monetary items or on translating monetary items at the end of the reporting period are recognised in profit or loss.



## Notes to the Financial Statements (Continued)

When a gain or loss on a non-monetary item is recognised in other comprehensive income, any exchange component of that gain or loss shall be recognised in other comprehensive income. Conversely, when a gain or loss on a non-monetary item is recognised in profit or loss, any exchange component of that gain or loss shall be recognised in profit or

### II. Foreign operations

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisition, are translated into BDT at the exchange rates at the reporting date. The income and expenses of foreign operations are translated into BDT at the exchange rates at the dates of the transactions.

Foreign currency differences are recognised in OCI and accumulated in the translation reserve, except to the extent that the translation difference is allocated to NCI.

Translation from the functional currency to the presentation currency when presentation currency other than the functional currency:

An entity may present its financial statements in any currency (or currencies). If the presentation currency differs from the entity's functional currency, it translates its results and financial position into the presentation currency.

The results and financial position of an entity whose functional currency is not the currency of a hyperinflationary economy are translated into a different presentation currency using the following procedures:

- # assets and liabilities for each balance sheet presented (including comparatives) are translated at the closing rate at the date of that statement of financial position.
- # income and expenses for each income statement (including comparatives) are translated at exchange rates at the dates of the transactions; and
- # all resulting exchange differences are recognised in other comprehensive income.

For Practical reasons, a rate that approximates the exchange rates at the dates of the transactions, for example an average rate for the period, is often used to translate income and expense items. However, if exchange rates fluctuate significantly, the use of the average rate for a period is inappropriate. The management of the company has used average rate to translate income and expense items.

The Statement of financial position of **Kolkata Branch** has been translated using the closing rate of Tk 1.1335 and the statement of profit or loss and other comprehensive income has been translated using the average rate of Tk 1.1315.

The Statement of financial position of **BSRM (Hong Kong) Limited** has been translated using the closing rate of Tk 11.0786 and the statement of profit or loss and other comprehensive income has been translated using the average rate of Tk 10.9386.

### C. Consistency

Unless otherwise stated, the accounting policies and methods of computation used in preparation of Financial Statements for the period/year are consistent with those policies and methods adopted in preparing the Financial Statements for the previous year.

### D. Property, plant and equipment

#### I. Recognition and measurement

Property, plant and equipment are stated at cost less accumulated depreciation except Land & land development and Factory Building which are carried at revalued amount, being fair values at the date of revaluation less subsequent accumulated depreciation and subsequent impairment losses, if any.

Cost includes expenditures that are directly attributable to the acquisition of an asset. The cost of self-constructed/installed assets includes the cost of materials and direct labor, any other costs directly attributable to bringing the asset to the working condition for its intended use and the cost of dismantling and removing an item and restoring the site on which they are located.

When 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.

#### II. Subsequent costs

The cost of replacing part of an item of Property, plant and equipment is recognized in the carrying amount of the item, if it is probable that the future benefit embodied within the part will flow to the Group and its cost can be measured reliably. The costs of the day to day servicing of Property, plant and equipment are recognized in Statement of profit and loss as incurred.





## Notes to the Financial Statements (Continued)

### III. Depreciation

Land is held on a freehold basis and is not depreciated considering the unlimited life. In respect of all other property, plant and equipment, depreciation is recognized in statement of profit or loss and other comprehensive income on straight line method over the estimated useful lives of property, plant and equipment.

Depreciation is charged on addition when it is ready for use and no depreciation is charged in the month of disposal. The depreciation method used reflects the pattern in which the asset's economic benefits are consumed by the entity. The depreciation charge for the year is recognized as an expense unless it is included in the carrying amount of another asset.

The principal annual rates and useful lives under straight line method were as follows:

<u>Category of assets</u>	<u>Useful lives (years)</u>	<u>Rates</u>
Plant and machinery	7-25	4% - 15%
Motor vehicle	6-15	6% - 16%
Furniture and fixtures	5	20%
Office equipment	5	20%
Factory buildings	20	5%
Roads and pavements	20	5%
Computer & IT equipment	5	20%

Depreciation method, useful lives and residual values are reassessed at the reporting dates.

Upon retirement of assets, the cost and related accumulated depreciation are eliminated from the accounts and resulting gain or loss is charged or credited to statement of profit or loss and other comprehensive income.

### IV. Non-current asset held for sale

Non-current assets that are highly probable to be recovered primarily through sale rather than through continuing use are classified as held for sale. Immediately before classification as held for sale the assets are remeasured in accordance with the Group's accounting policies. Thereafter, the assets are generally measured at the lower of their carrying amount and fair value less costs to sell. Impairment losses on initial classification as held for sale are recognized to revaluation reserve to the extent of revaluation surplus, in excess of revaluation surplus and subsequent gains or losses on remeasurement are recognized in the Statement of profit or loss. Gains are not recognized in excess of any cumulative impairment loss.

If criteria for an asset to be classified as held for sale are no longer met, then the asset or disposal group ceases to be held for sale.

In this case, the asset or disposal group should be valued at the lower of the carrying amount before the asset or disposal group was classified as held for sale (as adjusted for any subsequent depreciation, amortization, or revaluation) and its recoverable amount at the date of the decision not to sell.

### E. Capital work-in-progress

Property, plant and equipment under construction/acquisition is accounted for and measured at cost as capital work-in-progress until construction/acquisition is completed and it is ready for use.

### F. Intangible assets

#### I. Recognition and measurement

Intangible assets that are acquired by the Group and have finite useful lives are measured at cost less accumulated amortization and accumulated impairment losses, if any. Intangible assets are recognized when all the conditions for recognition as per IAS 38: Intangible Assets are met. The cost of an intangible asset comprises its purchase price and any directly attributable cost of preparing the asset for its intended use.

#### II. Subsequent costs

Subsequent expenditure is capitalized only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditures are recognized in the Statement of profit or loss as incurred.

#### III. Amortisation

Amortisation is recognized in profit or loss on a straight line basis over the estimated useful lives of intangible assets, from the date that they are available for use. The estimated useful lives and rates of amortization are as follows:

<u>Category of assets</u>	<u>Useful life</u>
Oracle eBS software	10 years



## Notes to the Financial Statements (Continued)

### G. Inventories

#### Nature of inventories

Inventories comprise Raw Materials (Billets and Melting Scrap), Packing Materials, Consumable Stores, Fuel and Lubricants & Finished Goods (MS Rods/Billets) etc.

#### Valuation of the 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 IAS 2: Inventories.

<u>Category</u>	<u>Valuation</u>
Finished goods	Finished goods are valued at cost or net realizable value whichever is lower.
Raw materials	Raw materials are valued at cost or net realizable value whichever is lower.
Store items	Based on weighted average method (Subject to impairment review).

Weighted average cost method has been used to determine the cost of inventories.

### H. Investment in subsidiary and associate

#### *Investment in subsidiary*

The Group's investment in subsidiary is accounted for in the separate financial statements as per IAS 27: Separate Financial Statements' using the Equity method in accordance with IAS 28: Investment in Associates & Joint Ventures. Investment in a subsidiary is initially recognized at cost, and the carrying amount is increased or decreased to recognize the investor's share of the profit or loss of the investee after the date of acquisition. The investor's share of investee's profit or loss is recognized in the investor's profit or loss. Adjustment after the date of acquisition to the carrying amount has been made for changes in the investor's proportionate interest in the investee that arising from the revaluation of property, plant & equipment and from foreign currency translation differences. The investor's share of those changes is recognized in other comprehensive income of the investor.

The excess of company's share of net assets' value over cost of investment is recognized in Statement of profit or loss as per provision of IAS 28: Investment in Associates & Joint Ventures.

#### *Investment in associate*

The Group's investment in associates is accounted for in the financial statements using the Equity method in accordance with IAS 28: Investment in Associates & Joint Ventures. Significant influence over an investee (associate) BSRM Steels Limited is presumed to exist in accordance with IAS 28.5-28.9. Investment in an associate is initially recognized at cost, and the carrying amount is increased or decreased to recognize the investor's share of the profit or loss of the investee after the date of acquisition. The investor's share of investee's profit or loss is recognized in the investor's profit or loss. Adjustment after the date of acquisition to the carrying amount has been made for changes in the investor's proportionate interest in the investee that arising from the revaluation of property, plant & equipment and from foreign currency translation differences. The investor's share of those changes is recognized in other comprehensive income of the investor.

The excess of Group's share of net assets' value of associate over cost of investment is recognized in profit or loss as share of associate's profit or loss during acquisition period as per provision of IAS 28.

### I. Financial assets

The Group recognizes and measures financial assets as per IFRS 9: Financial Instruments.

The Group initially recognizes loans and receivables and deposits on the date that they are originated. All other financial assets are recognized initially on the trade date, which is the date the Group becomes a party to the contractual provisions of the instrument.

The group derecognizes a financial asset when the contractual rights to 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 Short term investments; Trade and other receivables; Advances, deposits and prepayments; Loan to related companies and Cash and bank balances etc.

#### *Trade and Other Receivables*

Trade and other receivables are initially recognized at cost which is the fair value of the consideration given in return. After initial recognition, these are carried at cost less impairment losses, if any, due to un-collectability of any amount so recognized.

Provisions for bad or doubtful debts are shown in other liabilities. Provision for doubtful debts is made based on the Group policy. Bad debts are written off considering the status of individual debtors.



## Notes to the Financial Statements (Continued)

### II. *Advances, deposits and prepayments*

Advances are initially measured at cost. After initial recognition, advances are carried at cost less deductions, adjustments or charges to other account heads such as property, plant and equipment, inventories or expenses.

Deposits are measured at payment value.

Prepayments are initially measured at cost. After initial recognition, prepayments are carried at cost less charges to Statement of profit or loss.

### III. *Cash and cash equivalents*

Cash and cash equivalents comprise cash at bank together with short-term, highly liquid investments that are readily convertible to a known amount of cash, and that are subject to an insignificant risk of changes in value.

### J. *Financial liabilities*

The Group recognizes all financial liabilities on the trade date which is the date the group becomes a party to the contractual provisions of the instrument. The group derecognizes a financial liability when its contractual obligations are discharged, cancelled or expired. Financial liabilities comprise Trade Creditors and other financial obligations.

#### I. *Trade and other payables*

The Group recognizes a financial liability when its contractual obligations arising from past events are certain and the settlement of which is expected to result in an outflow from the Group of resources embodying economic benefits.

#### II. *Other liabilities*

Other liabilities represents the amounts due to various parties for receiving services. These are initially recognized at cost which is the fair value. After initial recognition these are carried at amortized cost.

### K. *Impairment*

#### I. *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 of that assets that can be estimated reliably.

Financial assets not classified as fair value through profit or loss, loans, receivables and investment in an equity accounted investee are assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

#### II. *Non-financial assets*

The carrying amounts of the Group's non-financial assets, other than inventories and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists then the recoverable amount of the asset is estimated. An impairment loss is recognized if the carrying amount of an asset or its related cash-generating unit (CGU) exceeds its estimated recoverable amount.

### L. *Cash flow statement*

Statement of cash flows is prepared in accordance with IAS 7: Cash Flow Statement and the cash flow from operating activities have been presented under direct method.

### M. *Provisions, contingent liabilities and contingent assets*

A provision is recognized in the Statement of financial position when the group has a legal or contractual obligation as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Contingencies arising from claims, litigations, assessments, fine, penalties etc. are recorded when it is probable that a liability has been incurred and the amount can be reasonably estimated. Contingent assets are not recognized in the financial statements.

### N. *Borrowing costs*

Interest and other costs incurred by the Group in connection with the borrowing of funds are recognized as expense in the period in which they are incurred, unless such borrowing cost relates to acquisition / construction of assets in progress that are capitalized as per IAS 23: Borrowing Costs.

### O. *Taxation*

#### I. *Current tax*

The Group and the Company are maintaining provision for taxation using rates enacted at the reporting date. The Company complies with the applicable tax laws in Bangladesh. Currently the applicable rate is 22.5% for the Company.



## Notes to the Financial Statements (Continued)

### II. *Deferred tax*

Deferred tax liabilities are the amount of income taxes payable in the future periods in respect of taxable temporary differences. Deferred tax assets are the amount of income taxes recoverable in future periods in respect of deductible temporary differences. Deferred tax assets and liabilities are recognized for the future tax consequences of timing differences arising between the carrying values of assets, liabilities, income and expenditure and their respective tax bases. Deferred tax assets and liabilities are measured using tax rates and tax laws that have been enacted or substantially enacted at the Statement of financial position date. The impact of changes on the account in the deferred tax assets and liabilities has also been recognized in the statement of profit or loss and other comprehensive income as per IAS 12: Income Taxes'.

### P. *Share capital*

Paid-up capital represents total amount contributed by the shareholders and bonus shares issued by the company to the ordinary shareholders. Incremental costs directly attributable to the issue of ordinary shares are recognized as expenses as and when incurred. Holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to vote at shareholders' meetings. In the event of a winding up of the company, ordinary shareholders rank after all other shareholders. Creditors are fully entitled to any proceeds of liquidation before all shareholders.

### Q. *Employee benefits*

The Group maintains both defined contribution plan and defined benefit plan for its eligible permanent employees.

#### I. *Defined contribution plan*

A defined contribution plan is a post employment benefit plan under which the company pays fixed contributions into a separate fund and will have no legal or constructive obligation to pay further amount. The company maintains the Recognized Provident Fund for all permanent employees at which both the company and employees contribute @ 10% of basic salary. The Employees' Provident Fund was obtained recognition from Income Tax Authority on August 05, 1975 which was effective from September 30, 1973 and is considered as defined contribution plan as it meets the recognition criteria specified for this purpose in IAS 19: Employee Benefits.

Obligation for contribution to defined contribution plan is recognized as provident fund contribution expenses in Statement of profit or loss in the period during which services are rendered by employees. Advance against PF is recognized as an asset to the extent that a cash refund or a reduction in future payments is available.

#### II. *Defined Benefit Plan*

The Group maintains an unfunded gratuity scheme and provision in respect of which is made annually for the employees. Gratuity payable at the end of each year is determined on the basis of following rules and regulations of the group.

<u>Service length</u>	<u>Payment basis</u>
Less than five (5) years	Nil
For five (5) years and more	Two (2) times of last month's basic salary multiplied by year of service.

### III. *Workers' Profit Participation and Welfare Funds*

The company also recognizes a provision for Workers' Profit Participation and Welfare Funds @ 5% of net profit before tax as per Bangladesh Labour Act 2006.

### R. *Revenue recognition*

Revenue is measured based on the consideration specified in a contract with a customer. The Group recognises revenue when it transfers control over a good or service to a customer. The following table provides information about the nature and timing of the satisfaction of performance obligations in contracts with customers, including significant payment terms, and the related revenue recognition policies.

Type of products	Nature and timing of satisfaction of performance	Revenue recognition under IFRS
Local sales	Customers obtain control of products when goods are shipped out at factory gate. Invoices raised as per management approved price list are generated at that point in time. Invoices are usually paid in cash as advance before getting delivery of the goods or customers are allowed a credit period of 30 to 60 days.	Revenue is recognized when (or as) the entity satisfies a performance obligation by transferring the promised good or service to a customer.
Export sales		
By-products		

The Group is in the business of providing M.S. Billet and M.S. Rod. Revenue from contracts with customers is recognised when control of the goods are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods. The Company has generally concluded that it is the principal in its revenue arrangements, because it typically controls the goods before transferring them to the

Revenue from the sale of goods is measured at the fair value of the consideration received or receivable, net of Value Added Tax (VAT). Gross turnover comprises local sales of M.S. Rod, M.S. Billet, By-products, export of M.S. Rod and includes VAT paid to the Government of Bangladesh.



## Notes to the Financial Statements (Continued)

The Group considers whether there are other promises in the contract that are separate performance obligations to which a portion of the transaction price needs to be allocated. In determining the transaction price for local sales, the Company considers the effects of variable consideration payable to the customer.

The Group has variable considerations included in the contracts with customers which are netted off against the revenue to determine the transaction price. The variable considerations are pre-determined. The effect of variable considerations on revenue is only from contracts with local customers.

### S. Finance income and costs

#### I. Finance income

Interest income from bank deposits and loan to related companies is recognized in the Statement of profit or loss on cash basis following specific rate of interest in agreement with banks and related companies.

#### II. Finance costs

Interest expenses except expenses related to acquisition/construction of assets, incurred during the year are charged to Statement of profit or loss and other comprehensive income on accrual basis.

### T. Other operating income

Other operating income includes interest income on delayed receipts from customers, gain/(loss) on sale of fixed assets and miscellaneous receipts. Other operating income is recognized as revenue income as and when realized.

### U. Earnings per share (EPS)

The Group calculates its earnings per share in accordance with IAS 33: Earnings per share which has been reported on the face of statement of profit or loss and other comprehensive income.

#### I. Basis of earnings

This represents profit for the year attributable to ordinary shareholders and Non- Controlling shareholders. As there were no preference shares requiring returns or dividends, the net profit after tax for the year has been considered as fully attributable to the ordinary shareholders.

#### II. Basic earnings per share

This has been calculated by dividing the basic earnings by the weighted average number of ordinary shares outstanding during the year.

#### III. Diluted earnings per share

Diluted earnings per share is required to be calculated for the year when scope for dilution exists.

### V. Duty drawback

Duty drawback claimed on export sales is adjusted against cost of imported raw materials.

### W. Measurement of fair values

When measuring the fair value of an asset or liability, the entity uses market observable data as far as possible. Fair values are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows.

**Level 1:** Quoted prices (unadjusted) in active markets for identical assets and liabilities.

**Level 2:** Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

**Level 3:** Inputs for the assets or liabilities that are not based on observable market data.

If the inputs used to measure the fair value of an asset or liability might be categorized in different levels of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

### Property, plant and equipment

The fair value of items of property, plant and equipment has been determined based on the depreciated replacement cost method and net realizable value method as applicable.

### Equity and debt securities

Fair values of tradable equity and debt securities are determined by reference to their quoted closing price in active market at the reporting date which are categorized under 'Level 1' of the fair value hierarchy.

### X. Events after the reporting period

Events after the reporting period that provide additional information about the group's position at the date of Statement of financial position or those that indicate the going concern assumption is not appropriate are reflected in the financial statements. Events after the reporting period that are not adjusting events are disclosed in the notes when material.



## Notes to the Financial Statements (Continued)

### Y. Leases

At inception of a contract, the group assesses whether a contract is, or contains a lease. A contract is, or contains a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset.

#### I. As a lessee

The Group recognizes a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the group by the end of the lease term or the cost of the right-of-use asset reflects that the company will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate.

The Group determines its incremental borrowing rate by obtaining interest rates from various external financing sources and making adjustments to reflect the terms of the lease and type of the asset leased.

Lease payments included in the measurement of the lease liability usually comprise the following:

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- the exercise price under a purchase option that the Group is reasonably certain to exercise, lease payments in an optional renewal period if the Group is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Group is reasonably certain not to terminate early.

The lease liability is measured at amortized cost using the effective interest method. It is re-measured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, if the Group changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment.

When the lease liability is re-measured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to

#### II. As a lessor

At inception or on modification of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of their relative stand-alone prices.

When the Group acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease.

To classify each lease, the Group makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease. As part of this assessment, the Group considers certain indicators such as whether the lease is for the major part of the economic life of an asset.



## Notes to the Financial Statements (Continued)

### Z. Segment reporting

For management purposes, the company is organized into business units based on its products and has two reportable segments, as follows:

- The M.S Rod segment which produces different graded Rod and sell the same to several dealers, end users, other corporate users and some deemed export to EPZ based companies.
- The M.S Billets segment which produces different graded Billets and transfer the same to produce M.S Rod. No operating segments have been aggregated to form the above reportable operating segments.

No operating segments have been aggregated to form the above reportable operating segments.

The Company Secretary and General Manager Finance and Accounts is the Chief Operating Decision Maker (CODM) and monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on profit or loss. Also, the company's financing (including finance costs and finance income) and income taxes are managed on aggregately and are not allocated to operating segments.

Assets and Liabilities of the company are maintained aggregately due to that, those are not provided to the Chief Operating Decision Maker and are not allocated to operating segments.

Transfer prices between operating segments are on an arm's length basis in a manner similar to transactions with third parties.

Year ended	M.S. Rod	M.S. Billet	Trading-Kolkata	Total Segments	Adjustments	Total
	Amount in Millions					
<b>30th June, 2021</b>	<hr/>					
<b>Revenue:</b>						
External customers	55,849	2,448	2,193	60,489	(613)	59,876
Inter-segment	-	26,625	-	26,625	(26,625)	-
<b>Total Revenue</b>	<b>55,849</b>	<b>29,072</b>	<b>2,193</b>	<b>87,114</b>	<b>(27,238)</b>	<b>59,876</b>
<b>Income/(Expenses):</b>						
Cost of inventories recognised	(48,524)	(25,800)	(2,071)	(76,395)	25,344	(51,051)
Employee benefits expenses	(276)	(433)	(14)	(723)	-	(723)
Depreciation and amortisation	(507)	(498)	(1)	(1,005)	-	(1,005)
Selling and distribution cost	(1,081)	-	-	(1,081)	-	(1,081)
Administrative cost	(465)	-	(85)	(550)	-	(550)
Share of profit of an associate	-	-	-	-	961	961
<b>Segment Profit</b>	<b>4,996</b>	<b>2,342</b>	<b>22</b>	<b>7,360</b>	<b>(933)</b>	<b>6,427</b>

### Reconciliation of profit

	<u>2021</u>
	<u>Amount in Millions</u>
Segment profit	7,360
Inter-segment sales	(1,894)
Other operating income	12
Finance Costs	(783)
Finance Income	73
Non Operating Income	30
Contribution to WPPF and welfare fund	(255)
Profit on bargain purchase	-
Share of profit of an associate	961
<b>Profit before tax</b>	<b>5,504</b>

### Geographic Information

	<u>2021</u>
Revenue from external customers	
Country of Domicile	59,173,470,800
Foreign Countries	702,381,666
<b>Total</b>	<b>59,875,852,466</b>

The revenue information above is based on the locations of the customers.

Revenue from one customer amounted to BDT. 2,461,403,879 arising from sales in the M.S Billets segment which is 8.47% of total sales.

Non-current assets information has not presented in the financial statements and is not available according to the geographical area.



## Notes to the Financial Statements (Continued)

	Note	2021 BDT	2020 BDT
<b>5.00 Revenue</b>			
See accounting policy in note 4(R)			
Bangladesh Steel Re-Rolling Mills Limited-HO	5.01	58,296,410,428	44,298,957,250
Bangladesh Steel Re-Rolling Mills Limited-Kolkata Branch		2,192,619,725	1,490,425,236
Less: Intracompany sales		(613,177,687)	(67,026,798)
		<u>59,875,852,466</u>	<u>45,722,355,688</u>
<b>5.01 Bangladesh Steel Re-Rolling Mills Limited-HO</b>			
Local sales	5.01.01	57,015,085,448	43,491,581,614
Export sales	5.01.02	702,381,666	595,996,114
Sales of Scrap and By-product		578,943,314	211,379,522
		<u>58,296,410,428</u>	<u>44,298,957,250</u>
<b>5.01.01 Local sales</b>			
MS Billet		2,447,596,187	33,505,621
MS Rod		54,567,489,261	43,458,075,993
		<u>57,015,085,448</u>	<u>43,491,581,614</u>
<b>5.01.02 Export sales</b>			
Xtreme 500W		364,880,158	536,733,584
MS Angel		1,101,600	1,049,160
By Products		336,399,908	58,213,370
		<u>702,381,666</u>	<u>595,996,114</u>
Export sales of finished products during 01 July 2020 to 30 June 2021 was USD 4,313,812.85 against export of 5,864.19 Metric Ton of goods and it was USD 6,357,045.85 against export of 9,642.62 Metric Ton of goods during 01 July 2019 to 30 June 2020.			
<b>5.01-A Revenue streams</b>			
Revenue from contracts with customers	5.01	<u>58,296,410,428</u>	<u>44,298,957,250</u>
		<u>58,296,410,428</u>	<u>44,298,957,250</u>
<b>5.01-B Disaggregation of revenue from contracts with customers</b>			
<b>Primary geographical markets</b>			
Bangladesh		57,781,498,791	44,240,743,518
China		185,149,986	32,309,480
South Korea		54,178,047	7,450,205
Thailand		3,390,000	18,454,047
India		272,193,605	-
		<u>58,296,410,428</u>	<u>44,298,957,250</u>
<b>Major products lines or services</b>			
Xtreme 500		39,272,318,652	32,737,227,090
M. S. Products		16,780,267,598	10,869,526,190
By Product & Scrap		857,802,461	211,379,522
H & I Beam		234,338,314	247,516,967
Others		1,151,683,403	233,307,481
		<u>58,296,410,428</u>	<u>44,298,957,250</u>
<b>Timing of revenue recognition</b>			
Products transferred at a point in time		<u>58,296,410,428</u>	<u>44,298,957,250</u>
		<u>58,296,410,428</u>	<u>44,298,957,250</u>
<b>5.01-C Contract balances</b>			
The following table provides information about receivables, contract assets and contract liabilities from contracts with customers.			
Receivables, which are included in 'trade and other receivables'	25.02	4,139,893,593	2,997,594,266
Contract liabilities	40.00	646,725,298	249,860,229
<b>5.a CONSOLIDATED REVENUE</b>			
Bangladesh Steel Re-Rolling Mills Limited	5.00	59,875,852,466	45,722,355,688
BSRM Steel Mills Limited		-	29,552,721,007
BSRM (Hong Kong) Limited		30,916,246	46,564,141
Less: Intra-group elimination		(864,369)	(27,126,910,344)
		<u>59,905,904,343</u>	<u>48,194,730,492</u>





## Notes to the Financial Statements (Continued)

	Note	2021 BDT	2020 BDT
<b>6.00 Cost of sales</b>			
Bangladesh Steel Re-Rolling Mills Limited-HO	6.01	51,320,565,735	40,694,633,736
Bangladesh Steel Re-Rolling Mills Limited-Kolkata Branch		2,071,234,812	1,413,227,987
Adjustment for portion of unrealized profit (PURP)-subsidiary		-	7,232,143
Less: Intra-company sales		(613,177,687)	(67,026,798)
		<b>52,778,622,860</b>	<b>42,048,067,068</b>
<b>6.01 Bangladesh Steel Re-Rolling Mills Limited-HO</b>			
Cost of sales- own production	6.01.01	47,524,244,924	39,946,635,576
Cost of sales- finished goods procured and sold	6.01.02	545,634,242	708,340,702
Cost of sales- scrap and others		401,056,461	4,153,047
Cost of sales- billet		1,999,376,849	35,504,411
Cost of Ribbed Wire	6.01.03	850,253,259	-
		<b>51,320,565,735</b>	<b>40,694,633,736</b>
<b>6.01.01 Cost of sales- own production</b>			
Stock of raw materials-scrap at 1 July		1,390,522,066	2,172,557,571
Raw Materials transfer from BSML due to merger		5,417,575,522	-
Purchase during the year		19,884,007,227	2,774,316,971
		<b>26,692,104,815</b>	<b>4,946,874,542</b>
Cost of scrap and others sales		(401,056,461)	(4,153,047)
Stock of raw materials-scrap at 30 June	24.01	(5,546,106,887)	(1,390,522,066)
<b>Raw materials consumed-scrap</b>		<b>20,744,941,467</b>	<b>3,552,199,429</b>
Factory overhead- Melting Unit	6.02.a	6,053,039,327	1,372,902,873
<b>Cost of billet manufactured</b>		<b>26,797,980,794</b>	<b>4,925,102,302</b>
Stock of billet at 1 July		39,666,437	38,976,977
Billet transfer from BSML due to merger		2,327,748,626	-
<b>Stock of billet available</b>		<b>29,165,395,857</b>	<b>4,964,079,279</b>
Cost of billet sale		(1,999,376,849)	(35,504,411)
Stock of billet at 30 June	24.01	(2,435,306,638)	(39,666,437)
<b>Billet transferred to Re-Rolling Unit</b>		<b>24,730,712,370</b>	<b>4,888,908,431</b>
Stock of billet at 1 July		1,510,977,480	4,217,424,626
Purchase during the year		17,475,924,935	27,349,808,370
Stock of billet at 30 June	24.01	(1,074,287,811)	(1,510,977,480)
<b>Billet consumed</b>		<b>42,643,326,974</b>	<b>34,945,163,947</b>
Cost of packing materials		123,996,651	138,200,936
Factory overhead- Rolling Unit	6.02.b	2,491,483,961	1,967,635,599
<b>Cost of Production of finished goods</b>		<b>45,258,807,586</b>	<b>37,051,000,482</b>
Stock of finished goods at 1 July		4,345,804,002	7,242,677,339
Purchase FG for cut and bend during the year		45,128,284	-
Stock of finished goods at 30 June	24.01	(2,071,570,543)	(4,345,804,002)
<b>Goods available for sale</b>		<b>47,578,169,329</b>	<b>39,947,873,819</b>
Own use		(53,924,404)	(1,238,243)
<b>Cost of sales- own production</b>		<b>47,524,244,924</b>	<b>39,946,635,576</b>
<b>6.01.02 Cost of sales- finished goods procured and sold</b>			
Stock of finished goods at 1 July		421,396,820	430,566,294
Finished goods imported		248,433,044	476,889,762
Finished goods purchased locally		190,293,783	231,086,286
<b>Available for sale/consumption</b>		<b>860,123,647</b>	<b>1,138,542,342</b>
Stock of finished goods at 30 June	24.01	(278,784,216)	(421,396,820)
Goods used by the company		(35,705,190)	(8,804,820)
<b>Cost of sales- finished goods procured and sold</b>		<b>545,634,242</b>	<b>708,340,702</b>
<b>6.01.03 Cost of sales- Ribbed Wire</b>			
Stock of raw materials-Scrap at 1 July		-	-
Purchase during the year		896,160,331	-
Stock of raw materials-scrap at 30 June	24.01	(30,672,236)	-
<b>Raw materials consumed-Wire Rod</b>		<b>865,488,094</b>	<b>-</b>
Cost of Packing Materials		1,673,302	-
Factory overhead	6.02.c	43,138,318	-
<b>Cost of billet manufactured</b>		<b>910,299,715</b>	<b>-</b>
Stock of finished goods at 30 June	24.01	(23,168,247)	-
<b>Goods available for sale</b>		<b>887,131,468</b>	<b>-</b>
Own use		(36,878,208)	-
<b>Cost of sales- Ribbed Wire</b>		<b>850,253,259</b>	<b>-</b>



## Notes to the Financial Statements (Continued)

	Note	2021	2020
		BDT	BDT
<b>6.02 Factory overhead</b>			
Factory overhead- Melting Unit	6.02.a	6,053,039,327	1,372,902,873
Factory overhead- Rolling Unit	6.02.b	2,491,483,961	1,967,635,599
Factory overhead- Ribbed Wire	6.02.c	43,138,318	-
		<b>8,587,661,606</b>	<b>3,340,538,472</b>
<b>6.02.a Factory overhead- Melting Unit</b>			
Salaries and allowances		432,604,993	150,624,258
Consumption of electrical stores		55,404,927	4,408,435
Consumption of general stores		31,128,197	2,292,628
Consumption of mechanical stores		232,096,768	26,284,667
Conveyance expenses		11,062,952	3,575,249
Depreciation	18.01	512,131,210	157,269,021
Direct materials consumed		1,453,139,016	391,572,593
Electricity expenses		2,071,834	1,566,815
Entertainment		8,835,987	1,478,988
Fees and renewals		1,617,837	41,836
Fuel and lubricants		82,340,072	7,419,491
Gas		27,574,567	6,149,489
Guest house expenses		2,294,385	198,268
Guest house rent		1,206,900	-
Materials and finished goods handling charges		89,118,408	15,472,847
Medical expenses		4,017,376	1,237,015
Motor vehicle expenses		3,856,070	1,885,684
Postage and telegram		1,431	659
Power (factory)		2,971,099,929	582,377,213
Printing and stationery		1,738,516	515,873
Repairs and maintenance		23,952,358	7,653,828
Scrap Processing Expenses		75,645,362	-
Slag Processing Expenses		12,033,182	-
Travelling expenses		208,083	216,723
Testing Charges		224,932	-
Water bill- WASA		111,676	133,317
Depreciation- Right-of-use assets	44.00	14,217,518	10,527,976
Insurance expenses		865,385	-
Rent		2,439,456	-
		<b>6,053,039,327</b>	<b>1,372,902,873</b>
<b>6.02.b Factory overhead- Rolling Unit</b>			
Salaries and allowances		260,000,212	212,557,899
Carrying charges-raw materials		132,875	207,670
Consumption of electrical stores		85,617,751	28,106,687
Consumption of general stores		4,045,009	3,642,406
Consumption of mechanical stores		341,682,027	153,891,587
Conveyance expenses		8,507,414	7,325,814
Depreciation	18.01	498,879,975	486,493,899
Other materials consumed		847,236	988,225
Electricity expenses		9,259,171	7,495,022
Entertainment		2,125,993	3,855,874
Fees and renewals		1,019,075	1,256,008
Fuel and lubricants		26,042,130	28,521,891
Gas		271,830,275	241,857,538
Guest house expenses		212,465	249,614
Guest house rent		1,776,335	2,064,510
Insurance expenses		20,104,824	11,078,842
Materials and finished goods handling charges		288,858,902	275,838,100
Medical expenses		2,391,974	1,629,551
Motor vehicle expenses		929,078	911,671
Postage and telegram		4,755	50,872
Power (factory)		559,544,835	473,360,048
Printing and stationery		5,230,708	5,955,941
Rent		923,136	1,439,442
Ghat Rent		25,952,041	-
Repairs and maintenance		19,408,863	10,959,822
Travelling expenses		321,877	2,090,298
Testing Charges		312,850	-
Water bill- WASA		254,233	26,867
Consumption of MS Roll		49,004,418	185,848
Depreciation- Right-of-use assets	44.00	6,263,523	5,593,653
		<b>2,491,483,961</b>	<b>1,967,635,599</b>



## Notes to the Financial Statements (Continued)

	Note	2021 BDT	2020 BDT
<b>6.02.c</b>	<b>Factory overhead- Ribbed Wire</b>		
	Carrying charges	5,225	-
	Consumption electrical stores	528,285	-
	Consumption general stores	147,481	-
	Consumption of Mechanical Stores	1,588,865	-
	Consumption of MS Roll	90,549	-
	Conveyance expenses	243,441	-
	Depreciation	2,257,406	-
	Entertainment	333,684	-
	Fuel and Lubricants	384,004	-
	Insurance expenses	2,883	-
	Materials and finished goods handling charges	2,371,799	-
	Medical expenses	237,004	-
	Office Expenses	17,160	-
	Other Materials Consumed	73,403	-
	Postage and telegram	1,610	-
	Power	3,702,046	-
	Printing and stationery	271,255	-
	Repairs and Maintenance	769,514	-
	Salaries and allowances	30,000,021	-
	Testing Charges	66,470	-
	Travelling expenses	3,500	-
	Water bill-WASA	42,713	-
		<b>43,138,318</b>	-
<b>6.a</b>	<b>CONSOLIDATED COST OF SALES</b>		
	Bangladesh Steel Re-Rolling Mills Limited	52,778,622,860	42,048,067,068
	BSRM Steel Mills Limited	-	27,043,749,937
	BSRM (Hong Kong) Limited	28,441,880	45,727,839
	Reversal of unrealized profit elimination separate financial statement	-	(7,232,143)
	Portion of unrealized profit (PURP)	-	16,083,330
	Adjustment for unrealized profit on opening inventory	-	(3,009,903)
	Less: Intra-group elimination	(864,369)	(27,126,910,344)
		<b>52,806,200,371</b>	<b>42,016,475,784</b>



## Notes to the Financial Statements (Continued)

	Note	2021 BDT	2020 BDT
<b>7.00 Selling and distribution costs</b>			
Bangladesh Steel Re-Rolling Mills Limited-HO	7.01	1,080,878,244	1,223,320,504
Bangladesh Steel Re-Rolling Mills Limited-Kolkata Branch		-	-
		<b>1,080,878,244</b>	<b>1,223,320,504</b>
<b>7.01 Bangladesh Steel Re-Rolling Mills Limited-HO</b>			
Salary and allowances		170,947,243	149,004,382
Advertisement		155,117,744	81,763,343
Sales promotion expenses		15,766,861	38,602,255
Brokerage and commission		260,115,966	375,441,240
Marketing expenses		71,117,833	26,150,084
Carriage on sales		184,462,781	354,818,828
Telephone expenses		204,442	147,918
Conveyance expenses		815,940	348,571
Depreciation	18.01	45,205,737	44,082,871
Electricity expenses		11,640,076	9,517,370
Entertainment		474,736	173,267
Finished goods handling charges		31,225,096	29,791,757
Export charges		8,332,907	2,168,398
Repair & maintenance		279,954	205,889
Fees and renewals		142,730	78,459
Godown rent		3,126,685	2,668,572
Medical expenses		1,411,113	1,348,640
Motor cycle expenses		11,162,902	9,385,023
Printing and stationeries expenses		3,344,918	3,252,315
Royalty expenses		93,970,589	83,061,813
Testing charges		691,980	259,511
Travelling expenses		1,793,844	2,415,743
Depreciation- Right-of-use assets	44.00	2,332,984	2,332,985
Gratuity expenses		7,193,182	6,301,270
		<b>1,080,878,244</b>	<b>1,223,320,504</b>
<b>7.02</b> The trademark 'Xtreme 500W' has been registered in the name of 'H. Akberali & Co. Limited' (HACL) from the Department of Patents, Designs and Trademark of Government of Bangladesh under section 20(2) of the Trademark Act 2009. The company is paying royalty to HACL @ Tk. 150 per MT on its sold quantity from 01 January 2016 according to Trademark License Agreement between the Company and HACL effective from the aforesaid date.			
<b>7.a CONSOLIDATED SELLING AND DISTRIBUTION COSTS</b>			
Bangladesh Steel Re-Rolling Mills Limited	7.00	1,080,878,244	1,223,320,504
BSRM Steel Mills Limited		-	10,135,314
BSRM (Hong Kong) Limited		-	-
		<b>1,080,878,244</b>	<b>1,233,455,818</b>
<b>8.00 Administrative costs</b>			
Bangladesh Steel Re-Rolling Mills Limited-HO	8.01	451,078,720	364,312,063
Bangladesh Steel Re-Rolling Mills Limited-Kolkata Branch		99,071,499	55,078,380
		<b>550,150,219</b>	<b>419,390,443</b>
<b>8.01 Bangladesh Steel Re-Rolling Mills Limited-HO</b>			
Salaries and allowances		214,548,551	181,676,297
Directors' remuneration	8.02	121,000,000	88,500,000
Advertisement expenses		605,686	1,114,627
Audit fees		1,544,900	770,500
Board meeting expenses		302,500	267,000
Conveyance expenses		2,388,275	625,903
Insurance expenses		33,638	23,288
CSR expenses		15,750,728	20,137,524
Depreciation	18.01	4,849,281	4,335,228
Amortisation	20.01	4,549,901	3,383,341
Donation and subscriptions		5,010,257	3,334,608
Entertainment		4,833,619	4,488,788
Fees and renewals		5,774,487	5,338,315
Generator and fuel expenses		232,832	304,095
Guest house expenses		1,266,924	566,481
Land revenue, municipal tax		1,279,418	1,277,250
Legal expenses		650,558	445,584
Medical expenses		5,075,837	3,167,425



## Notes to the Financial Statements (Continued)

	Note	2021	2020
		BDT	BDT
Motor vehicle expenses		11,554,563	10,272,247
Office expenses		1,316,611	757,172
Postage expenses		288,711	316,819
Printing expenses		1,926,135	761,196
Professional expenses		14,431,876	6,314,073
Rent (office, depot and others)		1,489,434	1,676,239
Repair and maintenance		2,633,032	2,720,638
Telephone expenses		4,278,627	3,355,182
Internet expenses		1,881,092	1,394,191
Training expenses		788,383	1,165,378
Travelling expenses		3,040,046	3,716,744
Utility expenses		1,913,722	1,196,559
Gratuity expenses		9,022,822	5,325,389
Depreciation- Right-of-use assets	44.00	6,816,275	5,583,982
		<b>451,078,720</b>	<b>364,312,063</b>

### 8.02 Directors' remuneration

Details of directors' remuneration paid during the year are as follows:

Director's Name	Gross remuneration	Income tax deducted	Net paid
Mr. Alihussain Akberali- Chairman	48,500,000	12,125,000	36,375,000
Mr. Aameir Alihussain- Managing Director	43,500,000	10,875,000	32,625,000
Mr. Zohair Taherali- Director	21,500,000	5,375,000	16,125,000
Mrs. Sabeen Aameir- Director	7,500,000	1,500,000	6,000,000
	<b>121,000,000</b>	<b>29,875,000</b>	<b>91,125,000</b>

In addition to remuneration, directors avail company vehicles for transportation purposes. These key management personnel are not entitled to any other benefits. No amount is lying as receivable from the directors.

### 8.a CONSOLIDATED ADMINISTRATIVE COSTS

Bangladesh Steel Re-Rolling Mills Limited	8.00	550,150,219	419,390,443
BSRM Steel Mills Limited		-	153,985,055
BSRM (Hong Kong) Limited		14,683,156	15,241,333
		<b>564,833,375</b>	<b>588,616,831</b>

### 9.00 Other operating income

See accounting policy in note 4(U).

Bangladesh Steel Re-Rolling Mills Limited-HO	9.01	11,524,981	27,454,639
Bangladesh Steel Re-Rolling Mills Limited-Kolkata Branch		-	-
		<b>11,524,981</b>	<b>27,454,639</b>

### 9.01 Bangladesh Steel Re-Rolling Mills Limited-HO

Late payment charge		27,377,242	19,139,368
Other item sales		3,615,255	13,075,330
Gain/(loss) on sale of PPE		(19,467,515)	(4,760,059)
		<b>11,524,981</b>	<b>27,454,639</b>

### 9.a CONSOLIDATED OTHER OPERATING INCOME

Bangladesh Steel Re-Rolling Mills Limited	9.00	11,524,981	27,454,639
BSRM Steel Mills Limited		-	-
		<b>11,524,981</b>	<b>27,454,639</b>

### 10.00 Finance costs

See accounting policy in note 4(S)

Bangladesh Steel Re-Rolling Mills Limited-HO	10.01	769,705,652	1,217,133,132
Bangladesh Steel Re-Rolling Mills Limited-Kolkata Branch		13,503,622	11,776,807
		<b>783,209,274</b>	<b>1,228,909,939</b>



## Notes to the Financial Statements (Continued)

	Note	2021 BDT	2020 BDT
<b>10.01 Bangladesh Steel Re-Rolling Mills Limited-HO</b>			
Interest on LATR		12,836,166	1,165,042
Interest on Demand and Time loan		213,344,455	530,426,616
Interest on Overdraft		59,755,776	161,125,214
Interest on Term loan		332,567,556	580,161,930
Bank charges		24,313,538	17,526,490
Bank guarantee commission		809,417	92,227
Agency fee		2,300,000	575,000
Interest on balance due to inter companies		218,898,926	199,929,987
Interest on balance due from inter companies		(178,230,922)	(286,178,250)
Interest on stimulus fund		74,590,174	80,293
Interest on lease liabilities	44.00	10,050,440	9,803,899
Foreign currency exchange rate fluctuation (gain)/loss	10.02	(1,529,875)	2,424,684
		<b>769,705,652</b>	<b>1,217,133,132</b>
<b>10.02 Foreign currency exchange loss/(gain)</b>			
Realized foreign currency transaction loss/(gain)		(445,407)	3,264,646
Unrealized foreign currency translation loss/(gain)		(1,084,468)	(839,962)
		<b>(1,529,875)</b>	<b>2,424,684</b>
<b>Foreign currency transaction loss/(gain)</b>			
This represents net gain on transaction in foreign currency during the year.			
<b>Foreign currency translation loss/(gain)</b>			
This represents net gain on translation of foreign currencies into Bangladeshi Taka at the rate prevailing on reporting date.			
<b>10.a CONSOLIDATED FINANCE COSTS</b>			
Bangladesh Steel Re-Rolling Mills Limited	10.00	783,209,274	1,228,909,939
BSRM Steel Mills Limited		-	1,116,959,075
BSRM (Hong Kong) Limited		1,310,543	869,509
		<b>784,519,817</b>	<b>2,346,738,523</b>
<b>11.00 Finance income</b>			
See accounting policy in note 4 (S)			
Bangladesh Steel Re-Rolling Mills Limited-HO	11.01	72,947,851	23,297,335
Bangladesh Steel Re-Rolling Mills Limited-Kolkata Branch		-	-
		<b>72,947,851</b>	<b>23,297,335</b>
<b>11.01 Bangladesh Steel Re-Rolling Mills Limited-HO</b>			
Interest income on STD		51,632	52,938
Interest income from FDR		72,896,219	23,244,397
		<b>72,947,851</b>	<b>23,297,335</b>
<b>11.a CONSOLIDATED FINANCE INCOME</b>			
Bangladesh Steel Re-Rolling Mills Limited	11.00	72,947,851	23,297,335
BSRM Steel Mills Limited		-	84,660,237
BSRM (Hong Kong) Limited		-	-
		<b>72,947,851</b>	<b>107,957,572</b>
<b>12.00 Non-operating income</b>			
Bangladesh Steel Re-Rolling Mills Limited-HO	12.01	30,428,372	16,105,053
Bangladesh Steel Re-Rolling Mills Limited-Kolkata Branch		-	-
		<b>30,428,372</b>	<b>16,105,053</b>
<b>12.01 Bangladesh Steel Re-Rolling Mills Limited-HO</b>			
Changes in fair value of tradable securities	23.03	-	18,714
PF forfeiture		121,966	424,339
Rental income		26,640,950	15,662,000
Profit on sale of shares		3,665,456	-
		<b>30,428,372</b>	<b>16,105,053</b>
<b>12.a CONSOLIDATED NON-OPERATING INCOME</b>			
Bangladesh Steel Re-Rolling Mills Limited	12.00	30,428,372	16,105,053
BSRM Steel Mills Limited		-	23,984,425
BSRM (Hong Kong) Limited		24,364,539	24,277,748
		<b>54,792,911</b>	<b>64,367,226</b>



## Notes to the Financial Statements (Continued)

	Note	2021 BDT	2020 BDT
<b>13.00 Share of (loss)/profit of equity accounted investees (Net of tax)</b>			
Share of profit of subsidiary (BSML)	13.01	-	269,224,390
Share of profit of subsidiary (BSRM HK)	13.02	10,179,789	8,840,869
Share of profit of associate (BSL)	13.03	950,337,483	231,504,243
		<u>960,517,273</u>	<u>509,569,502</u>
<b>13.01 Share of profit of subsidiary (BSML)</b>			
Net profit attributable to the shareholders' of BSML		-	598,719,417
Percentage of holding		-	44.97%
Net profit attributable to BSRM Ltd.		-	<u>269,224,390</u>
<b>13.02 Share of profit of subsidiary (BSRM HK)</b>			
Net profit/(loss) attributable to the shareholders' of BSRM (HK)		10,179,789	8,840,869
Percentage of holding		100.00%	100.00%
Net profit attributable to BSRM Ltd.		<u>10,179,789</u>	<u>8,840,869</u>
<b>13.03 Share of profit of associate (BSL)</b>			
Net profit attributable to the shareholders' of BSL		3,047,085,826	742,276,623
Percentage of holding		31.19%	31.19%
Net profit attributable to BSRM Ltd.		<u>950,337,483</u>	<u>231,504,243</u>
<b>13.04 Share of other comprehensive income of associate (BSL) (Net of tax)</b>			
Other comprehensive income attributable to the shareholders' of BSL		(27,584,445)	(1,517,336)
Percentage of holding		31.19%	31.19%
Other comprehensive income attributable to BSRM Ltd.		<u>(8,603,149)</u>	<u>(473,233)</u>
<b>14.00 Earnings per share (EPS)</b>			
See accounting policy in note 4(U)			
<b>14.01 Basic EPS</b>			
Profit attributable to the ordinary shareholders		4,970,362,865	921,840,741
Number of ordinary shares at the year end		298,584,626	236,068,236
Weighted average no. of shares outstanding during the year (Nos.)		<u>262,116,732</u>	<u>236,068,236</u>
		<u>18.96</u>	<u>3.90</u>
<b>14.a CONSOLIDATED EARNING PER SHARE</b>			
Net profit after tax attributable to owners of the company (Taka)		4,970,362,865	921,840,741
Number of ordinary shares at the period end		298,584,626	236,068,236
Weighted average number of ordinary shares outstanding during the year (Nos.)		<u>262,116,732</u>	<u>236,068,236</u>
		<u>18.96</u>	<u>3.90</u>
Earning per share (EPS) has been computed by dividing the basic earnings by the number of ordinary shares outstanding as of 30 June 2021 in terms of International Accounting Standard (IAS-33).			
<b>15.00 Net asset value per share (NAV)</b>			
Total assets		80,531,879,462	47,050,619,953
Total liabilities		(42,445,902,406)	(23,468,978,126)
<b>Net asset value (NAV)</b>		<u>38,085,977,055</u>	<u>23,581,641,827</u>
Number of ordinary shares outstanding during the year		<u>298,584,626</u>	<u>236,068,236</u>
		<u>127.56</u>	<u>99.89</u>
<b>15.a CONSOLIDATED NET ASSET VALUE PER SHARE (CNAV)</b>			
Total assets		80,532,912,742	81,489,176,227
Total liabilities		(42,446,935,686)	(50,082,733,377)
Consolidated net asset value (CNAV)		<u>38,085,977,055</u>	<u>31,406,442,850</u>
Less: Non-controlling interest		-	(7,824,801,021)
Assets attributable to owners of the company		<u>38,085,977,055</u>	<u>23,581,641,829</u>
Number of ordinary shares outstanding during the year		<u>298,584,626</u>	<u>236,068,236</u>
		<u>127.56</u>	<u>99.89</u>
<b>16 Net operating cash flow per share</b>			
Net operating cash flow		8,730,390,260	9,554,438,302
Number of ordinary shares outstanding during the year		<u>298,584,626</u>	<u>236,068,236</u>
Net operating cash flow per share		<u>29.24</u>	<u>40.47</u>



## Notes to the Financial Statements (Continued)

Note	2021 BDT	2020 BDT
<b>16.a CONSOLIDATED NET OPERATING CASH FLOW PER SHARE</b>		
Consolidated net operating cash flow	8,741,330,058	5,677,820,515
Number of ordinary shares outstanding during the year	298,584,626	236,068,236
Net operating cash flow per share	<u>29.28</u>	<u>24.05</u>
<b>17 Reconciliation of net income with cash flows from operating activities:</b>		
<b>Net Profit before Tax</b>	5,503,858,994	1,335,618,025
<b>Adjustments to reconcile net income with cash flows from operating activities:</b>		
Amortisation	4,549,901	3,383,341
Gain/(loss) on sale of PPE	19,467,515	4,760,059
Depreciation	1,064,122,337	692,935,044
Depreciation on right-of-use-assets	29,630,300	24,038,596
Interest on finance lease	10,050,440	9,803,899
Unrealized foreign currency translation loss/(gain)	(1,084,467)	(2,981,833)
Share of (loss)/profit of equity accounted investee, net of tax	<u>(960,517,273)</u>	<u>(509,569,502)</u>
	<u>166,218,754</u>	<u>222,369,604</u>
<b>(Increase)/decrease in current assets:</b>		
Inventories	4,197,132,637	6,342,468,941
Trade and other receivables	(1,143,450,242)	224,237,798
Advances and deposits	899,307,428	(138,897,369)
<b>Increase/(decrease) in current liabilities:</b>		
Trade payables	(1,878,736,350)	2,106,848,058
Other liabilities	117,811,927	(181,879,246)
Defined benefit obligations - gratuity	41,960,317	18,729,431
Advance against sales	387,549,130	(300,590,693)
Liabilities for expenses	451,640,716	187,613,483
Current Tax liability of SML	367,210,459	-
Provision for WPPF and Welfare Fund	179,889,269	(50,521,051)
	<u>3,620,315,289</u>	<u>8,208,009,353</u>
Income tax paid	(549,952,337)	(201,754,781)
Interest paid on finance lease	(10,050,440)	(9,803,899)
<b>Net cash flow from operating activities</b>	<u>8,730,390,260</u>	<u>9,554,438,302</u>
<b>17.a Reconciliation of consolidated net income with cash flows from operating activities:</b>		
<b>Net profit before tax</b>	5,504,524,410	2,330,424,163
<b>Adjustments to reconcile net income with cash flows from operating activities:</b>		
Amortisation	4,549,901	6,183,085
Gain/(loss) on sale of PPE	19,467,515	4,760,059
Depreciation	1,093,903,684	1,563,996,749
Interest on finance lease	10,050,440	9,803,899
Unrealized foreign currency translation loss/(gain)	(1,084,467)	(2,981,833)
Unrealized loss/(gain), PURP etc.	-	2,859,451
Consolidation impact	(1,195)	(9,003,209)
Share of (loss)/profit of equity accounted investee, net of tax	<u>(950,337,483)</u>	<u>(231,504,243)</u>
	<u>176,548,393</u>	<u>1,344,113,956</u>
<b>(Increase)/decrease in current assets:</b>		
Inventories	4,197,132,637	2,294,363,951
Trade and other receivables	(1,143,450,242)	(1,402,887,193)
Advances and deposits	899,232,262	(243,799,186)
<b>Increase/(decrease) in current liabilities:</b>		
Trade payables	(1,878,736,350)	2,067,850,992
Other liabilities	117,831,836	(901,595,915)
Defined benefit obligations - gratuity	41,960,317	29,045,310
Advance against sales	387,549,130	(285,328,877)
Liabilities for expenses	451,640,716	1,323,252,133
Current Tax liability of SML	367,210,459	-
Provision for WPPF and Welfare Fund	179,889,269	(84,066,613)
	<u>3,620,260,033</u>	<u>2,796,834,603</u>
Income tax paid	(549,952,337)	(783,748,309)
Interest paid on finance lease	(10,050,440)	(9,803,899)
<b>Net cash flow from operating activities</b>	<u>8,741,330,058</u>	<u>5,677,820,515</u>





## Notes to the Financial Statements (Continued)

18.00 Property, plant and equipment (PPE) - revalued model  
See accounting policy in note 4(D)

Bangladesh Steel Re-Rolling Mills Limited-HO  
Bangladesh Steel Re-Rolling Mills Limited-Kolkata Branch

Note	30 June 2021	30 June 2020
	BDT	BDT
18.01	38,628,459,022	15,935,658,045
	1,911,610	2,759,314
	<b>38,630,370,632</b>	<b>15,938,417,359</b>

18.01 Bangladesh Steel Re-Rolling Mills Limited-HO

Particulars	Land and land development	Plant and machinery	Motor vehicles	Factory building and shed	Boundary wall, road & pavements	Furniture and fixtures	Office equipment	Computer & IT equipment	Total
<b>At Revaluation</b>									
Balance at 1 July 2019	7,441,664,394	7,630,134,903	57,663,353	3,289,262,060	252,816,790	41,372,381	39,917,094	23,082,214	18,775,913,187
Additions	52,194,522	638,523,775	4,024,105	74,803,978	3,042,494	2,875,475	2,568,856	3,417,463	781,450,668
Disposal/transfer	-	(34,966,656)	(1,719,819)	-	-	(29,300)	(151,608)	(423,521)	(37,290,905)
<b>Balance at 30 June 2020</b>	<b>7,493,858,916</b>	<b>8,233,692,021</b>	<b>59,967,638</b>	<b>3,364,066,038</b>	<b>255,859,284</b>	<b>44,218,556</b>	<b>42,334,342</b>	<b>26,076,156</b>	<b>19,520,072,950</b>
Balance at 1 July 2020	7,493,858,916	8,233,692,021	59,967,638	3,364,066,038	255,859,284	44,218,556	42,334,342	26,076,156	19,520,072,950
Balance at 31 January 2021 (SML)	9,851,528,162	12,276,661,197	25,636,481	4,314,225,708	1,086,384,139	77,698,541	113,111,574	22,638,215	27,779,884,014
Additions	21,041,519	138,991,091	7,211,486	20,613,644	795,642	2,960,855	3,628,279	3,171,320	198,413,834
Disposal/transfer	-	(91,236,924)	(12,516,122)	-	-	(6,300)	(93,000)	(219,209)	(104,071,555)
<b>Balance at 30 June 2021</b>	<b>17,376,428,596</b>	<b>20,588,107,355</b>	<b>80,299,483</b>	<b>7,698,905,390</b>	<b>1,345,039,065</b>	<b>124,871,651</b>	<b>158,981,194</b>	<b>51,666,481</b>	<b>47,394,299,243</b>

### Accumulated depreciation

Balance at 1 July 2019	-	1,996,389,942	37,570,001	707,302,820	92,586,948	30,934,777	31,204,929	17,237,476	2,913,226,892
Charged for the year	-	525,874,292	6,283,948	131,639,874	16,531,391	4,997,629	4,401,745	2,452,140	692,181,019
Adjustment for disposal	-	(18,748,883)	(1,648,444)	-	-	(29,300)	(142,858)	(423,521)	(20,993,006)
<b>Balance at 30 June 2020</b>	<b>-</b>	<b>2,503,515,351</b>	<b>42,205,505</b>	<b>838,942,694</b>	<b>109,118,339</b>	<b>35,903,106</b>	<b>35,463,816</b>	<b>19,266,095</b>	<b>3,584,414,905</b>
Balance at 1 July 2020	-	2,503,515,351	42,205,505	838,942,694	109,118,339	35,903,106	35,463,816	19,266,095	3,584,414,905
Balance at 31 January 2021 (SML)	-	3,061,672,677	22,136,804	734,007,374	225,487,063	54,997,328	78,405,542	15,112,279	4,191,819,066
Charged for the year	-	802,410,070	6,986,167	204,713,821	29,126,550	8,232,206	7,806,216	4,048,579	1,063,323,610
Adjustment for disposal	-	(61,184,401)	(12,263,041)	-	-	(6,300)	(89,000)	(174,617)	(73,717,360)
<b>Balance at 30 June 2021</b>	<b>-</b>	<b>6,306,413,697</b>	<b>59,065,435</b>	<b>1,777,663,889</b>	<b>363,731,952</b>	<b>99,126,339</b>	<b>121,586,575</b>	<b>38,252,335</b>	<b>8,765,840,221</b>

### Carrying amount

As at 30 June 2020	7,493,858,916	5,730,176,670	17,762,133	2,525,123,344	146,740,945	8,315,451	6,870,526	6,810,061	15,935,658,045
As at 30 June 2021	17,376,428,596	14,251,693,688	21,234,048	5,921,241,501	981,307,113	25,745,312	37,394,619	13,414,146	38,628,459,022

### Depreciation allocation:

Cost of sales	Note	2021	2020
Selling & distribution costs	6.02	1,013,268,591	643,762,920
Administrative costs	7.01	45,205,737	44,082,871
	8.01	4,849,281	4,335,228
		<b>1,063,323,610</b>	<b>692,181,019</b>



## Notes to the Financial Statements (Continued)

### 18.02 Property, plant and equipment (PPE) - cost model

Bangladesh Steel Re-Rolling Mills Limited-HO  
Bangladesh Steel Re-Rolling Mills Limited-Kolkata Branch

Note	2021		2020	
	2021	2020	2021	2020
18.03	24,766,963,234	10,523,005,151	1,911,610	2,759,314
	<b>24,768,874,844</b>	<b>10,525,764,465</b>		

### 18.03 Bangladesh Steel Re-Rolling Mills Limited-HO

Particulars	Land and land development	Plant and machinery	Motor vehicles	Factory building and shed	Boundary wall, road & pavements	Furniture and fixtures	Office equipment	Computer & IT equipment	Total
<b>At cost</b>									
Balance at 1 July 2019	1,978,116,973	8,479,002,582	87,494,301	3,418,971,374	252,816,790	55,608,766	56,915,590	23,082,214	14,352,008,590
Additions	52,194,522	638,523,775	4,024,105	74,803,978	3,042,494	2,875,475	2,568,856	3,417,463	781,450,668
Disposal/Transfer	-	(30,586,552)	(1,647,547)	-	-	(29,300)	(151,608)	(423,521)	(32,838,528)
<b>Balance at 30 June 2020</b>	<b>2,030,311,495</b>	<b>9,086,939,805</b>	<b>89,870,859</b>	<b>3,493,775,352</b>	<b>255,859,284</b>	<b>58,454,941</b>	<b>59,332,838</b>	<b>26,076,156</b>	<b>15,100,620,730</b>
Balance at 1 July 2020	2,030,311,495	9,086,939,805	89,870,859	3,493,775,352	255,859,284	58,454,941	59,332,838	26,076,156	15,100,620,730
Balance at 31 January 2021 (SML)	1,386,709,894	12,276,661,197	25,636,481	4,314,225,708	1,088,384,139	77,698,541	113,111,574	22,638,215	19,305,065,747
Additions	21,041,519	138,991,091	7,211,486	20,613,644	796,642	2,960,855	3,628,279	3,171,320	198,413,834
Disposal/Transfer	-	(88,632,936)	(12,516,122)	-	-	(6,300)	(93,000)	(219,209)	(101,467,567)
<b>Balance at 30 June 2021</b>	<b>3,438,062,908</b>	<b>21,413,959,157</b>	<b>110,202,704</b>	<b>7,828,614,704</b>	<b>1,345,039,065</b>	<b>139,108,036</b>	<b>175,979,690</b>	<b>51,666,481</b>	<b>34,502,632,744</b>

### Accumulated depreciation

Balance at 1 July 2019	-	2,795,481,016	54,618,347	881,829,668	92,586,948	45,191,108	43,155,706	17,237,464	3,930,100,257
Charged for the year	-	500,819,572	5,971,609	128,907,043	16,531,391	4,997,629	4,376,568	2,452,140	664,055,952
Adjustment for disposal	-	(14,368,779)	(1,576,172)	-	-	(29,300)	(142,858)	(423,521)	(16,540,630)
<b>Balance at 30 June 2020</b>	<b>-</b>	<b>3,281,931,809</b>	<b>59,013,784</b>	<b>1,010,736,711</b>	<b>109,118,339</b>	<b>50,159,437</b>	<b>47,389,416</b>	<b>19,266,083</b>	<b>4,577,615,579</b>
Balance at 1 July 2020	-	3,281,931,809	59,013,784	1,010,736,711	109,118,339	50,159,437	47,389,416	19,266,083	4,577,615,579
Balance at 31 January 2021 (SML)	-	3,061,672,677	22,136,804	734,007,374	225,487,063	54,997,328	78,405,542	15,112,279	4,191,819,067
Charged for the year	-	779,229,122	6,924,573	201,980,990	29,126,550	8,232,206	7,806,216	4,048,579	1,037,348,236
Adjustment for disposal	-	(58,580,413)	(12,263,041)	-	-	(6,300)	(89,000)	(174,617)	(71,113,371)
<b>Balance at 30 June 2021</b>	<b>-</b>	<b>7,064,253,195</b>	<b>75,812,120</b>	<b>1,946,725,075</b>	<b>363,731,952</b>	<b>113,382,671</b>	<b>133,512,175</b>	<b>38,252,323</b>	<b>9,735,669,510</b>

### Carrying amount

As at 30 June 2020	2,030,311,495	5,805,007,996	30,857,075	2,483,038,641	146,740,945	8,295,504	11,943,422	6,810,073	10,523,005,151
As at 30 June 2021	3,438,062,908	14,349,705,962	34,390,584	5,881,889,629	981,307,113	25,725,365	42,467,515	13,414,158	24,766,963,234



## Notes to the Financial Statements (Continued)

### 18.a CONSOLIDATED PROPERTY, PLANT AND EQUIPMENT (PPE) - REVALUATION MODEL

Particulars	Land and land development	Plant and machinery	Motor vehicles	Factory building and shed	Boundary wall, road & pavements	Furniture and fixtures	Office equipment	Computer & IT equipment	Total
<b>At revaluation</b>									
Balance at 1 July 2019	17,230,902,278	19,530,218,671	84,481,745	7,383,456,829	1,337,904,711	114,740,160	149,702,740	41,436,846	45,872,843,980
Additions	124,484,800	818,322,087	4,024,105	220,830,709	3,042,494	8,918,121	6,170,351	7,462,485	1,193,255,152
Disposal/Transfer	-	(34,966,656)	(1,719,819)	-	-	(29,300)	(151,608)	(423,521)	(37,290,904)
<b>Balance at 30 June 2020</b>	<b>17,355,387,078</b>	<b>20,313,574,102</b>	<b>86,786,031</b>	<b>7,604,287,538</b>	<b>1,340,947,205</b>	<b>123,628,981</b>	<b>155,721,483</b>	<b>48,475,810</b>	<b>47,028,808,228</b>
Balance at 1 July 2020	17,355,387,078	20,313,574,102	86,786,031	7,604,287,538	1,340,947,205	123,628,981	155,721,483	48,475,810	47,028,808,228
Additions (BSRM Ltd)	21,041,519	138,991,091	7,211,486	20,613,644	795,642	2,960,855	3,628,279	3,171,320	198,413,834
Additions (Kolkata)	-	-	-	-	-	-	-	15,472	15,472
Additions -SML-7 Month	-	196,843,405	-	74,336,595	3,296,218	1,190,640	402,226	669,440	276,738,524
Disposal/Transfer	-	(91,236,924)	(12,516,122)	-	-	(6,300)	(93,000)	(219,209)	(104,071,555)
<b>Balance at 30 June 2021</b>	<b>17,376,428,597</b>	<b>20,558,171,674</b>	<b>81,481,395</b>	<b>7,699,237,777</b>	<b>1,345,039,065</b>	<b>127,774,176</b>	<b>159,658,988</b>	<b>52,112,833</b>	<b>47,399,904,503</b>
<b>Accumulated depreciation</b>									
Balance at 1 July 2019	-	4,075,725,839	56,938,228	1,187,533,452	259,858,916	65,763,424	84,751,891	27,094,161	5,757,665,911
Charged for the year	-	1,142,259,287	8,789,401	289,520,326	53,290,145	18,195,269	22,016,946	6,034,434	1,540,105,808
Adjustment for disposal	-	(18,748,883)	(1,648,444)	-	-	(29,300)	(142,858)	(423,521)	(20,993,006)
<b>Balance at 30 June 2020</b>	<b>-</b>	<b>5,199,236,243</b>	<b>64,079,185</b>	<b>1,477,053,778</b>	<b>313,149,061</b>	<b>83,929,393</b>	<b>106,625,979</b>	<b>32,705,074</b>	<b>7,276,778,713</b>
Balance at 1 July 2020	-	5,199,236,243	64,079,185	1,477,053,778	313,149,061	83,929,393	106,625,979	32,705,074	7,276,778,713
Charged for the year-BSRM	-	802,410,070	6,986,167	204,713,821	29,126,550	8,232,206	7,806,216	4,048,579	1,063,323,610
Charged for the year-HK	-	-	-	-	-	-	-	157,823	157,823
Charged for the year-Kolkata	-	-	86,360	-	-	566,265	142,493	68,058	863,177
Charged for the year-SML- 7 month	-	365,951,786	1,217,976	96,042,712	21,456,341	7,571,192	7,610,338	1,992,418	501,842,763
Adjustment for disposal	-	(61,184,401)	(12,263,041)	-	-	(6,300)	(89,000)	(174,617)	(73,717,360)
<b>Balance at 30 June 2021</b>	<b>-</b>	<b>6,306,413,698</b>	<b>60,106,647</b>	<b>1,777,810,311</b>	<b>363,731,952</b>	<b>100,292,756</b>	<b>122,096,027</b>	<b>38,797,335</b>	<b>8,769,248,726</b>
<b>Carrying amount</b>									
As at 30 June 2020	17,355,387,078	15,114,337,859	22,706,846	6,127,233,760	1,027,798,144	39,699,588	49,095,504	15,770,736	39,752,029,515
As at 30 June 2021	17,376,428,597	14,251,757,976	21,374,748	5,921,427,466	981,307,113	27,481,420	37,562,961	13,315,498	38,630,655,777



## Notes to the Financial Statements (Continued)

### 18.a.i CONSOLIDATED PROPERTY, PLANT AND EQUIPMENT (PPE)- COST MODEL

Bangladesh Steel Re-Rolling Mills Limited-HO  
BSRM Steel Mills Limited  
BSRM (Hong Kong) Limited

Bangladesh Steel Re-Rolling Mills Limited-Kolkata Branch

### 18.a.ii Bangladesh Steel Re-Rolling Mills Limited-HO, BSRM Steel Mills Limited and BSRM (Hong Kong) Limited

Note	2021	2020
18.03	24,766,963,234	10,523,005,151
	-	15,597,488,403
	302,091	442,967
	24,767,265,325	26,120,936,521
	1,911,610	2,759,314
18.a.ii	<b>24,769,176,935</b>	<b>26,123,695,835</b>

Particulars	Land and land development	Plant and machinery	Motor vehicles	Factory building and shed	Boundary wall, road & pavements	Furniture and fixtures	Office equipment	Computer & IT equipment	Total
<b>At cost</b>									
Balance at 1 July 2019	3,292,536,589	20,379,086,350	114,312,693	7,513,166,143	1,337,904,711	128,976,545	166,701,236	41,436,847	32,974,121,114
Additions	124,484,800	818,322,087	4,024,105	220,830,709	3,042,494	8,918,121	6,170,351	7,462,485	1,193,255,152
Disposal	-	(30,586,552)	(1,647,547)	-	-	(29,300)	(151,608)	(423,521)	(32,838,528)
Balance at 30 June 2020	3,417,021,389	21,166,821,885	116,689,251	7,733,996,852	1,340,947,205	137,865,366	172,719,979	48,475,811	34,134,537,738
Balance at 1 July 2020	3,417,021,389	21,166,821,885	116,689,251	7,733,996,852	1,340,947,205	137,865,366	172,719,979	48,475,811	34,134,537,738
Additions	21,041,519	138,991,091	7,211,486	20,613,644	795,642	2,960,855	3,628,279	3,171,320	198,413,834
Additions -SML-7 Month	-	196,843,405	-	74,336,595	3,296,218	1,190,640	402,226	669,440	276,738,524
Additions (Kolkata)	-	-	-	-	-	-	-	15,472	15,472
Disposal	-	(88,632,936)	(12,516,122)	-	-	(6,300)	(93,000)	(219,209)	(101,467,567)
Balance at 30 June 2021	3,438,062,908	21,414,023,445	111,384,615	7,828,947,091	1,345,039,065	142,010,561	176,657,484	52,112,834	34,508,238,001
<b>Accumulated depreciation</b>									
Balance at 1 July 2019	-	4,874,816,913	73,986,574	1,362,060,300	259,858,916	80,019,755	96,702,667	27,094,149	6,774,539,274
Charged for the year	-	1,117,204,567	8,477,062	286,787,495	53,290,145	18,195,269	21,991,769	6,034,434	1,511,980,741
Adjustment for disposal	-	(14,368,779)	(1,576,172)	-	-	(29,300)	(142,858)	(423,521)	(16,540,630)
Balance at 30 June 2020	-	5,977,652,701	80,887,464	1,648,847,795	313,149,061	98,185,724	118,551,578	32,705,062	8,269,979,385
Balance at 1 July 2020	-	5,977,652,701	80,887,464	1,648,847,795	313,149,061	98,185,724	118,551,578	32,705,062	8,269,979,385
Charged for the year	-	779,229,122	6,924,573	201,980,990	29,126,550	8,232,206	7,806,216	4,048,579	1,037,348,236
Charged for the year-HK	-	-	-	-	-	-	-	157,823	157,823
Charged for the year-Kolkata	-	-	86,360	-	-	566,265	142,493	68,058	863,177
Charged for the year-SML-7 month	-	365,951,786	1,217,976	96,042,712	21,456,341	7,571,192	7,610,338	1,992,418	501,842,763
Adjustment for disposal	-	(58,580,413)	(12,263,041)	-	-	(6,300)	(89,000)	(174,617)	(71,113,371)
Balance at 30 June 2021	-	7,064,253,196	76,853,332	1,946,871,497	363,731,952	114,549,087	134,021,626	38,797,323	9,739,078,013
<b>Carrying amount</b>									
As at 30 June 2020	3,417,021,389	15,189,169,184	35,801,787	6,085,149,057	1,027,798,144	39,679,642	54,168,401	15,770,749	25,864,558,353
As at 30 June 2021	3,438,062,908	14,349,770,249	34,531,283	5,882,075,594	981,307,113	27,461,474	42,635,858	13,315,511	24,769,159,988



## Notes to the Financial Statements (Continued)

### 18.04 Revaluation of Property, plant and equipment

All the revaluations made against Property, plant and equipment are summarized below:

Revaluation period	Class of assets revalued	Valuation method	Effective date	Valuer	Recognized into FS	Net revaluation gain
2008	All Property, plant and	Replacement cost and net	31-Dec-06	Hoda Vasi Chowdhury & Co.,	Beginning of 2008	1,673,400,176
2012			31-Dec-12		Beginning of 2012	2,004,256,895
2019	Land and land developments	Net realizable value/fair market value method	30-Jun-19	ACNABIN, Chartered Accountants.	30 June 2019	3,480,930,388

Replacement cost and net realizable value method, as applicable, have been used by the independent valuer in re-valuation of Property, plant and equipment.

Difference of depreciation between revalued carrying amount and depreciation based on carrying amount as per assets' original cost has been transferred from Revaluation Reserve to Retained Earnings as shown in Statement of Changes in Equity.



## Notes to the Financial Statements (Continued)

	Note	30 June 2021 BDT	30 June 2020 BDT
<b>19.00 Capital work-in-progress</b>			
See accounting policy in note 4 (E)			
Bangladesh Steel Re-Rolling Mills Limited-HO	19.01	1,295,288,934	267,408,809
Bangladesh Steel Re-Rolling Mills Limited-Kolkata Branch		-	-
		<u>1,295,288,934</u>	<u>267,408,809</u>
<b>19.01 Bangladesh Steel Re-Rolling Mills Limited-HO</b>			
Opening balance		267,408,809	68,813,135
Add: Additions during the year	19.02	1,148,241,066	592,111,326
		1,415,649,875	660,924,461
Less: Capitalized during the year		(120,360,941)	(393,515,652)
		<u>1,295,288,934</u>	<u>267,408,809</u>

### 19.02 Details of Capital work-in -progress

Particulars	Opening Balance	Additions	Capitalized during the year	Closing Balance
Factory building and shed	29,167,443	358,975,616	(32,831,510)	355,311,549
Plant and machineries	229,249,804	717,673,796	(79,745,357)	867,178,243
Boundary wall, drainage System, roads and pavement	8,057,594	65,537,190	(795,642)	72,799,142
Motor vehicles	933,968	6,054,465	(6,988,433)	-
	<u>267,408,809</u>	<u>1,148,241,066</u>	<u>(120,360,941)</u>	<u>1,295,288,934</u>

Property, Plant and Equipment under construction/acquisition is accounted for and measured at cost as capital work-in-progress until construction/acquisition is completed and it is ready for use.

### 19.a CONSOLIDATED CAPITAL WORK IN PROGRESS

Bangladesh Steel Re-Rolling Mills Limited	1,295,288,934	267,408,809
BSRM Steel Mills Limited	-	259,137,481
BSRM (Hong Kong) Limited	-	-
	<u>1,295,288,934</u>	<u>526,546,290</u>



## Notes to the Financial Statements (Continued)

	Note	30 June 2021 BDT	30 June 2020 BDT
<b>20.00 Intangible assets</b>			
See accounting policy in note 4 (F)			
Bangladesh Steel Re-Rolling Mills Limited-HO	20.01	21,212,828	15,030,379
Bangladesh Steel Re-Rolling Mills Limited-Kolkata Branch		-	-
		<u>21,212,828</u>	<u>15,030,379</u>
<b>20.01 Bangladesh Steel Re-Rolling Mills Limited-HO</b>			
<b><u>At Cost</u></b>			
Balance as at July 01		33,833,413	33,833,413
Addition due to Merger (SML)		26,646,812	-
Addition during the year		-	-
Balance as at Jun 30		<u>60,480,225</u>	<u>33,833,413</u>
<b><u>Accumulated Amortisation</u></b>			
Balance as at July 01		18,803,034	15,419,693
Amortisation due to Merger (SML)		15,914,462	-
Amortisation during the year		4,549,901	3,383,341
Balance as at Jun 30		<u>39,267,397</u>	<u>18,803,034</u>
<b><u>Carrying Amounts</u></b>		<u>21,212,828</u>	<u>15,030,379</u>
<b>20.a <u>CONSOLIDATED INTANGIBLE ASSETS</u></b>			
Bangladesh Steel Re-Rolling Mills Limited	20.00	21,212,828	15,030,379
BSRM Steel Mills Limited		-	12,365,533
BSRM (Hong Kong) Limited		-	-
		<u>21,212,828</u>	<u>27,395,912</u>



## Notes to the Financial Statements (Continued)

	Note	30 June 2021 BDT	30 June 2020 BDT
<b>21.00 Investment in subsidiaries and associate</b>			
See accounting policy in note 4 (H)			
<b>Subsidiary company</b>			
BSRM Steel Mills Limited (BSML)	21.01	-	6,400,734,650
BSRM (Hong Kong) Limited (BSRM HK)	21.01	12,257,443	2,077,654
<b>Joint-Venture</b>			
BMS Steel Limited (BMS)	21.01	6,106,500	6,106,500
<b>Associate company</b>			
BSRM Steels Limited (BSL)	21.01	7,313,964,240	6,664,212,379
		<b>7,332,328,183</b>	<b>13,073,131,183</b>

BSRM Steel Mills Limited (BSML) as Transferor Company and Bangladesh Steel Re-Rolling Mills Limited, the transferee company (together, "petitioner companies") filed an application under section 228 and 229 of the Companies Act 1994 before the Honorable High Court Division of the Supreme Court of Bangladesh for sanction of a scheme of amalgamation for merger of BSRM Steel Mills Limited with Bangladesh Steel Re-Rolling Mills Limited as approved by the Board of Directors of both the petitioner companies on 10 October 2019. The Honorable High Court Division of the Supreme Court of Bangladesh was pleased to admit the petition by an order dated 14 October 2019 and register the petition as Company matter no 225 of 2019. The Honorable High Court Division of the Supreme Court of Bangladesh, approved a verdict on 15 December 2020. As per order of the Honorable High Court, the judgement and the order shall take effect after filling of the certified copy of the same to the Registrar of Joint Stock Companies and Firms(RJSC) by BSRM Ltd. The certified copy of the court order has been filled to RJSC on 20th January 2021 and the Board has decided to merge both the Company's books of account with effect from 1 February, 2021.

### 21.01 Movement of Investment in Associate and Subsidiary

	BSL	BSML	BSRM HK	BMS
<b>Balance at 1 July 2020</b>	6,664,212,379	6,400,734,650	2,077,654	6,106,500
Investment made	-	-	-	-
<b>Addition/adjustments during the year:</b>				
Share of profit/(loss) of equity accounted Investees	950,337,482	-	10,179,789	-
Share of other comprehensive income-net of tax	-	-	-	-
Transfer of Deferred Tax to Retained Earnings by the equity accounted investees due to excess depreciation between cost and revalued	1,151,503	-	-	-
Share of Revaluation Reserve of Associate	(423,134,483)	-	-	-
Fair Value Reserve	414,531,335	-	-	-
Forgone dividend	(293,133,975)	-	-	-
Elimination of BSML(subsidiary) portion due to merger	-	(6,400,734,650)	-	-
<b>Balance at 30 June 2021.</b>	<b>7,313,964,240</b>	<b>-</b>	<b>12,257,443</b>	<b>6,106,500</b>

	BSL	BSML	BSRM HK	BMS
<b>Balance at 1 July 2019</b>	6,517,215,641	6,131,510,260	(6,763,215)	2,281,500
Investment made	-	-	-	3,825,000
<b>Addition/adjustments during the year:</b>				
Share of profit/(loss) of equity accounted Investees	231,504,243	269,224,390	8,840,869	-
Share of other comprehensive income-net of tax	(473,233)	-	-	-
Transfer of Deferred Tax to Retained Earnings by the equity accounted investees due to excess depreciation between cost and revalued model	1,346,787	-	-	-
Forgone dividend	(85,381,059)	-	-	-
<b>Balance at 30 June 2020</b>	<b>6,664,212,379</b>	<b>6,400,734,650</b>	<b>2,077,654</b>	<b>6,106,500</b>





## Notes to the Financial Statements (Continued)

### 21.02 Investment in subsidiary company- BSRM Steel Mills Limited (BSML)

BSRM Limited was holding 52.88% equity interest in BSRM Steel Mills Limited till 31 January 2021 that consists of 44.97% direct holding (177,364,600 Ordinary shares of Tk. 10 each) and 7.91% indirect investment through investment in associate (BSL) at the reporting date.

However, upon application of BSRM Steel Mills Limited (BSML) as Transferor Company and Bangladesh Steel Re-Rolling Mills Limited, the transferee company (together, "petitioner companies"), under section 228 and 229 of the Companies Act 1994, The Honourable High Court Division of Supreme Court of Bangladesh has approved amalgamation of BSRM Steel Mills Limited with Bangladesh Steel Re-Rolling Mills Limited on 15 December 2020, As per order of the Honorable High Court, the judgement and the order shall take effect after filling of the certified copy of the same to the Registrar of Joint Stock Companies and Firms(RJSC) by BSRM Ltd. The certified copy of the court order has been filled to RJSC on 20th January 2021 and the Board has decided to merge both the Company's books of account with effect from 1 February, 2021.

#### Summary of financial information of subsidiary:

	31-Jan-21	30-Jun-20
	BDT	BDT
Non-current assets	23,883,712,100	24,087,172,204
Current assets	22,378,196,633	22,677,179,133
<b>Total assets</b>	<b>46,261,908,733</b>	<b>46,764,351,337</b>
Share capital	3,944,354,000	3,944,354,000
Retained earnings	2,782,073,767	2,069,459,142
Revaluation reserve	8,220,573,719	8,220,573,719
<b>Total equity</b>	<b>14,947,001,486</b>	<b>14,234,386,861</b>
Non-current liabilities	2,595,847,464	2,825,376,831
Current liabilities	28,719,059,783	29,704,587,645
<b>Total liabilities</b>	<b>31,314,907,247</b>	<b>32,529,964,476</b>
<b>Total equity &amp; liabilities</b>	<b>46,261,908,733</b>	<b>46,764,351,337</b>
<b>Net asset value (NAV) per share</b>	<b>37.89</b>	<b>36.09</b>
Revenue	17,769,419,856	29,552,721,007
Other income	46,044,187	108,644,662
Expenses	(17,102,849,418)	(29,062,646,252)
<b>Total comprehensive income for the year</b>	<b>712,614,625</b>	<b>598,719,417</b>

### 21.03 Investment in associate company- BSRM Steels Limited (BSL)

BSRM Limited has 31.19% equity interest in BSRM Steels Limited (BSL) i.e. 117,253,590 Ordinary Shares of Tk. 10 each. BSRM Steels Limited has been considered as an equity accounted investee of the Company and has been accounted for according to IAS 28: Investments in Associates and Joint Ventures. Reporting date of BSL is 30 June.

#### Summary of financial information of associate:

	30-Jun-21	30-Jun-20
	BDT	BDT
Non-current assets	25,673,501,788	27,641,776,745
Current assets	46,711,698,535	36,966,274,894
<b>Total assets</b>	<b>72,385,200,323</b>	<b>64,608,051,639</b>
Share capital	3,759,525,000	3,759,525,000
Retained earnings	10,447,946,298	9,681,036,891
Fair Value Reserve	1,329,120,000	-
Revaluation reserve	7,915,259,084	7,927,976,273
<b>Total Equity</b>	<b>23,451,850,382</b>	<b>21,368,538,164</b>
Non-current liabilities	8,791,516,968	9,975,913,581
Current liabilities	40,141,832,973	33,263,599,894
<b>Total liabilities</b>	<b>48,933,349,941</b>	<b>43,239,513,475</b>
<b>Total equity &amp; liabilities</b>	<b>72,385,200,323</b>	<b>64,608,051,639</b>
<b>Net asset value (NAV) per share</b>	<b>62.38</b>	<b>56.84</b>



## Notes to the Financial Statements (Continued)

	30-Jun-21 BDT	30-Jun-20 BDT
Revenue	54,982,957,715	38,681,377,223
Other income	150,158,414	232,188,145
Expenses	(52,086,030,303)	(38,171,288,745)
<b>Profit for the year</b>	<b>3,047,085,826</b>	<b>742,276,623</b>
Other comprehensive income	(27,584,445)	(1,517,336)
<b>Total Comprehensive income attributable to owners of the company</b>	<b>3,019,501,381</b>	<b>740,759,287</b>

The market price of the Ordinary shares of BSRM Steels Limited (BSL) was Tk. 56.00 per share on 30 June 2021. Fair value of investments in BSL for 117,253,590 numbers of share has been estimated at Tk. 6,566,201,040

Out of 117,253,590 nos. ordinary shares of BSL, 3,000,000 nos., 8,000,000 nos., 2,562,112 nos., 10,000,000 nos. of ordinary shares are pledged against bridge finance and term loans from IPDC Limited, South Bangla Agriculture and Commerce Bank Limited, One Bank Limited, Prime Bank Limited respectively.

### 21.04 Investment in subsidiary company- BSRM (Hong Kong) Limited

The company has incorporated a fully owned new subsidiary company in Hong Kong on 30 May 2018. The paid up capital of this subsidiary company was 1 Hong Kong Dollar i.e. Tk. 10 on the reporting date.

Summary of financial information of subsidiary:

	30-Jun-21 HKD	30-Jun-20 HKD
Non-current assets	27,268	40,902
Current assets	2,182,820	1,187,927
<b>Total assets</b>	<b>2,210,088</b>	<b>1,228,829</b>
Share capital	1	1
Retained earnings	1,121,719	191,089
<b>Total equity</b>	<b>1,121,720</b>	<b>191,090</b>
Non-current liabilities	995,100	-
Current liabilities	93,268	1,037,739
<b>Total liabilities</b>	<b>1,088,368</b>	<b>1,037,739</b>
<b>Total equity &amp; liabilities</b>	<b>2,210,088</b>	<b>1,228,829</b>
Revenue	5,053,735	6,535,230
Expenses	(4,123,105)	(5,719,651)
<b>Profit for the year</b>	<b>930,630</b>	<b>815,579</b>

### 21.a CONSOLIDATED EQUITY ACCOUNTED INVESTEEES

BSRM Steel Limited (BSL)	21.01	7,313,964,240	6,664,212,379
BMS Steel Limited (BMS)	21.01	6,106,500	6,106,500
BSRM (Hong Kong) Limited		-	-
		<b>7,320,070,740</b>	<b>6,670,318,879</b>



## Notes to the Financial Statements (Continued)

	<u>Note</u>	<u>30 June 2021</u> BDT	<u>30 June 2020</u> BDT			
<b>22.00 Other investments</b>						
Bangladesh Steel Re-Rolling Mills Limited-HO	22.01	164,500,300	1,000,300			
Bangladesh Steel Re-Rolling Mills Limited-Kolkata Branch		-	-			
		<u>164,500,300</u>	<u>1,000,300</u>			
<b>22.01 Bangladesh Steel Re-Rolling Mills Limited-HO</b>						
Investment in non-tradable shares at cost	22.02	164,500,300	1,000,300			
		<u>164,500,300</u>	<u>1,000,300</u>			
<b>22.02 Investment in non-tradable shares at cost</b>						
Islamic Steamship Co. Limited		300	300			
BSRM Wires Limited		164,500,000	-			
STS Holdings Limited		-	1,000,000			
		<u>164,500,300</u>	<u>1,000,300</u>			
<b>22.a CONSOLIDATED OTHER INVESTMENTS</b>						
Bangladesh Steel Re-Rolling Mills Limited	22.01	164,500,300	1,000,300			
BSRM Steel Mills Limited		-	2,500,000			
BSRM (Hong Kong) Limited		-	-			
		<u>164,500,300</u>	<u>3,500,300</u>			
<b>23.00 Short term investments</b>						
See accounting policy in note 4 (l)						
Bangladesh Steel Re-Rolling Mills Limited-HO	23.01	1,947,709,647	558,883,575			
Bangladesh Steel Re-Rolling Mills Limited-Kolkata Branch		-	-			
		<u>1,947,709,647</u>	<u>558,883,575</u>			
<b>23.01 Bangladesh Steel Re-Rolling Mills Limited-HO</b>						
Investment in tradeable securities at fair value	23.02	-	600,890			
Investment in fixed deposit receipts	23.04	1,947,709,647	558,282,685			
		<u>1,947,709,647</u>	<u>558,883,575</u>			
<b>23.02 Investment in tradable securities at fair value</b>						
Balance at 1 July		600,890	582,176			
Sold during the year		-	-			
Change in fair value of tradable securities	23.03	(600,890)	18,714			
Balance at 30 June		-	<u>600,890</u>			
<b>23.03 Fair value of tradable securities</b>						
		<b>Cost</b>	<b>Fair value as at 30 June 2020</b>	<b>Fair value as at 30 June 2021</b>	<b>Increase/ (Decrease)</b>	
Eastern Insurance Co. Limited		179,550	62,580	-	(62,580)	
Pragati Life Insurance Limited		497,480	180,309	-	(180,309)	
Progressive Life Insurance Co. Limited		319,605	358,001	-	(358,001)	
		<u>996,635</u>	<u>600,890</u>	-	<u>(600,890)</u>	
<b>23.04 Investment in fixed deposit receipts</b>						
	<b>Name of financial company</b>	<b>Tenure</b>	<b>Purpose</b>	<b>Rate of Interest</b>	<b>30 June 2021</b>	<b>30 June 2020</b>
	AB Bank Limited	3 Months	L/C Margin	6.00%	29,254,656	-
	Agrani Bank Limited	3 Months	L/C Margin	5.75%	127,216,746	3,329,258
	Bank Asia Limited	3 Months	L/C Margin	4.00%	21,462,000	-
	Commercial Bank of Ceylon PLC	3 Months - 1 year	L/C Margin	2.50% to 7.00%	67,820,543	26,141,515
	Dhaka Bank Limited	6 Months	L/C Margin	4.00% to 8.75%	162,869,584	6,405,047
	Dutch Bangla Bank Limited	3 Months	L/C Margin	1.50% to 4.25%	54,442,924	1,862,591
	Fareast Finance and Investment Limited	1 Year	Security Deposit	10.00%	4,611,597	5,611,597
	Habib Bank Limited	3-6 Months	L/C Margin	2.50% to 5.75%	19,126,361	6,210,378
	IFIC Bank Limited	3 Months- 1 year	L/C Margin	5.50% to 9.75%	100,710,922	43,312,621
	International Leasing and Financial Services Limited	1 Year	Security Deposit	12.50%	33,110,975	32,553,234



## Notes to the Financial Statements (Continued)

Jamuna Bank Limited	3 Months	Investment	2.00% to 6.00%	82,808,278	-
Mercantile Bank Limited	3 Months	L/C Margin	4.00 to 8.00%	258,219,443	58,432,278
Mutual Trust Bank Ltd	3 Months	L/C Margin	3.50% to 5.50%	12,466,651	-
National Bank Limited	3-6 Months	L/C Margin	5.50% to 6.00%	13,738,181	-
NCC Bank Limited	3 Months	L/C Margin	1.00% to 6.00%	385,015,142	261,315,214
Pubali Bank Limited	6 Months	L/C Margin	1.25% to 7.50%	-	14,456,770
Shahjalal Islami Bank Limited	3 Months	L/C Margin	2.00% to 5.00%	31,251,351	17,695,386
Southeast Bank Ltd	1 Year	L/C Margin	5.50%	12,156,346	-
Standard Bank Limited	6 Months	L/C Margin	5.25%	3,571,147	-
Standard Chartered Bank Ltd.	1 Year	L/C Margin	3.50%	58,443,985	56,688,072
The City Bank Limited	6 Months	L/C Margin	1.00% to 6.00%	173,398,291	12,466,534
Trust Bank Limited	3-6 Months	L/C Margin	2.00% to 5.50%	38,076,120	1,160,284
United Commercial Bank Limited	3 Months	L/C Margin	3.25% to 6.00%	216,208,359	10,641,905
Uttara Bank Limited	3 Months	L/C Margin	4.50% to 5.25%	41,730,044	-
				<u>1,947,709,647</u>	<u>558,282,685</u>
<b>23.a</b>	<b>CONSOLIDATED SHORT TERM INVESTMENTS</b>				
Bangladesh Steel Re-Rolling Mills Limited			23.00	1,947,709,647	558,883,575
BSRM Steel Mills Limited				-	1,029,003,706
				<u>1,947,709,647</u>	<u>1,587,887,281</u>
<b>24.00</b>	<b>Inventories</b>				
See accounting policy in note 4(G)					
Bangladesh Steel Re-Rolling Mills Limited-HO			24.01	14,693,006,789	9,841,264,822
Bangladesh Steel Re-Rolling Mills Limited-Kolkata Branch				17,190,528	19,111,064
Portion of unrealized profit (PURP)- Subsidiary				-	(7,232,143)
				<u>14,710,197,317</u>	<u>9,853,143,743</u>
<b>24.01</b>	<b>Bangladesh Steel Re-Rolling Mills Limited-HO</b>				
<b>Raw material</b>					
Raw Materials- Billets				3,509,594,449	1,550,643,917
Raw Materials- Scraps				5,576,779,124	1,390,522,066
				<u>9,086,373,573</u>	<u>2,941,165,983</u>
<b>Work-in-process</b>					
				<u>-</u>	<u>68,541</u>
<b>Finished goods</b>					
Finished goods- own production				2,094,738,789	4,345,804,002
Finished goods- procured				278,784,216	421,396,820
				<u>2,373,523,005</u>	<u>4,767,200,822</u>
<b>Stores and spares</b>					
Mechanical stores				1,507,208,825	1,119,829,735
M.S. Roll				43,778,102	120,275,721
Electrical stores				645,780,070	438,888,851
General stores				33,228,759	25,702,255
Consumable stores				973,473,475	409,013,505
				<u>3,203,469,230</u>	<u>2,113,710,067</u>
<b>Fuel and lubricants</b>					
				<u>29,640,981</u>	<u>19,119,409</u>
				<u>14,693,006,789</u>	<u>9,841,264,822</u>
<b>24.a</b>	<b>CONSOLIDATED INVENTORIES</b>				
Bangladesh Steel Re-Rolling Mills Limited			24.00	14,710,197,317	9,853,143,743
BSRM Steel Mills Limited				-	8,980,458,305
Unrealized profit elimination (added as subsidiaries portion which was deducted in separate FS)				-	7,232,143
Portion of unrealized profit (PURP)				-	(16,083,330)
				<u>14,710,197,317</u>	<u>18,824,750,861</u>



## Notes to the Financial Statements (Continued)

	<u>Note</u>	<u>30 June 2021</u> <u>BDT</u>	<u>30 June 2020</u> <u>BDT</u>
<b>25.00 Trade and other receivables</b>			
See accounting policy in note 4(l)			
Bangladesh Steel Re-Rolling Mills Limited-HO	25.01	4,305,742,030	3,155,160,385
Bangladesh Steel Re-Rolling Mills Limited-Kolkata Branch		220,765,772	191,415,048
		<u>4,526,507,802</u>	<u>3,346,575,433</u>
<b>25.01 Bangladesh Steel Re-Rolling Mills Limited-HO</b>			
Trade receivables	25.02	4,139,893,593	2,997,594,265
Other receivables	25.03	165,848,437	157,566,120
		<u>4,305,742,030</u>	<u>3,155,160,385</u>
<b>25.02 Trade receivables</b>			
BSRM Steels Limited		764,178,680	3,898,400
BSRM Wires Limited		5,470,010	1,767,129
BSRM Logistics Limited		-	8,320
BSRM Steel Mills Limited		-	521,593
H. Akberali & Co. Limited		178,160	-
Other parties		3,371,157,745	2,992,489,825
		<u>4,140,984,595</u>	<u>2,998,685,267</u>
Provision for doubtful debt		(1,091,002)	(1,091,002)
		<u>4,139,893,593</u>	<u>2,997,594,265</u>
<b>25.03 Other receivables</b>			
Interest receivables		122,168,077	70,342,139
DEDO and other receivables		43,680,360	62,477,264
Interest receivable on blocked accounts		-	24,746,717
		<u>165,848,437</u>	<u>157,566,120</u>
<b>25.04 Ageing of trade receivables is as follows:</b>			
Not yet due		2,812,082,351	1,375,781,867
Less than 3 months		1,059,167,114	831,042,056
Over 3 months but less than 6 months		110,103,629	493,117,578
Over 6 months		159,631,501	298,743,766
		<u>4,140,984,595</u>	<u>2,998,685,267</u>
<b>25.a CONSOLIDATED TRADE AND OTHER RECEIVABLES</b>			
Bangladesh Steel Re-Rolling Mills Limited	25.00	4,526,507,802	3,346,575,433
BSRM Steel Mills Limited		-	5,799,695,605
Less: Intra group receivables		-	(5,357,909,868)
		<u>4,526,507,802</u>	<u>3,788,361,170</u>
<b>26.00 Current account with related companies</b>			
BSRM Logistics Limited		399,201,537	58,008,194
BSRM Ispat Limited		1,001,798,302	-
BSRM Wires Limited		1,068,118,494	64,961,593
Chittagong Power Company Limited		523,737,926	21,237,926
H. Akberali & Co. Limited		118,524,322	113,816,271
BSRM Steel Mills Limited		-	558,744,564
BSRM Steels Limited		-	822,902,651
BSRM Metal Ltd		78,535,996	-
BSRM Real Estates Limited		-	582,500
BSRM (Hong Kong) Limited (BSRM HK)		11,024,315	10,785,358
		<u>3,200,940,893</u>	<u>1,651,039,056</u>
All transactions among the related companies have been made through account payee cheques or bank transfers and interests were charged on all related companies' balances.			
<b>26.a CONSOLIDATED CURRENT ACCOUNT WITH RELATED COMPANIES</b>			
Bangladesh Steel Re-Rolling Mills Limited	26.00	3,200,940,893	1,651,039,056
BSRM Steel Mills Limited		-	2,382,698,567
BSRM (Hong Kong) Limited		-	-
Less: Intra group elimination		(11,024,315)	(569,529,922)
		<u>3,189,916,578</u>	<u>3,464,207,701</u>



## Notes to the Financial Statements (Continued)

		30 June 2021	30 June 2020
		BDT	BDT
<b>27.00</b>	<b>Advances and deposits</b>		
	See accounting policy in note 4 (l)		
	Bangladesh Steel Re-Rolling Mills Limited-HO	27.01	6,867,774,842
	Bangladesh Steel Re-Rolling Mills Limited-Kolkata Branch		1,930,343,149
			157,762,979
			84,737,688
			<u>7,025,537,822</u>
			<u>2,015,080,837</u>
<b>27.01</b>	<b>Bangladesh Steel Re-Rolling Mills Limited-HO</b>		
	Advances	27.02	6,727,646,022
	Deposits	27.03	140,128,820
			1,883,748,522
			46,594,627
			<u>6,867,774,842</u>
			<u>1,930,343,149</u>
<b>27.02</b>	<b>Advances</b>		
	Advance tax (VAT)		20,582
	For capital expenditure		20,464,019
	For revenue expenses		103,401,332
	For scrap purchase and others		2,207,456
	For store and spares		122,503,444
	Godown rent		1,248,201
	Income tax		3,870,585,697
	L/C margin		141,428,785
	Against L/C		135,992,701
	Land		900,789,719
	Staff loan against salary		4,071,047
	VAT current account		1,404,953,620
	Western Marine Shipyard Limited		20,000,000
			20,000,000
			<u>6,727,646,022</u>
			<u>1,883,748,522</u>
<b>27.03</b>	<b>Deposits</b>		
	Bangladesh Ansar and VDP		825,682
	Bank guarantee to Customs authority		4,226,535
	Bureau of Indian Standards		2,418,000
	Customs authority against claim		552,890
	Karnaphuli Gas Distribution Co. Limited (KGDCL)		21,932,805
	Linde Bangladesh Limited		879,900
	Meghna Petroleum Limited		40,000
	Chittagong Club Limited		40,000
	Maxicon Shipping Agencies (BD) Pvt. Limited		650,000
	Others		2,385,696
	Power Development Board		104,949,368
	Refundable security deposits for IPO		500,000
	T & T and others		227,944
	WASA		500,000
			500,000
			<u>140,128,820</u>
			<u>46,594,627</u>
<b>27.04</b>	The directors consider that all the above advances, deposits and prepayments are either adjustable or recoverable in cash or in kind and that no provision against these are required at this stage.		
<b>27.a</b>	<b>CONSOLIDATED ADVANCE, DEPOSITS AND PREPAYMENTS</b>		
	Bangladesh Steel Re-Rolling Mills Limited	27.00	7,025,537,822
	BSRM Steel Mills Limited		-
	BSRM (Hong Kong) Limited		1,041,377
			1,093,800
			<u>7,026,579,199</u>
			<u>6,477,879,301</u>
<b>28.00</b>	<b>Cash and cash equivalents</b>		
	See accounting policy in note 4(l)		
	Bangladesh Steel Re-Rolling Mills Limited-HO	28.01	1,563,830,880
	Bangladesh Steel Re-Rolling Mills Limited-Kolkata Branch		206,920,129
			11,364,281
			19,634,324
			<u>1,575,195,160</u>
			<u>226,554,453</u>
<b>28.01</b>	<b>Bangladesh Steel Re-Rolling Mills Limited-HO</b>		
	Cash in hand	28.02	10,250,451
	Cash at banks	28.03	1,253,580,429
	Fixed deposit receipts	28.05	300,000,000
			-
			<u>1,563,830,880</u>
			<u>206,920,129</u>
<b>28.02</b>	<b>Cash in hand</b>		
	Corporate office		149,445
	Factory office		9,258,080
	Dhaka office		742,926
	Mirsarai office (Warehouse)		100,000
			100,000
			<u>10,250,451</u>
			<u>1,539,486</u>



## Notes to the Financial Statements (Continued)

28.03 Cash at banks	Name of the Banks	Branch	Account type	Currency	30 June 2021	30 June 2020
					BDT	BDT
	AB Bank Limited	Agrabad	CD	BDT	3,331,082	96,432
	AB Bank Limited	Agrabad	CD	USD	125,652	125,652
	Agrani Bank Limited	Laldighi East	CD	BDT	44,709,629	1,418,993
	Agrani Bank Limited	Laldighi East	CD	USD	267,189,520	121,183,364
	Al-Arafah Islami Bank Limited	Agrabad	CD	BDT	53,533,867	13,786,720
	Bank Alfalah Limited	Agrabad	CD	BDT	(22,824,669)	(103,716,202)
	Bank Asia Limited	Agrabad	CD	BDT	7,281,578	4,468,886
	BASIC Bank Limited	Dewanhat	CD	BDT	388,337	37,928
	BRAC Bank Limited	Agrabad	CD	BDT	6,929,247	48,954
	Commercial Bank of Ceylon PLC	Agrabad	CD	BDT	83,702	(838)
	Commercial Bank of Ceylon PLC	Agrabad	FCY CD	USD	96,507	98,460
	Dhaka Bank Limited	Jubilee Road	CD	BDT	2,581,894	575,890
	Dutch Bangla Bank Limited	Jubilee Road	CD	BDT	3,270,920	326,316
	Eastern Bank Limited	Agrabad	Escrow	BDT	-	104,622
	Eastern Bank Limited	Agrabad	CD	BDT	5,020,098	175,313
	EXIM Bank Limited	CDA Avenue	CD	BDT	1,835,327	3,722,152
	Habib Bank Ltd	Laldighi East	CD	BDT	1,431,436	-
	HSBC	Agrabad	CD	BDT	(57,098,612)	7,830,286
	HSBC	Agrabad	ERQ	USD	31,976	33,026
	IFIC Bank Limited	Agrabad	CD	BDT	19,490,378	2,236,101
	Islami Bank Bangladesh Limited	Jubilee Road	CD	BDT	15,647,340	9,523,131
	Jamuna Bank Limited	Khatunjonj	CD	BDT	(100,932)	62,960
	Janata Bank Limited	Laldighi East	CD	BDT	5,473,649	855,942
	Meghna Bank Ltd	Agrabad	CD	BDT	91,136	-
	Mercantile Bank Limited	Jubilee Road	CD	BDT	3,791,680	12,877
	Midland Bank Limited	Agrabad	CD	BDT	1,858,527	13,489
	Mutual Trust Bank Limited	Jubilee Road	CD	BDT	4,677,802	151,494
	National Bank Limited	Jubilee Road	CD	BDT	92,870	54,417
	NCC Bank Limited	Agrabad	CD	BDT	764,235,891	31,762,884
	NRB Commercial Bank Limited	Agrabad	CD	BDT	7,560,632	1,748,594
	NCC Bank Limited	Agrabad	ERQ	USD	5,904,861	5,904,861
	NCC Bank Limited	Agrabad	FCY CD	USD	197,564	254,851
	One Bank Limited	Agrabad	CD	BDT	(98,011,683)	4,983,167
	Premier Bank Limited	O.R Nizam Road	CD	BDT	1,551,633	904,686
	Prime Bank Limited	O.R Nizam Road	CD	BDT	10,373,393	1,193,825
	Prime Bank Limited	Agrabad	Escrow	BDT	609,134	367,899
	Prime Bank Limited	Agrabad	FCY CD	USD	1,351,830	-
	Pubali Bank Limited	Agrabad	CD	BDT	53,492	-
	Pubali Bank Limited	Dhaka	CD	BDT	81,741	-
	Shahjalal Islami Bank Limited	Jubilee Road	CD	BDT	5,623,942	91,571
	Social Islami Bank Limited	Jubilee Road	CD	BDT	10,820,086	5,949,184
	Sonali Bank Limited	Kalibari	CD	BDT	158,063	1,664
	Sonali Bank Limited	Laldighi East	CD	BDT	50,769	1,866,459
	Southeast Bank Limited	CDA Avenue	CD	BDT	1,440,770	506,115
	Southeast Bank Limited	Pahartali	CD	BDT	2,628,593	8,100,980
	Standard Bank Limited	Sadarghat Road	CD	BDT	4,405,856	26,142
	Standard Chartered Bank	Dhaka	CD	BDT	24,692	73,025
	Standard Chartered Bank	Agrabad	CD	BDT	612,065	-
	State Bank of India	Agrabad	CD	BDT	354,250	88,824
	The City Bank Limited	Agrabad	CD	BDT	22,328,466	30,378,928
	The City Bank Limited	Agrabad	FCY CD	USD	114,249,915	44,507,986
	Trust Bank Limited	CDA Avenue	CD	BDT	2,217,710	91,577
	Uttara Bank Limited	Agrabad	CD	BDT	60,328	37,585
	United Commercial Bank Limited	Jubilee Road	CD	BDT	21,574,504	(1)
	United Commercial Bank Limited	Jubilee Road	Escrow	BDT	6,801	7,491
					<b>1,249,405,238</b>	<b>202,074,662</b>
	<b>Name of the Banks</b>	<b>Branch</b>	<b>Account type</b>	<b>Currency</b>		
	Mutual Trust Bank Limited	Dilkusha	CD	USD	28.04	696,218
	Mutual Trust Bank Limited	Dilkusha	CD	Pound	28.04	49,988
	Mutual Trust Bank Limited	Dilkusha	Escrow	BDT	28.04	452,015
	Mutual Trust Bank Limited	Dilkusha	CD	EURO	28.04	16,444
	Standard Chartered Bank	Agrabad	CD	BDT	28.04	2,960,526
					<b>4,175,191</b>	<b>3,305,981</b>
					<b>1,253,580,429</b>	<b>205,380,643</b>

All Bank balances are reconciled with bank statements and negative balances shown in the bank book represent book overdraft.



## Notes to the Financial Statements (Continued)

28.04 These accounts were opened for deposit of Share Money (IPO) and payment of dividend. Balances in these accounts represent amount refundable to the applicants to whom shares were not allotted and unclaimed dividend.

28.05 **Fixed deposit receipts**

<u>Name of the Banks</u>	<u>Tenure</u>	<u>Rate of interest</u>		
Sonali Bank Limited	3 Months	5.5%-6%	300,000,000	-
			<u>300,000,000</u>	<u>-</u>

28.a **CONSOLIDATED CASH AND CASH EQUIVALENTS**

Bangladesh Steel Re-Rolling Mills Limited	28.00	1,575,195,160	226,554,453
BSRM Steel Mills Limited		-	23,618,286
BSRM (Hong Kong) Limited		22,988,516	11,771,452
		<u>1,598,183,676</u>	<u>261,944,191</u>





## Notes to the Financial Statements (Continued)

	30 June 2021	30 June 2020	
	BDT	BDT	
<b>29.00 Share capital</b>			
See accounting policy in note 4 (P)			
<b>Authorized capital</b>			
500,000,000 Ordinary shares @ Tk. 10 each	5,000,000,000	5,000,000,000	
	<b>5,000,000,000</b>	<b>5,000,000,000</b>	
<b>Issued, Subscribed and Paid-up capital</b>			
64,345,491 Ordinary shares @ Tk. 10 each issued in cash	643,454,910	643,454,910	
64,345,491 Ordinary shares @ Tk. 10 each fully paid-up as Bonus Shares	643,454,910	643,454,910	
27,160,056 Ordinary shares @ Tk. 10 each fully paid up (other than cash)	271,600,560	271,600,560	
17,500,000 Ordinary shares @ Tk. 10 each issued through Initial Public	175,000,000	175,000,000	
4,010,523 Ordinary shares @ Tk. 10 each issued against 12% Convertible	40,105,230	40,105,230	
17,736,156 Ordinary shares @ Tk. 10 each fully paid-up as Bonus Shares	177,361,560	177,361,560	
19,509,771 Ordinary shares @ Tk. 10 each fully paid-up as Bonus Shares	195,097,710	195,097,710	
2,1460,748 Ordinary shares @ Tk. 10 each fully paid-up as Bonus Shares	214,607,480	214,607,480	
62,516,390 share issued @Tk. 10 each merger with BSRM Steel Mills Ltd with	625,163,900	-	
	<b>2,985,846,260</b>	<b>2,360,682,360</b>	
<b>29.01 Classification of shares by holding at 30 June 2021</b>			
<b>Class by number of shares</b>	<b>No. of holders</b>	<b>No. of Shares</b>	<b>Holding (%)</b>
Less than 500	4,163	769,081	0.26%
From 500 to 5,000	2,686	4,698,148	1.57%
From 5,001 to 10,000	351	2,624,064	0.88%
From 10,001 to 20,000	190	2,657,169	0.89%
From 20,001 to 30,000	58	1,451,819	0.49%
From 30,001 to 40,000	25	850,618	0.28%
From 40,001 to 50,000	33	1,554,681	0.52%
From 50,001 to 100,000	49	3,573,222	1.20%
From 100,001 to 1,000,000	52	14,527,416	4.87%
From 1,000,001 and above	32	265,878,408	89.05%
	<b>7,639</b>	<b>298,584,626</b>	<b>100%</b>
<b>29.02 Composition of Shareholders at 30 June 2021</b>			
<b>Name of shareholders</b>		<b>No. of shares</b>	<b>Holding (%)</b>
<b>Directors:</b>			
Mr. Alihussain Akberali		29,970,251	10.04%
Mr. Aameir Alihussain		25,409,856	8.51%
Mr. Zohair Taherali		44,535,044	14.92%
Mrs. Sabeen Aameir		28,800,000	9.65%
Shareholders other than Directors		169,869,475	56.89%
		<b>298,584,626</b>	<b>100.00%</b>
<b>29.03 Composition of Shareholders at 30 June 2021</b>			
<b>Nature of shareholders</b>	<b>No. of holders</b>	<b>No. of shares</b>	<b>Holding (%)</b>
Sponsor/Director Shareholders	5	138,403,407	46.35%
Foreign Shareholders	11	52,231,666	17.49%
Other Shareholders	7,623	107,949,553	36.15%
	<b>7,639</b>	<b>298,584,626</b>	<b>100%</b>
<b>29.04 Dividends</b>			
<b>The following dividends were declared and paid/payable by the company for the year:</b>	<b>Date of board meeting</b>		
15% annual cash dividend (Tk. 1.5) per qualifying ordinary share (For Jul'19-Jun'20)	15-Oct-20	354,102,354	-
10% Interim cash dividend (Tk.1.00) per qualifying ordinary share (For Jul'20-Jun'21)	28-Jan-21	236,068,236	-
25% annual cash dividend (Tk. 2.5) per qualifying ordinary share (For Jul'18-Jun'19)	16-Sep-19		590,170,590
<b>30.00 Share Premium</b>			
Balance As at July 01		511,970,250	511,970,250
Add: Addition during the year due to merger	30.01	1,545,544,100	-
Balance As at June 30		<b>2,057,514,350</b>	<b>511,970,250</b>



## Notes to the Financial Statements (Continued)

		30 June 2021	
		BDT	
<b>30.01</b>	<b>Addition during the year (on Merger)</b>		
	Total paid up share capital of BSRM Steel Mills Limited (Transferor Company)	3,944,354,000	
	Less: cost of investment of Transferee Company in the Transferor Company	(1,773,646,000)	
	Net amount on which shares to be issued	2,170,708,000	
	Value of Share issued as per directives of Honourable High Court as purchase consideration	(625,163,900)	
	<b>Share Premium</b>	<b>1,545,544,100</b>	
<b>31.00</b>	<b>Reserves</b>		
<b>31.01</b>	<b>General reserve</b>		
	The general reserve is created from time to time by transferring profits from retained earnings for appropriation purposes and to meet future known or unknown requirements. There is no policy of regular transfer. As the general reserve is created by a transfer from one component of equity to another and is not an item of other comprehensive income, items included in the general reserve will not be reclassified subsequently to profit or loss.		
<b>31.02</b>	<b>Revaluation reserve</b>		
	Revaluation reserve relates to the revaluation of property plant and equipment.		
<b>32.00</b>	<b>Long term borrowings- non-current portion</b>		
	See accounting policy in note 4 (J)		
	Bangladesh Steel Re-Rolling Mills Limited-HO	32.01	728,339,400
	Bangladesh Steel Re-Rolling Mills Limited-Kolkata Branch		-
			<b>728,339,400</b>
<b>32.01</b>	<b>Bangladesh Steel Re-Rolling Mills Limited-HO</b>		
	Lanka Bangla Finance Limited	32.03	130,445,718
	Prime Bank Limited- Syndicated term loan	32.04	597,893,682
			<b>728,339,400</b>
<b>32.02</b>	<b>United Commercial Bank Limited</b>		
	Due within one (1) year		-
	Due after more than one (1) year		668,475,153
			<b>668,475,153</b>

The above loan amount was fully settled on 16 March 2021.

### Terms of loan:

#### Lenders:

The United Commercial Bank Limited- Syndicate term loan facility has been converted to a term loan facility following a mutual agreement between the Company and the bank with effect from January 2020.

**Total loan facilities:** Tk. 82.58 crore.

#### Interest rate:

Interest rate is 9.00% per annum calculated on quarterly basis and variable depending on the situation of money market.

#### Repayments:

This term loan is repayable in 5 (five) quarterly instalments starting from March 2020 quarter.

#### Securities:

- i. First ranking pari-passu charge by way of registered mortgage of 811.50 decimal of project land and/or other immovable assets of the Borrower along with an irrevocable General Poer of Attorney to sell the said properties.
- ii. First priority fixed and floating charge over all plant, machinery, equipment and other fixed & floating assets (both present and future) of the Borrower along with a Power of Attorney to sell the said assets.
- iii. Agreement for Assigning (Insurance) along with Power of Attorney.
- iv. Corporate Guarantee of H. Akberali & Co. Limited.
- v. Personal guarantee of the Directors of Bangladesh Steel Re-Rolling Mills Limited.
- vi. Undated cheque(s) covering the full value of the limit.

#### Purpose:

For acquisition of plant and machineries to enhance the production capacity to 450,000 metric tons per year, improve product quality, undertake civil construction etc. for BMRE.



## Notes to the Financial Statements (Continued)

	30 June 2021	30 June 2020
	BDT	BDT
<b>32.03 Lanka Bangla Finance Limited</b>		
Due within one (1) year	94,202,615	82,850,840
Due after more than one (1) year	130,445,718	225,740,579
	<b>224,648,333</b>	<b>308,591,419</b>

**Terms of loan:**

**Total loan facilities:** Tk. 40 crore.

**Interest rate:**

Interest rate is 8.99% per annum calculated on monthly basis variable depending on money market situation.

**Disbursement:**

The disbursement of the loan was made on 18 August 2018.

**Repayment:**

The loan is repayable in 60 (sixty) monthly instalments with 06 (six) months grace period.

**Securities:**

- i. Personal guarantee of the Directors of Bangladesh Steel Re-Rolling Mills Limited.
- ii. Subsequent charge/hypothecation on all present and future fixed and floating assets of the company to be filled or registered with RJSC along with IGPA to sell the hypothecated assets in favor of LBFL.
- iii. Corporate Guarantee of H. Akberali & Co. Limited supported by Board Resolution.
- iv. At least 100% insurance coverage of the finance amount in favor of LBFL.
- v. 06 nos. of post dated cheques covering the monthly interest payments, 54 nos of post dated cheques covering equal monthly instalment amount and 03 nos security cheques covering total receivables.

**Purpose:**

For land development, civil works, electrical works, refurbishment, machine repair and maintenance & other cost for expansion of business.

**32.04 Prime Bank Limited - Syndicated term loan**

Due within one (1) year	1,200,000,000	1,200,000,000
Due after more than one (1) year	597,893,682	2,097,395,886
	<b>1,797,893,682</b>	<b>3,297,395,886</b>

**Terms of loan:**

**Lenders:**

The company entered into a syndicated loan agreement for balance sheet restructuring on 20 December 2017 with Prime Bank Limited, the lead arranger and 7 (seven) other Banks.

**Total loan facilities:** Tk. 600 crore.

**Interest rate:**

Indicative rate of interest for term loan is 7.75% p.a. with quarterly rests which may be reviewed semi-annually after first disbursement based on negotiation considering prevailing money market situation.

**Disbursement:**

The first disbursement of the loan was made on 03 January 2018.

**Repayment:**

The principal plus interest amount will be repaid in 20 (twenty) quarterly instalments starting from the immediate next quarter end of first disbursement date.

**Securities:**

- i. Pari-passu 1st charge over existing fixed assets including registered mortgage charge over project land and construction there on with relevant IGPA.
- ii. 1st ranking pari-passu charge over balance of existing ESCROW account.
- iii. Personal guarantee of all directors.
- iv. Corporate Guarantee of H. Akberali Co. Ltd.
- v. Pledge & Lien on 10 Million shares of BSRM Steels Limited. This security will be released upon completion of aforesaid security documentation.
- vi. Negative pledge over assets of BSRM Limited till perfection of documentation.
- vii. Other charge document as per opinion of lenders common counsel and standard practice.

**Purpose:**

Restructuring of liabilities through refinancing of its short term loan and/or loan from its sisters concern.



## Notes to the Financial Statements (Continued)

	30 June 2021	30 June 2020
	BDT	BDT
<b>32.05 IPDC of Bangladesh Limited</b>		
Due within one (1) year	-	57,068,297
Due after more than one (1) year	-	-
	<u>-</u>	<u>57,068,297</u>

The above loan amount was fully settled on 22 March 2021.

**Terms of loan:**

**Total loan facilities:** Tk. 20 crore.

**Interest rate:** Interest rate varies between 9.50% -13.50% per annum calculated monthly basis variable depending on money market situation.

**Disbursement:**

Disbursement of the loan was made on 28 April 2016.

**Repayment:**

Different loans are created with different payment schedules under this facility.

**Securities:**

- i. Corporate guarantee of H. Akberali & Co. Ltd.
- ii. Personal guarantee of all the sponsor directors of Bangladesh Steel Re-Rolling Mills Limited.
- iii. Lien on 3,000,000 demitted sponsor shares of BSRM Steels Ltd (BSL).
- iv. 01 (One) security cheque for the entire facility amount along with interest to be obtained.
- v. Demand promissory note along with Letter of Continuation.

**Purpose:**

To meet the working capital requirement of the business.

**32.a CONSOLIDATED LONG TERM BORROWING- NON CURRENT PORTION**

Bangladesh Steel Re-Rolling Mills Limited	32.00	728,339,400	2,323,136,465
BSRM Steel Mills Limited		-	340,651,363
		<u>728,339,400</u>	<u>2,663,787,828</u>

**33.00 Defined benefit obligations - gratuity**

See accounting policy in note 4 (Q)

Balance at 1 July		259,300,000	231,907,679
Transferred on 01 Feb 2021 (BSRM SML)		65,057,104	-
Transferred on 30 June 2021 (BSRM Wires Ltd)		10,498,674	-
Current service cost		47,299,755	23,667,505
		<u>382,155,533</u>	<u>255,575,184</u>
Payment made during the year		(15,838,112)	(4,938,072)
		<u>366,317,421</u>	<u>250,637,112</u>
Actuarial loss		-	8,662,888
<b>Balance at 30 June</b>		<u>366,317,421</u>	<u>259,300,000</u>

The Company had an actuarial valuation of its defined benefit obligation as on 30 June 2020 which was valued at Tk. 259,300,000. Accordingly the company made the provision to the extent to match the actuarial valuation. The valuation was conducted by Z. Halim & Associates who is a reputed Actuarial & Pension Consultants in Bangladesh.

A funded gratuity scheme has been created which has obtained approval from National Board of Revenue vide Letter Ref: 08.01.0000.035..02.347.20/57 dated 18 February 2021.

**33.a CONSOLIDATED DEFINED BENEFIT OBLIGATIONS-GRATUITY**

Bangladesh Steel Re-Rolling Mills Limited	33.00	366,317,421	259,300,000
BSRM Steel Mills Limited		-	56,051,000
BSRM (Hong Kong) Limited		-	-
		<u>366,317,421</u>	<u>315,351,000</u>



## Notes to the Financial Statements (Continued)

	Note	30 June 2021 BDT	30 June 2020 BDT
<b>34.00 Provision for Income Tax</b> See accounting policy in note 4 (J)			
Bangladesh Steel Re-Rolling Mills Limited-HO	34.01	834,097,486	86,980,212
Bangladesh Steel Re-Rolling Mills Limited-Kolkata Branch		-	-
		<u>834,097,486</u>	<u>86,980,212</u>
<b>34.01 Bangladesh Steel Re-Rolling Mills Limited-HO</b>			
Opening Balance		86,980,212	306,310,048
Add: Transfer from SML as on 01 Feb 2021 due to Merger		367,210,460	-
Add: Provision during the year		466,887,027	266,292,561
Add/(Less): Previous year tax Adjustment		-	12,801,999
Less: Advance Income Tax Adjusted during the year		<u>(86,980,213)</u>	<u>(498,424,396)</u>
Closing Balance		<u>834,097,486</u>	<u>86,980,212</u>
<b>34.a CONSOLIDATED PROVISION FOR INCOME TAX</b>			
Bangladesh Steel Re-Rolling Mills Limited	34.00	834,097,486	86,980,212
BSRM Steel Mills Limited		-	548,909,280
BSRM (Hong Kong) Limited		839,848	162,190
		<u>834,937,333</u>	<u>636,051,682</u>
<b>35.00 Current Tax Expenses</b> See accounting policy in note 4 (O)			
Bangladesh Steel Re-Rolling Mills Limited-HO		466,887,027	266,292,561
Bangladesh Steel Re-Rolling Mills Limited-Kolkata Branch		-	8,412,984
Add/(Less): Previous year tax Adjustment		<u>18,578,483</u>	<u>12,801,999</u>
		<u>485,465,510</u>	<u>287,507,544</u>

### 35.01 Year wise income taxes assessment status is as follows:

Accounting Year	Assessment Year	Opening balance	Charged/ (credited) to profit or loss	Adjusted/ paid during the year	30 June 2021	Remarks
2013	2014-2015	-	-	-	-	Reference to High Court.
2014	2015-2016	-	-	-	-	Reference to High Court.
2015	2016-2017	-	-	-	-	Appeal to CT.
2016	2016-2017	-	-	-	-	Appeal to CT.
2017	2017-2018	-	-	-	-	Tribunal completed
2018	2018-2019	-	-	-	-	Appeal to CT.
2019	2019-2020	-	-	-	-	Assessment completed.
2020	2020-2021	-	266,292,561	(179,312,349)	86,980,212	Assessment completed.
2021	2021-2022	<u>86,980,212</u>	<u>834,097,487</u>	<u>(86,980,213)</u>	<u>834,097,486</u>	Return due by 15 January 2022



**35.02 Reconciliation of effective tax rate**

	2021		2020	
	Rate	Taka	Rate	Taka
Profit before tax		5,503,858,994		1,335,618,026
Tax using the applicable tax rate	22.5%	1,238,368,274	25%	333,904,507
Tax effect of:				
Share of loss/ (profit) of equity accounted investee	-3.93%	(216,116,386)	-9.54%	(127,392,376)
Difference between accounting and fiscal depreciation	-0.81%	(44,508,358)	-3.95%	(52,701,210)
Non-operating income	-	-	0.08%	1,079,252
Inadmissible expenses	0.63%	34,496,025	-	-
Unrealized foreign currency translation gain	-	-	-0.02%	(209,990)
Rebate on export sales	-0.11%	(5,991,740)	-0.09%	(1,239,666)
Unabsorbed depreciation	-10.92%	(600,895,071)	-	-
Rebate on CSR	-0.01%	(292,271)	-0.02%	(293,529)
Implication for minimum tax	-	-	8.66%	115,731,088
Bangladesh Steel Re-Rolling Mills Ltd. (Kolkata Branch)	-0.04%	(1,982,203)	0.42%	5,576,328
Effect of deferred tax	0.87%	48,030,619	9.45%	126,269,740
Prior year income tax	0.34%	18,578,483	0.98%	13,053,139
Gain/(loss) on sale of Non-current asset	0.08%	4,380,191	-	-
Loss carried over	-0.01%	(320,040)	-	-
Impact on cash dividend received	1.07%	58,626,795	-	-
Profit on sale of shares	-0.01%	(824,728)	-	-
Piscal profit on sale of shares	0.03%	1,430,995	-	-
Capital gain on sales of Listed shares	0.001%	68,546	-	-
Capital gain on sales of Non-Listed shares	0.01%	447,000	-	-
	9.67%	533,496,128	30.98%	413,777,284

**35.a CONSOLIDATED CURRENT TAX EXPENSES**

Bangladesh Steel Re-Rolling Mills Limited	35.00	485,465,510	287,507,544
BSRM Steel Mills Limited		-	547,164,805
BSRM (Hong Kong) Limited		665,417	162,340
		<u>486,130,927</u>	<u>834,834,689</u>



## Notes to the Financial Statements (Continued)

### 36.00 Deferred tax liability

See accounting policy in note 4 (O)

Deferred tax liability has been calculated below at the applicable tax rate on the temporary difference between the carrying value and tax base.

	30 June 2021	30 June 2020
	BDT	BDT
<b>Balance at 1 July</b>	<b>2,676,575,321</b>	<b>2,559,502,570</b>
Transfer from SML as on 31 January 2021 due to Merger	2,530,790,361	-
Adjustment for unabsorbed depreciation of SML	(774,657,906)	-
<b>Provided/ (adjusted) during the year:</b>		
Investments in associates	134,487,109	85,765,394
Unabsorbed depreciation	684,037,431	(16,516,616)
Adjusted for gratuity	5,712,861	(6,848,080)
Adjustment in investment due to merger	(804,679,539)	-
Deferred tax on actuarial gain/(loss)- gratuity	-	(2,165,722)
For temporary difference of PPE and software (excluding land)	(776,038,214)	63,910,310
Adjusted for impact of excess depreciation on revaluation surplus	(5,844,459)	(7,031,267)
Deferred tax of overseas branch	(168,568)	(41,268)
<b>Balance at 30 June</b>	<b>3,670,214,397</b>	<b>2,676,575,321</b>

#### Reconciliation of Deferred tax liabilities/(assets) is as follows:

	Rate applied	Carrying amount	Tax base	Taxable/ (Deductible) temporary difference	Deferred tax Liability/ (Asset)
<b>As on 30 June 2021</b>					
Property, plant and equipment (other than land)	22.50%	21,252,030,426	9,269,910,602	11,982,119,823	2,695,976,960
Intangible assets (Software)	22.50%	21,212,828	25,014,933	(3,802,104)	(855,473)
Provision for gratuity	22.50%	366,317,421	-	(366,317,421)	(82,421,420)
Unabsorbed depreciation	22.50%	655,049,184	-	(655,049,184)	(147,386,066)
Investment in Associate	5% - 20%	-	-	-	1,561,389,895
Adjustment in investment due to merger	0%	-	-	-	(804,679,539)
DT on Revaluation Reserve	0%	-	-	-	254,244,548
Deferred tax on land revaluation	0%	-	-	-	194,425,905
Deferred tax of overseas branch	0%	-	-	-	(480,414)
<b>Deferred tax liability</b>					<b>3,670,214,397</b>

	Rate applied	Carrying amount	Tax base	Taxable/ (Deductible) temporary difference	Deferred tax Liability/ (Asset)
<b>As on 30 June 2020</b>					
Property, plant and equipment (other than land)	25%	8,441,799,131	3,726,164,827	4,715,634,304	1,178,908,576
Intangible assets (Software)	25%	15,030,379	13,405,531	1,624,848	406,212
Provision for gratuity	25%	(259,300,000)	-	(259,300,000)	(64,825,000)
Actuarial gain/(loss)	25%	(8,662,888)	-	(8,662,888)	(2,165,722)
Unabsorbed depreciation	25%	(227,062,364)	-	(227,062,364)	(56,765,591)
Investment in Subsidiaries and Associate	5% - 20%	-	-	-	1,426,902,786
Deferred tax on land revaluation	3% to 4%	-	-	-	194,425,905
Deferred tax of overseas branch		-	-	-	(311,845)
<b>Deferred tax liability</b>					<b>2,676,575,321</b>

	Rate applied	Carrying amount	Tax base	Taxable/ (Deductible) temporary difference	Deferred tax Liability/ (Asset)
<b>As on 31 January 2021 (SML)</b>					
PPE	32.5%	13,737,269,138	6,667,455,690	7,069,813,448	2,297,689,371
Gratuity Provision	32.5%	65,057,103	-	65,057,103	(21,143,559)
DT on Land revaluation					254,244,548
					<b>2,530,790,360</b>



## Notes to the Financial Statements (Continued)

	Rate applied	Carrying amount	Tax base	Taxable/ (Deductible) temporary difference	Deferred tax Liability/ (Asset)
<b>As on 30 June 2020 (with SML)</b>					
Property, plant and equipment (other than land)	25%	22,179,068,269	10,393,620,517	11,785,447,752	3,476,597,947
Intangible assets (Software)	25%	15,030,379	13,405,531	1,624,848	406,212
Provision for gratuity	25%	(324,357,103)	-	(324,357,103)	(85,968,559)
Actuarial gain/(loss)	25%	(8,662,888)	-	(8,662,888)	(2,165,722)
Unabsorbed depreciation SML	25%	(227,062,364)	-	(227,062,364)	(56,765,591)
Unabsorbed depreciation BSRM Ltd	25%	(3,098,631,624)	-	(3,098,631,624)	(774,657,906)
Investment in Subsidiaries and Associate	5% - 20%	-	-	-	1,426,902,786
DT on Revaluation Reserve	0%	-	-	-	254,244,548
Deferred tax on land revaluation	0%	-	-	-	194,425,905
Deferred tax of overseas branch	0%	-	-	-	(311,845)
<b>Deferred tax liability</b>					<b>4,432,707,775</b>
<b>36.a CONSOLIDATED DEFERRED TAX LIABILITY</b>					
Bangladesh Steel Re-Rolling Mills Limited			36.00	3,670,214,397	2,676,575,321
BSRM Steel Mills Limited				-	2,428,674,468
BSRM (Hong Kong) Limited				-	-
				<b>3,670,214,397</b>	<b>5,105,249,789</b>
<b>37.00 Trade payables</b>					
See accounting policy in note 4 (J)					
Bangladesh Steel Re-Rolling Mills Limited-HO			37.01	361,777,439	5,495,951,665
Bangladesh Steel Re-Rolling Mills Limited-Kolkata Branch				112,774,974	51,276,419
				<b>474,552,412</b>	<b>5,547,228,084</b>
<b>37.01 Bangladesh Steel Re-Rolling Mills Limited-HO</b>					
BSRM Logistics Limited				25,982,222	18,065,422
BSRM Steel Mills Limited				-	5,357,388,276
Goods & supplies				21,087,161	8,006,403
Labor cost				1,752,945	990,297
Payables for stores and spares				312,925,245	109,660,255
BSRM Steels Limited				-	1,841,012
BSRM Wires Limited				29,866	-
				<b>361,777,439</b>	<b>5,495,951,665</b>
These balances represent amounts payable against supply of raw materials and services.					
<b>37.a CONSOLIDATED TRADE PAYABLES</b>					
Bangladesh Steel Re-Rolling Mills Limited			37.00	474,552,412	5,547,228,084
BSRM Steel Mills Limited				-	37,219,512
BSRM (Hong Kong) Limited				-	-
Less: Intra group elimination				-	(5,357,909,868)
				<b>474,552,412</b>	<b>226,537,728</b>
<b>38.00 Short term borrowings</b>					
See accounting policy in note 4 (J)					
Short term borrowings			38.01	32,537,442,420	9,332,878,052
Long term borrowings- current portion			38.02	1,294,202,615	2,008,394,290
				<b>33,831,645,035</b>	<b>11,341,272,342</b>
<b>38.01 Short term borrowings</b>					
Loan against trust receipt (LATR)			38.01.01	-	46,142,916
Time loan			38.01.02	1,530,953,800	3,450,537,695
Bank overdraft, SOD and cash credit			38.01.03	1,921,838,965	3,018,509,550
Demand Loan			38.01.04	1,140,403,657	-
Liability for accepted bills for payment (ABP)			38.01.05	25,453,483,820	2,530,914,213
Stimulus Loan - Trust Bank Limited			38.01.06	2,490,762,178	160,665,983
Blocked interest			38.01.07	-	126,107,695
				<b>32,537,442,420</b>	<b>9,332,878,052</b>
<b>38.01.01 Loan against trust receipt (LATR)</b>					
Pubali Bank Limited				-	46,142,916
				-	<b>46,142,916</b>
<b>38.01.02 Time loan</b>					
Bangladesh Steel Re-Rolling Mills Limited-HO			38.01.02.01	1,308,251,389	3,252,359,892
Bangladesh Steel Re-Rolling Mills Limited-Kolkata Branch				222,702,411	198,177,803
				<b>1,530,953,800</b>	<b>3,450,537,695</b>





## Notes to the Financial Statements (Continued)

		30 June 2021	30 June 2020
		BDT	BDT
<b>38.01.02.01 Bangladesh Steel Re-Rolling Mills Limited-HO</b>			
Al-Arafah Islami Bank Limited		-	49,906,375
BRAC Bank Limited		50,000,000	-
Dhaka Bank Limited		-	251,875,000
Habib Bank Limited		180,000,000	132,582,492
HSBC		220,000,000	722,828,012
Industrial and Infrastructure Development Finance Company Limited		-	150,043,589
Jamuna Bank Limited		350,077,778	157,667,955
Midland Bank Limited		-	559,299,632
Standard Chartered Bank		-	492,732,484
The City Bank Limited		508,173,611	631,620,328
Trust Bank Limited		-	103,804,025
		<b>1,308,251,389</b>	<b>3,252,359,892</b>
<b>38.01.03 Bank overdraft, SOD and cash, credit</b>	<b>Type</b>		
Agrani Bank Limited	CC Hypo	(7,401,788)	16,158,608
Agrani Bank Limited	CC Pledge	2,256	427,870,804
Agrani Bank Limited	CC	64,076	-
Dhaka Bank Limited	OD	(95,844)	-
Habib Bank Limited	OD	9,398,099	7,973,547
IFIC Bank Limited	OD	77,315	-
Jamuna Bank Limited	CC	221,422	(47,008)
Mercantile Bank Limited	CC	356,883,363	-
National Bank Limited	CC	(1,407,872)	22,246,714
Prime Bank Limited	Bai-Muazzal	-	151,125,000
Pubali Bank Limited	CC	109,636,658	50,861,828
Pubali Bank Limited	OD	1,174,967,179	745,345,195
Shahjalal Islami Bank Limited	Bai-Muazzal	17,288,120	762,922,993
Sonali Bank Limited	CC	148,007,773	296,032,383
Sonali Bank Limited	CC	3,999,893	19,751,638
Southeast Bank Limited	OD	10,867,113	-
Standard Bank Limited	CC	-	328,532,234
Standard Chartered Bank	OD	3,782,618	18,326,653
State Bank of India	CC	148,531,829	137,517,777
The City Bank Limited	OD	(31,577,212)	-
Trust Bank Limited	OD	(13,997,764)	33,891,184
Uttara Bank Limited	OD	(8,592,983)	-
United Commercial Bank	CC	1,184,713	-
		<b>1,921,838,965</b>	<b>3,018,509,550</b>
<b>38.01.04 Demand Loan</b>			
BRAC Bank Limited		500,827,180	-
Eastern Bank Limited		603,083,917	-
Islami Bank Bangladesh Limited		36,492,560	-
		<b>1,140,403,657</b>	<b>-</b>
<b>38.01.05 Liability for accepted bills for payment (ABP)</b>			
Bank Alfalah Limited		32,719,512	21,689,577
Al-Arafah Bank Limited		627,668,531	-
Bank Asia Limited		1,335,201,896	74,444,024
Dhaka Bank Limited		2,819,990,952	59,405,020
Dutch Bangla Bank Limited		49,225,842	4,170,378
HSBC		1,520,714,160	56,633,562
Mutual Trust Bank Limited		267,183,576	-
Mercantile Bank Limited		1,719,562,654	138,534,738
NCC Bank Limited		1,315,541,456	66,964,651
Jamuna Bank Limited		965,842,059	-
Prime Bank Limited		380,327,770	42,876,722
Pubali Bank Limited		1,771,243,742	289,819,327
Standard Chartered Bank		1,147,354,770	672,944,490
The City Bank Limited		1,281,731,648	413,029,934
Trust Bank Limited		652,448,432	24,443,076
United Commercial Bank Limited		2,140,561,252	115,716,541
Uttara Bank Limited		1,097,546,819	-
Agrani Bank Limited		1,807,761,752	69,415,063
Commercial Bank of Ceylon PLC		482,549,928	15,235,485
IFIC Bank Limited		997,715,979	68,478,408
Shahjalal Islami Bank Limited		515,199,503	397,113,217
BRAC Bank Limited		862,606,121	-
Eastern Bank Limited		1,045,607,198	-
Southeast Bank Limited		273,172,727	-
National Bank Limited		275,181,246	-
State Bank of India		68,824,294	-
		<b>25,453,483,820</b>	<b>2,530,914,213</b>



## Notes to the Financial Statements (Continued)

	30 June 2021	30 June 2020
	BDT	BDT
<b>38.01.06 Stimulus Loan</b>		
AB Bank Limited	151,707,938	-
Prime Bank Limited	151,682,876	-
The City Bank Limited	130,851	-
Trust Bank Limited	-	160,665,983
Bank Asia Limited	197,211,250	-
Agrani Bank Limited	132,960,425	-
Al-Arafah Islami Bank Limited	101,121,918	-
Bank Alfalah Limited	182,047,500	-
Dhaka Bank Limited	49,619,766	-
Habib Bank Limited	31,023,750	-
Islami Bank Bangladesh Limited	109,291,671	-
Jamuna Bank Limited	99,998,868	-
Mercantile Bank Limited	479,830,970	-
One Bank Limited	104,280,554	-
Pubali Bank Limited	74,298,052	-
Shahjalal Islami Bank Limited	205,063,331	-
Southeast Bank Limited	49,996,089	-
Standard Bank Limited	108,656,495	-
United Commercial Bank limited	201,839,860	-
LankaBangla Finance Limited	60,000,015	-
	<b>2,490,762,178</b>	<b>160,665,983</b>



## Notes to the Financial Statements (Continued)

	Note	30 June 2021 BDT	30 June 2020 BDT
<b>38.01.07 Blocked interest</b>			
Agrani Bank Limited		-	6,565,759
Al-Arafah Islami Bank Limited		-	3,979,355
Bank Alfalah Limited		-	1,545,855
Islami Bank Limited		-	14,485
Dhaka Bank Limited		-	5,348,026
Habib Bank Limited		-	6,235,214
HSBC		-	5,263,471
Jamuna Bank Limited		-	9,121,159
Mercantile Bank Limited		-	3,310,855
Midland Bank Limited		-	7,240,826
National Bank Limited		-	31,753
NCC Bank Limited		-	6,621,711
One Bank Limited		-	4,117,324
Prime Bank Limited		-	13,530,224
Pubali Bank Limited		-	10,234,146
Shahjalal Islami Bank Limited		-	14,169,260
Sonali Bank Limited		-	2,142,428
Standard Bank Limited		-	405,598
Standard Chartered Bank		-	1,926,866
State Bank of India		-	1,947,861
The City Bank Limited		-	6,619,477
Trust Bank Limited		-	5,593,378
United Commercial Bank Limited		-	10,142,664
		-	<b>126,107,695</b>
<b>38.02 Long term borrowings- current portion</b>			
These balances represent current portion of long term loans from financial institutions which are repayable within next twelve months from reporting date and consist of as follows:			
Lanka Bangla Finance Limited	32.03	94,202,615	82,850,840
Prime Bank Limited- Syndicated term loan	32.04	1,200,000,000	1,200,000,000
IPDC of Bangladesh Limited	32.05	-	57,068,297
United Commercial Bank Limited	32.02	-	668,475,153
		<b>1,294,202,615</b>	<b>2,008,394,290</b>
<b>38.a CONSOLIDATED SHORT TERM BORROWINGS</b>			
Bangladesh Steel Re-Rolling Mills Limited	38.01	32,537,442,420	9,332,878,052
BSRM Steel Mills Limited		-	20,519,286,858
BSRM (Hong Kong) Limited		-	129,960
		<b>32,537,442,420</b>	<b>29,852,294,869</b>
<b>38.b CONSOLIDATED LONG TERM BORROWINGS CURRENT PORTION</b>			
Bangladesh Steel Re-Rolling Mills Limited	38.02	1,294,202,615	2,008,394,290
BSRM Steel Mills Limited		-	1,330,863,179
BSRM (Hong Kong) Limited		-	-
		<b>1,294,202,615</b>	<b>3,339,257,469</b>
<b>39.00 Current account with related companies</b>			
Karnafully Engineering Works Limited		-	4,400,000
BD Steel Limited		-	545,797
		-	<b>4,945,797</b>
These balances represent short term financial arrangement availed from related companies as and when required to meet working capital and interest was charged on outstanding balances. All transactions were made through account payee cheques.			
<b>39.a CONSOLIDATED CURRENT ACCOUNT WITH RELATED COMPANIES</b>			
Bangladesh Steel Re-Rolling Mills Limited	39.00	-	4,945,797
BSRM Steel Mills Limited		-	6,282,941,110
BSRM (Hong Kong) Limited		11,024,315	10,776,933
Less: Intra group elimination		(11,024,315)	(569,529,922)
		-	<b>5,729,133,918</b>



## Notes to the Financial Statements (Continued)

		30 June 2021	30 June 2020
		BDT	BDT
<b>40.00</b>	<b>Contract liabilities</b>		
	Bangladesh Steel Re-Rolling Mills Limited-HO	646,725,298	249,860,229
	Bangladesh Steel Re-Rolling Mills Limited-Kolkata Branch	-	-
		<b>646,725,298</b>	<b>249,860,229</b>
	These balances represent advances received from different parties against sale of finished goods. Goods have not been delivered to them within the reporting date.		
<b>40.a</b>	<b>CONSOLIDATED CONTRACT LIABILITIES</b>		
	Bangladesh Steel Re-Rolling Mills Limited	646,725,298	249,860,229
	BSRM Steel Mills Limited	-	50,275,666
		<b>646,725,298</b>	<b>300,135,895</b>
<b>41.00</b>	<b>Liabilities for expenses</b>		
	See accounting policy in note 4(J)		
	Bangladesh Steel Re-Rolling Mills Limited-HO	1,149,136,050	671,402,821
	Bangladesh Steel Re-Rolling Mills Limited-Kolkata Branch	-	-
		<b>1,149,136,050</b>	<b>671,402,821</b>
<b>41.01</b>	<b>Bangladesh Steel Re-Rolling Mills Limited-HO</b>		
	Brokerage and commission	78,893,850	32,051,203
	C & F bill and others	3,696,368	113,432
	Carriage on sales	178,792,419	223,568,822
	Contractors	9,585,067	4,630,151
	Karnaphuli Gas Distribution Co. Limited	152,086,775	122,528,190
	Liability for fixed assets	3,027,491	2,980,125
	Others	66,123,960	36,499,827
	Power Development Board for electricity (Factory)	588,722,522	232,712,251
	Professional expenses	523,750	36,000
	Repair and maintenance	1,691,271	402,997
	Salary and allowances	22,079,900	10,247,108
	Sales promotion	32,458,083	292,497
	Unclaimed cheque	2,965,164	1,636,028
	Audit fees	756,000	603,000
	CSR expenses	-	1,200,000
	Insurance expenses	4,340,846	1,310,407
	Rent expenses	238,388	19,040
	Travelling and conveyance	13,580	565,255
	WASA	7,841	6,488
	Printing and stationeries	3,129,274	-
	Training expenses	3,500	-
		<b>1,149,136,050</b>	<b>671,402,821</b>
<b>41.a</b>	<b>CONSOLIDATED LIABILITIES FOR EXPENSES</b>		
	Bangladesh Steel Re-Rolling Mills Limited	1,149,136,050	671,402,821
	BSRM Steel Mills Limited	-	852,832,659
	BSRM (Hong Kong) Limited	193,432	161,494
		<b>1,149,329,482</b>	<b>1,524,396,974</b>
<b>42.00</b>	<b>Provision for WPPF and Welfare Fund</b>		
	See accounting policy in note 4 (Q)		
	<b>Balance at 1 July</b>	43,476,238	93,997,289
	Transfer from SML as on 31 January 2021 due to Merger	93,911,140	-
	Provided during the year	254,551,352	43,476,238
	Paid during the year	(74,662,084)	(93,997,289)
	<b>Balance at 30 June</b>	<b>317,276,646</b>	<b>43,476,238</b>
<b>42.01</b>	<b>Contribution to WPPF and Welfare Fund</b>		
	Profit before tax and WPPF and Welfare Fund	4,797,893,073	869,524,761
	Cash dividend received from investment in associates	293,133,976	-
	Profit applicable for WPPF and Welfare Fund	5,091,027,049	869,524,761
	Contribution to WPPF and Welfare Fund at 5%	<b>254,551,352</b>	<b>43,476,238</b>



## Notes to the Financial Statements (Continued)

		<u>30 June 2021</u>	<u>30 June 2020</u>
		<u>BDT</u>	<u>BDT</u>
<b>42.a</b>	<b><u>CONSOLIDATED PROVISION FOR WPPF AND WELFARE FUND</u></b>		
	Bangladesh Steel Re-Rolling Mills Limited	42.00 317,276,646	43,476,238
	BSRM Steel Mills Limited	-	66,826,814
	BSRM (Hong Kong) Limited	-	-
		<u>317,276,646</u>	<u>110,303,052</u>
<b>42.01.a</b>	<b><u>CONSOLIDATED CONTRIBUTION TO WPPF AND WELFARE FUND</u></b>		
	Bangladesh Steel Re-Rolling Mills Limited	254,551,352	43,476,238
	BSRM Steel Mills Limited	-	66,826,814
	BSRM (Hong Kong) Limited	-	-
		<u>254,551,352</u>	<u>110,303,052</u>
<b>43.00</b>	<b>Other liabilities</b>		
	See accounting policy in note 4 (J)		
	Bangladesh Steel Re-Rolling Mills Limited-HO	43.01 288,669,618	128,641,729
	Bangladesh Steel Re-Rolling Mills Limited-Kolkata Branch	24,556,225	23,725,700
		<u>313,225,843</u>	<u>152,367,429</u>
<b>43.01</b>	<b>Bangladesh Steel Re-Rolling Mills Limited-HO</b>		
	Against paid-up capital of BSRM (Hong Kong) Limited	10	10
	Duty drawback	110,738,498	94,589,645
	Income tax deducted at source	43.01.01 7,295	13,699,816
	Interest Payable	976,273	-
	IPO over subscription money payable	43.01.02 7,864,673	7,864,673
	Retention money	58,240,388	10,997,585
	Security deposit	1,990,000	1,490,000
	Interest on intercompany loan	108,852,480	-
		<u>288,669,618</u>	<u>128,641,729</u>
<b>43.01.01</b>	Income tax deducted at source have subsequently been deposited to the Government Exchequer.		
<b>43.01.02</b>	The total amount of Tk. 7,864,673 has been transferred to Capital Market Stabilization Fund on August 29,2021 as per directive of Bangladesh Securities and Exchange Commission mentioned above.		
<b>43.a</b>	<b><u>CONSOLIDATED OTHER LIABILITIES</u></b>		
	Bangladesh Steel Re-Rolling Mills Limited	43.00 313,225,843	152,367,429
	BSRM Steel Mills Limited	-	15,432,567
	BSRM (Hong Kong) Limited	-	-
	Less: Intra group elimination	-	(10)
		<u>313,225,843</u>	<u>167,799,986</u>



## Notes to the Financial Statements (Continued)

### 44.00 Leases as a Lessee

See accounting policy in note 4 (Y)

Set Out below are the carrying amounts of right of use assets recognised and the movements during the year:

	Land	Warehouse / Godown / Shed	Office Space	Total
As at 01 July 2019	45,493,184	58,283,113	24,617,124	128,393,421
Additions	-	-	-	-
Depreciation expense	(7,335,678)	(11,118,936)	(5,583,982)	(24,038,596)
As at 30 June 2020	<u>38,157,506</u>	<u>47,164,177</u>	<u>19,033,142</u>	<u>104,354,825</u>
As at 01 July 2020	38,157,506	47,164,177	19,033,142	104,354,825
An amount of Tk. 1,750,860 has been transferred to C	13,025,146		2,967,542	15,992,688
Addition due to lease modification		4,353,501	7,019,230	11,372,731
Depreciation expense	(11,369,909)	(11,623,839)	(6,636,552)	(29,630,300)
As at 30 June 2021	<u>39,812,743</u>	<u>39,893,839</u>	<u>22,383,362</u>	<u>102,089,943</u>

#### Depreciation allocation:

		2021	2020
Cost of sales	6.02	20,481,041	16,121,629
Selling & distribution costs	7.01	2,332,984	2,332,985
Administrative costs	8.01	6,816,275	5,583,982
		<u>29,630,300</u>	<u>24,038,596</u>

Set out below are the carrying amounts of lease liabilities and the movements during the year:

As on 01 July 2020	108,474,040	128,393,421
Additions	15,992,688	-
Addition due to lease modification	11,372,731	-
Accretion of interest	10,050,440	9,803,899
Payments	(36,337,513)	(29,723,280)
As on 30 June 2021	<u>109,552,386</u>	<u>108,474,040</u>
Current	<u>27,618,290</u>	<u>23,693,019</u>
Non-current	<u>81,934,096</u>	<u>84,781,021</u>

### 44.01 Amounts recognized in statement of profit or loss

Interest on lease liabilities	10,050,440	9,803,899
Depreciation charge on right-of-use assets	29,630,300	24,038,596
	<u>39,680,740</u>	<u>33,842,495</u>

### 44.02 Amount recognized in statement of cash flows

Interest paid on lease liabilities	(10,050,440)	(9,803,899)
Principal paid on lease liabilities	(26,287,073)	(19,919,381)

### 44.03 Maturity analysis

The following figures sets out a maturity analysis of lease payments, showing the undiscounted lease payments to be made after the reporting date.

Less than one year	36,043,746	32,252,280
One to two years	33,111,240	30,065,280
Two to three years	30,115,240	29,336,280
Three to four years	18,768,840	24,196,780
Four to five years	9,334,980	8,546,880
More than five years	2,400,000	6,600,000
	<u>129,774,046</u>	<u>130,997,500</u>

### 44.a CONSOLIDATED RIGHT OF USE ASSETS

Bangladesh Steel Re-Rolling Mills Limited	102,089,943	104,354,825
BSRM Steel Mills Limited	-	-
BSRM (Hong Kong) Limited	-	-
	<u>102,089,943</u>	<u>104,354,825</u>



## Notes to the Financial Statements (Continued)

Set out below are the carrying amounts of lease liabilities and the movements during the year:  
44.04 Leased Land

Lessor	Lessee	Location	Rental start date	Tenure	Discount rate	Monthly rent	Total yearly rent	Tax deducted at source	VAT	Gross yearly rent
M/S Haleem Engineering Works Limited		Plot no# 147-149, Nasirabad I/A, Bayezid Bostami Road, Chattogram	01-Oct-19	2 years		243,000	2,916,000	145,800	437,400	3,353,400
Arco Industries Limited	Bangladesh Steel Re-Rolling Mills Limited	Plot no# 23-26, Nasirabad I/A, Bayezid Bostami Road, Chattogram	01-Jul-17	10 years		200,000	2,400,000	120,000	360,000	2,760,000
H. Akberali & Co. Limited		Plot JL# 13 at Sonapahar Mouza, Zorarajoni, Miarsarai, Chattogram	01-Jul-16	10 years		150,000	1,800,000	90,000	270,000	2,070,000
Karnafully Engineering Works Limited		Plot no# 8/D, Sholoshahar Light Industrial Area, Chattogram	01-Nov-19	5 years	9.00%	350,000	4,200,000	210,000	630,000	4,830,000
Karnafully Engineering Works Ltd.		Plot no# 8/D, Sholoshahar Light Industrial Area, Chattogram	1-Sep-20	5 years		264,000	2,640,000	132,000	396,000	3,036,000
BSRM Logistics Ltd	BSRM Ltd_SML	4000 sft Spaces under Plot no# 180,3995,3979,3978,4001,3997,3998,3946,3 972,3996,4002, Mouza- jahanabad, Bhatary, Sitakunda, Chattogram	1-Jan-17	5 years		20,000	100,000	5,000	15,000	115,000
							14,056,000	702,800	2,108,400	16,164,400

### 44.05 Leased warehouse/godown/factory shed

Lessor	Lessee	Location	Rental start date	Tenure	Discount rate	Monthly rent	Total yearly rent	Tax deducted at source	VAT	Gross yearly rent
Chittagong Power Company Limited		Plot no# 297, Nasirabad I/A, Bayezid Bostami Road, Chattogram	01-Jul-19	5 years		150,000	1,800,000	90,000	270,000	2,070,000
Section Steel Industries Limited		Shiromoni Industrial Area, Khulna	01-Jan-19	5 years		100,000	1,200,000	60,000	180,000	1,380,000
Bangladesh Steels Limited	Bangladesh Steel Re-Rolling Mills Limited	Plot no# 297, Nasirabad I/A, Bayezid Bostami Road, Chattogram	01-Apr-19	5 years		280,000	3,360,000	168,000	504,000	3,864,000
BSRM Logistics Limited		50 No. Kagojpur, P.S.- Benapole Port, Sharsa, Jessore	01-Sep-14	5 years	9.00%	193,440	2,321,280	116,064	348,192	2,669,472
Karnafully Engineering Works Limited		Plot no# 8/D, Sholoshahar Light Industrial Area, Chattogram	01-Jan-15 to 31 Dec 20	5 years		360,000	2,160,000	108,000	324,000	2,484,000
H. Akberali & Co. Limited		Plot no# 8/D, Sholoshahar Light Industrial Area, Chattogram	01-Jan-21	5 years		390,000	2,340,000	117,000	351,000	2,691,000
			01-Nov-19	5 years		100,000	1,200,000	60,000	180,000	1,380,000
							14,381,280	719,064	2,157,192	16,538,472



## Notes to the Financial Statements (Continued)

### 44.06 Leased office spaces

Lessor	Lessee	Location	Rental start date	Tenure	Discount rate	Monthly rent	Total yearly rent	Tax deducted at source	VAT	Gross yearly rent
H. Akberali & Co. Limited	Bangladesh Steel Re-Rolling Mills Limited	Nasir Uddin Tower, 4th floor, 104/1 Kakrail, Ramna, Dhaka	01 Oct 18	5 years		204,000	2,448,000	122,400	367,200	2,815,200
H. Akberali & Co. Limited		1st, Mezzanine & 3rd Floor, Ali Mansion, 1207/1099 Sadarghat, Chattogram	01 Jan 19 to 31 Dec 2020	5 years	9.00%	357,250	2,143,500	107,175	321,525	2,465,025
H. Akberali & Co. Limited	BSRM Ltd., SML	3rd floor, Habib City Tower, 822/835, Sadarghat, Chittagong	01 Jan '21	5 years		377,830	2,266,980	113,349	340,047	2,607,027
			1-May-17	5 years		208,351	1,041,753	52,088	156,263	1,198,016
							7,900,233	395,012	1,185,035	9,085,268
							36,337,513	1,816,876	5,450,627	41,788,140
<b>Grand Total</b>										





## Notes to the Financial Statements (Continued)

	30 June 2021
	BDT
<b>45.00 Unclaimed dividend account</b>	
Year wise unclaimed dividend as on June 30 2021	
Year- 2020-21 (Interim)	415,562
Year- 2019-20	612,218
Year- 2018-19	1,288,688
Year- 2017-18	339,801
Cheque Issued to the shareholders	412,903
Year- 2014 to Year 2017	1,604,514
Untraced/ Others	146,346
	<b>4,820,032</b>

An amount of Tk. 1,750,860 has been transferred to Capital Market Stabilization Fund on August 29, 2021 as per Bangladesh Securities and Exchange Commission Letter No: SEC/SRMIC/65-2020/Part-1/182 dated July 19,2021.

### 46.00 Related party transactions

#### 46.01 Transactions with key management personnel

Name of personnel	Relationship	Nature of transactions	Transactions values for the year		Balance outstanding as at 30 June	
			2021	2020	2021	2020
Mr. Alihussain Akberali	Chairman		48,500,000	36,000,000	-	-
Mr. Aameir Alihussain	Managing Director	Remuneration and other benefits	43,500,000	28,500,000	-	-
Mr. Zohair Taherali	Director		21,500,000	16,500,000	-	-
Mrs. Sabeen Aameir	Director		7,500,000	7,500,000	-	-
			<b>121,000,000</b>	<b>88,500,000</b>	-	-

#### 46.02 Other related party transactions

During the year the company carried out a number of transactions with related parties in the normal course of business and on arm's length basis. The name of the related parties, nature of relationship, nature of transactions, transactions value at the reporting date and balance as at reporting date have been set out in accordance with the provisions of IAS 24: Related Party Disclosures.

Name of the party	Relationship	Nature of transactions	Transactions values for the year		Balance outstanding as at 30 June	
			2021	2020	2021	2020
BSRM (Hong Kong) Limited	Subsidiary	Short term loan, purchase, etc.	-	1,326,000	10,785,358	10,785,358
Chittagong Power Company Limited	Sister Company	Short term loan, purchase, etc.	522,662,553	(2,300,000)	543,900,479	21,237,926
BSRM Logistics Ltd.	Investee	Short term loan,	339,901,528	(132,059,155)	379,852,620	39,951,092
BSRM Steels Limited	Sister Company	Short term loan,	(169,633,838)	9,801,257,661	655,326,200	824,960,038
BSRM Wires Limited	Sister Company	Short term loan,	1,042,634,014	(170,286,050)	1,109,362,736	66,728,722
BSRM Steel Mills Limited	Subsidiary	purchase etc.	4,798,122,118	(4,826,687,003)	-	(4,798,122,118)
BSRM Ispat Limited		Short term loan	1,030,822,625	-	1,030,822,625	-
BSRM Real Estates Limited		Short term loan	(582,500)	582,500	-	582,500
Karnafully Engineering Works Limited	Sister Company	Purchase	4,400,000	(4,400,000)	-	(4,400,000)
BD Steel Limited			545,797	(545,797)	-	(545,797)
H. Akberali & Co. Ltd.		Short term loan, sales , purchase, etc	11,267,441	90,351,178	115,853,874	104,586,433
BSRM Metal Limited	Sister Company	Short term Loan	80,811,358	1,276,532,253	80,811,358	-

#### 47.00 Contingent liabilities

See accounting policy in note 4 (M).

Contingent liabilities at the reporting date are as follows:



## Notes to the Financial Statements (Continued)

	30 June 2021	30 June 2020
	BDT	BDT
<b>47.01 Bank guarantee</b>		
Karnaphuli Gas Distribution Co. Limited	594,939	594,939
Deposit to Customs authority against claim under appeal	552,890	552,890
Customs authority	1,997,162	1,997,162
Bureau of Indian Standards	2,418,000	2,418,000
Mercantile Bank Limited (SML)	18,578,713	-
	<b>24,141,704</b>	<b>5,562,991</b>

The above guarantees have been issued against 100% cash margin.

### 47.02 Corporate guarantee

The company has a policy to extend corporate guarantee for the financial arrangements of the sister companies within the Group. The guarantee is issued to sister companies without any fee or premium. In addition, there is no interest rate benefit for the borrower as a result of the said guarantee. At the reporting date, status of such guarantees were as follows:

#### Maximum limit in million

BSRM Steels Limited	L/C liability	15,290	15,290
BSRM Wires Limited	L/C liability	1,100	1,100
H. Akberali & Co. Limited	L/C liability	300	300
BSRM Steel Mills Ltd.	L/C liability	7,298	7,298
		<b>23,988</b>	<b>23,988</b>

The company has not recognized a liability in respect of the financial guarantees as no liability is expected to arise, hence disclosed as a contingent liability where there is a present obligation but payment is not probable. The associated companies are in strong position to settle their financial obligations with the banks and financial institutions with no history of defaulting on their respective obligations. This is further supported by their respective credit ratings which is as follows:

	Credit rating	
	30 June 2021	30 June 2020
BSRM Steels Limited	AA+	AA+
BSRM Wires Limited	BBB+	BBB+
H. Akberali & Co. Limited	A+	A+
BSRM Steel Mills Ltd.	A	A

### 47.03 Status of pending litigation with the Valued Added Tax (VAT) authority:

Subject matter	Current status
Claimed by VAT Commissionerate Office against Duty Drawback from 01 January 2015 to 31 August 2018.	Before Customs, Excise and VAT Appellate Tribunal (appeal no. 55 of 2019).
Claimed by VAT Commissionerate Office against Duty Drawback from 01 September 2018 to 31 December 2018	Before Customs, Excise and VAT Appellate Tribunal (appeal no. 56 of 2019).
Trade VAT of K. Rahman warehouse regarding sale of wastage items (packing materials).	Before Customs, Excise and VAT Appellate Tribunal for a demand of BDT 322,566.
Claim by VAT Commissionerate office against export of January 2019 to garments and projects.	Before Customs, Excise and VAT Appellate Tribunal (appeal no. 02 of 2020).

### 48.00 Capital expenditure commitment

The Company has no capital expenditure commitment at the reporting date.

### 49.00 Production capacity

#### (i) MS product- finished

	30 June 2021	30 June 2020
Installed Capacity (In M.Ton)	800,000	750,000
Production (In M.Ton)	813,781	680,157
Capacity utilized (%)	<b>101.72%</b>	<b>90.69%</b>

#### (ii) MS billet

Installed Capacity (In M.Ton)	509,167	150,000
Production (In M.Ton)	514,845	102,735
Capacity utilized (%)	<b>101.12%</b>	<b>68.49%</b>

#### (iii) Wires Unit

Installed Capacity (In M.Ton)	24,000	-
Production (In M.Ton)	14,434	-
Capacity utilized (%)	<b>60.14%</b>	<b>0.00%</b>



## Notes to the Financial Statements (Continued)

	30 June 2021	30 June 2020
<b>50.00 No. of employees</b>		
Number of employees whose salary was below Tk. 3,000	-	-
Number of employees whose salary was above Tk. 3,000	1,832	1,046
	<b>1,832</b>	<b>1,046</b>

The above mentioned number of employees represent employees working at the company (i.e. Parent Company) only.

### 51.00 Financial summary of Kolkata Branch office on 30 June 2021 as per audited financial statements:

	30 June 2021	30 June 2020
	INR	INR
Non-current assets	3,691,441	4,114,301
Current assets	357,557,420	269,997,150
<b>Total assets</b>	<b>361,248,861</b>	<b>274,111,451</b>
Head Office Account	10,225,039	13,003,640
Retained earnings	33,393,818	25,607,878
	<b>43,618,857</b>	<b>38,611,518</b>
Non-current liabilities	196,473,234	170,842,934
Current liabilities	121,156,770	64,656,999
<b>Total liabilities</b>	<b>317,630,004</b>	<b>235,499,933</b>
<b>Total equity &amp; liabilities</b>	<b>361,248,861</b>	<b>274,111,451</b>
Revenue	1,937,799,138	1,249,622,903
Expenses	(1,930,013,198)	(1,240,951,768)
<b>Profit for the year</b>	<b>7,785,940</b>	<b>8,671,135</b>

#### 51-A Events after the reporting period

The Board of Directors of the Bangladesh Steel Re-Rolling Mills Limited at its 430th meeting held on 23 October 2021 recommended a final cash dividend amounting to BDT 1,194,338,504 being 40% of the paid up capital (i.e. BDT 4 Per Share) for the year ended 30 June 2021. Total cash dividend including this final cash dividend stands at 50% of the paid up capital for the year ended 30 June 2021. These dividend is subject to final approval by the shareholders at the forthcoming annual general meeting of the Company.

#### 51-B Minimum amount to be distributed as dividend as per tax law

As per Section 16G of ITO 1984, as a listed company, BSRM Limited shall declare and distribute at least 30% of its net profit after tax as dividend (as per section 16F stock and cash) to its shareholders, otherwise 10% tax shall be imposed on the total amount of retained earnings, fund, reserve or surplus.

#### Distributable Profit

Net profit after tax	4,970,362,865
Un-realized share of profit from Associates under equity method	(960,517,273)
Realized profit from Associates as dividend received during this year	293,133,975
Distributable profit for the year	<b>4,302,979,567</b>

#### Rate Minimum dividend on current year's profit

**30%**

Minimum Dividend payable during the year u/s 16G of the ITO 1984

1,290,893,870

Interim dividend paid during the year

(236,068,236)

**Net Minimum dividend payable**

**1,054,825,634**

Paid up share capital

2,985,846,260

**Applicable Minimum Rate of Final Dividend**

**35.33%**

The Net Profit after tax of Tk. 4,970,362,865 includes Tk. 960,517,273 which is "share of profit of equity accounted investees". This Tk. 960,517,273 is an unrealized gain but included in the profit and loss statement as per International Accounting Standards-28: Investments in Associates and Joint Ventures. As dividend cannot be declared and distributed from the unrealized gain/profit, hence Tk. 960,517,273 has been excluded in computing distributable profit for this year. Again dividend declared and received from associate company of Tk. 293,133,975 is not included in profit of Tk. 4,970,362,865. As this declared and distributed dividend by the Associated Company is realized gain for the company and hence Tk. 293,133,975 has been included while computing distributable profit for the year.



## Notes to the Financial Statements (Continued)

### 52.00 Financial risk management

International Financial Reporting Standard IFRS 7: Financial Instruments: Disclosures - requires disclosure of information relating to both recognized and unrecognized financial instruments, their significance and performance, accounting policies, terms and conditions, net fair values and risk information- the Group's policies for controlling risks and exposures.

The Group and the Company management has overall responsibility for the establishment and oversight of the group and the Company's risk management framework. The management policies are established to identify and analyze the risks faced by The Group and the Company to set appropriate risk limits and controls and to monitor risks and adherence to limit. Risk management policies, procedures and systems are reviewed regularly to reflect changes in market conditions and the company's activities. The Group and the Company has exposure to the following risks from its use of financial instruments:

- a) Credit risk 52.01
- b) Liquidity risk 52.02
- c) Market risk 52.03

### 52.01 Credit risk

Credit risk is the risk of a financial loss to the group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the group's receivables and investments.

Management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis.

In monitoring credit risk, debtors are grouped according to their risk profile, i.e. their legal status, financial condition, ageing profile etc. Accounts receivable are related to sale of steels (MS Rod and allied products).

The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the statement of financial position.

#### 52.01.01 Exposure to credit risk

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was:

	Note	30-Jun-21	30-Jun-20
Investment in tradeable securities	23.02	-	600,890
Investment in non-tradable shares	22.02	164,500,300	1,000,300
Investments in FDRs (Short term & long term)		2,247,709,647	558,282,684
Advances and deposits	27.00	7,025,537,822	2,015,080,837
Trade and other receivables	25.00	4,526,507,802	3,346,575,434
Due from sister companies	26.00	3,200,940,893	1,651,039,057
Cash at bank	28.03	1,253,580,429	205,380,643
		<b>18,418,776,893</b>	<b>7,777,959,845</b>

#### 52.01.01.a CONSOLIDATED EXPOSURE TO CREDIT RISK

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was:

Investment in tradeable securities	-	600,890
Investment in non-tradable shares	164,500,300	1,000,300
Investments in FDRs (Short term & long term)	2,247,709,647	1,587,286,390
Advances and deposits	7,026,579,199	6,464,674,928
Trade and other receivables	4,526,507,802	9,146,271,039
Due from sister companies	3,189,916,578	4,033,737,624
Cash at bank	1,276,532,253	228,720,749
	<b>18,431,745,779</b>	<b>21,462,291,920</b>

#### 52.01.02 Ageing of trade receivables

Not yet due	2,812,082,352	1,375,781,867
Dues within 3 months	1,059,167,114	831,042,056
Dues over 3 months but less than 6 months	110,103,629	493,117,578
Dues over 6 months	159,631,501	298,743,766
	<b>4,140,984,596</b>	<b>2,998,685,267</b>

#### 52.01.02.a AGING OF CONSOLIDATED TRADE RECEIVABLES

Not yet due	2,812,082,352	820,620,390
Dues within 3 months	1,059,167,114	1,690,499,464
Dues over 3 months but less than 6 months	110,103,629	697,233,203
Dues over 6 months	159,631,501	575,737,949
	<b>4,140,984,596</b>	<b>3,784,091,004</b>



## Notes to the Financial Statements (Continued)

### 52.02 Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or other financial assets. The Company's approach to manage liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. Typically, the Company ensures that it has sufficient cash and cash equivalents to meet expected operational expenses, including financial obligations through preparation of the cash flow forecast, based on time line of payment of financial obligations and accordingly arrange for sufficient liquidity/fund to make the expected payments within due dates. Moreover, the Company has short term credit facilities with scheduled commercial banks to ensure payment of obligation in the event that there is insufficient cash to make the required payment. The requirement is determined in advance through cash flow projections and credit lines with banks are negotiated accordingly.

#### 52.02.01 Exposure to Liquidity risk

The followings are the contractual maturities of financial liabilities:

Non-derivative financial liabilities	Carrying amount	Interest Rate	Contractual cash flows		
			Within 12 months	2 to 5 years	More than 5 years
<b>As At 30 June 2021</b>					
Long term borrowings	2,022,542,015	7.75%-8.99%	1,294,202,615	728,339,400	-
Defined benefit obligations - Gratuity	366,317,421	N/A	-	-	366,317,421
Trade payables	474,552,412	N/A	474,552,412	-	-
Short term borrowings	32,537,442,420	4%-9%	32,537,442,420	-	-
Liabilities for expenses	1,149,136,050		1,149,136,050	-	-
Provision for WPPF and Welfare Fund	317,276,646	N/A	317,276,646	-	-
Lease liabilities	109,552,386	9%	27,618,290	81,934,096	-
Other liabilities	313,225,843	N/A	313,225,843	-	-
	<b>37,290,045,193</b>		<b>36,113,454,276</b>	<b>810,273,496</b>	<b>366,317,421</b>

Non-derivative financial liabilities	Carrying amount	Interest Rate	Contractual cash flows		
			Within 12 months	2 to 5 years	More than 5 years
<b>As At 30 June 2020</b>					
Long term borrowings	4,331,530,755	9%-13.5%	2,008,394,290	2,323,136,465	-
Defined benefit obligations - Gratuity	259,300,000	7%	-	-	259,300,000
Trade payables	5,547,228,084	N/A	5,547,228,084	-	-
Short term borrowings	9,332,878,052		9,332,878,052	-	-
Liabilities for expenses	671,402,821	N/A	671,402,821	-	-
Provision for WPPF and Welfare Fund	43,476,238		43,476,238	-	-
Lease liabilities	108,474,040	9%	23,693,019	84,781,021	-
Other liabilities	156,326,577	N/A	156,326,577	-	-
	<b>20,450,616,567</b>		<b>17,783,399,081</b>	<b>2,407,917,486</b>	<b>259,300,000</b>

#### 52.02.01.a CONSOLIDATED EXPOSURE TO LIQUIDITY RISK

The followings are the contractual maturities of financial liabilities:

Non-derivative financial liabilities	Carrying amount	Interest Rate	Contractual cash flows		
			Within 12 months	2 to 5 years	More than 5 years
<b>As At 30 June 2021</b>					
Long term borrowings	2,022,542,015	7.75%-8.99%	1,294,202,615	728,339,400	-
Defined benefit obligations - Gratuity	366,317,421	N/A	-	-	366,317,421
Trade payables	474,552,413	N/A	474,552,413	-	-
Short term borrowings	32,537,442,420	4%-9%	32,537,442,420	-	-
Liabilities for expenses	1,149,329,482		1,149,329,482	-	-
Provision for WPPF and Welfare Fund	317,276,646	N/A	317,276,646	-	-
Lease liabilities	109,552,386	9%	27,618,291	81,934,096	-
Other liabilities	313,225,843	N/A	313,225,843	-	-
	<b>37,290,238,626</b>		<b>36,113,647,709</b>	<b>810,273,496</b>	<b>366,317,421</b>



## Notes to the Financial Statements (Continued)

Non-derivative financial liabilities	Carrying amount	Interest Rate	Contractual cash flows		
			Within 12 months	2 to 5 years	More than 5 years
<b>As At 30 June 2020</b>					
Long term borrowings	6,003,045,297	9%-13.5%	3,339,257,469	2,663,787,828	-
Defined benefit obligations - Gratuity	315,351,000	7%	-	-	315,351,000
Trade payables	226,537,728	N/A	226,537,728	-	-
Short term borrowings	29,852,164,910		29,852,164,910	-	-
Liabilities for expenses	1,524,396,974		1,524,396,974	-	-
Provision for WPPF and Welfare Fund	110,303,052	N/A	110,303,052	-	-
Lease liabilities	108,474,040	9%	23,693,019	84,781,021	-
Other liabilities	171,759,134	N/A	171,759,134	-	-
	<b>38,312,032,135</b>		<b>35,248,112,286</b>	<b>2,748,568,849</b>	<b>315,351,000</b>

### 52.03 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 its 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.

#### 52.03.01 Currency risk exposure and its management

The Group and the Company is exposed to currency risk on sales, purchases, borrowings, payables, bank balances and investments that are denominated in a currency other than the functional currencies of the company. To manage this exposure, the company has adopted direct risk reduction methods based on matching receipts and payments on assets and liabilities.

As at 30 June 2021, The Group and the Company was exposed to foreign currency risk in respect of financial assets and liabilities denominated in the following currencies:

52.03.01.01 Exposure to currency risk	GBP	EURO	USD	Taka
<b>30 June 2021</b>				
<b>Foreign currency denominated assets:</b>				
Cash and cash equivalents	420	161	4,589,100	389,910,474
Short term investment	-	-	2,960,755	251,516,137
	<b>420</b>	<b>161</b>	<b>7,549,855</b>	<b>641,426,611</b>
<b>Foreign currency denominated liabilities:</b>				
Liability for accepted bills for payment (ABP)	-	671,232	298,834,271	25,453,483,820
	-	<b>671,232</b>	<b>298,834,271</b>	<b>25,453,483,820</b>
<b>Net exposure</b>	<b>420</b>	<b>(671,071)</b>	<b>(291,284,416)</b>	<b>(24,812,057,209)</b>
<b>30 June 2020</b>				
<b>Foreign currency denominated assets:</b>				
Cash and cash equivalents	420	161	2,034,190	172,864,451
Short term investment	-	-	2,931,441	249,025,913
Trade and other receivables	-	-	377,700	32,085,615
	<b>420</b>	<b>161</b>	<b>5,343,331</b>	<b>453,975,979</b>
<b>Foreign currency denominated liabilities:</b>				
Liability for accepted bills for payment (ABP)	-	3,839,897	25,418,352	2,530,914,213
	-	<b>3,839,897</b>	<b>25,418,352</b>	<b>2,530,914,213</b>
<b>Net exposure</b>	<b>420</b>	<b>(3,839,736)</b>	<b>(20,075,021)</b>	<b>(2,076,938,234)</b>

The following significant exchange rates are applied during the year:

	30 June 2021	30 June 2020
US dollar	84.95	84.95
EURO	102.37	96.78
GBP	119.02	105.92

#### 52.03.01.02 Sensitivity analysis

A reasonably possible strengthening/weakening of foreign currencies against the Bangladesh Taka at the reporting date would have affected the measurement of financial instruments denominated in a foreign currency and affected equity and profit or loss by the amounts shown below. The analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecast sales and purchases.



## Notes to the Financial Statements (Continued)

		30 June 2021			
		Profit or loss		Equity- net of tax	
		<u>Strengthening</u>	<u>Weakening</u>	<u>Strengthening</u>	<u>Weakening</u>
USD (2% movement)		(494,892,223)	494,892,223	(111,350,750)	111,350,750
EURO (2% movement)		(1,373,896)	1,373,896	(309,127)	309,127
GBP (2% movement)		1,000	(1,000)	225	(225)
		30 June 2020			
		Profit or loss		Equity- net of tax	
		<u>Strengthening</u>	<u>Weakening</u>	<u>Strengthening</u>	<u>Weakening</u>
USD (2% movement)		(34,107,461)	34,107,461	(8,526,865)	8,526,865
EURO (2% movement)		(7,432,193)	7,432,193	(1,858,048)	1,858,048
GBP (2% movement)		890	(890)	222	(222)
<b>52.03.01.01.a</b>	<b>CONSOLIDATED EXPOSURE TO CURRENCY RISK</b>	<b>GBP</b>	<b>EURO</b>	<b>USD</b>	<b>BDT</b>
	<b>30 June 2021</b>				
	<b>Foreign currency denominated assets:</b>				
	Cash and cash equivalents	420	161	4,589,100	389,910,474
	Short term investment	-	-	2,960,755	251,516,137
		<b>420</b>	<b>161</b>	<b>7,549,855</b>	<b>641,426,611</b>
	<b>Foreign currency denominated liabilities:</b>				
	Liability for accepted bills for payment (ABP)		671,232	298,834,271	25,454,682,589
		-	671,232	298,834,271	25,454,682,589
	Net exposure	<b>420</b>	<b>(671,071)</b>	<b>(291,284,416)</b>	<b>(24,813,255,978)</b>
	<b>CONSOLIDATED EXPOSURE TO CURRENCY RISK</b>	<b>GBP</b>	<b>EURO</b>	<b>USD</b>	<b>BDT</b>
	<b>30 June 2020</b>				
	<b>Foreign currency denominated assets:</b>				
	Cash and cash equivalents	420	161	2,052,594	174,427,871
	Short term investment	-	-	2,931,441	249,025,913
	Trade and other receivables	-	-	576,067	48,936,892
		<b>420</b>	<b>161</b>	<b>5,560,102</b>	<b>472,390,675</b>
	<b>Foreign currency denominated liabilities:</b>				
	Liability for accepted bills for payment (ABP)		4,779,381	235,160,348	20,439,420,034
	Syndicate loan			10,909,091	926,727,280
		-	4,779,381	246,069,439	21,366,147,314
	Net exposure	<b>420</b>	<b>(4,779,220)</b>	<b>(240,509,337)</b>	<b>(20,893,756,639)</b>

The following significant exchange rate is applied during the year:

	30 June 2021	30 June 2020
US dollar	84.95	84.95
EURO	102.37	96.78
GBP	119.02	105.92

### 52.03.01.02.a CONSOLIDATED EXPOSURE TO SENSITIVITY ANALYSIS

A reasonably possible strengthening/weakening of foreign currencies against the Bangladesh Taka at the reporting date would have affected the measurement of financial instruments denominated in a foreign currency and affected equity and profit or loss by the amounts shown below. The analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecast sales and purchases.

		30 June 2021			
		Profit or loss		Equity- net of tax	
		<u>Strengthening</u>	<u>Weakening</u>	<u>Strengthening</u>	<u>Weakening</u>
USD (2% movement)		(494,892,136)	494,892,310	(111,350,750)	111,350,750
EURO (2% movement)		(1,373,797)	1,373,995	(309,127)	309,127
GBP (2% movement)		1,000	(1,000)	225	(225)



## Notes to the Financial Statements (Continued)

30 June 2020

	Profit or loss		Equity- net of tax	
	Strengthening	Weakening	Strengthening	Weakening
USD (2% movement)	(34,107,374)	34,107,548	(8,526,865)	8,526,865
EURO (2% movement)	(7,432,094)	7,432,292	(1,858,048)	1,858,048
GBP (2% movement)	890	(890)	222	(222)

### 52.03.02 Transaction risk

Transaction risk is the risk that the Company will incur exchange losses when the accounting results are translated into the home currency.

### 52.03.03 Economic risk

Economic risk refers to the effect of exchange rate movements on the international competitiveness of the Company.

### 52.03.04 Interest risk

Interest rate risk arises from movement in interest rates. The Company needs to manage interest rate risk so as to be able to re-pay debts as they fall due and to minimize the risks surrounding interest payments and receipts.

#### Exposure to interest rate risk

The interest rate profile of the company's interest-bearing financial instruments as reported to the management of the Company is as follows.

#### Fixed-rate instruments

	30 June 2021	30 June 2020
Financial assets	5,448,650,540	2,209,321,741
Financial liabilities	(34,559,984,435)	(13,664,408,807)
	<u>(29,111,333,895)</u>	<u>(11,455,087,066)</u>

#### Variable-rate instruments

Financial assets	-	-
Financial liabilities	-	-
	<u>-</u>	<u>-</u>

### 52.03.04.a CONSOLIDATED EXPOSURE TO INTEREST RATE RISK

The interest rate profile of the company's interest-bearing financial instruments as reported to the management of the Company is as follows.

#### Fixed-rate instruments

Financial assets	5,437,626,225	5,621,024,014
Financial liabilities	(34,559,984,435)	(35,855,210,207)
	<u>(29,122,358,210)</u>	<u>(30,234,186,193)</u>

#### Variable-rate instruments

Financial assets	-	-
Financial liabilities	-	-
	<u>-</u>	<u>-</u>





## Notes to the Financial Statements (Continued)

### 53.00 Financial instruments- Accounting classifications and fair values

The following table shows the carrying amounts of financial assets and financial liabilities. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

Note	Fair value through profit or loss	Fair value through other comprehensive income- debt instruments	Fair value through other comprehensive income- equity instruments	Carrying amount	Financial assets at amortized costs	Other financial liabilities	Total	Fair Value		
								Level 1	Level 2	Level 3
<b>30 June 2021</b>										
<b>Financial assets measured at fair value:</b>										
23.03	-	-	-	-	-	-	-	-	-	-
<b>Investment in tradeable securities</b>										
25.00	-	-	-	4,526,507,802	-	-	4,526,507,802	-	-	-
26.00	-	-	-	3,200,940,893	-	-	3,200,940,893	-	-	-
27.03	-	-	-	2,247,709,647	-	-	2,247,709,647	-	-	-
28.03	-	-	-	140,128,820	-	-	140,128,820	-	-	-
	-	-	-	1,253,580,429	-	-	1,253,580,429	-	-	-
	-	-	-	<b>11,368,867,591</b>	-	-	<b>11,368,867,591</b>	-	-	-
<b>Financial assets not measured at fair value:</b>										
37.00	-	-	-	-	-	474,552,412	474,552,412	-	-	-
38.01	-	-	-	-	-	32,537,442,420	32,537,442,420	-	-	-
43.00	-	-	-	-	-	2,022,542,015	2,022,542,015	-	-	-
	-	-	-	-	-	313,225,843	313,225,843	-	-	-
	-	-	-	-	-	<b>35,347,762,690</b>	<b>35,347,762,690</b>	-	-	-
<b>Financial liabilities not measured at fair value:</b>										
23.02	600,890	-	-	-	-	-	600,890	600,890	-	-
	<b>600,890</b>	-	-	-	-	-	<b>600,890</b>	<b>600,890</b>	-	-
<b>30 June 2020</b>										
<b>Financial assets measured at fair value:</b>										
<b>Investment in tradeable securities</b>										
25.00	-	-	-	3,346,575,434	-	-	3,346,575,434	-	-	-
26.00	-	-	-	1,651,039,057	-	-	1,651,039,057	-	-	-
27.03	-	-	-	558,282,684	-	-	558,282,684	-	-	-
28.03	-	-	-	46,594,627	-	-	46,594,627	-	-	-
	-	-	-	205,380,643	-	-	205,380,643	-	-	-
	-	-	-	<b>5,807,872,445</b>	-	-	<b>5,807,872,445</b>	-	-	-
<b>Financial assets not measured at fair value:</b>										
37.00	-	-	-	-	-	5,547,228,084	5,547,228,084	-	-	-
38.01	-	-	-	-	-	9,332,878,052	9,332,878,052	-	-	-
39.00	-	-	-	-	-	4,331,530,755	4,331,530,755	-	-	-
43.00	-	-	-	-	-	4,945,797	4,945,797	-	-	-
	-	-	-	-	-	152,367,429	152,367,429	-	-	-
	-	-	-	-	-	<b>19,368,950,117</b>	<b>19,368,950,117</b>	-	-	-



## Notes to the Financial Statements (Continued)

### 53.a CONSOLIDATED FINANCIAL INSTRUMENTS--ACCOUNTING CLASSIFICATIONS AND FAIR VALUES

The following table shows the carrying amounts of financial assets and financial liabilities. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

Note	Carrying amount					Fair Value				
	Fair value through profit or loss	Fair value through other comprehensive income- debt instruments	Fair value through other comprehensive income- equity instruments	Financial assets at amortized costs	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total
<b>30 June 2021</b>										
<b>Financial assets measured at fair value:</b>										
23.03	-	-	-	-	-	3	3	-	-	3
	-	-	-	-	-	3	3	-	-	3
<b>Financial assets not measured at fair value:</b>										
25.a	-	-	-	4,526,507,802	-	4,526,507,802	-	-	-	4,526,507,802
26.a	-	-	-	3,189,916,578	-	3,189,916,578	-	-	-	3,189,916,578
	-	-	-	2,247,709,647	-	2,247,709,647	-	-	-	2,247,709,647
27.03 & 27.a	-	-	-	141,170,197	-	141,170,197	-	-	-	141,170,197
28.03 & 28.a	-	-	-	1,276,568,945	-	1,276,568,945	-	-	-	1,276,568,945
	-	-	-	11,381,873,169	-	11,381,873,169	-	-	-	11,381,873,169
<b>Financial liabilities not measured at fair value:</b>										
37.a	-	-	-	-	474,552,413	474,552,413	-	-	-	474,552,413
38.a	-	-	-	-	32,537,442,420	32,537,442,420	-	-	-	32,537,442,420
	-	-	-	-	2,022,542,015	2,022,542,015	-	-	-	2,022,542,015
43.a	-	-	-	-	313,225,843	313,225,843	-	-	-	313,225,843
	-	-	-	-	35,347,762,690	35,347,762,690	-	-	-	35,347,762,690
<b>30 June 2020</b>										
<b>Financial assets measured at fair value:</b>										
23.02	600,890	-	-	-	-	600,890	600,890	-	-	600,890
	600,890	-	-	-	-	600,890	600,890	-	-	600,890
<b>Financial assets not measured at fair value:</b>										
25.a	-	-	-	3,788,361,171	-	3,788,361,171	-	-	-	3,788,361,171
26.a	-	-	-	3,464,207,702	-	3,464,207,702	-	-	-	3,464,207,702
	-	-	-	1,587,286,390	-	1,587,286,390	-	-	-	1,587,286,390
27.03 & 27.a	-	-	-	138,866,616	-	138,866,616	-	-	-	138,866,616
28.03 & 28.a	-	-	-	240,492,201	-	240,492,201	-	-	-	240,492,201
	-	-	-	9,219,214,080	-	9,219,214,080	-	-	-	9,219,214,080
<b>Financial liabilities not measured at fair value:</b>										
37.a	-	-	-	-	226,537,728	226,537,728	-	-	-	226,537,728
38.a	-	-	-	-	29,852,294,870	29,852,294,870	-	-	-	29,852,294,870
	-	-	-	-	6,003,045,297	6,003,045,297	-	-	-	6,003,045,297
39.a	-	-	-	-	5,729,133,918	5,729,133,918	-	-	-	5,729,133,918
43.a	-	-	-	-	167,799,986	167,799,986	-	-	-	167,799,986
	-	-	-	-	41,978,811,799	41,978,811,799	-	-	-	41,978,811,799

