
BSRM STEELS LIMITED
INDEPENDENT AUDITORS' REPORT
AND FINANCIAL STATEMENTS
AS AT AND FOR THE YEAR ENDED 30 JUNE 2021

INDEPENDENT AUDITORS' REPORT
to the Shareholders of
BSRM STEELS LIMITED**Opinion**

We have audited the accompanying financial statements of **BSRM Steels Limited** (the Company), which comprise the Statement of Financial Position as at 30 June 2021, the Statement of Profit or loss and Other Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the period from 1 July 2020 to 30 June 2021, and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to explanations given to us, the accompanying financial statements, prepared in accordance with International Financial Reporting Standards (IFRSs), give a true and fair view of the financial position of the company as at 30 June 2021 and of its financial performance and cash flows for the period from 1 July 2020 to 30 June 2021 and comply with the Companies Act, 1994, the Securities and Exchange Rules, 1987 and other applicable laws and regulations.

Basis of opinion

We conducted our audit in accordance with International Standard on Auditing (ISAs) as adopted by the Institute of Chartered Accountants of Bangladesh (ICAB). Our responsibilities under those standards are further described in "Auditors responsibilities for the audit of the financial statements" section of our report.

We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) that are relevant to our audit of the financial statements in Bangladesh and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code.

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

Key Audit Matters

Key audit matters are those matters that, in the auditors' professional judgment, were of most significance in the audit of the financial statements for the year ended 30 June 2021. These matters, and any comments we make on the results of our procedures thereon, were addressed in the context of our audit of the 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.

1.	Inventory	How our audit addressed the key audit matter
	The Company has closing inventory BDT 13,647 million. Inventory is carried in the financial statements at the lower of cost and net realisable value.	<ul style="list-style-type: none">• Verified a sample of inventory items to ensure that costs have been appropriately recorded.• Tested on a sample basis the net realisable value by comparing costs to recent selling prices and assessing the reasonableness of any resulting write down of inventory items.



<p>1. Inventory (Continued)</p> <p>The exercise for the assessment of the net realisable value involves the use of judgement and assumptions that may vary depending on technological and socio-economical conditions and is therefore considered a significant key audit matter. Please refer to note 3.09 and 10 to the financial statements.</p>	<p>How our audit addressed the key audit matter</p> <ul style="list-style-type: none"> Assessed whether appropriate provisions have been recognised for aged, damaged, slow moving or obsolete inventories by reviewing the age of inventories held and evaluating management's basis for determining the usability of inventories. Performed cut-off tests to determine that the purchases and sales of the inventories have been captured in the correct accounting period. Reviewed the historical accuracy of inventory provisions and the level of write-downs.
<p>2. Revenue Recognition</p> <p>Appropriateness of revenue recognition and disclosures. Revenue recognition has significant and wide influence on financial statements.</p> <p>As described in the accounting policy note 3.14 to the financial statements, the company recognises revenue upon transfer of control as per IFRS 15 – Revenue from Contracts with Customers. The company has reported total revenue of BDT 54,982 million. Refer to note 29 to the financial statements.</p> <p>This material item is subject to considerable inherent risk due to the complexity and identifying revenue and the high number of transactions from multiple locations from which revenue is being recognised. Against this background, the proper application of the accounting standards is considered to be complex and assumptions made by management.</p>	<p>How our audit addressed the key audit matter</p> <ul style="list-style-type: none"> Assessed the environment of the measurement as well as other relevant systems supporting the accounting of revenue. Assessed manual as well as application controls supporting revenue recognition. Assessed the invoicing and measurement systems up to entries in the general ledger. Examined customer invoices and receipts of payment on a test basis. Tested the revenue charging model against the regulatory guidelines, contractual provisions and accounting standards, on a sample basis.
<p>3. Identification and completeness of disclosure of related party transactions</p> <p>We determined the identification and completeness of disclosure of related party transactions as set out in respective notes to the financial statements as a key audit matter due to high volume of business transactions with numerous related parties during the year ended 30 June 2021.</p>	<p>How our audit addressed the key audit matter</p> <ul style="list-style-type: none"> Obtained an understanding of the Company's processes 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 disclosed in the financial statement.



3.	Identification and completeness of disclosure of related party transactions	How our audit addressed the key audit matter
	Refer to note 12, 22, and 41 to the financial statements.	<ul style="list-style-type: none"> • We tested, on a sample basis, related party transactions with the underlying contracts and other documents and for authorization and approval for such transactions. • We have obtained balance confirmation from the related parties on sample basis. • 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. • We have recalculated interest on due balance to confirm during the year's interest income or expenses. • Evaluated the completeness of the disclosures through reading of statutory information, books and records and other documents obtained during the course of our audit.
4.	Key Audit Matter	How our audit addressed the key audit matter
	Derecognition of investment in associates and recognition of financial asset at fair value.	
	<p>BSRM Steel Mills Limited (BSML) was treated as investment in associate with 25.35% shareholding under IAS 28 (Investments in Associates and Joint Ventures) has amalgamated under the verdict of The Hon'ble High Court Division of the Supreme Court of Bangladesh, Company Matter no. 225 of 2019 dated 15 December 2020 with Bangladesh Steel Re-Rolling Mills Limited (BSRML). Under this amalgamation, the Company has been allotted 28,800,000 equity shares of BSRML with the exchange ratio 1:0.288 of investment in BSML 100,000,000 equity shares as a result interest in BSML come down to 9.65% from 25.35%. Following upon the amalgamation, investment in associate has been discontinued and subsequently recognised as financial asset at fair value.</p> <p>Refer to note 8, 9 and 37 to the financial statements.</p>	<ul style="list-style-type: none"> • Obtained minutes copy of Extraordinary General Meeting (EGM) to confirm the amalgamation process. • Obtained scheme of amalgamation for merger, verdict of court to confirm share exchange ratio between transferee company and transferor company. • Obtained Form XV (Return of allotment and confirmed shares allotted to BSRM Steels Limited). • Verified entries for derecognition of investment in associates considering IAS 28 (Investments in Associates and Joint Ventures). • Evaluated the completeness of the disclosure related to the recognition of investment as financial asset at fair value.

Reporting on other information

Management is responsible for the other information. The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. Our opinion on the financial statements of the Company does not cover the other information and, accordingly, we do not express any form of assurance thereon.



In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements of the Company or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. Based on the information read and reviewed, we have nothing to report in this regard.

Responsibilities of management and those charged with governance for the financial statements

Management is responsible for the preparation and fair presentation of these financial statements of the Company in accordance with International Financial Reporting Standards (IFRSs), the Companies Act, 1994, the Securities and Exchange Rules, 1987 and other applicable laws and regulations and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing 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 Company or to cease operations, or has no realistic alternative but to do so.

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

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance 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 financial statements.

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

- (a) identify and assess the risks of material misstatement of the 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.
- (b) 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 Company's internal control.
- (c) evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- (d) 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 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 auditors' report to the related disclosures in the 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 auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.



- (e) evaluate the overall presentation, structure, and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- (f) obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the Company 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 communicate with 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.

We determine those matters, from the matters communicated with those charged with governance, that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' 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 the Company for the year ended 30 June 2020 were audited by A. Qasem & Co., Chartered Accountants and issued unqualified opinion on 15 October 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.

Chattogram

25th October, 2021

Hussain Farhad & Co.

Hussain Farhad & Co.
Chartered Accountants

Signed by:

Sarwar Uddin FCA (779)

Partner


DVC: 2110250779 AS 972364

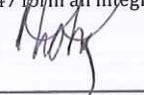


BSRM STEELS LIMITED
Statement of Financial Position
As at 30 June 2021

		30 June 2021	30 June 2020
	Notes	Taka	Taka
ASSETS:			
Non-Current Assets:			
Property, plant and equipment	4	22,994,760,900	23,835,688,707
Right of use assets	5	124,548,128	131,497,069
Intangible assets	6	34,744,529	41,623,907
Capital work-in-progress	7	42,648,231	24,166,519
Investment in associates	8	-	3,608,800,543
Financial assets at fair value	9	2,476,800,000	-
Total Non-Current Assets		25,673,501,788	27,641,776,745
Current Assets:			
Inventories	10	13,647,000,125	14,841,815,068
Trade and other receivables	11	7,704,517,200	7,647,181,033
Due from related companies	12	2,706,381,082	8,831,716,675
Advances, deposits and prepayments	13	3,926,493,428	3,620,663,887
Short term investments	14	2,310,041,175	1,085,506,724
Cash and cash equivalents	15	16,417,265,525	945,892,317
Total Current Assets		46,711,698,535	36,972,775,704
Total Assets		72,385,200,323	64,614,552,449
EQUITY:			
Share capital	16.02	3,759,525,000	3,759,525,000
Revaluation reserve		7,915,259,084	7,927,976,272
Fair value reserve		1,329,120,000	-
Retained earnings		10,447,946,298	9,681,036,891
Total Equity		23,451,850,382	21,368,538,163
LIABILITIES:			
Non-Current Liabilities:			
Long term loans - non-current portion	17.03	6,680,612,343	7,590,427,251
Defined benefit obligations - gratuity	18	231,003,711	199,570,002
Finance lease obligations - non-current portion	5	80,169,166	73,582,072
Deferred tax liabilities	19	1,799,731,748	2,112,334,257
Total Non-Current Liabilities		8,791,516,968	9,975,913,582
Current Liabilities:			
Trade payable	20	908,266,517	138,807,541
Short term loan	21	32,836,067,730	26,655,065,746
Long term loans - current portion	17.02	1,886,837,159	2,249,335,011
Finance lease obligations- current portion	5	51,566,988	63,479,681
Due to related companies	22	-	822,902,651
Liabilities for expenses	23	964,341,758	1,063,799,629
Provision for income tax	24	1,266,472,987	970,071,795
Provision for WPPF and Welfare Fund	25	259,565,233	88,100,719
Unclaimed dividend	26	26,258,072	24,873,805
Other liabilities	27	684,087,793	739,716,423
Contract liabilities	28	1,258,368,736	453,947,703
Total Current Liabilities		40,141,832,973	33,270,100,704
Total Liabilities		48,933,349,941	43,246,014,286
Total Equity & Liabilities		72,385,200,323	64,614,552,449
Net asset value (NAV) per share	39	62.38	56.84

The accompanying notes 1 to 47 form an integral part of these financial statements.



Managing Director


Director


Company Secretary

Signed as per our separate report of same date.

Chattogram
25th October, 2021


Hussain Farhad & Co. HFC
Chartered Accountants
Signed by:
Sarwar Uddin FCA (779)
Partner
DVC: 2110250779A6972364




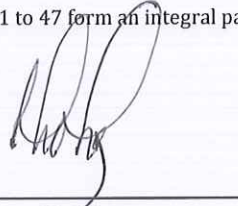
BSRM STEELS LIMITED
Statement of Profit or Loss and Other Comprehensive Income
For the year ended 30 June 2021

		01 July 2020 to 30 June 2021	01 July 2019 to 30 June 2020
	Note(s)	Taka	Taka
Revenue from contracts with customers	29	54,982,957,715	38,681,377,223
Cost of goods sold	30	(47,752,093,821)	(33,508,838,131)
Gross profit for the year		7,230,863,894	5,172,539,092
Selling and distribution expenses	31	(1,168,843,931)	(1,111,965,100)
Administrative expenses	32	(485,025,737)	(506,430,664)
		5,576,994,226	3,554,143,328
Other operating income	33	19,036,512	19,006,162
Net Operating profit for the year		5,596,030,738	3,573,149,490
Finance costs	34	(535,847,981)	(1,872,525,590)
Finance income	35	131,121,902	61,390,481
Net Profit Before Tax and WPPF and Welfare Fund		5,191,304,659	1,762,014,381
Contribution to WPPF and Welfare Fund	25	(259,565,233)	(88,100,719)
		4,931,739,426	1,673,913,662
Share of profit of associates (Net of tax)	36	-	151,791,502
Loss on derecognition of investment in associate	37	(1,012,677,667)	-
Net Profit before Tax		3,919,061,759	1,825,705,164
Income tax expenses/benefits:			
Current tax	24	(1,089,147,924)	(756,665,322)
Deferred tax	19	217,171,991	(326,763,219)
Net Profit after Tax		3,047,085,826	742,276,623
Other comprehensive income not to be reclassified to profit or loss			
Actuarial (loss)/gain on defined benefit obligations (Net of tax)	18	-	(1,517,336)
Revaluation reserve on associates (Net of tax)		(1,356,704,445)	-
Fair value reserve on financial asset (Net of tax)	9	1,329,120,000	-
Total comprehensive income for the year, net of tax		3,019,501,381	740,759,286

Earnings per share (EPS)	38	8.10	1.97
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The accompanying notes 1 to 47 form an integral part of these financial statements.


Managing Director

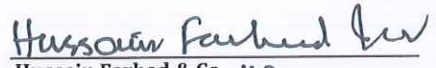

Director


Company Secretary

Signed as per our separate report of same date.

Chattogram
25th October, 2021




Hussain Farhad & Co.
Chartered Accountants
Signed by:
Sarwar Uddin FCA (779)
Partner
DVC: 2110250779A5972364

BSRM STEELS LIMITED
Statement of Changes in Equity
For the year ended 30 June 2021

	Amount in Taka				
Particulars	Share Capital	Fair Value Reserve	Revaluation Reserve	Retained Earnings	Total Equity
Balance as at 01 July 2019	3,759,525,000	-	7,940,930,965	9,196,763,654	20,897,219,619
Net profit after tax for the year ended 30 June 2020	-	-	-	742,276,623	742,276,623
Transfer against difference in depreciation between cost and revalued amount	-	-	(12,954,692)	17,272,923	4,318,231
Actuarial (loss)/gain on defined benefit plans	-	-	-	(1,517,336)	(1,517,336)
Final cash dividend 2019	-	-	-	(273,758,973)	(273,758,973)
Balance as at 30 June 2020	3,759,525,000	-	7,927,976,273	9,681,036,891	21,368,538,164
Balance as at 01 July 2020	3,759,525,000	-	7,927,976,273	9,681,036,891	21,368,538,164
Net profit after tax for the year ended 30 June 2021	-	-	-	3,047,085,826	3,047,085,826
Fair value reserve on financial asset	-	1,329,120,000	-	-	1,329,120,000
Share of Revaluation Reserve of Associate	-	-	-	(1,356,704,445)	(1,356,704,445)
Transfer against difference in depreciation between cost and revalued amount	-	-	(12,717,189)	16,409,276	3,692,087
Final cash dividend 2020	-	-	-	(563,928,750)	(563,928,750)
Interim cash dividend 2021	-	-	-	(375,952,500)	(375,952,500)
Balance as at 30 June 2021	3,759,525,000	1,329,120,000	7,915,259,084	10,447,946,298	23,451,850,382



BSRM STEELS LIMITED
Statement of Cash Flows
For the year ended 30 June 2021

		01 July 2020 to 30 June 2021	01 July 2019 to 30 June 2020
	Note(s)	Taka	Taka
A. Operating activities			
Receipts from customers against sales		55,672,863,087	40,935,584,943
Cash Paid to suppliers, operating and other expenses		(46,440,455,841)	(36,227,555,789)
Payment of interest-net		(317,623,683)	(1,804,027,792)
Income tax paid		(1,069,136,572)	(810,018,608)
Net cash generated by operating activities	42	7,845,646,991	2,093,982,754
B. Investing activities			
Acquisition of property, plant and equipment		(131,468,998)	(860,570,772)
Addition of capital work-in-progress		(312,342,975)	(596,952,806)
Proceeds from sale of property, plant and equipment		21,783,520	2,468,883
Increase in short term investments		(1,224,534,451)	(188,834,859)
Net cash used in investing activities		(1,646,562,904)	(1,643,889,554)
C. Financing activities			
Dividend paid		(938,496,983)	(266,851,961)
Re-payment of long term loan		(1,272,312,760)	(1,522,228,253)
Receipts of Short term loan		6,181,001,984	6,197,645,686
Loan received from /(paid to) affiliated companies and others		5,302,432,942	(4,427,649,400)
Net cash provided by /(used in) financing activities		9,272,625,183	(19,083,928)
D. Net increase in cash and cash equivalent (A+B+C)		15,471,709,270	431,009,272
E. Opening cash and cash equivalents		945,892,317	513,186,779
F. Effect of foreign exchange rate changes on cash and cash equivalents		(336,062)	1,696,266
Closing cash and cash equivalent (D+E+F)		16,417,265,525	945,892,317
Net operating cash flows (NOCF) per share	40	20.87	5.57

Opening and closing of prior year's cash and cash equivalents balances have been restated due to rearrangement of investment in Fixed Deposit Receipts (FDRs) from cash and cash equivalents to short term investment and cash at bank from short term loans to cash and cash equivalents.



BSRM STEELS LIMITED
Notes to the Financial Statements
As at and for the year ended 30 June 2021

1.00 Reporting Entity

1.01 Legal form of the entity

BSRM Steels Limited (hereinafter referred to as 'BSL', 'the company' was incorporated on 20 July, 2002, vide the certificate C-No. 4392 of 2002 as a Private Limited Company in Bangladesh 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 (DSE) and Chittagong Stock Exchange (CSE) as a publicly traded company. Trading of the shares of the company started in two stock exchanges from 18 January 2009.

The company has set up its rolling mill at 4, Fouzderhat Industrial Estate, Latifpur, Sitakunda, Chattogram and commenced commercial production from 1 April 2008. The registered office of the company is situated at Ali Mansion, 1207/1099, Sadarghat Road, Chattogram, Bangladesh.

1.02 Nature of the business

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

2.00 BASIS OF PREPARATION

2.01 Statement of Compliance

The financial statements have been prepared in accordance with the International Accounting Standards (IASs), International Financial Reporting Standards (IFRS), the Companies Act 1994, the Securities and Exchange Rules 1987 and other applicable laws and regulations in Bangladesh as per requirements under the Financial Reporting Act 2015. Cash flows from operating activities are prepared under direct method as prescribed by the Securities and Exchange Rules 1987.

2.02 Basis of Reporting

The financial statements are prepared and presented for external users by the company in accordance with identified financial reporting framework. Presentation has been made in compliance with the requirements of IAS 1 – "Presentation of Financial Statements". The financial statements comprise of:

- a) A statement of financial position as at 30 June 2021
- b) A statement of profit or loss and other comprehensive income for the year ended 30 June 2021
- c) A statement of changes in equity for the year ended 30 June 2021
- d) A statement of cash flows for the year ended 30 June 2021
- e) Notes, comprising a summary of significant accounting policies and explanatory information.

2.03 Other Regulatory Compliances

The company is also required to comply with the following major laws and regulations along with the Companies Act 1994:

- A. The Income Tax Ordinance, 1984
- B. The Income Tax Rules, 1984
- C. The Value Added Tax and Supplementary Duty Act, 2012
- C. The Value Added Tax and Supplementary Duty Rule, 2016
- E. The Securities and Exchange Ordinance, 1969
- F. The Securities and Exchange Rules, 1987
- G. Securities and Exchange Commission Act, 1993
- H. The Customs Act, 1969
- I. Bangladesh Labour Law, 2006

2.04 Basis of Measurement

These financial statements have been prepared on going concern basis under the historical cost convention except for some classes of property, plant and equipment and investment in Bangladesh Steel Re-Rolling Mills Limited (financial asset) which are measured at fair value.

2.05 Use of Estimates and Judgments

The preparation of financial statements in conformity with IFRSs requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Estimates and assumptions are reviewed on an ongoing basis.



The estimates and underlying assumptions are based on past experience and various other factors that are believed to be reasonable under the circumstances, the result of which form the basis of making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of revision and future periods if the revision affects both current and future periods.

In the process of applying entities accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the financial statements.

Property, plant and equipment	Note: 4
Right of use Asset	Note: 5
Intangible asset	Note: 6
Inventories	Note: 10
Trade and other receivables	Note: 11
Defined benefit obligations-Gratuity	Note: 18
Deferred tax liabilities	Note: 19
Liabilities for expenses	Note: 23
Provision for income tax	Note: 24
Contingent liabilities	Note: 43

2.06 Going Concern

The Company has adequate resources to continue its operation for foreseeable future and hence, the financial statements have been prepared on going concern basis. As per management's assessment there are no material uncertainties related to events or conditions which may cast significant doubt upon the company's ability to continue as a going concern.

2.07 Reporting Period

The financial statements of the Company cover the year from 01 July to 30 June and followed consistently.

2.08 Authorization for Issue

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

2.09 Functional and Presentation Currency

These financial statements are presented in Bangladesh Taka (BDT/Tk) which is the company's functional currency. All financial information presented in BD Taka has been rounded off to the nearest Taka except when otherwise indicated.

2.10 Comparative Information

The financial statements provides Comparative information in respects of the previous period for all amount reported in the current period's financial statements. Comparative figures have been rearranged wherever considered necessary to ensure better comparability with the current period without causing any impact on the profit and value of assets and liabilities as reported in the financial statement.

2.11 Consistency of presentation

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 applied in preparing the financial statements for the year ended 30 June 2020.

2.12 Current versus non-current classification

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 realised or intended to sold or consumed in the normal operating cycle;
- b) held primarily for the purpose of trading;
- c) expected to be realised 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; or
- d) There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities respectively.

3.00 SIGNIFICANT ACCOUNTING POLICIES

The specific accounting policies selected and applied by the company's directors 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 period and were also consistent with those used in earlier periods.

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:

- 3.01 Amendments to IFRS Standards and Interpretations
- 3.02 Property, Plant and Equipment
- 3.03 Revaluation of Property, Plant and Equipment
- 3.04 Leases
- 3.05 Intangible Asset
- 3.06 Investments in Associates
- 3.07 Borrowing Costs
- 3.08 Inventories
- 3.09 Financial Instruments
- 3.10 Cash and cash equivalents
- 3.11 Provisions, Contingent liability and Contingent assets
- 3.12 Employee Benefits
- 3.13 Revenue
- 3.14 Earnings Per Share
- 3.15 Segment information
- 3.16 Capital management
- 3.17 Event after the reporting period
- 3.18 Fair Value Measurement

3.01 Amendments to IFRS Standards and Interpretations

New and revised Standards and interpretations effective in the current year

i) Impact of the initial application of Interest Rate Benchmark Reform amendments to IFRS 9 & IFRS 7.

In September 2019, the IASB issued Interest Rate Benchmark Reform (Amendments to IFRS 9, IAS 39 and IFRS 7). These amendments modify specific hedge accounting requirements to allow hedge accounting to continue for affected hedges during the period of uncertainty before the hedged items or hedging instruments affected by the current interest rate benchmarks are amended as a result of the on-going interest rate benchmark reforms.

The amendments are not relevant to the Company.

ii) Impact of the initial application of Covid-19-Related Rent Concessions Amendment to IFRS 16

In May 2020, the IASB issued Covid-19-Related Rent Concessions (Amendment to IFRS 16) that provides practical relief to lessees in accounting for rent concessions occurring as a direct consequence of COVID-19, by introducing a practical expedient to IFRS 16. The practical expedient permits a lessee to elect not to assess whether a COVID-19-related rent concession is a lease modification. A lessee that makes this election shall account for any change in lease payments resulting from the COVID-19-related rent concession the same way it would account for the change applying IFRS 16 if the change were not a lease modification.

The practical expedient applies only to rent concessions occurring as a direct consequence of COVID-19 and only if all of the following conditions are met:

- a. The change in lease payments results in revised consideration for the lease that is substantially the same as, or less than, the consideration for the lease immediately preceding the change;



b. Any reduction in lease payments affects only payments originally due on or before 30 June 2021 (a rent concession meets this condition if it results in reduced lease payments on or before 30 June 2021 and increased lease payments that extend beyond 30 June 2021); and

c. There is no substantive change to other terms and conditions of the lease.

Since no concessions are made in the lease agreement, the Company is not required to apply the amendments.

iii) Amendments to References to the Conceptual Framework in IFRS Standards

The Company have adopted the amendments included in Amendments to References to the Conceptual Framework in IFRS Standards for the first time in the current year. The amendments include consequential amendments to affected Standards so that they refer to the new Framework. Not all amendments, however, update those pronouncements with regard to references to and quotes from the Framework so that they refer to the revised Conceptual Framework.

Some pronouncements are only updated to indicate which version of the Framework they are referencing to (the IASC Framework adopted by the IASB in 2001, the IASB Framework of 2010, or the new revised Framework of 2018) or to indicate that definitions in the Standard have not been updated with the new definitions developed in the revised Conceptual Framework.

The Standards which are amended are IFRS 2, IFRS 3, IFRS 6, IFRS 14, IAS 1, IAS 8, IAS 34, IAS 37, IAS 38, IFRIC 12, IFRIC 19, IFRIC 20, IFRIC 22, and SIC-32.

iv) Amendments to IAS 1 and IAS 8 Definition of material

The Company has adopted the amendments to IAS 1 and IAS 8 for the first time in the current year. The amendments make the definition of material in IAS 1 easier to understand and are not intended to alter the underlying concept of materiality in IFRS Standards. The concept of 'obscuring' material information with immaterial information has been included as part of the new definition.

The threshold for materiality influencing users has been changed from 'could influence' to 'could reasonably be expected to influence'.

The definition of material in IAS 8 has been replaced by a reference to the definition of material in IAS 1. In addition, the IASB amended other Standards and the Conceptual Framework that contain a definition of 'material' or refer to the term 'material' to ensure consistency.

3.02 Property, Plant and Equipment

Items of property, plant and equipment are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of replacing part of the plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met.

The cost of an item of property, plant and equipment comprises:

It's purchase price, import duty and non-refundable taxes (after deducting trade discount and rebates).

Any cost directly attributable to the acquisition of the assets.

The cost of self-constructed/installed assets includes the cost of materials, direct labour and any other costs directly attributable to bringing the assets to the location and condition necessary for it to be capable of operating in the intended manner and the cost of dismantling and removing the items and restoring the site on which they are located.

When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in profit or loss as incurred. The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met.

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

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. 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.

Asset Category	Useful Lives
Plant and Machinery	7-25 years
Motor Vehicle	6-15 years
Furniture and Fixtures	5 years
Office Equipment	5 years
Factory Buildings	20 years
Roads and Pavements	20 years
IT Equipment	5 years

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal (i.e., at the date the recipient obtains control) or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit or loss when the asset is derecognised.

3.03 Revaluation of Property, Plant and Equipment

Lands of the company were revalued by ACNABIN, Chartered Accountants with assistance from Pacific Surveyors Ltd., BDBL Bhaban (Level-13), 12 Karwan Bazar Commercial Area, Dhaka as at 07 August 2019. These assets were revalued using the 'fair market price at its locations and condition'. As per revaluation report, the revaluation surplus stood at BDT 5,607,062,337. This revaluation has been recognized in the books of the company in June 30, 2019.

Property, plant and equipment (Revaluation model)

A revaluation surplus is recorded in OCI and credited to the asset revaluation surplus in equity. However, to the extent that it reverses a revaluation deficit of the same asset previously recognised in profit or loss, the increase is recognised in profit and loss. A revaluation deficit is recognised in the statement of profit or loss, except to the extent that it offsets an existing surplus on the same asset recognised in the asset revaluation surplus.

An annual transfer from the asset revaluation surplus to retained earnings is made for the difference between depreciation based on the revalued carrying amount of the asset and depreciation based on the asset's original cost. Additionally, accumulated depreciation as at the revaluation date is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset. Upon disposal, any revaluation surplus relating to the particular asset being sold is transferred to retained earnings.

3.04 Leases

The Company assesses whether a contract is or contains a lease, at inception of the contract. The Company recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less). For these leases, the Company recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Company uses its incremental borrowing rate.

The lease liability is presented as a separate line in the statement of financial position.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day, less any lease incentives received and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Whenever the Company incurs an obligation for costs to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease, a provision is recognised and measured under IAS 37. To the extent that the costs relate to a right-of-use asset, the costs are included in the related right-of-use asset, unless those costs are incurred to produce inventories.



Right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset. If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Company expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

The right-of-use assets are presented as a separate line in the statement of financial position.

The Company applies IAS 36 to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss as described in the 'Property, Plant and Equipment' policy.

3.05 Intangible Asset

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses. Internally generated intangibles, excluding capitalised development costs, are not capitalised and the related expenditure is reflected in profit or loss in the period in which the expenditure is incurred.

The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the statement of profit or loss in the expense category that is consistent with the function of the intangible assets.

Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

An intangible asset is derecognised upon disposal (i.e., at the date the recipient obtains control) or when no future economic benefits are expected from its use or disposal. Any gain or loss arising upon derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit or loss.

A summary of the intangible assets is as follows:

	Trade Mark	Oracle eBS Software
Useful lives	Finite (20 years)	Finite (10 years)
Amortisation method used	Amortised on a straight line basis	Amortised on a straight line basis
Internally generated or acquired	Acquired	Acquired

3.06 Investments in Associates

An associate is an entity over which the Company has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies.

The company's investment in associates is accounted for in the Financial Statements using the Equity Method. Under the equity method, the 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 which is classified as non-current assets in the statement of financial position. The investor's share of investee's profit or loss is recognized in the investor's profit or loss.

The statement of profit or loss reflects the company's share of the results of operations of the associate. In addition, when there has been a change recognised directly in the equity of the associate, the company recognises its share of any changes, when applicable, in the statement of changes in equity. Unrealised gains and losses resulting from transactions between the company and the associate are eliminated to the extent of the interest in the associate.

The financial statements of the associate are prepared for the same reporting period as the Company.



Use of the equity method should cease from the date that significant influence or joint control ceases. If the retained interest is a financial asset, it is measured at fair value and subsequently accounted for under IFRS 9 - Financial Instruments. Any amounts recognised in other comprehensive income in relation to the investment in the associate or joint venture are accounted for on the same basis as if the investee had directly disposed of the related assets or liabilities.

3.07 Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

3.08 Inventories

Inventories are measured at the lower of cost and net realizable value.

Costs incurred in bringing each product to its present location and condition are accounted for, as follows:

- Raw materials: purchase cost on a weighted average basis
- Finished goods and work in progress: cost of direct materials and labour and a proportion of manufacturing overheads based on the normal operating capacity, but excluding borrowing costs.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

3.09 Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Accounting policies relating to different type of financial instruments are described below:

i) Recognition and measurement

Trade receivables are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Company becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

ii) Classification and subsequent measurement

Financial assets

On initial recognition, a financial asset is classified as measured at: amortised cost; FVOCI and FVTPL.

Financial assets are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the reporting period following the change in the business model.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL.

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets – Business model assessment

The Company makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

- the stated policies and objective for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realising cash flows through the sale of the assets;
- how the performance of the portfolio is evaluated and reported to the Company's management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;



- how managers of the business are compensated-e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Company's continuing recognition of the assets.

Financial assets-Subsequent measurement and gains and losses

Financial assets at amortised cost

These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

Financial liabilities- Classification, subsequent measurement and gains and losses

Financial liabilities are classified as measured at amortised cost or FVTPL. Financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

iii) Derecognition

Financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

The Company enters into transactions whereby it transfers assets recognised in its statement of financial position but retains either all or substantially all of the risks and rewards of the transferred assets. In these cases, the transferred assets are not derecognised.

Financial liabilities

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled, or expired. The Company also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in profit or loss.

iv) Offsetting a financial asset and a financial liability

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Company has a legal right to offset the amounts and intends either to settle them on a net basis or to realize the asset and settle the liability simultaneously.

v) Impairment

Financial assets

Financial assets not carried at fair value through profit or loss and receivables are assessed at each reporting date to determine whether there is objective evidence that any particular asset 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.

Non-financial assets

The carrying value of the non-financial assets, other than inventories, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated. An impairment loss is recognised whenever the carrying amount of the asset or its cash generating unit exceeds its recoverable amount. Impairment losses, if any, are recognised in the statement of profit or loss and other comprehensive income.

3.10 Cash and cash equivalents

Cash and cash equivalents comprise cash in hand, cash at banks, and short-term deposits with a maturity of three months or less, which are readily convertible and subject to an insignificant risk of changes in value.



3.11 Provisions, Contingent liability and Contingent assets

General

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Company expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit or loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Contingent liabilities

Contingent liability is a present obligation that arises from past events but is not recognised because it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation and the amount of the obligation cannot be measured with sufficient reliability.

3.12 Employee Benefits

The company maintain both defined contribution plan and defined benefit plan for its eligible permanent employees.

Defined Contribution plan

Defined contribution plan is a post employment benefit plan under which the Company provides benefits for all of its permanent employees. The recognised Employees' Provident Fund is being considered as defined contribution plan as it meets the recognition criteria specified for this purpose. All permanent employees contribute 10% of their basic salary to the provident fund and the Company also makes equal contribution. This fund is recognised by the National Board of Revenue (NBR), under the First Schedule, Part B of Income Tax Ordinance 1984. The Company recognises contribution to defined contribution plan as an expense when an employee has rendered required services. The legal and constructive obligation is limited to the amount it agrees to contribute to the fund. Obligations are created when they are due.

Defined benefit plan

The company maintains funded gratuity scheme and provision in respect of which is made annually for the employees. Gratuity benefit shall be payable on the basis of company service and the last drawn basic salary of the employee as per the following table at the end of retirement, death in service or leaving employment:

Service length	Benefit
Less than 5 years of service	Nil
Equal to or more than 5 years of service	Two months' last drawn basic salary for each year of service.

Workers profit participation and welfare funds

The company also recognised a provision for workers profit participation and welfare funds @ 5% of net profit before tax as per Bangladesh labour law 2006.

3.13 Revenue

Revenue is measured based on the consideration specified in a contract with a customer. The Company recognises revenue when it transfers control over a goods 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.

The company 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 customer.

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, export of M.S. Rod and includes VAT paid to the Government of Bangladesh.



The company's typical performance obligations include the following;

Revenue from contracts with customers:

Type of products	Nature and timing of satisfaction of performance obligations	Revenue recognition
- 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.	Revenue is recognized when (or as) the entity satisfies a performance obligation by transferring the promised goods or service to a customer.
- Export sales		
- By Products		

The Company 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 Company 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.

3.14 Earnings Per Share

Basic earnings per share (EPS) is calculated by dividing the profit or loss for the year by the weighted average number of ordinary shares outstanding during the year.

Diluted EPS is calculated by dividing the net profit attributable to ordinary equity holders of the Fund by the weighted average number of ordinary shares outstanding during the year.

3.15 Segment information

For management purposes, the company is organised 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.

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 on 30 June 2021	M.S. Rod	M.S. Billets	Total Segments	Adjustments	Total
Amount in Millions					
Revenue					
External customers	54,979	3	54,982	-	54,982
Inter-segment	-	42,473	42,473	(42,473)	-
Total Revenue	54,979	42,476	97,455	(42,473)	54,982
Income/(Expenses)					
Cost of inventories recognised as an expense	(47,150)	(38,038)	(85,189)	39,333	(45,856)
Employee benefits expenses	(615)	(593)	(1,209)	-	(1,209)
Depreciation and amortisati	(448)	(705)	(1,153)	-	(1,153)
Selling and distribution cost	(992)	-	(992)	-	(992)
Administrative costs	(197)	-	(197)	-	(197)
Loss on derecognition of investment in associate	-	-	-	(1,013)	(1,013)
Segment Profit	5,577	3,140	8,717	(4,153)	4,564



	<u>30 June 2021</u>	<u>30 June 2020</u>
Reconciliation of profit		
Segment profit	8,717	6,355
Inter-segment sales	(3,140)	(2,801)
Other operating income	19	19
Finance Costs	(536)	(1,873)
Finance Income	131	61
Contribution to WPPF and welfare fund	(260)	(88)
Share of profit of an associate	(1,013)	152
Profit before tax	3,919	1,826
	<u>30 June 2021</u>	<u>30 June 2020</u>
Geographic Information		
Revenue from external customers		
Country of Domicile	54,659	38,564
Foreign Countries	324	118
Total	54,983	38,681

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

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

3.16 Capital management

For the purpose of the Company's capital management, capital includes issued capital. The primary objective of the Company's capital management is to maximise the shareholder value.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Company has financial covenants to maintain the gearing ratio 70:30 or better. The Company includes within net debt, interest bearing loans and borrowings less cash and cash equivalents.

	<u>30 June 2021</u>	<u>30 June 2020</u>
Interest bearing loan	8,567,449,502	9,839,762,262
Short term loan	32,836,067,730	26,655,065,746
Less: Cash and Cash equivalents	(16,417,265,525)	(945,892,317)
Net Debt	24,986,251,707	35,548,935,691
Equity		
Total Capital	23,451,850,382	21,368,538,163
Capital and net debt	48,438,102,089	56,917,473,854
Gearing Ratio	51.58%	62.46%

Interest bearing loan comprises of non-current portion and current portion of long term loans.

3.17 Event after the reporting period

Events after the reporting period that provide additional information about the company'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.



3.18 Fair Value Measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability
- Or
- In the absence of a principal market, in the most advantageous market for the asset or liability

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 asset or liability 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.

Fair-value related disclosures for financial instruments and non-financial assets that are measured at fair value or where fair values are disclosed.



4.00 PROPERTY, PLANT & EQUIPMENT : At Revaluation Model

Particulars	Land and Land Development	Plant & Machinery	Motor Vehicles	Factory Building	Furniture & Fixtures	Office Equipment	Roads and Pavements	Computer and IT equipment	TOTAL
COST									
At 01 July 2019	9,522,872,193	11,226,220,542	169,534,312	5,534,451,075	92,253,823	137,232,796	489,676,941	64,427,351	27,236,669,033
Additions during the year	130,756,162	977,750,381	10,347,699	406,020,568	5,044,058	28,504,010	95,127,410	6,741,145	1,660,291,432
Disposals	-	-	(4,174,203)	-	-	(104,500)	-	(310,500)	(4,589,203)
At 30 June 2020	9,653,628,355	12,203,970,923	175,707,808	5,940,471,643	97,297,881	165,632,305	584,804,350	70,857,996	28,892,371,262
At 01 July 2020	9,653,628,355	12,203,970,923	175,707,808	5,940,471,643	97,297,881	165,632,305	584,804,350	70,857,996	28,892,371,262
Additions during the year	39,031,212	82,007,664	8,005,738	31,907,002	1,919,219	2,627,798	86,308,456	3,259,850	255,066,939
Asset Reclassification	-	2,452,755	-	-	(2,452,755)	-	-	-	-
Disposals	-	(33,637,159)	(4,030,867)	-	-	-	-	(331,200)	(37,999,226)
At 30 June, 2021	9,692,659,567	12,254,794,183	179,682,679	5,972,378,645	96,764,345	168,260,103	671,112,806	73,786,646	29,109,438,974
DEPRECIATION									
At 01 July 2019	-	3,006,883,442	99,562,676	764,961,196	58,934,656	92,674,824	28,514,452	42,591,504	4,094,122,749
Charge during the year	-	621,274,811	18,769,386	262,090,218	10,468,857	18,804,683	27,344,673	7,728,104	966,480,733
Disposals	-	-	(3,535,169)	-	-	(103,001)	-	(282,758)	(3,920,927)
At 30 June 2020	-	3,628,158,253	114,796,894	1,027,051,414	69,403,513	111,376,507	55,859,124	50,036,850	5,056,682,555
At 01 July 2020	-	3,628,158,253	114,796,894	1,027,051,414	69,403,513	111,376,507	55,859,124	50,036,850	5,056,682,555
Charge during the year	-	715,853,260	17,949,602	277,576,588	9,554,891	17,569,435	29,694,954	7,854,841	1,076,053,571
Disposals	-	(13,779,371)	(4,021,814)	-	-	-	-	(256,867)	(18,058,052)
At 30 June 2021	-	4,330,232,142	128,724,682	1,304,628,002	78,958,404	128,945,942	85,554,078	57,634,824	6,114,678,074
CARRYING AMOUNT									
At 30 June 2020	9,653,628,355	8,575,812,670	60,910,914	4,913,420,230	27,894,368	54,255,798	528,945,226	20,821,146	23,835,688,707
At 30 June 2021	9,692,659,567	7,924,562,041	50,957,997	4,667,750,643	17,805,941	39,314,161	585,558,728	16,151,822	22,994,760,900

	01 July 2020 to 30 June 2021	01 July 2019 to 30 June 2020
Allocation of Depreciation:	Note	Taka
Cost of sales	30.04	909,511,439
Selling & distribution expenses	31.00	33,940,777
Administrative expenses	32.00	23,028,517
		966,480,733



4.01 PROPERTY, PLANT & EQUIPMENT : At Cost Model

Particulars	Land and Land Development	Plant & Machinery	Motor Vehicles	Factory Building	Furniture & Fixtures	Office Equipment	Roads and Pavements	Computer and IT equipment	TOTAL
COST									
At 01 July 2019	1,569,966,253	11,226,220,542	169,534,311	5,178,141,063	92,253,822	137,232,796	489,676,941	64,427,351	18,927,453,079
Additions during the year	130,756,162	977,750,381	10,347,699	406,020,568	5,044,058	28,504,010	95,127,410	6,741,145	1,660,291,432
Disposals	-	-	(4,174,203)	-	-	(104,500)	-	(310,500)	(4,589,203)
At 30 June 2020	1,700,722,414	12,203,970,923	175,707,807	5,584,161,631	97,297,880	165,632,305	584,804,351	70,857,996	20,583,155,308
At 01 July 2020	1,700,722,414	12,203,970,923	175,707,807	5,584,161,631	97,297,880	165,632,305	584,804,351	70,857,996	20,583,155,308
Additions during the year	39,031,212	82,007,664	8,005,738	31,907,002	1,919,219	2,627,798	86,308,456	3,259,850	255,066,939
Asset Reclassification	-	2,452,755	-	-	(2,452,755)	-	-	-	-
Disposals	-	(33,637,159)	(4,030,867)	-	-	-	-	(331,200)	(37,999,226)
At 30 June, 2021	1,739,753,626	12,254,794,183	179,682,678	5,616,068,633	96,764,344	168,260,103	671,112,807	73,786,646	20,800,223,020
DEPRECIATION									
At 01 July 2019	-	3,006,883,442	99,562,676	747,813,919	58,934,656	92,674,824	28,514,452	42,591,504	4,076,975,473
Charge during the year	-	621,274,811	18,769,386	244,817,296	10,468,857	18,804,683	27,344,673	7,728,104	949,207,811
Disposals	-	-	(3,535,169)	-	-	(103,001)	-	(282,758)	(3,920,927)
At 30 June 2020	-	3,628,158,253	114,796,894	992,631,215	69,403,513	111,376,507	55,859,124	50,036,850	5,022,262,357
At 01 July 2020	-	3,628,158,253	114,796,894	992,631,215	69,403,513	111,376,507	55,859,124	50,036,850	5,022,262,357
Charge during the year	-	715,853,260	17,949,602	261,167,312	9,554,891	17,569,435	29,694,954	7,854,841	1,059,644,295
Disposals	-	(13,779,371)	(4,021,814)	-	-	-	-	(256,867)	(18,058,052)
At 30 June 2021	-	4,330,232,142	128,724,682	1,253,798,527	78,958,404	128,945,942	85,554,078	57,634,824	6,063,848,600
CARRYING AMOUNT									
At 30 June 2020	1,700,722,414	8,575,812,670	60,910,913	4,591,530,416	27,894,367	54,255,798	528,945,226	20,821,146	15,560,892,952
At 30 June 2021	1,739,753,626	7,924,562,041	50,957,996	4,362,270,106	17,805,940	39,314,161	585,558,729	16,151,822	14,736,374,420



5.00 Lease - Right of Use Assets

5.01 As a Lessee

5.01.01 Right of Use Assets

Particulars

At 01 July 2019

Additions during the year

Disposals/adjustment during the year

At 30 June 2020

At 01 July 2020

Additions during the year

Disposals/adjustment during the year

At 30 June, 2021

AMORTISATION

At 01 July 2019

Charge during the year

Disposals/adjustment during the year

At 30 June 2020

At 01 July 2020

Charge during the year

Disposals/adjustment during the year

At 30 June 2021

CARRYING AMOUNT

At 30 June 2020

At 30 June 2021

			Amount in Taka
Land	Warehouse	House	TOTAL
124,356,208	45,706,287	31,279,203	201,341,698
124,356,208	45,706,287	31,279,203	201,341,698
124,356,208	45,706,287	31,279,203	201,341,698
22,965,894	4,875,155	35,414,633	63,255,682
147,322,102	50,581,442	66,693,836	264,597,380
46,344,933	10,646,405	12,853,291	69,844,629
46,344,933	10,646,405	12,853,291	69,844,629
46,344,933	10,646,405	12,853,291	69,844,629
46,753,536	10,569,427	12,881,660	70,204,623
93,098,469	21,215,832	25,734,951	140,049,252
78,011,275	35,059,882	18,425,912	131,497,069
54,223,633	29,365,610	40,958,885	124,548,128

5.01.02 Lease liabilities

Opening balance

Lease obligations

Less: Paid during the year

Lease Liabilities

30 June 2021	30 June 2020
137,061,753	-
63,255,682	201,341,698
(68,581,281)	(64,279,945)
131,736,154	137,061,753

5.01.03 Lease Liabilities- Maturity analysis

Lease liabilities - non-current portion

Lease liabilities - current portion

80,169,166	73,582,072
51,566,988	63,479,681
131,736,154	137,061,753

5.01.04 Amounts recognised in profit or loss

Interest on lease liabilities

12,392,673	15,088,621
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5.01.05 Amount recognised in the statements of cash flows

Principal paid on lease liabilities

Interest paid on lease liabilities

68,581,281	64,279,945
12,392,673	15,088,621
80,973,954	79,368,566

5.01.06 Allocation of Depreciation of ROU Asset:

Cost of sales

Selling & distribution expenses

Administrative expenses

Note	30 June 2021	30 June 2020
30.04	52,961,342	52,695,618
31.00	6,284,691	5,878,535
32.00	10,958,590	11,270,476
	70,204,623	69,844,629

5.01.07 The Company has consider 9% incremental borrowing rate to determine present value of right of use assets. Total number lease agreements were Thirty One (31) and Tenure of lease agreements were 5 to 10 years.

5.02 There is no such lease for which the company is a lessor.



		30 June 2021	30 June 2020	
	Note(s)	Taka	Taka	
6.00 Intangible asset				
Computer Software (Oracle ERP)	6.01	34,670,320	41,543,433	
Trade Mark	6.02	74,209	80,474	
		34,744,529	41,623,907	
6.01 Computer Software				
Cost				
Opening balance		68,731,131	68,731,131	
Less: Adjustments		-	-	
Additions during the year		-	-	
Closing balance		68,731,131	68,731,131	
Amortisation				
Opening balance		27,187,698	20,314,585	
Less: Adjustments		-	-	
Add: Charged during the year		6,873,113	6,873,113	
Closing balance		34,060,811	27,187,698	
Net Book Value		34,670,320	41,543,433	
6.02 Trade Mark				
Cost				
Opening balance		125,300	125,300	
Add: Addition during the year		-	-	
Closing balance		125,300	125,300	
Amortisation				
Opening balance		44,826	38,561	
Add: Charged during the year		6,265	6,265	
Closing balance		51,091	44,826	
Net Book Value		74,209	80,474	
7.00 Capital work-in-progress				
Opening balance		24,166,519	145,804,831	
Add: Additions during the year	7.01	142,079,653	678,082,349	
		166,246,172	823,887,179	
Less: Capitalized during the year		(123,597,941)	(799,720,660)	
		42,648,231	24,166,519	
7.01 Details of Capital work-in-progress				
Particulars	Opening Balance	Additions	Capitalized during the year	Closing Balance
Civil Construction	564,350	89,326,940	(87,858,456)	2,032,834
Plant and Machineries	-	51,117,427	(35,628,995)	15,488,432
Software	23,602,169	1,232,063	-	24,834,232
Other	-	403,223	(110,490)	292,733
	24,166,519	142,079,653	(123,597,941)	42,648,231

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.

	30 June 2021	30 June 2020
	Taka	Taka
8.00 Investment in associates		
BSRM Steel Mills Limited (BSML)	-	3,608,800,543
	<u>-</u>	<u>3,608,800,543</u>

The Company had 25.35% interest in BSRM Steel Mills Limited, which has set up an automatic steel melting plant for manufacturing M.S. Billets of different quality and sell the same to steel rolling mills. BSRM Steel Mills Limited (BSML), was incorporated as a private limited company and was subsequently converted to a Public Limited Company on 12 November 2013. The Company's interest in BSRM Steel Mills Limited is accounted for using the equity method in the financial statements.

Paid up Capital of BSML is BDT 394.43 Crore divided into 39.44 Crore Ordinary Shares of Tk. 10 each. BSRM Steels Limited has acquired 100,000,000 nos. of Ordinary Shares of Tk. 10 each of BSML i.e. 25.35% in 2015. BSML commenced commercial production on 16 June 2016.

The Hon'ble High Court Division of the Supreme Court of Bangladesh on 15 December 2020, Company Matter no. 225 of 2019, under section 228 and 229 of the Companies Act, 1994, sanctioned a scheme of amalgamation for merger of BSRM Steel Mills Limited (transferor Company) with Bangladesh Re-Rolling Mills Limited (Transferee Company). Under this amalgamation, the Company has been allotted 28,800,000 equity shares of Bangladesh Re-Rolling Mills Limited (BSRML) with the conversion ratio 1:0.288 of investment in BSML 100,000,000 equity shares as a result interest in BSML came down from 25.35% to 9.65% and following upon the amalgamation, investment in associate has been discontinued.



	30 June 2021	30 June 2020
	Taka	Taka
8.01 Movement of Investment in Associate		
Opening balance	3,608,800,543	3,457,009,041
Share of profit of equity accounted Investee (associates)	-	151,791,502
Derecognition of Investment in Associate	(3,608,800,543)	-
Closing balance	-	3,608,800,543

9.00 Financial Asset - at fair value		
Investment in Bangladesh Re-Rolling Mills Limited	2,476,800,000	-
(28,800,000 shares @ Tk. 86)	2,476,800,000	-

Under the amalgamation of BSRM Steel Mills Limited (BSML) with Bangladesh Re-Rolling Mills Limited (BSRML), the Company has been allotted 28,800,000 equity shares of BSRML with the conversion ratio 1:0.288 of investment in BSML 100,000,000 equity shares. BSRML is listed with Dhaka Stock Exchange Limited (DSE) and Chittagong Stock Exchange Limited (CSE). The market price of BSRML share as on 30 June 2021 was Tk. 86 and accordingly market value of BSRML's 28,800,000 comes to Tk 2,476,800,000.

	Note(s)	30 June 2021	30 June 2020
		Taka	Taka
10.00 Inventories			
Raw materials	10.01	8,434,947,680	6,456,200,989
Finished goods	10.02	3,314,184,745	6,069,971,469
Store and Spares	10.03	1,876,499,363	2,288,331,922
Fuel and Lubricants		21,368,337	27,310,688
		13,647,000,125	14,841,815,068
10.01 Raw Materials			
Raw Materials-MS Scrap		7,622,862,050	5,619,303,904
Raw Materials-Billets		576,188,313	603,840,439
Raw Materials-Packing Materials		11,455,069	32,364,805
Raw Materials-Direct Consumables		224,442,248	200,691,841
		8,434,947,680	6,456,200,989
10.02 Finished Goods			
Finished Goods-Own production (Rod)		2,870,904,910	5,277,353,254
Finished Goods-Own production (Billets)		443,279,835	787,946,141
Finished Goods-Procured		-	4,672,074
		3,314,184,745	6,069,971,469
10.03 Stores and Spares			
Mechanical stores		1,049,366,851	1,282,559,459
M.S. Roll		15,168,315	54,759,640
Electrical stores		479,241,862	546,114,749
General stores		23,130,267	23,978,676
Civil stores		59,714,614	62,729,482
Others		249,877,454	318,189,917
		1,876,499,363	2,288,331,922
11.00 Trade and Other Receivables			
Trade Receivables	11.01	7,332,952,393	7,201,242,566
Other Receivables	11.02	371,564,807	445,938,468
		7,704,517,200	7,647,181,033
11.01 Trade Receivables			
Bangladesh Steel Re-Rolling Mills Limited		2,070,365	4,259,923
BSRM Steel Mills Limited		-	1,791,012
BSRM Wires Limited		257,045	573,818
BSRM Logistic Limited		25,000	-
Chittagong Power Company Limited		204,000	204,000
H. Akberali Co. Limited		-	386,060
Other customers		7,330,395,983	7,194,027,753
		7,332,952,393	7,201,242,566
11.02 Other Receivables			
Interest Receivables		216,576,720	290,950,381
DEDO and Other Receivables		154,988,087	154,988,087
		371,564,807	445,938,468



	Note(s)	30 June 2021 Taka	30 June 2020 Taka
11.03 Ageing of Trade receivables			
Due within 90 days		6,193,771,812	4,534,541,143
Due within 91 to 180 days		368,719,075	1,846,021,547
Above 181 days		770,461,506	820,679,876
		<u>7,332,952,393</u>	<u>7,201,242,566</u>
12.00 Due from related companies			
BSRM Steel Mills Limited		-	5,724,196,546
Chittagong Power Company Limited		806,425,234	707,888,324
BSRM Logistics Limited		73,723,594	254,586,459
BSRM Ispat Limited		192,375,942	26,821,942
H. Akberali & Co. Limited		942,625,968	1,403,811,968
BSRM Wires Limited		691,230,344	714,411,435
		<u>2,706,381,082</u>	<u>8,831,716,675</u>

These represent short term loans given to these related companies as and when required to meet funding requirement. All transactions were done through account payee cheque and interests were charged on all related companies balances.

13.00 Advances, deposits and prepayments			
Advances	13.01	3,832,455,185	3,526,006,394
Deposits	13.02	73,950,569	73,850,569
Prepayments	13.03	20,087,674	20,806,923
		<u>3,926,493,428</u>	<u>3,620,663,887</u>

13.01 Advances			
Staff loan		3,219,999	3,419,999
Advance against salary		100,001	1,080,776
Advance Income tax		1,891,029,543	1,614,639,703
Advance against expenses		91,909,531	79,626,712
Bank guarantee margin		7,534,141	7,313,156
Advance against L/C		46,550,694	38,367,051
LC Margin		50,727,929	85,792,491
Advance against non-current asset		229,694,267	56,416,077
Trade VAT account (Godown)		12,864	12,864
VAT current account		1,312,194,921	1,332,505,148
Advance Tax (VAT)		492,307	-
Advance against land		26,383,113	29,340,109
Advance for house rent		2,306,941	2,692,961
Advance for purchase of spare parts and other materials		170,298,934	274,799,348
		<u>3,832,455,185</u>	<u>3,526,006,394</u>

13.02 Deposits			
Bangladesh Ansar and VDP		2,211,663	2,211,663
Bangladesh Railway		140,000	140,000
Bangladesh Telecommunication Company Limited (BTCL)		26,000	26,000
Brothers Proukosoli Workshop		480,000	480,000
Chittagong WASA		200,000	200,000
Chittagong Club Limited		90,000	90,000
Chittagong Port Authority		4,100,300	4,100,300
Cma Cgm Bangladesh Shipping Ltd		1,060,000	1,060,000
GBX Logistics Ltd		1,205,000	1,205,000
Linde Bangladesh Ltd		2,392,000	2,392,000
Maersk Bangladesh Limited		1,162,447	1,162,447
Bangladesh Power Development Board		24,710,120	24,710,120
Karnaphuli Gas Distribution Co. Limited		35,168,639	35,168,639
Central Depository Bangladesh Limited		500,000	500,000
BOC Bangladesh Limited		16,000	16,000
Others		488,400	388,400
		<u>73,950,569</u>	<u>73,850,569</u>

The directors consider that all the above advances and deposits are either adjustable or recoverable in cash or in kind and accordingly that no provision against them are required at this stage.

13.03 Prepayments			
BSTI License fees		1,723,807	3,451,880
Insurance		18,363,867	17,355,043
		<u>20,087,674</u>	<u>20,806,923</u>



				30 June 2021	30 June 2020
				Taka	Taka
14.00 Short Term Investment	Note(s)				
Investments in Fixed Deposit Receipts	14.01			2,310,041,175	1,085,506,724
				<u>2,310,041,175</u>	<u>1,085,506,724</u>
14.01 Investments in Fixed Deposit Receipts					
Name of banks	Purpose	Period	Rate of interest		
Agrani Bank Limited	L/C Margin	3 months	5.75%	68,942,534	7,117,878
Al-Arafah Islami Bank Ltd.	L/C Margin	3 months	4%	19,111,377	18,280,670
Bank Asia Limited	L/C Margin	3 months	4-6%	61,668,987	86,443,727
Commercial Bank of Ceylon PLC	L/C Margin	12 months	5.50%	22,418,834	21,281,000
Dhaka Bank Limited	L/C Margin & Investment	3 - 12 months	4-5.50%	129,154,970	73,874,724
Dutch Bangla Bank Limited	L/C Margin	3 months	4-6%	74,649,983	58,217,364
Habib Bank Limited	L/C Margin & Investment	6 months	6-6.25%	306,438,174	2,143,215
IDLC Finance Limited	L/C Margin & Investment	3 - 12 months	5.25-6%	303,382,167	3,122,907
IFIC Bank Limited	L/C Margin	3 - 12 months	3.50-5.5%	84,719,208	49,338,825
IPDC Bangladesh Limited	L/C Margin & Investment	3 - 12 months	2.75-5.35%	305,635,528	5,270,884
Jamuna Bank Limited	L/C Margin	3 months	2-4%	41,693,802	23,378,215
Lanka Bangla Finance & Investment Ltd	Investment	12 months	8.00%	3,178,965	2,907,231
Meghna Bank Ltd.	L/C Margin	3 months	6-6.50%	-	12,500,000
Mercantile Bank Limited	BG & LC Margin	3 - 12 months	4.50-7%	140,708,399	76,510,359
National Bank Limited	L/C Margin	3 months	5.50-6%	24,650,262	-
NCC Bank Limited	L/C Margin	3 - 6 months	3.75-7.50%	71,868,503	108,702,895
One Bank Limited	L/C Margin & Investment	3 - 6 months	6%-7%	3,869,687	16,697,197
Pubali Bank Limited	L/C Margin	6 months	5.50%	-	81,997,963
Shahjalal Islami Bank Ltd	L/C Margin	3 months	3.75-6%	84,710,488	26,462,025
Standard Chartered Bank	L/C Margin	6 - 12 months	3.50%	233,657,155	226,637,071
The City Bank Limited	L/C Margin	6 months	2.7-5.5%	204,797,578	139,786,120
Trust Bank Limited	L/C Margin	3 months	3-5.50%	43,373,060	11,672,779
United Commercial Bank Limited	L/C Margin	3 - 12 months	3.75-6%	31,887,480	10,702,786
Uttara Bank Limited	L/C Margin	3 months	5.00%	49,524,034	22,460,888
				<u>2,310,041,175</u>	<u>1,085,506,724</u>
				30 June 2021	30 June 2020
				Taka	Taka
15.00 Cash & Cash Equivalents	Note(s)				
Cash in Hand	15.01			12,517,771	5,837,561
Cash at Banks	15.02			2,809,693,692	940,054,755
Fixed Deposit Receipts	15.03			13,595,054,062	-
				<u>16,417,265,525</u>	<u>945,892,317</u>
15.01 Cash in Hand					
Head Office				127,339	152,585
Dhaka Office				232,325	730,944
Fouzderhat Factory				4,000,000	1,200,000
Mirasarai Factory				3,106,854	269,974
Byzid Factory (BISCO)				3,100,000	1,300,000
Cox's Bazar Office				20,000	20,000
Comilla Office				65,000	65,000
Gazipur Office				50,000	91,529
Khulna Office				150,000	150,000
Sylhet Office				100,000	100,000
Noakhali Office				50,000	50,000
Barishal Office				201,941	201,941
Baroaulia Office				213,769	129,843
Benapole Warehouse Office				100,816	107,725
Bhatiary Shipyards				19,999	19,999
Bogra Office				246,564	191,966
Jungal Office				237,173	211,608
Khulna warehouse Office				221,607	570,064
Mymensingh Office				104,384	104,384
Rangpur Office				170,000	170,000
				<u>12,517,771</u>	<u>5,837,561</u>



15.02 Cash at Banks

Name of the Banks	Branches	Account Types	Currency	30 June 2021	30 June 2020
				Taka	Taka
AB Bank Limited	Agrabad	Cash Credit	BDT	2,580,949	4,278,398
AB Bank Limited	Agrabad	Current Deposit	USD	92,647,864	88,273,438
Agrani Bank Limited	Laldighi East	Current Deposit	BDT	15,526,513	460,426
Al-Arafah Islami Bank Limited	Agrabad	Current Deposit	BDT	10,693,853	5,037,201
Bank Al Falah Limited	Agrabad	Cash Credit	BDT	99,853,708	-
Bank Asia Limited	Agrabad	Current Deposit	BDT	8,079,619	21,183,431
BASIC Bank Limited	Dewanhat	Current Deposit	BDT	56,187,050	27,521
BRAC Bank Limited	Agrabad	Overdraft	BDT	7,074,228	2,155,489
BRAC Bank Limited	Agrabad	Overdraft	BDT	6,460,201	66,922
BRAC Bank Limited	Agrabad	Current Deposit	USD	6,038,712	-
Commercial Bank of Ceylon PLC	Agrabad	Current Deposit	BDT	390,685	1,934,888
Dhaka Bank Limited	Jubilee Road	Current Deposit	BDT	97,328,002	288,591
Dutch Bangla Bank Limited	Agrabad	Overdraft	BDT	3,030,517	-
Dutch Bangla Bank Limited	Jubilee Road	Current Deposit	BDT	15,736,242	103,008
Eastern Bank Limited	Agrabad	Current Deposit	BDT	611,658,168	5,934,857
Eastern Bank Limited	Agrabad	Escrow	BDT	43,553	25,030
Eastern Bank Limited	Agrabad	Escrow	USD	5,588,718	27,112,320
EXIM Bank Limited	Jubilee Road	Current Deposit	BDT	9,442,451	3,991,353
First Security Islami Bank Limited	Sadarghat	Current Deposit	BDT	11,477,156	2,039,649
Habib Bank Limited	Chattogram	Current Deposit	BDT	10,569,902	1,102,475
HSBC	Agrabad	Current Deposit	BDT	7,567,837	(35,879,665)
HSBC	Agrabad	Current Deposit	USD	33,642	33,642
HSBC (Dividend)	Agrabad	Current Deposit	BDT	14,103,529	7,246,775
IFIC Bank Limited	Agrabad	Current Deposit	BDT	94,976,095	11,013,990
Islami Bank Bangladesh Limited	Jubilee Road	Current Deposit	BDT	29,497,195	8,695,449
Islami Bank Bangladesh Limited (BISCO)	Jubilee Road	Current Deposit	BDT	-	36,007
Jamuna Bank Limited	Khatunganj	Current Deposit	BDT	276,952	70,586
Janata Bank Limited	Laldighi East	Cash Credit	BDT	128,553	-
Janata Bank Limited	Laldighi East	Current Deposit	BDT	1,274	2,194
Meghna Bank Limited	Agrabad	Current Deposit	BDT	1,252,414	10,555
Mercantile Bank Limited	Jubilee Road	Current Deposit	BDT	15,600,850	7,362
Modhumoti Bank Limited	Agrabad	Current Deposit	BDT	144,687	69,277
Mutual Trust Bank Limited	CDA Avenue	Current Deposit	BDT	14,395,860	595,524
Mutual Trust Bank Limited (BISCO)	Dilkusha	Current Deposit	BDT	-	31,340
National Bank Limited	Jubilee Road	Current Deposit	BDT	8,275,445	6,221,358
NCC Bank Limited	Agrabad	Current Deposit	BDT	11,368	57,059
NCC Bank Limited	Agrabad	Current Deposit	USD	4,491,632	98,536,640
NCC Bank Limited	Barayarhat	Current Deposit	BDT	6,216	33,744
NRB Bank Limited	Agrabad	Overdraft	BDT	102	-
NRB Bank Limited	Agrabad	Current Deposit	BDT	751,147	63
One Bank Limited	Agrabad	Current Deposit	BDT	203,199,573	51,531,875
Premier Bank Limited	Agrabad	SOD	BDT	703	-
Premier Bank Limited	Agrabad	Cash Credit	BDT	14,728	-
Premier Bank Limited	Agrabad	Current Deposit	BDT	2,607,639	15,205
Prime Bank Limited	O.R Nizam Road	Current Deposit	BDT	(1,987,126)	22,045,510
Pubali Bank Limited	Agrabad	Overdraft	BDT	125,570,023	-
Rupali Bank Limited	Corporate Branch	Current Deposit	BDT	(257,209)	86,970
SBAC Bank Limited	Agrabad	Current Deposit	BDT	21,425	1,258
Shahjalal Islami Bank Limited	Jubilee Road	Current Deposit	BDT	2,397,685	95,170
Social Islami Bank Limited	Jubilee Road	Current Deposit	BDT	1,049,936	2,697,657
Sonali Bank Limited	Kalibari	Current Deposit	BDT	89,034,320	(8,378,034)
Sonali Bank Limited	Laldighi	Current Deposit	BDT	6,989	7,449
SBAC Bank Limited	Agrabad	Overdraft	BDT	2,252,464	-
South East Bank Limited	Pahartali	Current Deposit	BDT	7,416,561	10,238,790
Standard Bank Limited	Agrabad	Current Deposit	BDT	893,881	6,724
Standard Chartered Bank	Agrabad	Current Deposit	BDT	(8,641,727)	(26,151,896)
Standard Chartered Bank	Agrabad	Current Deposit	BDT	43,784	13,849
Standard Chartered Bank	Dhaka	Current Deposit	BDT	-	3,655
State Bank of India	Chittagong	Current Deposit	BDT	9,339,498	443
The City Bank Limited	Agrabad	Current Deposit	BDT	509,425,728	13,205,425
The City Bank Limited	VIP Road	Current Deposit	BDT	475,974	1,949,966
The City Bank Limited	Agrabad	Current Deposit	USD	336,926,325	609,755,653
Trust Bank Limited	CDA Avenue	Current Deposit	BDT	9,835,954	2,095,904
United Commercial Bank Limited	Jubilee Road	Current Deposit	BDT	244,979,172	2,162
United Commercial Bank Limited (BISCO)	Jubilee Road	Current Deposit	BDT	1,100,290	290
Uttara Bank Limited	Agrabad	Current Deposit	BDT	12,064,213	33,834
				2,809,693,692	940,054,755

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



15.03 Investments in Fixed Deposit Receipts

Name of banks	Purpose	Period	Rate of interest	30 June 2021	30 June 2020
				Taka	Taka
Agrani Bank Limited	Investment	3 months	5.75%	5,516,171,875	-
Rupali Bank Limited	Investment	3 months	5.25%	4,265,946,875	-
Sonali Bank Limited	Investment	3 months	5.50%	3,562,935,312	-
Uttara Bank Limited	Investment	3 months	5.00%	250,000,000	-
				13,595,054,062	-
				30 June 2021	30 June 2020
				Taka	Taka

16.00 Share Capital
16.01 Authorized capital

475,000,000 Ordinary shares @ Tk. 10 each	4,750,000,000	4,750,000,000
25,000,000 Preference Shares @ Tk. 10 each	250,000,000	250,000,000
	5,000,000,000	5,000,000,000

16.02 Issued, subscribed and paid-up capital

145,000,000 Ordinary shares @ Tk. 10 each	1,450,000,000	1,450,000,000
104,500,000 Ordinary shares @ Tk. 10 each fully paid-up for consideration other than cash	1,045,000,000	1,045,000,000
21,750,000 Ordinary shares @ Tk. 10 each fully paid up as Bonus Shares (For the year 2009)	217,500,000	217,500,000
54,250,000 Ordinary shares @ Tk. 10 each fully paid up as Bonus Shares (For the year ended 2010)	542,500,000	542,500,000
16,275,000 Ordinary shares @ Tk. 10 each fully paid up as Bonus Shares (For the year ended 2012)	162,750,000	162,750,000
34,177,500 Ordinary shares @ Tk. 10 each fully paid up as Bonus Shares (For the year ended 2018)	341,775,000	341,775,000
	3,759,525,000	3,759,525,000

16.03 Classification of shares by holding:

Class by number of shares	No. of Holders	No. of Shares	Holding (%)
Less than 500	3,518	501,689	0.13%
From 501 to 5000	4,857	7,417,278	1.97%
From 5,001 to 10,000	465	3,345,164	0.89%
From 10,001 to 20,000	299	4,125,886	1.10%
From 20,001 to 30,000	85	2,136,065	0.57%
From 30,001 to 40,000	53	1,871,061	0.50%
From 40,001 to 50,000	44	2,015,660	0.54%
From 50,001 to 100,000	73	5,141,168	1.37%
From 100,001 to 1,000,000	92	24,436,278	6.50%
From 10,000,001 to above	34	324,962,251	86.44%
	9,520	375,952,500	100%

16.04 Shareholding Position

Name of shareholders	30 June 2021		30 June 2020	
	Percentage of holdings	No. of Shares	Percentage of holdings	No. of Shares
Sponsor Shareholders	16.85%	63,351,172	16.85%	63,351,172
Foreign Shareholders	0.39%	1,480,796	0.29%	1,092,628
Other Shareholders (Related Parties)	53.68%	201,804,671	53.68%	201,804,671
Other Shareholders (General)	29.08%	109,315,861	29.18%	109,704,029
	100%	375,952,500	100%	375,952,500
			30 June 2021	30 June 2020
			Taka	Taka

17.00 Long term loans

Prime Bank Limited	17.04	29,678,643	48,576,459
Eastern Bank Limited- Syndicate term loan	17.05	5,530,333,884	5,988,875,392
IDLC Finance Limited	17.06	83,538,588	148,065,699
Standard Chartered Bank - Syndicate term loan	17.07	2,923,898,387	3,342,797,850
Redeemable Zero Coupon Bond	17.08	-	311,446,861
		8,567,449,502	9,839,762,261

17.01 Long term loans-Maturity analysis

Due within one year-Current portion	17.02	1,886,837,159	2,249,335,011
Due after more than one year-Non-current portion	17.03	6,680,612,343	7,590,427,251
		8,567,449,502	9,839,762,261

17.02 Long term loans - Current portion

Prime Bank Limited	20,503,995	21,904,574
IDLC Finance Limited	71,110,805	64,854,704
Eastern Bank Limited- Syndicate term loan	959,222,359	1,015,128,872
Standard Chartered Bank -Syndicate term loan	836,000,000	836,000,000
Redeemable Zero Coupon Bond	-	311,446,861
	1,886,837,159	2,249,335,011



	30 June 2021	30 June 2020
	Taka	Taka
17.03 Long term loans - Non-current portion		
Prime Bank Limited	9,174,648	26,671,885
Eastern Bank Limited- Syndicate term loan	4,571,111,525	4,973,746,519
Standard Chartered Bank -Syndicate term loan	2,087,898,387	2,506,797,850
IDLC Finance Limited	12,427,783	83,210,996
	6,680,612,343	7,590,427,251

17.04 Terms of Prime Bank Limited

Total loan facilities: Tk. 15,845,433.24

Interest rate:

Interest rate is 9.75% per annum calculated on monthly basis and variable depending on the situation of money market.

Disbursement:

The full disbursement was made on May 29, 2017.

Repayments

The loan is repayable in equal monthly installment starting from June 25, 2017 and each month thereafter for 5 years.

Securities:

Izarah agreement for Capital Machinery/Equipment and 01 (one) post-dated cheque covering total value of Izara facility and 6 (six) nos of post-dated cheque covering each installment for total value of Izarah.

Purpose:

To pay expenditures of construction work of storage shed, storage bed and floor development at Khulna warehouse.

17.05 Eastern Bank Limited- Syndicated term loan

Lenders:

The company entered into a separate syndicated loan agreement for the BMRE on 03 April 2017 with Eastern Bank Limited, the lead arranger and 4 (four) other Banks and 2 (two) Financial Institutions.

Total loan facilities: Tk. 426.500 crore.

Total loan facilities: USD. 2.500 crore.

Interest rate: BDT

Interest rate is 7.75%-9% per annum calculated on quarterly basis and variable depending on the situation of money market.

Interest rate: USD

Interest rate is 6 months LIBOR+ 3.75% per annum calculated on quarterly basis and variable depending on the situation of money market.

Disbursement:

The first disbursement was made on 19 June 2018.

Repayments:

This term loan is repayable in 20(twenty) equal quarterly installments commencing from the end of 15th month of the first draw down date.

Securities:

- Registered Mortgage over the project land measuring 9.6 acres and all civil construction thereon supported by registered General power of Attorney.
- Fixed and floating charge over machinery, plant and equipment.
- Lien on shares of BSRM Steels Limited(owned by directors / shareholders value of which will be 110% of equivalent fair value of the project land measuring 12.4 acres that can not be mortgaged due to regulatory restrictions.
- Corporate guarantee of the sister concerns of H. Akberali & Co. Limited.
- Implementation guarantee from the Sponsors.
- Demand promissory note from the company.

Purpose:

To import required plant and machinery for installation of Billet Manufacturing Unit and to meet up cost of land development, building and civil construction, fabrication works.



17.06 Terms of IDLC Finance Limited

Total loan facilities: Tk. 300,000,000

Interest rate:

Interest rate is 9.50% per annum calculated on monthly basis and variable depending on the situation of money market.

Disbursement:

The full disbursement was made on July 24, 2017.

Repayments

The loan is repayable in equal monthly installment starting from August 24, 2017 and each month thereafter for 5 years.

Securities:

- i. Personal Guarantee
- ii. Post dated cheque covering the entire principal amount
- iii. Corporate guarantee of H. Akberali & Co. Ltd.

Purpose:

To meet expense for industrial land development for the under implementation melting mill, civil and electrical works and repair and maintenance of machinery.

17.07 Standard Chartered Bank - Syndicated term loan

Lenders:

The company entered into a separate syndicated loan agreement for Balance Sheet re-alignment through converting its short term loan into term loan on 21 March 2019 with Standard Chartered Bank, the lead arranger and 5 (five) other Banks.

Total loan facilities: Tk. 700.00 crore.

Interest rate :

Interest rate is 7.75%-11.50% per annum calculated on quarterly basis and variable depending on the situation of money market.

Disbursement:

The first disbursement of BDT 418 Crore was made on 09 April 2019.

Repayments:

Entire outstanding including the accrued interest thereon shall be repaid by 20 (twenty) equal quarterly installments starting from the immediate next quarter end of First Disbursement. Any short fall, if any must be repaid with the last installment.

Securities:

- i 1st ranking pari passu charge on plant and machinery and all fixed assets of the company.
- ii Personal guarantee of all the directors of the company.
- iii Corporate Guarantee of 1. H. Akberali Co. Ltd and 2. BSRM Wires Limited.
- iv Other charge documents as per opinion of lenders common counsel and standard practice.

Purpose:

Balance sheet re-alignment through converting its short term loan into term loan amounting Tk. 700 crore under syndication finance being arranged by Standard Chartered Bank.



	30 June 2021	30 June 2020
	Taka	Taka
17.08 Redeemable Zero Coupon Bond		
Opening Balance	311,446,861	578,954,414
Add: Interest charged	1,195,911	38,813,469
Less: Interest payment	(6,321,749)	(84,961,310)
Less: Principal payment	(306,321,023)	(221,359,712)
Carrying amount	-	311,446,861

17.08.01 Details of the Zero coupon bond

The company obtained consent from Bangladesh Securities and Exchange Commission (BSEC) vide consent letter reference: BSEC/CI/2015 dated on 28 Dec 2015 for issuing 2,450,592 nos. of redeemable zero coupon bond of TK. 1,000 each to institutional investors through private placement.

Tenure:

From 6th month and upto 4 years from the issue date (TBD).

Purpose:

Capital expenditure, refinance and equity investment in power project of the group under the name 'Chittagong Power Company Limited'.

Subscription and issue:

Total 2,450,568 nos. of bonds were subscribed on 25 April 2016 and 16 May 2016 for Taka 1,999,981,083 and were issued accordingly on those days.

Discount rate:

The discount rate is 9.5% per year and interest is payable half-yearly.

Listing:

Unlisted.

Transferability

Freely transferable subject to the terms and condition of term documents.

Redemption:

In equal instalment starting from the end of the 6th month from the issue date and each 6 month thereafter till expiry (4 years).

Securities:

Unsecured



	30 June 2021	30 June 2020
	Taka	Taka
18.00 Defined benefit obligations - Gratuity		
Opening balance	199,570,002	164,439,863
Add: Current service cost	39,093,655	47,070,412
Less: Payment made during the year	(7,659,946)	(13,963,388)
Actuarial loss	-	2,023,115
Closing balance	231,003,711	199,570,002

Defined benefit obligations - Gratuity has been approved by National Board of Revenue (NBR).

19.00 Deferred Tax Liabilities		
Opening balance	2,112,334,257	1,790,395,047
Provided during the year		
Investments in associates	-	30,358,300
Taxable/(deductible) temporary difference of PPE and intangible asset (excluding land)	(7,702,185)	271,807,408
Deferred tax on ROU Asset	(4,850,938)	32,874,267
Effect of derecognition of investment in associate	(202,535,533)	-
Provision for Gratuity	(2,083,335)	(8,276,756)
	(217,171,991)	326,763,219
Adjusted during the year		
Deferred tax on Actuarial gain/(loss) on defined benefit plans-Gratuity	-	(505,779)
Against impact on depreciation on revaluation reserve	(3,692,087)	(4,318,231)
Effect of derecognition on revalued portion of Associate	(239,418,431)	-
Deferred tax on fair value reserve of investment in tradable shares	147,680,000	-
	(95,430,518)	(4,824,010)
Closing Balance	1,799,731,748	2,112,334,257

19.01 Reconciliation of deferred tax liabilities/ (assets)

	Carrying amount	Tax base	Tax rate	Taxable/ (Deductible) temporary difference	Deferred tax liabilities/ (assets)
As on 30 June 2021	Taka	Taka	%	Taka	Taka
Property, plant and equipment (except land)	13,336,845,862	7,071,702,620	22.50%	6,265,143,242	1,409,657,230
Liability on Revaluation Surplus (Land)	9,692,659,567	1,739,753,626	3-4%	7,952,905,941	266,347,024
ROU Asset	124,548,128	-	22.50%	124,548,128	28,023,329
Provision for Gratuity	(228,980,596)	-	22.50%	(228,980,596)	(51,520,634)
Actuarial gain/(loss)	(2,023,115)	-	22.50%	(2,023,115)	(455,201)
Financial Asset at fair value	2,476,800,000	1,000,000,000	10.00%	1,476,800,000	147,680,000
Total deferred tax liabilities					1,799,731,748
	Carrying amount	Tax base	Tax rate	Taxable/ (Deductible) temporary difference	Deferred tax liabilities/ (assets)
As on 30 June 2020	Taka	Taka	%	Taka	Taka
Property, plant and equipment (except land)	14,223,603,785	8,539,397,780	25.00%	5,684,206,005	1,421,051,501
Liability on Revaluation Surplus (Land)	9,653,628,355	1,700,722,414	3-4%	7,952,905,941	266,347,024
ROU Asset	131,497,069	-	25.00%	131,497,069	32,874,267
Provision for Gratuity	(197,546,887)	-	25.00%	(197,546,887)	(49,386,722)
Actuarial gain/(loss)	(2,023,115)	-	25.00%	(2,023,115)	(505,779)
Investment in associates	2,012,677,667	1,000,000,000	20.00%	1,012,677,667	202,535,533
Revalued portion of Associate	1,596,122,876	-	15.00%	1,596,122,876	239,418,431
Total deferred tax liabilities					2,112,334,256



		30 June 2021	30 June 2020
	Note(s)	Taka	Taka
20.00 Trade Payables			
BSRM Steel Re-Rolling Mills Limited		751,153,386	3,351,546
BSRM Logistics Limited		19,727,194	13,313,989
BSRM Steel Mills Limited		-	(21,554,670)
BSRM Ispat Limited		-	266,950
Chittagong Power Company Limited		118,750	125,685
Others		137,267,187	143,304,041
		908,266,517	138,807,541
21.00 Short Term Loans			
Loan against trust receipts (LATR)	21.01	-	84,917,794
Time loans	21.02	988,011,361	1,834,362,100
Demand loan	21.03	1,241,825,361	7,098,405,122
Bank overdraft and cash credit	21.04	1,181,076,232	2,516,534,273
Liability for accepted bills for payment	21.05	26,791,563,403	15,120,846,456
Stimulus Loans	21.06	2,633,591,373	-
		32,836,067,730	26,655,065,746
21.01 Loan Against Trust Receipts (LATR)			
Prime Bank Limited		-	60,863,539
Pubali Bank Limited		-	24,054,255
		-	84,917,794
21.02 Time Loans			
Bank Asia Limited		-	500,426
IPDC Limited		502,211,361	512,194,445
Jamuna Bank Limited		-	283,039,355
Meghna Bank Limited		485,800,000	-
NRB Bank Limited		-	208,696,570
Prime Bank Limited		-	468,769,048
Shimanto Bank Limited		-	151,791,667
The Trust Bank Limited		-	209,370,589
		988,011,361	1,834,362,100
21.03 Demand Loans			
Bank Asia Limited		-	112,613
BRAC Bank Limited		320,311,111	503,750,000
Commercial Bank of Ceylon plc		600,000,000	753,937,346
Eastern Bank Limited		-	2,198,856,238
HSBC		320,000,000	188,433,000
Islami Bank Bangladesh Limited		-	20,843,865
National Credit and Commerce Bank Limited		-	403,000,575
Standard Bank Limited		1,514,250	-
Standard Chartered Bank		-	835,293,747
United Commercial Bank Limited		-	129,054,613
Uttara Bank Limited		-	2,065,123,125
		1,241,825,361	7,098,405,122
21.04 Bank overdraft and Cash Credit			
Agrani Bank Limited		1,071,717	24,741,050
Bank Al Falah Limited		-	486,444,170
Basic Bank Limited		55,627,416	279,053,807
Dhaka Bank Limited		426,254	20,845,800
Dutch Bangla Bank Limited		-	48,879,161
Janata Bank Limited		-	27,910,410
National Credit and Commerce Bank Limited		573,842,726	303,318,326
Premier Bank Limited		-	34,979
Premier Bank Limited		-	13,602,166
Pubali Bank Limited		-	9,267
Rupali Bank Limited		411,116,312	705,094,419
Standard Bank Limited		3,607,439	13,522,642
South Bangla Agriculture & Commerce Bank Limited		-	412,095,712
State Bank of India		134,733,707	137,918,837
Uttara Bank Limited		650,661	43,063,527
		1,181,076,232	2,516,534,273



	30 June 2021	30 June 2020
	Taka	Taka
21.05 Liability for accepted bills for payment (ABP)		
Agrani Bank Limited	1,161,296,343	130,220,386
Al-Arafah Islami Bank Limited	809,730,578	315,188,946
Bank Al-Falah Limited	11,431,611	27,763,163
Bank Asia Limited	345,499,252	810,025,388
BRAC Bank Limited	722,197,544	348,441,114
The City Bank Limited	2,617,100,093	1,196,440,851
Commercial Bank of Ceylon	557,045,817	187,134,777
Dhaka Bank Limited	2,260,136,818	908,936,571
Dutch Bangla Bank Limited	1,057,447,836	828,253,837
Eastern Bank Limited	1,692,061,673	798,867,438
HSBC	520,711,315	738,153,030
IFIC Bank Limited	1,296,981,217	1,978,037,829
Jamuna Bank Limited	644,477,078	396,261,605
Mercantile Bank Limited	1,021,867,118	627,200,077
Mutual Trust Bank Limited	13,498,369	-
National Bank Limited	428,021,432	-
NCC Bank Limited	690,704,236	656,236,284
One Bank Limited	782,619,628	614,212,838
Premier Bank Limited	-	7,261,411
Prime Bank Limited	1,030,960,074	309,122,047
Pubali Bank Limited	1,364,909,765	1,370,073,977
Rupali Bank Limited	454,460,630	384,615,054
Shahjalal Islami Bank Limited	2,600,793,546	519,317,195
Standard Chartered Bank	1,275,195,951	329,519,302
Trust Bank Limited	1,628,570,113	141,696,661
United Commercial Bank Limited	1,163,624,502	1,227,035,541
Uttara Bank Limited	640,220,864	270,831,134
	26,791,563,403	15,120,846,456
21.06 Stimulus Loans		
AB Bank Limited	227,822,574	-
Agrani Bank Limited	76,707,937	-
BASIC Bank Limited	136,471,147	-
BRAC Bank Limited	158,571,260	-
Commercial Bank Limited	359,999,291	-
Dhaka Bank Limited	140,928,075	-
Dutch Bangla Bank Limited	60,146,125	-
Eastern Bank Limited	252,581,889	-
Meghna Bank Limited	153,416,524	-
NCC Bank Limited	151,706,250	-
Prime Bank Limited	201,849,978	-
Rupali Bank Limited	379,266,435	-
South Bangla Agriculture Limited	182,048,125	-
Standard Chartered Bank Limited	655,500	-
United Commercial Bank Limited	151,420,263	-
	2,633,591,373	-
22.00 Due to related companies		
Bangladesh Steel Re-Rolling Mills Limited	-	822,902,651
	-	822,902,651

This balance represent short term financial arrangement availed from related companies as and when required to meet working capital and interest were charged on outstanding balances. All transactions were made through account payee cheques.



		Note(s)	30 June 2021 Taka	30 June 2020 Taka
23.00	Liabilities for expenses			
	Advertisement expenses		58,783,183	1,272,799
	Carrying expenses		262,991,485	411,874,394
	Domiciliary expenses		2,180,037	1,672,922
	Liability against supply of goods/services		169,127,299	184,158,395
	Liability against fixed asset		18,744,167	21,620,089
	Liability for duty drawback		425,456,343	425,456,343
	Stationeries		24,513,684	14,628,643
	Sales promotion expenses		2,443,360	2,389,092
	Travelling expenses		102,200	726,953
			964,341,758	1,063,799,629
24.00	Provision for income tax			
	Opening balance		970,071,795	732,845,493
	Add: Provision during the year		1,043,918,697	781,531,779
	Add: Prior years' adjustment		45,229,227	(24,866,457)
			1,089,147,924	756,665,322
	Less: Adjusted with advance income tax paid at source		(792,746,732)	(519,439,020)
	Closing Balance		1,266,472,987	970,071,795
24.01	Reconciliation of effective tax rate			
	Profit before tax			
	Current tax expense	27.79%	41.45%	
	Deferred tax expense	-5.54%	17.90%	
	Total tax expense	22.25%	59.34%	
	Minimum Tax under section 82C(5)	26.64%	42.81%	
	Prior year adjustment	1.15%	-1.36%	
	Effective Current Tax	27.79%	41.45%	
	Effective Deferred Tax	-5.54%	17.90%	
		22.25%	59.34%	
			BDT	BDT
			3,919,061,759	1,825,705,164
			1,089,147,924	756,665,322
			(217,171,991)	326,763,219
			871,975,933	1,083,428,541
			1,043,918,697	781,531,779
			45,229,227	(24,866,457)
			1,089,147,924	756,665,322
			(217,171,991)	326,763,219
			871,975,933	1,083,428,541
25.00	Provision for WPPF and Welfare Fund			
	Opening balance		88,100,719	107,383,636
	Add: Provided during the year		259,565,233	88,100,719
	Less: Paid during the year		(88,100,719)	(107,383,636)
	Closing Balance		259,565,233	88,100,719
26.00	Unclaimed Dividend			
	Opening Balance		24,873,805	17,966,793
	Add: Dividend declared during the year		939,881,250	273,758,973
	Less: Paid during the year		(938,496,983)	(266,851,961)
	Closing Balance		26,258,072	24,873,805
26.01	Dividend unclaimed for the years			
	For year ended on		Taka	
	30 June 2021 (Interim)		898,826	
	30 June 2020 (Final)		1,333,821	
	30 June 2019 (Final)		5,168,957	
	30 June 2018 (Final)		855,090	
	1st January 2011 to 30 June 2017		18,001,379	
			26,258,072	

*Subsequently Tk. 17,846,490 has been paid to Bangladesh Security Exchange Commission (BSEC) for Capital Market Stabilization Fund and Tk. 205,349 ordinary shareholders thereof from 01 July 2021 to 31 August 2021.



		30 June 2021	30 June 2020
	Note(s)	Taka	Taka
27.00 Other liabilities			
Audit Fees		776,250	585,000
Blocked Account	27.01	756,250	263,775,975
Brokerage and commission		78,498,548	18,980,965
C & F Bill		1,533,127	1,339,286
Gas bill payable		1,595,309	15,222,914
Interest payable		9,287,766	306,071,994
Liability against share application money		7,581,814	7,581,814
Provident fund		4,337,658	3,096,600
Provision for doubtful debts		621,777	621,777
Rent payables		539,452	2,491,023
Retention money		35,600,607	76,470,220
Salary and Allowances		14,452,038	5,172,347
Security deposit		31,225,146	29,900,146
Tax Deducted at Source		74,462	162,515
Utility		475,752,374	2,706,493
VAT Deducted at source		15,604,439	658,723
Others		5,850,776	4,878,633
		684,087,793	739,716,423
27.01 Blocked Account			
Agrani Bank Limited		-	24,625,000
Bank Asia Limited		-	6,414,512
BASIC Bank Limited		-	3,639,706
Commercial Bank of Ceylon		-	13,873,348
BRAC Bank Limited		-	7,625,000
Dhaka Bank Limited		-	4,627,823
Eastern Bank Limited		-	45,337,457
HSBC		-	567,000
Jamuna Bank Limited		-	11,341,419
Janata Bank Limited		-	353,046
Meghna Bank Limited		-	3,623,653
Modhumoti Bank Limited		-	6,156,250
Mutual Trust Bank Limited		-	1,973,288
NCC Bank Limited		-	6,718,919
NRB Bank Limited		-	1,963,680
One Bank Limited		-	9,029,229
Prime Bank Limited		-	16,041,777
Pubali Bank Limited		-	6,478,565
Rupali Bank Limited		-	6,649,810
SABINCO		-	7,487,287
Shahjalal Islami Bank Limited		-	70,575
South Bangla Agriculture Bank		-	6,489,128
Standard Chartered Bank		756,250	21,322,057
The City Bank Limited		-	5,432,633
Trust Bank Limited		-	11,541,633
United Commercial Bank Limited		-	1,000,125
Uttara Bank Limited		-	33,393,056
		756,250	263,775,975

As per BRPD Circular No. 11, the company has transferred interest on Loans and Borrowings from 01 April 2020 to 31 May 2020 to Blocked Account.



	30 June 2021 Taka	30 June 2020 Taka
28.00 Contract liabilities		
Advance against sales	1,258,368,736	453,947,703
Total contract liabilities	1,258,368,736	453,947,703
	01 July 2020 to 30 June 2021 Taka	01 July 2019 to 30 June 2020 Taka
29.00 Revenue from contracts with customers		
Local sales	53,946,671,739	37,532,598,841
Export sales	1,036,285,976	1,148,778,383
	54,982,957,715	38,681,377,223

Total export sales during this year were USD 12,207,767 against export of 18,475 Metric Ton of goods and it was USD 13,554,402 against export of 20,679 Metric Ton of goods for the year ended on 30 June 2020.

29.01 Set out below is the disaggregation of BSRM Steels Limited's revenue from contracts with customers:

Segments

Type of goods

Xtreme 500W	13,826,671,318	32,143,977,551
Xtreme DWR	34,073,464,006	-
Ultima 420D	5,555,883,275	5,438,713,355
Maxima 500	213,368,501	338,869,084
M.S. Billet	3,499,320	173,699,058
Others	1,310,071,295	586,118,177
Total revenue from contracts with customers	54,982,957,715	38,681,377,223

Geographical Markets

Bangladesh	54,658,890,863	38,563,640,503
China	148,352,464	-
India	131,968,546	117,736,720
Others	43,745,842	-
Total revenue from contracts with customers	54,982,957,715	38,681,377,223

Timing of revenue recognition

Goods transferred at a point in time	54,982,957,715	38,681,377,223
Services transferred over time	-	-
Total revenue from contracts with customers	54,982,957,715	38,681,377,223

29.02 Set out below, is the reconciliation of the revenue from contracts with customers with the amounts disclosed in the note 29.01

					Taka in Million
Year ended 30 June 2021	M.S. Rod	M.S. Billets	Total Segments	Adjustments	Total
External customers	54,979	3	54,982	-	54,982
Internal customers		42,473	42,473	(42,473)	-
	54,979	42,476	97,455	(42,473)	54,982
Year ended 30 June 2020	M.S. Rod	M.S. Billets	Total Segments	Adjustments	Total
External customers	38,508	174	38,681	-	38,681
Internal customers	-	29,871	29,871	(29,871)	-
	38,508	30,044	68,552	(29,871)	38,681



		01 July 2020 to 30 June 2021	01 July 2019 to 30 June 2020
	Note(s)	Taka	Taka
29.03 Contract balances			
Trade receivables	11	7,332,952,393	7,201,242,566
Contract assets		-	-
Contract liabilities	28	1,258,368,736	453,947,703

Trade receivables are non-interest bearing and are generally on terms of 30 to 60 days

Contract assets are initially recognised for revenue earned services as receipt of consideration is conditional on successful completion of service. Upon completion of service and acceptance by the customer, the amounts recognised as contract assets are reclassified to trade receivables.

Contract liabilities includes short-term advances received to deliver M.S. Rod to the customers.

29.04 Performance Obligations

Information about the BSRM Steels Limited's performance obligation is summarised below:

M.S. Rod

The performance obligation is satisfied upon delivery of the M.S. Rod to the customers and payment is generally due within 30 to 60 days of delivery.

The performance obligation to deliver M.S. Rod has two alternative payment options. The customer can pay the transaction price equal to the cash selling price in advance or allowed a credit period of 30 to 60 days.

M.S. Billet

The performance obligation is satisfied upon delivery of the M.S. Billet to the customers and payment is received from the customer immediately.

		01 July 2020 to 30 June 2021	01 July 2019 to 30 June 2020
	Note(s)	Taka	Taka
30.00 Cost of sales			
Cost of sale-Scrap	30.01	685,228,516	391,065,730
Cost of sales-Billet	30.01	3,216,766	556,762,257
Cost of sales-MS Rod	30.02	47,062,824,129	32,539,635,872
Cost of sales- Finished goods procured from outside	30.03	824,410	21,374,271
		47,752,093,821	33,508,838,131
30.01 Cost of sales- Billet			
Opening stock of scrap		5,619,303,904	4,238,217,992
Add: Purchase during the year		32,800,882,815	22,196,165,311
Less: Sale during the year		(685,228,516)	(391,065,730)
Less: Closing stock of scrap		(7,622,862,050)	(5,619,303,904)
Raw materials consumption-Scrap		30,112,096,153	20,424,013,670
Opening stock of Direct Consumable		50,957,453	197,668,294
Add: Purchase during the year		1,212,813,350	767,080,265
Less: Closing stock of Direct Consumable		(117,827,781)	(50,957,453)
Direct Consumable Consumption		1,145,943,022	913,791,106
Add: Factory overhead	30.04	7,722,162,079	5,984,085,824
Cost of Billet Manufactured		38,980,201,254	27,321,890,600
Add: Opening stock of Billet FG		787,946,141	700,942,958
Less: Closing stock of Billet FG		(443,279,835)	(787,946,141)
Transfer to Rolling Mills		(39,321,650,794)	(26,678,125,159)
Cost of sales -Billet		3,216,766	556,762,257
30.02 Cost of sales- MS Rod			
Opening stock of raw materials-Billet		785,939,633	2,153,871,330
Add: Purchase during the year		3,028,295,976	2,475,079,879
Transfer from Melting Shop		39,321,650,794	26,678,125,159
Less: Closing stock of raw materials-Billet		(694,257,849)	(785,939,633)
Raw materials consumed-Billet		42,441,628,554	30,521,136,735
Add: Factory overhead	30.04	2,218,587,450	1,700,278,553
Cost of Goods Manufactured		44,660,216,004	32,221,415,288
Add: Opening stock of finished goods		5,277,353,254	5,604,652,413
Less: Issuance for Project/Repair		(3,840,219)	(9,078,575)
Less: Closing stock of finished goods		(2,870,904,910)	(5,277,353,254)
Cost of sales -own production		47,062,824,129	32,539,635,872



		01 July 2020 to 30 June 2021	01 July 2019 to 30 June 2020
	Note(s)	Taka	Taka
30.03 Cost of sales- finished goods procured from outside			
Opening stock of finished goods		4,672,074	31,360,460
Add: Finished goods purchased from outside		-	14,427,357
		4,672,074	45,787,817
Less: Issuance for Project/Repair		(3,847,664)	(19,741,472)
Less: Closing stock of finished goods		-	(4,672,074)
Cost of sales- finished goods procured from outside		824,410	21,374,271
30.04 Factory Overheads			
Car allowance		7,919,999	6,899,096
Carrying charges		375,702,525	401,388,285
Consulting fees		1,854,486	2,898,606
Conveyance expenses		29,945,141	30,417,238
Depreciation	4.00	1,019,859,105	909,511,439
Depreciation of ROU Asset	5.00	52,961,342	52,695,618
Electrical store consumption		219,672,391	64,548,871
Entertainment		7,701,100	7,852,619
Fees and renewals		842,910	822,694
Fuel and Lubricants		208,479,150	233,978,761
Gas		314,325,321	233,603,224
General store consumed		47,818,624	12,133,684
Gratuity		24,770,531	32,872,257
Guest house expenses		3,098,939	3,666,941
Guest house rent		4,015,201	6,113,812
Insurance expenses		22,143,998	20,396,404
Land revenue- holding tax		120,000	270,000
Mechanical store consumption		713,014,526	391,185,775
Medical expenses		6,367,828	2,952,664
Motor car expenses		85,178	111,217
Other store consumption		1,045,590,177	749,256,156
Overtime		16,686,620	13,632,447
Paper and periodicals		7,100	10,002
Postage and telegram		44,086	48,155
Power		4,971,784,802	3,787,356,250
Rental expenses		70,000	-
Repairs and Maintenance		45,281,510	34,892,801
Salaries and allowances		587,688,379	529,382,023
Stationery		6,669,675	8,387,212
Testing charges		262,572	185,060
Travelling expenses		2,926,355	4,437,622
Utility expenses		20,823,698	9,615,279
Wages		182,216,260	132,842,168
		9,940,749,529	7,684,364,377
31.00 Selling and Distribution Expenses			
Advertisement		237,018,348	200,963,243
Brokerage and commission		256,653,352	286,452,417
Car allowance		5,175,670	5,843,427
Carriage on sales		309,850,611	268,599,274
Conveyance expenses		2,566,571	4,212,234
Depreciation	4.00	33,524,438	33,940,777
Depreciation of ROU Asset	5.00	6,284,691	5,878,535
Electricity expenses-Depot		4,679,320	4,365,841
Entertainment		6,735,879	19,312,172
C&F Charge - Export		4,581,288	2,368,990
Fees and renewals		1,228,072	2,681,661
Generator rent & fuel		62,151	45,704
Gratuity expenses		7,447,284	4,822,696
Internet expenses		742,210	681,037
Medical expenses		1,071,727	1,047,220
Motor cycle allowance		4,640,006	2,834,159
Paper and periodicals		45,785	57,974



		01 July 2020 to 30 June 2021	01 July 2019 to 30 June 2020
	Note(s)	Taka	Taka
Printing charges		7,713,683	7,799,601
Rental Expenses		170,413	-
Repair and maintenance		1,614,698	819,149
Royalty expenses	31.01	117,044,183	83,912,019
Salaries and allowances		130,188,149	112,786,019
Sales promotion expenses		19,922,377	44,619,749
Stationery expenses		278,516	341,667
Testing charges		5,472,305	6,066,285
Travelling expenses		4,132,204	11,513,250
		1,168,843,931	1,111,965,100

31.01 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 2015 according to Trademark License Agreement between the Company and HACL effective from the aforesaid date.

32.00 Administrative Expenses			
Advertisement Expenses		531,590	814,960
Amortization of Intangible asset		6,879,378	6,879,378
Audit fees		1,357,000	1,136,775
Board Meeting expenses		302,500	305,500
Car allowance		7,503,032	8,338,508
Conveyance expenses		2,662,237	1,111,277
CSR expenses		22,683,105	39,085,418
Depreciation	4.00	22,670,028	23,028,517
Depreciation of ROU Asset	5.00	10,958,590	11,270,476
Directors' remuneration	32.01	94,500,000	94,500,000
Electricity expenses		2,861,841	2,343,961
Entertainment		7,122,998	7,744,603
Fees and renewals		6,730,640	7,653,299
Gratuity expenses		6,875,840	9,375,459
Guest house expenses		675,436	601,028
Guest house rent		2,009,487	1,931,347
Insurance expenses		97,750	73,997
Internet expenses		1,364,000	1,371,106
Land revenue		714,595	592,534
Leave assistance		1,725,000	1,530,000
Legal expenses		2,328,367	527,868
Medical expenses		4,256,216	4,099,619
Motor car expenses		5,399,198	4,888,441
Motor cycle allowance		593,029	831,360
Office rent		657,581	1,638,588
Paper and Periodicals		926,761	983,521
Postage expenses		458,256	333,643
Professional and consulting fee		7,518,352	19,041,442
Repair and maintenance		3,199,781	3,280,930
Salaries and allowances		242,004,908	230,434,940
Stationery expenses		3,103,024	3,248,298
Subscriptions		299,800	299,000
Telephone expenses		9,609,792	9,996,022
Training expenses		697,790	1,426,225
Travelling expenses		3,747,835	5,712,623
		485,025,737	506,430,664

32.01 Details of Directors' remuneration paid during the period are as follows:

Directors' Name	Gross Remuneration Taka	Income Tax Deducted Taka	Net Paid Taka
Mr. Alihussain Akberali-Chairman	40,500,000	12,150,000	28,350,000
Mr. Aameir Alihussain-Managing Director	36,000,000	10,800,000	25,200,000
Mr. Zohair Taherali-Director	11,400,000	3,420,000	7,980,000
Mrs. Tehseen Zohair Taherali- Director	6,600,000	1,980,000	4,620,000
	94,500,000	28,350,000	66,150,000



		01 July 2020 to 30 June 2021	01 July 2019 to 30 June 2020
	Note(s)	Taka	Taka
33.00 Other Operating Income			
Gain on sale of property, plant and equipment assets		1,842,346	1,800,607
Miscellaneous income		17,108,221	16,316,674
Other Income PF Forfeiture		85,945	888,881
		19,036,512	19,006,162
34.00 Finance Costs			
Agency fees		2,230,000	2,165,000
Bank charges & others		38,082,473	44,067,528
Bank Guarantee Commission		1,569,491	377,218
Foreign exchange loss on translation		-	20,404,873
Interest on OD, cash credit		73,777,279	234,187,891
Interest on Syndicate loan		740,519,550	907,282,056
Interest on LATR		1,838,760	19,597,029
Interest on Demand and Time loan		372,457,347	1,271,396,551
Interest on Term loan		15,100,633	41,421,668
Interest on Stimulus loan		82,125,331	-
Interest expense on lease liability		12,392,673	15,088,621
Interest on redeemable zero coupon bond		1,195,911	38,813,469
Interest on balance due from inter companies		(805,441,467)	(722,276,313)
		535,847,981	1,872,525,590
35.00 Finance Income			
Foreign currency exchange gain	35.01	17,996,532	836,838
Interest on trade debtors		13,747,955	11,528,032
Interest income from FDR		99,377,415	49,025,611
		131,121,902	61,390,481
35.01 Foreign Currency Exchange Gain			
Foreign currency gain on transaction		9,995,638	836,838
Foreign currency gain on translation		8,000,894	-
		17,996,532	836,838
36.00 Share of Profit/(Loss) of Associate (net of tax)			
Net profit/(loss) attributable to the shareholders of associate		-	598,719,417
Percentage of holding		-	25.35%
Net profit/(loss) attributable to BSRM Steels Ltd.		-	151,791,502
		Note(s)	30 June 2021 Taka
37.00 Loss on Derecognition of Investment in Associate			
Fair value of financial asset as on 30 June 2021	9		2,476,800,000
Carrying amount of investment in associate as on 30 June 2020	8		(3,608,800,543)
			(1,132,000,543)
Adjustment:			
Recognition of fair value reserve on financial asset			1,329,120,000
Recognition of deferred tax - fair value reserve on financial asset			147,680,000
Reversal of revaluation reserve of associate			(1,356,704,445)
Reversal of deferred tax liability - revaluation reserve of associate			(239,418,431)
			(119,322,876)
Loss on derecognition of investment in associate			(1,012,677,667)
		01 July 2020 to 30 June 2021	01 July 2019 to 30 June 2020
		Taka	Taka
38.00 Earnings per share			
Basic earnings per share (EPS)			
Profit attributable to the ordinary shareholders		3,047,085,826	742,276,623
Number of ordinary shares at the year end		375,952,500	375,952,500
Weighted Average number of shares outstanding during the year		375,952,500	375,952,500
Basic earnings per share (EPS)		8.10	1.97



Earnings per share (EPS) has been computed by dividing the net profit after tax (NPAT) by the weighted average number of ordinary shares outstanding on the reporting date as per IAS-33: Earnings Per Share. No diluted EPS was required to be calculated for the year since there was no scope for dilution.

	30 June 2021	30 June 2020
	Taka	Taka
39.00 Net Asset Value Per Share (NAV)		
Total Assets	72,385,200,323	64,614,552,449
Less: Total Liabilities	(48,933,349,941)	(43,246,014,286)
Net Asset Value (NAV)	23,451,850,382	21,368,538,163
Number of ordinary shares outstanding during the period	375,952,500	375,952,500
Net Assets Value (NAV) per share	62.38	56.84
	01 July 2020 to	01 July 2019 to
	30 June 2021	30 June 2020
	Taka	Taka
40.00 Net operating cash flow per share		
Net operating cash flows (From statement of Cash Flows)	7,845,646,991	2,093,982,754
Number of ordinary shares outstanding during the period	375,952,500	375,952,500
Net operating cash flow per share	20.87	5.57

41.00 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 Arms Length Basis. The name of these related parties, nature of transactions, their total value and balances on reporting date have been set in accordance with the provisions of IAS 24.

Related parties comprise of companies under common ownership and common management control.

Name of parties	Relationship	Nature of Transactions	Outstanding as on 30 June 2021	Mode of Transaction
Bangladesh Steel Re-Rolling Mills Limited	Shareholder	Short term loan	-	Dr.
BSRM Ispat Limited	Sister Company	Short term loan	192,375,942	Dr.
BSRM Logistics Limited	Sister Company	Short term loan	73,723,594	Dr.
H. Akberali & Co. Limited	Sister Company	Short term loan	942,625,968	Dr.
Chittagong Power Company Ltd.	Sister Company	Short term loan	806,425,234	Dr.
BSRM Wires Limited	Sister Company	Short term loan	691,230,344	Dr.

41.01 Details of transactions

Name of inter companies	Opening balances	Transaction during the year (Net)	Amount owed by related parties	Amount owed to related parties
Bangladesh Steel Re-Rolling Mills Limited	(822,902,651)	Cr. 822,902,651	-	-
BSRM Ispat Limited	26,821,942	Dr. 165,554,000	192,375,942	-
BSRM Steel Mills Limited	5,724,196,546	Dr. (5,724,196,546)	-	-
BSRM Logistics Limited	254,586,459	Dr. (180,862,865)	73,723,594	-
H. Akberali & Co. Limited	1,403,811,968	Dr. (461,186,000)	942,625,968	-
Chittagong Power Company Limited	707,888,324	Dr. 98,536,910	806,425,234	-
BSRM Wires Limited	714,411,435	Dr. (23,181,091)	691,230,344	-

These amounts are classified as Due to and Due from related companies, respectively (see Notes 12 and 22)

	30 June 2021	30 June 2020
	Taka	Taka
41.02 Key management personnel compensation		
In accordance with para 17 of IAS 24 related party disclosure: during the year the amount of compensation paid to key management personnel including Board of Directors is as follows;		
Short term benefits	119,682,588	118,261,888
Post Employment Benefits	-	-
Other long Term benefit	-	-
Termination Benefit	-	-
Share-based Payment	-	-
	119,682,588	118,261,888



	30 June 2021	30 June 2020
	Taka	Taka
42.00 Reconciliation of cash generated by operations		
Profit before income tax	3,919,061,759	1,825,705,164
Adjustment for:		
Depreciation charged	1,076,053,571	966,480,733
Amortization charged	77,084,001	76,724,007
Gain on sale of property, plant and equipment	(1,842,346)	(1,800,607)
Finance Income	(131,121,902)	(61,390,481)
Finance Cost	535,847,981	1,872,525,590
Loss on derecognition of investment in associate	1,012,677,667	(151,791,502)
	2,568,698,972	2,700,747,740
Changes in:		
Provision for WPPF & Welfare Fund	171,464,514	(19,282,917)
Defined Benefit Obligations - Gratuity	31,433,709	33,107,024
Inventories (net of inventory for non-current asset)	1,191,800,075	92,622,449
Trade Receivables	(131,709,827)	2,488,897,569
Trade Payables	769,458,976	(3,222,802,811)
Contract Liabilities	804,421,033	(251,895,404)
Other Receivables (Net of interest receivable)	-	1,900,305
Lease Obligation Paid	(80,973,954)	(79,368,566)
Advances, deposits and pre-payments (net of advance income tax and advance against non-current asset)	143,838,489	621,162,665
Liabilities for Expenses	(99,457,870)	91,017,702
Other Liabilities	(55,628,630)	426,218,234
	2,744,646,515	181,576,250
Cash Generated from Operation	9,232,407,246	4,708,029,154
Payment of interest-net	(317,623,683)	(1,804,027,792)
Income tax paid	(1,069,136,572)	(810,018,608)
Net cash flows from operating activities	7,845,646,991	2,093,982,754
43.00 Contingent liabilities		
43.01 Bank guarantees		
IFIC Bank Limited	47,653,091	47,653,091
HSBC	839,979	839,979
Mercantile Bank Limited	145,373,000	140,725,874
	193,866,070	189,218,944
43.02 Claim against trade VAT by Customs, Excise & VAT authority		
Claim against trade VAT by Customs, Excise & VAT authority	23,053,915	23,053,915
	23,053,915	23,053,915

An amount of Tk. 23,053,915.27 was claimed by Customs, Excise and VAT authority, Bondor Circle, Narayanganj vide nothi no. 04/VAT/Warehouse (02)/Bondor circle/2012/207 dated 3rd November 2014 for trade VAT on sale of 115,269 MT finished goods. The company filed a writ petition no. 10833 of 2014 before the Hon'ble High Court Division of the Supreme Court of Bangladesh and the court stayed the claim. In view of above, no provision for this claim have been made in the financial statements.

43.03 Corporate guarantees

The company has a policy to extend corporate guarantees 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. The corporate guarantee acts as a comfort for banks in addition to the collateral security which comprises of mortgage of land, lien of shares by the sister companies. The company has provided the following guarantees at 30 June 2021:

	30 June 2021	30 June 2020
	Taka	Taka
Joint guarantee	20,720,000,000	27,024,600,000
	20,720,000,000	27,024,600,000

Joint guarantee includes gurantee for sister companies: Bangladesh Steel Re-Rolling Mills Limited, BSRM Wires Limited and H. Akberali & Co. Limited



The company has not recognized a liability in respect of the corporate 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 sister companies are in a 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:

Name of sister companies	Credit Rating	
	30 June 2021	30 June 2020
Bangladesh Steel Re-Rolling Mills Limited	AA	AA
BSRM Wires Limited	BBB+	BBB+
H. Akberali & Co. Limited	A+	A

44.00 Production Capacity

Installed Capacity (In M. Ton)- yearly	800,000	750,000
Production (In M. Ton)	816,494	643,917
Capacity utilized- (%)	102.1%	85.9%

The above mentioned production capacity represents the normal production capacity of the company only.

45.00 Employees

Number of employees whose monthly salary was below Tk. 3,000	-	-
Number of employees whose monthly salary was above Tk. 3,000	1,416	1,384
	1,416	1,384

46.00 Financial instruments- 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 company's policies for controlling risks and exposures.

The management has overall responsibility for the establishment and oversight of the company's risk management framework. The company's risk management policies are established to identify and analyse the risks faced by the company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies, procedures and systems are reviewed regularly to reflect changes in market conditions and the company's activities. This note presents information about the company's exposure to each of the following risks, the company's objectives, policies and processes for measuring and managing risk, and the company's management of capital. The company has exposure to the following risks from its use of financial instruments.

- 43.01 Credit risk
- 43.02 Liquidity risk
- 43.03 Market risk

Risk management framework

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

46.01 Credit risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments.

46.01.01 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 as follows:

	30 June 2021	30 June 2020
	Taka	Taka
Financial Asset (Investment in Bangladesh Steel Re-Rolling Mills Limited)	2,476,800,000	-
Investments in FDRs	2,310,041,175	1,085,506,724
Advances, deposits and prepayments	3,926,493,428	3,620,663,887
Trade and other receivables	7,704,517,200	7,647,181,033
Due from related companies	2,706,381,082	8,831,716,675
Cash at banks	2,809,693,692	940,054,755
	21,933,926,577	22,125,123,074



46.01.02 Ageing of trade receivables

The ageing of gross value at the reporting date that was not impaired was as follows:

	30 June 2021	30 June 2020
	Taka	Taka
Due within 90 days	6,193,771,812	4,534,541,143
Due within 91 to 180 days	368,719,075	1,846,021,547
Above 181 days	770,461,506	820,679,876
	7,332,952,393	7,201,242,566

46.02 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. The Company's approach to managing 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.

Exposure to Liquidity risk

The table below summarises the maturity profile of the Company's financial liabilities based on contractual payments.

Non-derivative financial liabilities	Carrying amount	Interest rate	Contractual cash flows		
			Within 12 months	1 to 5 years	More than 5 years
As at 30 June 2021	Taka	%	Taka	Taka	Taka
Long term loans	8,567,449,502	7.75% - 9%	1,886,837,159	6,680,612,343	-
Trade payables	908,266,517	N/A	908,266,517	-	-
Short term loans	32,836,067,730	3.75%-6.50%	32,836,067,730	-	-
Liabilities for expenses	964,341,758	N/A	964,341,758	-	-
Defined benefit obligations- Gratuity	231,003,711	N/A	231,003,711	-	-
Provision for WPPF and Welfare fund	259,565,233	N/A	259,565,233	-	-
Unclaimed dividend	26,258,072	N/A	26,258,072	-	-
Other liabilities	684,087,793	N/A	684,087,793	-	-
	44,477,040,316		37,796,427,973	6,680,612,343	-

Non-derivative financial liabilities	Carrying amount	Interest rate	Contractual cash flows		
			Within 12 months	1 to 5 years	More than 5 years
As at 30 June 2020	Taka	%	Taka	Taka	Taka
Long term loans	9,839,762,262	9.5% - 10.50%	2,294,041,868	9,067,948,647	-
Trade payables	138,807,541	N/A	138,807,541	-	-
Short term loans	26,655,065,746	10.15% - 13.25%	26,655,065,746	-	-
Liabilities for expenses	1,063,799,629	N/A	1,063,799,629	-	-
Defined benefit obligations- Gratuity	73,582,072	N/A	73,582,072	-	-
Provision for WPPF and Welfare fund	88,100,719	N/A	88,100,719	-	-
Unclaimed Dividend	24,873,805	N/A	24,873,805	-	-
Other liabilities	739,716,423	N/A	739,716,423	-	-
	38,623,708,197		31,077,987,803	9,067,948,647	-

46.03 Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Financial instruments affected by market risk include loans and borrowings, deposits and derivative financial instruments.

(a) Currency risk exposure and its management

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities (when revenue or expense is denominated in a foreign currency). To manage this exposure, the company is adapted direct risk reduction methods based on matching receipts and payments on assets and liabilities.

The Company is exposed to foreign currency risk relating to purchases, sales and other transactions which are denominated in foreign currencies. As at 30 June 2021, the Company was exposed to foreign currency risk in respect of financial liabilities denominated in the following currencies:



(i) Exposure to currency risk	30 June 2021		30 June 2020	
	USD	Taka	USD	Taka
Foreign currency denominated assets				
Cash and cash equivalents	5,246,932	445,726,893	9,696,430	823,711,693
	5,246,932	445,726,893	9,696,430	823,711,693
Foreign currency denominated liabilities				
Liability for accepted bills for payment	315,380,381	26,791,563,403	177,997,015	15,120,846,456
Syndicated term loan	18,335,974	1,557,640,967	20,782,433	1,765,467,700
	333,716,355	28,349,204,370	198,779,449	16,886,314,156
Net exposure	(328,469,423)	(27,903,477,477)	(189,083,019)	(16,062,602,463)
The following significant exchange rate is applied during the Year:				
Exchange rate of US Dollar	30 June 2021		30 June 2020	
	84.95		84.95	

(ii) Sensitivity analysis

A reasonably possible strengthening (weakening) of the US Dollar against BD 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		30 June 2020	
	Profit or loss		Profit or loss	
	Strengthening	Weakening	Strengthening	Weakening
	Taka	Taka	Taka	Taka
USD (2% movement)	(558,069,550)	558,069,550	(321,252,049)	321,252,049

(b) Transaction risk

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

(c) Economic risk

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

(d) 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.

	30 June 2021	30 June 2020
	Taka	Taka
Fixed- rate instruments		
Financial assets	5,016,422,257	9,917,223,399
Financial liabilities	(41,403,517,232)	(16,815,303,484)
	(36,387,094,975)	(6,898,080,085)
Variable- rate instruments		
Financial assets	-	-
Financial liabilities	-	-
	-	-

(e) Other market price risk

The company is exposed to equity price risk, which arises from available for sale equity and debt securities. Management of the company monitors its investment portfolio based on market indices and all buy and sell decisions are approved by the Directors.

47.00 Events after reporting date:

47.01 Proposed Dividend:

The Board of Directors of BSRM Steels Limited at its 254th meeting held on 23 October 2021 recommended a final cash dividend amounting to BDT 1,127,857,500 being 30% of the paid-up capital (i.e. BDT 3.00 per share) for the year 30 June 2021. Total cash dividend including this final cash dividend stands at 40% of the paid-up capital (i.e. BDT 4.00 per share) for the year 30 June 2021. These dividends are subject to final approval by the shareholders at the forthcoming annual general meeting of the company



47.02 Minimum amount to be distributed as dividend

As per Section 16G of ITO 1984, as a listed company, BSRM Steels 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.

	<u>01 July 2020 to</u> <u>30 June 2021</u>
	<u>Taka</u>
Distributable Income	3,047,085,826
Minimum Dividend Percentage as per Section 16G	30%
Amount to be Distributed as Dividend	<u>914,125,748</u>
Net Profit Before Tax	3,919,061,759
Less: Income Tax	(871,975,933)
Distributable Income	<u>3,047,085,826</u>

