

**Bangladesh Steel Re-Rolling Mills Limited**  
**Statement of Financial Position (Un-audited)**  
**As at March 31, 2015**



	<b>March 31, 2015</b>	<b>December 31, 2014</b>
	<b>BD Tk</b>	<b>BD Tk</b>
<b>Assets</b>		
<b>Non-current assets</b>		
Property, plant and equipment	6,887,437,035	6,945,209,048
Intangible asset	32,265,400	33,099,850
Capital work in progress	2,714,153,265	1,893,774,755
Investment in associates	5,061,918,555	3,647,308,567
Other investments	82,887,945	82,887,944
<b>Total non-current assets</b>	<b>14,778,662,200</b>	<b>12,602,280,164</b>
<b>Current assets</b>		
Inventories	2,744,252,960	3,524,601,809
Trade receivables	604,895,692	429,371,267
Other receivables	1,734,569	169,830,517
Due from inter companies	-	1,539,230,711
Advances and deposits	3,121,437,032	4,394,083,583
Short term investments	32,069,219	34,711,818
Cash and cash equivalents	916,165,450	71,908,952
<b>Total current assets</b>	<b>7,420,554,923</b>	<b>10,163,738,657</b>
<b>Total assets</b>	<b>22,199,217,123</b>	<b>22,766,018,821</b>
<b>Equity and liabilities</b>		
<b>Equity:</b>		
Share capital	1,733,510,380	1,558,510,380
Share premium	437,500,000	-
General reserve	30,170,818	30,170,818
Revaluation surplus	4,144,260,259	4,156,482,199
Retained earnings	2,804,556,766	2,758,242,239
12% convertible coupon bond-equity component	60,881,523	60,881,523
<b>Total equity</b>	<b>9,210,879,746</b>	<b>8,564,287,159</b>
<b>Liabilities</b>		
<b>Non-current liabilities</b>		
Long term loan	4,302,127,187	4,055,997,965
Deferred tax liabilities	818,482,499	815,983,238
<b>Total non-current liabilities</b>	<b>5,120,609,686</b>	<b>4,871,981,203</b>
<b>Current liabilities</b>		
Trade payables	190,289,670	127,095,638
Share Money Deposit	197,778,588	-
Short term liabilities	5,383,077,668	5,076,699,081
Liabilities for expenses	225,810,343	410,036,293
Advance against sales	329,931,866	159,856,236
Due to inter companies	713,436,090	2,384,259,664
Long term loan -current portion	491,490,541	825,947,152
Provision for income tax	31,995,903	31,995,903
Other liabilities	303,917,022	313,860,493
<b>Total current liabilities</b>	<b>7,867,727,691</b>	<b>9,329,750,460</b>
<b>Total liabilities</b>	<b>12,988,337,377</b>	<b>14,201,731,663</b>
<b>Total Equity and liabilities</b>	<b>22,199,217,123</b>	<b>22,766,018,822</b>

**Director**

**Director**

**Company Secretary**

Thursday, May 14, 2015

**Bangladesh Steel Re-Rolling Mills Limited**

**Corporate Office :** Ali Mansion, 1207/1083, Sardar Road, Chittagong, Bangladesh.

D:\Assigned-Reaz\BSRM\BSRM FS March-15\8.00 BSRM FS March-15, 14.5.15  
 Phone: +88-031-2854901-10, 635382, 613282, 637758; Fax: +88-031-610101; E-mail: mail@bsrm.com; Website: www.bsrm.com


Factory : **Steel Melting Works** : 78/79, Nasirabad I/A, Baizid Bostami Road, Chittagong. Phone : +88-031-681487, 683536; Fax : +88-031-683029

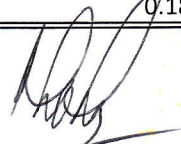
**Rolling Mill** : 147-149, Nasirabad I/A, Baizid Bostami Road, Chittagong, Bangladesh. Phone : +88-031-683053, 683164; Fax : +88-031-682901

3:08 PM of 5/14/2015

**Bangladesh Steel Re-Rolling Mills Limited**  
**Statement of Profit or Loss and Other Comprehensive Income (Un-audited)**  
**For the period from January 01, 2015 to March 31, 2015**

	For the period from January 01, 2015 to March 31, 2015	For the Period from January 1, 2014 to March 31, 2014
	<b>BD Tk</b>	<b>BD Tk</b>
<b>Revenue</b>	2,303,872,478	1,531,774,473
<b>Cost of sales</b>	(2,262,488,207)	(1,498,544,198)
<b>Gross profit</b>	<b>41,384,272</b>	<b>33,230,274</b>
<b>Selling and distribution costs</b>	(18,639,029)	(12,799,952)
<b>Administrative costs</b>	(41,720,739)	(41,205,058)
	<b>(60,359,768)</b>	<b>(54,005,010)</b>
	<b>(18,975,497)</b>	<b>(20,774,736)</b>
<b>Other income</b>	6,083,244	2,147,372
<b>Operating Profit</b>	<b>(12,892,252)</b>	<b>(18,627,364)</b>
<b>Finance costs</b>	(93,415,248)	(151,792,916)
<b>Finance income</b>	1,179,732	524,146
	<b>(92,235,516)</b>	<b>(151,268,770)</b>
<b>Profit before tax and WPPF and Welfare Fund</b>	<b>(105,127,768)</b>	<b>(169,896,133)</b>
<b>Contribution to WPPF and Welfare Fund</b>	-	-
	<b>(105,127,768)</b>	<b>(169,896,133)</b>
<b>Non-operating income</b>	49,609,631	51,254,772
<b>Share of profit of associates</b>	92,109,988	128,228,957
	<b>141,719,619</b>	<b>179,483,729</b>
<b>Profit before tax</b>	<b>36,591,850</b>	<b>9,587,596</b>
<b>Income tax expenses/benefits:</b>		
Current tax	-	-
Deferred tax	(7,135,169)	30,984,512
	<b>(7,135,169)</b>	<b>30,984,512</b>
<b>Net Profit after tax for the period</b>	<b>29,456,681</b>	<b>40,572,108</b>
<b>Other comprehensive income:</b>		
Other comprehensive income, net of tax	-	-
<b>Total comprehensive income</b>	<b>29,456,681</b>	<b>40,572,108</b>
<b>Earnings per share:</b>		
Basic Earning per share	0.18	0.26
Diluted Earning per share	0.18	0.25

  
**Director**

  
**Director**

  
**Company Secretary**

**Thursday, May 14, 2015**

**Bangladesh Steel Re-Rolling Mills Limited**

**Corporate Office :** Ali Mansion, 1207/1099, Sadarghat Road, Chittagong, Bangladesh.

D:\Assigned-Rep\BSRM\BSRM FS March-15\8.00 BSRM FS March-15-14.5.15

Phone: +88-031-2854901-10, 635382, 613282, 637758; Fax: +88-031-610101; E-mail: mail@bsrm.com; Website: www.bsrm.com

3:01 PM of 5/14/2015

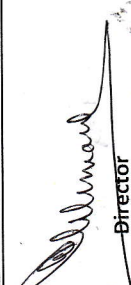
**Factory : Steel Melting Works :** 78/79, Nasirabad I/A, Baizid Bostami Road, Chittagong. Phone : +88-031-681487, 683536; Fax : +88-031-683029

**Rolling Mill :** 147-149, Nasirabad I/A, Baizid Bostami Road, Chittagong, Bangladesh. Phone : +88-031-683053, 683164; Fax : +88-031-682901



**Bangladesh Steel Re-Rolling Mills Limited**  
**Statement of Changes in Equity (Un-audited)**  
**For the period from January 01, 2015 to March 31, 2015**

Share Capital	Share premium	General Reserve	Revaluation Reserve	Retained Earnings	12% Convertible coupon equity component	Fair Value Reserve	Total
BD Tk	BD Tk	BD Tk	BD Tk	BD Tk	BD Tk	BD Tk	BD Tk
Balance on January 1, 2014	1,558,510,380	-	30,170,818	4,129,104,568	2,398,521,265	2,439,152	8,118,746,183
Transfer against difference in depreciation between cost and revalued amount	-	-	(5,332,849)	5,332,849	-	-	-
Deferred tax to revaluation surplus	-	-	-	122,397	-	-	122,397
Reclassification of fair value reserve	-	-	-	-	-	(46,620)	(46,620)
Reclassification of Provision	-	-	-	2,422,106	-	-	2,422,106
Net profit after tax for the period from Jan 1, 2014 to March 31, 2014	-	-	-	40,572,108	-	-	40,572,108
<b>Balance as on March 31, 2014</b>	<b>1,558,510,380</b>	<b>-</b>	<b>30,170,818</b>	<b>4,123,771,719</b>	<b>2,446,970,725</b>	<b>2,392,532</b>	<b>8,161,816,174</b>
Balance as on January 1, 2015	1,558,510,380	-	30,170,818	4,156,482,199	2,758,242,230	-	8,564,287,150
Share issued @ 35/- per share (including Tk.10 Premium)	175,000,000	437,500,000	-	-	-	-	612,500,000
Transfer against difference in depreciation between cost and revalued amount	-	-	-	(12,221,940)	16,857,848	-	4,635,908
Net Profit after tax for the period.	-	-	-	29,456,681	-	-	29,456,681
<b>Balance as on March 31, 2015</b>	<b>1,733,510,380</b>	<b>437,500,000</b>	<b>30,170,818</b>	<b>4,144,260,259</b>	<b>2,804,556,760</b>	<b>-</b>	<b>9,210,879,746</b>

  
 Director

  
 Company Secretary

Thursday, May 14, 2015

**Bangladesh Steel Re-Rolling Mills Limited**

Corporate Office : Ali Mansion, 1207/1099, Sadarghat Road, Chittagong, Bangladesh.

Phone: +88-031-2854901-10, 635382, 613282, 637758; Fax: +88-031-610101; E-mail: mail@bsrm.com; Website: www.bsrm.com

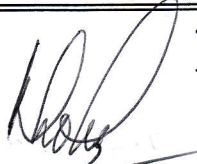
Factory : **Steel Melting Works** : 78/79, Nasirabad I/A, Baizid Bostami Road, Chittagong. Phone : +88-031-681487, 683536; Fax : +88-031-683029

**Rolling Mill** : 147-149, Nasirabad I/A, Baizid Bostami Road, Chittagong, Bangladesh. Phone : +88-031-683053, 683164; Fax : +88-031-682901

**Bangladesh Steel Re-Rolling Mills Limited**  
**Statement of Cash Flow (Un-Audited)**  
For the period from January 01, 2015 to March 31, 2015

	For the period from January 01, 2015 to March 31, 2015 BD Tk	For the period from January 1, 2014 to March 31, 2014 BD Tk
<b>Cash flow from operating activities</b>		
Cash collection from customers	2,304,506,928	1,458,108,332
Cash payment for cost and expenses	(1,589,695,518)	(120,022,197)
<b>Cash generated from operation</b>	<b>714,811,410</b>	<b>1,338,086,135</b>
<b>Cash flow from investing activities:</b>		
Fixed asset addition and CWIP	(820,378,512)	(175,788,641)
Intangible assets	834,450	-
Share money deposit	197,778,588	-
Investment in associates	-	(900,000,000)
Short term investment	2,642,599	88,896,192
Inter-companies transaction	(131,592,863)	(1,873,833)
Non-operating income	49,609,631	51,254,772
<b>Cash in/(out) flow from investing activities</b>	<b>(701,106,107)</b>	<b>(937,511,509)</b>
<b>Cash flow from financing activities:</b>		
Share issue	175,000,000	-
Share premium	437,500,000	-
Short Term Loan	306,378,587	(268,294,179)
Syndicated Term Loan	(88,327,392)	(118,552,818)
<b>Cash in/(out) flow from financing activities:</b>	<b>830,551,195</b>	<b>(386,846,997)</b>
<b>Total Cash In/ (Out) flow</b>	<b>844,256,498</b>	<b>13,727,629</b>
Opening Cash and Bank balances	71,908,952	99,302,648
Closing Cash and Bank balances	916,165,450	113,030,278
	<b>844,256,498</b>	<b>13,727,630</b>

  
Director

  
Director

  
Company Secretary

Thursday, May 14, 2015

**Bangladesh Steel Re-Rolling Mills Limited**



**Bangladesh Steel Re-Rolling Mills Limited**  
**Notes to the Financial Statements**  
**As at and for the period from January 1, 2015 to March 31, 2015**

### 1.01 Company Profile

Bangladesh Steel Re-Rolling Mills Limited is a public company limited by shares is domiciled in Bangladesh. The address of the company's registered office is Ali Mansion, 1099/1207 Sadarghat Road, Chittagong, Bangladesh. The Company was formed and incorporated with the Registrar of Joint Stock Companies and Firms in Bangladesh on December 28, 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 November 03, 2009 under the Companies Act 1994. 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 April 27, 2015.

### 1.02 Nature of the business

The main activity of the company is to manufacture M.S. products by setting up rolling and re-rolling mills. The company had set up its Re-Rolling mill and Steel Melting Workshop at 147/148/149 and 78/79 Baizid Bostami Road, Nasirabad Industrial Area, Chittagong, Bangladesh respectively.

M.S. billets is manufactured from scraps and sponge iron etc. at Steel Melting Workshop (SMW) 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.

### 1.03 BMRE and suspension of production

The company has been going under expansion and modernization (BMRE) of its capacity and process of Re-rolling unit since June 2014 that is expected to be completed by June 2015. Estimated cost of BMRE is Tk. 586.37 crore.

### 2.01 Statement of compliance

These financial statements have been prepared in accordance with Bangladesh Financial Reporting Standards (BFRSs), applicable sections of Companies Act 1994 and the Securities and Exchange Rules 1987.

### 3.01 Depreciation

Depreciation is based on the cost/revalued amount of an asset. Significant parts of individual assets are assessed and if a component has a useful life that is different from the remainder of that asset, that component is depreciated separately.

Depreciation is recognised in profit or loss on diminishing balance method over the estimated useful lives of each part of property, plant and equipment. Depreciation is charged on addition commencing from acquisition up to disposal. The principal annual rates are as follows.

<u>Assets</u>	<u>Rates (%)</u>	
	<u>2015</u>	<u>2014</u>
Land and land development	Nil	Nil
Plant and machineries	7.50%	7.50%
Motor vehicles	20.00%	20%
Factory building and shed	5.00%	5%
Boundary wall, drainage System, roads & pavement	10.00%	10%
Furniture and fixtures	20.00%	20%
Office equipment	20.00%	20%
IT Equipment	20.00%	20%
Electrical installations		

Depreciation methods, useful lives and residual values are reassessed at the reporting date and adjusted if appropriate.

## Bangladesh Steel Re-Rolling Mills Limited

**Corporate Office :** Ali Mansion, 1207/1099, Sadarghat Road, Chittagong, Bangladesh.

Phone: +88-031-2854901-10, 635382, 613282, 637758; Fax: +88-031-610101; E-mail: mail@bsrm.com; Website: www.bsrm.com

Factory : **Steel Melting Works** : 78/79, Nasirabad I/A, Baizid Bostami Road, Chittagong. Phone : +88-031-681487, 683536; Fax : +88-031-683029

**Rolling Mill** : 147-149, Nasirabad I/A, Baizid Bostami Road, Chittagong, Bangladesh. Phone : +88-031-683053, 683164; Fax : +88-031-682901

### 3.02 Intangible asset

Intangible assets are initially recognized at cost. After initial recognition, an intangible asset shall be carried at its cost less any accumulated amortization and any accumulated impairment losses.

The only intangible asset of the company is ERP (software) which is amortized every month following straight line method for 10 (ten) years. The amortization cost is charged in profit or loss.

Amortization methods, useful lives and residual values are reassessed at the reporting date and adjusted if appropriate.

### 3.03 Capital work in progress

Capital work in progress consists of cost incurred for acquisition of new plant and machinery, civil structure, factory shed for warehouse, directly attributable costs etc. which were not ready for use till reporting date.

### 3.04 Inventories

Inventories are measured at lower of cost and net realizable value. The cost of inventories is calculated based on the weighted average method and includes expenditure incurred in acquiring these inventories, production or conversion costs and other costs incurred in bringing them to their existing location and condition in accordance with BAS-2.

#### Category

#### Valuation

Finished Goods

Finished Goods are valued at Cost or Net Realisable Value whichever is lower.

Raw materials

Raw Materials are valued at Cost or Net Realisable Value whichever is lower.

Store items

Based on weighted average method.

Net realizable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and selling expenses.

### 4.01 Earnings Per Share (EPS)

#### Basic Earnings:

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

#### Diluted Earnings:

Dilutive EPS is calculated taking dilutive shares into account.

### 5.01 Revenue

Revenue from sale of goods is measured at the fair value of the consideration received or receivable, net of returns and allowances, trade discounts and rebates, if any. Revenue is recognized when the significant risks and rewards of ownership have been transferred to the buyer, recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably, there is no continuing management involvement with the goods and the amount of revenue can be measured reliably.

The timing of the transfer of risk and rewards depends on the individual terms of the sales agreement.

### 5.02 Management fees

Bangladesh Steel Re-Rolling Mills Ltd., the reporting entity, entered into a management sharing agreement with BSRM Steels Ltd., an investee company, on October 15, 2005 for allowing BSRM Steels Ltd. to use its goodwill. According to the terms of the agreement, Bangladesh Steel Re-Rolling Mills Ltd. is entitled to receive Tk. 300 per MT of monthly production as management fee on monthly basis provided that BSRM Steels Ltd. has net profit in its monthly financial statements.

## **Bangladesh Steel Re-Rolling Mills Limited**

Corporate Office : Ali Mansion, 1207/1099, Sadarghat Road, Chittagong, Bangladesh.

Phone : +88-031-2854901-10, 635382, 613282, 637758; Fax : +88-031-610101; E-mail : mail@bsrm.com; Website : www.bsrm.com

Factory : **Steel Melting Works** : 78/79, Nasirabad I/A, Baizid Bostami Road, Chittagong. Phone : +88-031-681487, 683536; Fax : +88-031-683029

**Rolling Mill** : 147-149, Nasirabad I/A, Baizid Bostami Road, Chittagong, Bangladesh. Phone : +88-031-683053, 683164; Fax : +88-031-682901