

**BSRM STEELS LIMITED**  
**INDEPENDENT AUDITORS' REPORT**  
**AND FINANCIAL STATEMENTS**  
**AS AT AND FOR THE YEAR ENDED 30 JUNE 2022**

## 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 2022, 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 2021 to 30 June 2022, 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 2022 and of its financial performance and cash flows for the period from 1 July 2021 to 30 June 2022 and comply with the Companies Act, 1994, the Securities and Exchange Rules, 2020 and other applicable laws and regulations.

### Basis for 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 2022. 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 26,717 million. Inventory is carried in the financial statements at the lower of cost and net realisable value.	<ul style="list-style-type: none"> <li>• Verified a sample of inventory items to ensure that costs have been appropriately recorded.</li> <li>• 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.</li> </ul>



<b>1. Inventory (Continued)</b>	<b>How our audit addressed the key audit matter</b>
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 3.06 and 9 to the financial statements.	<ul style="list-style-type: none"> <li>• Performed cut-off tests to determine that the purchases and sales of the inventories have been captured in the correct accounting period.</li> <li>• Confirmed physical existence and completeness by performing annual physical inventory on a sample basis.</li> <li>• Confirmed all necessary disclosures have been made and that the information is appropriately presented.</li> </ul>
<b>2. Revenue Recognition</b>	<b>How our audit addressed the key audit matter</b>
<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 3.11 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 67,121 million. Refer to note 27 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>	<ul style="list-style-type: none"> <li>• Assessed the relevant systems supporting the accounting of revenue.</li> <li>• Performed walkthrough test to understand the adequacy and the design of the revenue cycle.</li> <li>• Assessed the invoicing and measurement systems up to entries in the general ledger.</li> <li>• Examined customer contracts, invoices and receipts of payment on a test basis.</li> <li>• Conducted analytical procedures such as trend analysis, ratio analysis, and variance analysis on a sample basis.</li> <li>• Obtained and reviewed supporting documents for sales transactions recorded.</li> <li>• Tested the timing of revenue recognition as well as cut off checked.</li> <li>• Tested the revenue charging model against the regulatory guidelines, contractual provisions and accounting standards, on a sample basis.</li> <li>• Assessed whether the sufficient disclosure has been given.</li> </ul>
<b>3. Identification and completeness of disclosure of related party transactions</b>	<b>How our audit addressed the key audit matter</b>
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 2022.	<ul style="list-style-type: none"> <li>• 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.</li> </ul>





3. Identification and completeness of disclosure of related party transactions	How our audit addressed the key audit matter
Refer to note 11 and 39 to the financial statements.	<ul style="list-style-type: none"> <li>• We tested, on a sample basis, related party transactions with the underlying documents and for authorization and approval for such transactions.</li> <li>• We have obtained balance confirmation from the related parties.</li> <li>• We read minutes of shareholder meetings, board meetings and minutes of meetings of those charged with governance in connection with transaction with related parties effected during the year.</li> <li>• We have recalculated interest on due balance to confirm during the year's interest income or expenses.</li> <li>• Evaluated the completeness of the disclosures through reading of statutory information, books and records and other documents obtained during the course of our audit.</li> </ul>
4. IFRS 16 - Lease	How our audit addressed the key audit matter
<p>The Company has reported right-of-use assets (ROU) of BDT 267.90 million and lease liabilities, arising from the lease rental agreements for its land, warehouse and office spaces. For calculation of the lease liability, the management applies Its judgement in determination of lease term where certainty of exercising the option to extend or the option not to terminate the lease is considered.</p> <p>The incremental borrowing rate is used as discounting rate in calculation of lease liability.</p> <p>We considered the implementation of IFRS 16 Leases as a key audit matter, since the balances recorded are material. Management had to apply several judgments and estimates such as lease term, discount rates, measurement basis among others and undertake a significant data extraction exercise to summarize the lease data for input into their lease calculation model.</p>	<ul style="list-style-type: none"> <li>• Obtaining an understanding of the managements approach for implementing IFRS 16 and its impact on the financial statements.</li> <li>• Obtaining, reading and evaluating the contracts for lease rental arrangements, especially the terms and conditions related to payments, lease incentives, any indirect costs, dismantling and restoration, option to extend the lease or not to terminate the lease.</li> <li>• Testing the lease amortization schedule and depreciation schedule for each of the leases.</li> <li>• Assessing whether the disclosures within the financial statements are as prescribed by the relevant IFRS Standards.</li> <li>• Testing managements assumptions in determining the certainty of exercising option to extend or terminate lease and the discounting rate applied to calculate lease liability.</li> </ul>

#### Reporting on other information

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

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



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

When we read the annual report before finalization, if we conclude that there is a material misstatement therein, we will communicate the matter to those charged with governance of the Company so that the matter is duly addressed in the annual report.

#### **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, 2020 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.

#### Report on other legal and regulatory requirements

In accordance with the Companies Act 1994 and the Securities and Exchange Rules, 2020, 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.

Firm Name  
Registration No.

: Hussain Farhad & Co., Chartered Accountants  
: 4/452/ICAB-84

Signature of the auditor  
Name of the auditor  
DVC No.  
Place  
Date

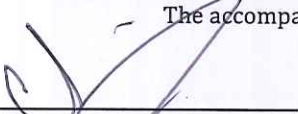
: *Sarwar Uddin*  
: Sarwar Uddin FCA, Partner/Enrollment No: 0779  
: 2210270779AS265812  
: Chattogram  
: 27 October 2022

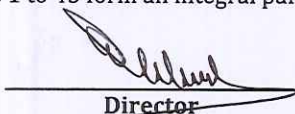


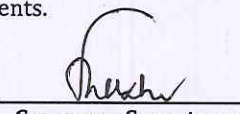
**BSRM STEELS LIMITED**  
**Statement of Financial Position**  
**As at 30 June 2022**

		30 June 2022	30 June 2021
	Notes	Taka	Taka
<b>ASSETS:</b>			
<b>Non-Current Assets:</b>			
Property, plant and equipment	4	22,188,786,686	22,994,760,900
Right of use assets	5	267,901,257	124,548,128
Intangible assets	6	57,122,126	34,744,529
Capital work-in-progress	7	1,164,792,138	42,648,231
Financial assets at fair value	8	2,842,560,000	2,476,800,000
<b>Total Non-Current Assets</b>		<b>26,521,162,207</b>	<b>25,673,501,788</b>
<b>Current Assets:</b>			
Inventories	9	26,717,535,056	13,647,000,125
Trade and other receivables	10	7,142,826,187	7,703,895,423
Due from related companies	11	5,098,418,693	2,706,381,082
Advances, deposits and prepayments	12	4,592,884,090	3,926,493,428
Short term investments	13	2,874,744,862	2,310,041,175
Cash and cash equivalents	14	8,959,085,745	16,417,265,525
<b>Total Current Assets</b>		<b>55,385,494,633</b>	<b>46,711,076,758</b>
<b>Total Assets</b>		<b>81,906,656,840</b>	<b>72,384,578,546</b>
<b>EQUITY:</b>			
Share capital	15.02	3,759,525,000	3,759,525,000
Revaluation reserve		7,903,177,754	7,915,259,084
Fair value reserve		1,658,304,000	1,329,120,000
Retained earnings		12,614,176,621	10,447,946,298
<b>Total Equity</b>		<b>25,935,183,375</b>	<b>23,451,850,382</b>
<b>LIABILITIES:</b>			
<b>Non-Current Liabilities:</b>			
Long term loans - non-current portion	16.03	4,995,757,666	6,680,612,343
Defined benefit obligations - gratuity	17	240,229,387	231,003,711
Finance lease obligations - non-current portion	5	203,801,486	80,169,166
Deferred tax liabilities	18	1,755,506,843	1,799,731,748
<b>Total Non-Current Liabilities</b>		<b>7,195,295,382</b>	<b>8,791,516,968</b>
<b>Current Liabilities:</b>			
Trade payable	19	240,315,188	908,266,517
Short term loan	20	42,168,899,852	32,836,067,730
Long term loans - current portion	16.02	1,873,945,551	1,886,837,159
Finance lease obligations- current portion	5	76,216,048	51,566,988
Liabilities for expenses	21	1,401,791,490	964,341,758
Provision for income tax	22	1,467,963,888	1,266,472,987
Provision for WPPF and Welfare Fund	23	237,118,664	259,565,233
Unclaimed dividend	24	9,221,426	26,258,072
Other liabilities	25	830,757,021	683,466,016
Contract liabilities	26	469,948,955	1,258,368,736
<b>Total Current Liabilities</b>		<b>48,776,178,083</b>	<b>40,141,211,196</b>
<b>Total Liabilities</b>		<b>55,971,473,465</b>	<b>48,932,728,164</b>
<b>Total Equity &amp; Liabilities</b>		<b>81,906,656,840</b>	<b>72,384,578,546</b>
<b>Net asset value (NAV) per share</b>	37	<b>68.99</b>	<b>62.38</b>

The accompanying notes 1 to 45 form an integral part of these financial statements.

  
**Managing Director**

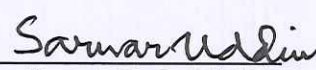
  
**Director**

  
**Company Secretary**

Signed as per our separate report of same date.

Place : Chattogram  
Dated : 27 October 2022  
DVC : 2210270779AS265812



  
**Hussain Farhad & Co.**  
Chartered Accountants

**BSRM STEELS LIMITED**  
**Statement of Profit or Loss and Other Comprehensive Income**  
**For the year ended 30 June 2022**

		01 July 2021 to 30 June 2022	01 July 2020 to 30 June 2021
	Note(s)	Taka	Taka
Revenue from contracts with customers	27	67,121,061,172	54,982,957,715
Cost of goods sold	28	(60,075,522,035)	(47,752,093,821)
<b>Gross profit for the year</b>		<b>7,045,539,137</b>	<b>7,230,863,894</b>
Selling and distribution expenses	29	(1,093,771,815)	(1,168,843,931)
Administrative expenses	30	(537,188,460)	(485,025,737)
		<b>5,414,578,862</b>	<b>5,576,994,226</b>
Other operating income	31	13,114,097	19,036,512
<b>Net Operating profit for the year</b>		<b>5,427,692,959</b>	<b>5,596,030,738</b>
Finance costs	32	(1,734,843,318)	(517,851,449)
Finance income	33	936,116,952	113,125,370
Non Operating Income	34	113,406,679	-
<b>Net Profit Before Tax and WPPF and Welfare Fund</b>		<b>4,742,373,272</b>	<b>5,191,304,659</b>
Contribution to WPPF and Welfare Fund	23	(237,118,664)	(259,565,233)
		<b>4,505,254,608</b>	<b>4,931,739,426</b>
Loss on derecognition of investment in associate	35	-	(1,012,677,667)
<b>Net Profit before Tax</b>		<b>4,505,254,608</b>	<b>3,919,061,759</b>
Income tax expenses/benefits:			
Current tax	22	(1,304,049,020)	(1,089,147,924)
Deferred tax	18	77,293,422	217,171,991
		<b>(1,226,755,598)</b>	<b>(871,975,933)</b>
<b>Net Profit after Tax</b>		<b>3,278,499,010</b>	<b>3,047,085,826</b>
<b>Other comprehensive income not to be reclassified to profit or loss</b>			
Revaluation reserve on associates (Net of tax)		-	(1,356,704,445)
Fair value reserve on financial asset (Net of tax)		329,184,000	1,329,120,000
<b>Total comprehensive income for the year, net of tax</b>		<b>3,607,683,010</b>	<b>3,019,501,381</b>
<b>Earnings per share (EPS)</b>	36	<b>8.72</b>	<b>8.10</b>

The accompanying notes 1 to 45 form an integral part of these financial statements.

  
**Managing Director**

  
**Director**

  
**Company Secretary**

Signed as per our separate report of same date.

Place : Chattogram  
Dated : 27 October 2022  
DVC : 2210270779AS265812



  
**Hussain Farhad & Co.**  
Chartered Accountants



**BSRM STEELS LIMITED**  
**Statement of Changes in Equity**  
**For the year ended 30 June 2022**

	<b>Amount in Taka</b>				
Particulars	Share Capital	Fair Value Reserve	Revaluation Reserve	Retained Earnings	Total Equity
<b>Balance as at 01 July 2020</b>	<b>3,759,525,000</b>	-	<b>7,927,976,273</b>	<b>9,681,036,891</b>	<b>21,368,538,164</b>
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)
<b>Balance as at 30 June 2021</b>	<b>3,759,525,000</b>	<b>1,329,120,000</b>	<b>7,915,259,084</b>	<b>10,447,946,298</b>	<b>23,451,850,382</b>
<b>Balance as at 01 July 2021</b>	<b>3,759,525,000</b>	<b>1,329,120,000</b>	<b>7,915,259,084</b>	<b>10,447,946,298</b>	<b>23,451,850,382</b>
Net profit after tax for the year ended 30 June 2022	-	-	-	3,278,499,010	3,278,499,010
Fair value reserve on financial asset	-	329,184,000	-	-	329,184,000
Transfer against difference in depreciation between cost and revalued amount	-	-	(12,081,330)	15,588,813	3,507,483
Final cash dividend 2021	-	-	-	(1,127,857,500)	(1,127,857,500)
<b>Balance as at 30 June 2022</b>	<b>3,759,525,000</b>	<b>1,658,304,000</b>	<b>7,903,177,754</b>	<b>12,614,176,621</b>	<b>25,935,183,375</b>



**BSRM STEELS LIMITED**  
**Statement of Cash Flows**  
**For the year ended 30 June 2022**

		01 July 2021 to 30 June 2022	01 July 2020 to 30 June 2021
	Note(s)	Taka	Taka
<b>A. Operating activities</b>			
Receipts from customers against sales		66,726,319,890	55,673,484,864
Cash Paid to suppliers, operating and other expenses		(61,983,832,707)	(46,441,077,618)
Payment of interest-net		384,476,326	(317,623,683)
Income tax paid		(1,133,616,401)	(1,069,136,572)
<b>Net cash generated by operating activities</b>	40	<b>3,993,347,108</b>	<b>7,845,646,991</b>
<b>B. Investing activities</b>			
Acquisition of property, plant and equipment		(145,402,119)	(131,468,998)
Acquisition of Intangible asset		(29,502,832)	-
Addition of capital work-in-progress		(1,949,850,297)	(312,342,975)
Proceeds from sale of property, plant and equipment		11,292,500	21,783,520
Increase in short term investments		(564,703,687)	(1,224,534,451)
Dividend Received		115,199,999	-
<b>Net cash used in investing activities</b>		<b>(2,562,966,436)</b>	<b>(1,646,562,904)</b>
<b>C. Financing activities</b>			
Dividend paid		(1,144,894,146)	(938,496,983)
Re-payment of long term loan		(1,898,662,358)	(1,272,312,760)
Received from/paid against short term loan		(3,476,800,736)	6,181,001,984
Loan received from /(paid to) affiliated companies		(2,392,037,611)	5,302,432,942
<b>Net cash provided by /(used in) financing activities</b>		<b>(8,912,394,851)</b>	<b>9,272,625,183</b>
<b>D. Net increase in cash and cash equivalent (A+B+C)</b>		<b>(7,482,014,179)</b>	<b>15,471,709,270</b>
<b>E. Opening cash and cash equivalents</b>		<b>16,417,265,525</b>	<b>945,892,317</b>
<b>F. Effect of foreign exchange rate changes on cash and cash equivalents</b>		<b>23,834,399</b>	<b>(336,062)</b>
<b>Closing cash and cash equivalent (D+E+F)</b>		<b>8,959,085,745</b>	<b>16,417,265,525</b>
<b>Net operating cash flows (NOCF) per share</b>	38	<b>10.62</b>	<b>20.87</b>





**BSRM STEELS LIMITED**  
**Notes to the Financial Statements**  
**As at and for the year ended 30 June 2022**

**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 2020 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 2020.

**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 2022
- b) A statement of profit or loss and other comprehensive income for the year ended 30 June 2022
- c) A statement of changes in equity for the year ended 30 June 2022
- d) A statement of cash flows for the year ended 30 June 2022
- 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
- D. The Value Added Tax and Supplementary Duty Rule, 2016
- E. The Securities and Exchange Ordinance, 1969
- F. The Securities and Exchange Rules, 2020
- 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 assets	Note: 5
Intangible assets	Note: 6
Inventories	Note: 9
Trade and other receivables	Note: 10
Defined benefit obligations - gratuity	Note: 17
Deferred tax liabilities	Note: 18
Liabilities for expenses	Note: 21
Provision for income tax	Note: 22
Contingent liabilities	Note: 41

#### 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 2022 have been authorized for issue by the Board of Directors on 27 October 2022.

#### 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 2022 are consistent with those policies and methods applied in preparing the financial statements for the year ended 30 June 2021.

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

**3.01 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:

Its 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.

<b>Asset Category</b>	<b>Useful Lives</b>
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.

### **3.02 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.

### **3.03 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.

At the derecognition of a lease, the right-of-use asset and associated lease liability are removed from the books of the lessee. The difference between the two amounts is accounted for as a profit or loss at that time.

### 3.04 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 and other 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

### 3.05 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.





### 3.06 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.

### 3.07 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.

### 3.08 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.

### 3.09 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.

### 3.10 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.

### 3.11 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.



### 3.12 Foreign currency

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

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

### 3.13 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.

### 3.14 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.

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

### 3.15 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 2022</u>	<u>30 June 2021</u>
Interest bearing loan	6,869,703,217	8,567,449,502
Short term loan	42,168,899,852	32,836,067,730
Less: Cash and Cash equivalents	(8,959,085,745)	(16,417,265,525)
<b>Net Debt</b>	<b>40,079,517,324</b>	<b>24,986,251,707</b>
 <b>Total Capital</b>	 <b>25,935,183,375</b>	 <b>23,451,850,382</b>
<b>Capital and net debt</b>	<b>66,014,700,699</b>	<b>48,438,102,089</b>
<b>Gearing Ratio</b>	<b>60.71%</b>	<b>51.58%</b>

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

### 3.16 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.

### 3.17 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
<b>COST</b>									
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
At 01 July 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
Additions during the year	80,766,198	140,402,547	13,402,152	456,084	1,650,691	2,982,916	2,498,402	23,088,279	265,247,269
Disposals	-	-	(19,978,574)	-	-	-	-	(816,290)	(20,794,864)
At 30 June, 2022	9,773,425,765	12,395,196,730	173,106,257	5,972,834,729	98,415,036	171,243,019	673,611,208	96,058,635	29,353,891,379
<b>DEPRECIATION</b>									
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
At 01 July 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
Charge during the year	-	709,351,757	15,332,761	278,276,910	8,687,919	16,143,170	33,765,786	7,680,197	1,069,238,500
Disposals	-	-	(18,111,986)	-	-	-	-	(699,895)	(18,811,881)
At 30 June 2022	-	5,039,583,899	125,945,457	1,582,904,912	87,646,323	145,089,112	119,319,864	64,615,126	7,165,104,693
<b>CARRYING AMOUNT</b>									
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
At 30 June 2022	9,773,425,765	7,355,612,831	47,160,800	4,389,929,817	10,768,713	26,153,907	554,291,344	31,443,509	22,188,786,686



Allocation of Depreciation:	Note	01 July 2021 to 30 June 2022	01 July 2020 to 30 June 2021
Cost of sales	28.04	1,016,720,405	1,019,859,105
Selling & distribution expenses	29.00	29,917,544	33,524,438
Administrative expenses	30.00	22,600,551	22,670,028
		<b>1,069,238,500</b>	<b>1,076,053,571</b>



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
<b>COST</b>									
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
At 01 July 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
Additions during the year	80,766,198	140,402,547	13,402,152	456,084	1,650,691	2,982,916	2,498,402	23,088,279	265,247,269
Disposals	-	-	(19,978,574)	-	-	-	-	(816,290)	(20,794,864)
At 30 June, 2022	1,820,519,825	12,395,196,730	173,106,256	5,616,524,717	98,415,035	171,243,019	673,611,209	96,058,635	21,044,675,426
<b>DEPRECIATION</b>									
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
At 01 July 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
Charge during the year	-	709,351,757	15,332,761	262,688,097	8,687,919	16,143,170	33,765,786	7,680,197	1,053,649,687
Disposals	-	-	(18,111,986)	-	-	-	-	(699,895)	(18,811,881)
At 30 June 2022	-	5,039,583,899	125,945,457	1,516,486,624	87,646,323	145,089,112	119,319,864	64,615,126	7,098,686,406
<b>CARRYING AMOUNT</b>									
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
At 30 June 2022	1,820,519,825	7,355,612,831	47,160,799	4,100,038,093	10,768,712	26,153,906	554,291,345	31,443,509	13,945,989,020





**5.00 Lease - Right of Use Assets**

**5.01 As a Lessee**

**5.01.01 Right of Use Assets**

**Particulars**

**Amount in Taka**

	Land	Warehouse	House	Total
<b>At 01 July 2020</b>	<b>124,356,208</b>	<b>45,706,287</b>	<b>31,279,203</b>	<b>201,341,698</b>
Additions during the year	22,965,894	4,875,155	35,414,633	63,255,682
Disposals/adjustment during the year	-	-	-	-
<b>At 30 June 2021</b>	<b>147,322,102</b>	<b>50,581,442</b>	<b>66,693,836</b>	<b>264,597,380</b>
<b>At 01 July 2021</b>	<b>147,322,102</b>	<b>50,581,442</b>	<b>66,693,836</b>	<b>264,597,380</b>
Additions during the year	231,750,146	39,848,251	-	271,598,397
Disposals/adjustment during the year	(135,558,230)	(40,942,305)	(13,944,580)	(190,445,115)
<b>At 30 June, 2022</b>	<b>243,514,018</b>	<b>49,487,388</b>	<b>52,749,256</b>	<b>345,750,662</b>
<b>AMORTISATION</b>				
<b>At 01 July 2020</b>	<b>46,344,933</b>	<b>10,646,405</b>	<b>12,853,291</b>	<b>69,844,629</b>
Charge during the year	46,753,536	10,569,427	12,881,660	70,204,623
Disposals/adjustment during the year	-	-	-	-
<b>At 30 June 2021</b>	<b>93,098,469</b>	<b>21,215,832</b>	<b>25,734,951</b>	<b>140,049,252</b>
<b>At 01 July 2021</b>	<b>93,098,469</b>	<b>21,215,832</b>	<b>25,734,951</b>	<b>140,049,252</b>
Charge during the year	53,679,037	11,306,246	11,423,258	76,408,541
Disposals/adjustment during the year	(111,063,748)	(17,943,174)	(9,601,466)	(138,608,388)
<b>At 30 June 2022</b>	<b>35,713,758</b>	<b>14,578,904</b>	<b>27,556,743</b>	<b>77,849,405</b>
<b>CARRYING AMOUNT</b>				
<b>At 30 June 2021</b>	<b>54,223,633</b>	<b>29,365,610</b>	<b>40,958,885</b>	<b>124,548,128</b>
<b>At 30 June 2022</b>	<b>207,800,260</b>	<b>34,908,484</b>	<b>25,192,513</b>	<b>267,901,257</b>

**5.01.02 Lease liabilities**

	30 June 2022	30 June 2021
Opening balance	131,736,154	137,061,753
Lease obligations	271,598,397	63,255,682
Less: Derecognition of lease	(50,043,407)	-
Less: Paid during the year	(73,273,610)	(68,581,281)
<b>Lease Liabilities</b>	<b>280,017,534</b>	<b>131,736,154</b>

**5.01.03 Lease Liabilities- Maturity analysis**

Lease liabilities - non-current portion	203,801,486	80,169,166
Lease liabilities - current portion	76,216,048	51,566,988
	<b>280,017,534</b>	<b>131,736,154</b>

**5.01.04 Amounts recognised in profit or loss**

Interest on lease liabilities	18,098,609	12,392,673
Loss on derecognition of lease	1,793,320	-
	<b>19,891,929</b>	<b>12,392,673</b>

**5.01.05 Amount recognised in the statements of cash flows**

Principal paid on lease liabilities	73,273,610	68,581,281
Interest paid on lease liabilities	18,098,609	12,392,673
	<b>91,372,219</b>	<b>80,973,954</b>

**5.01.06 Allocation of Depreciation of ROU Asset:**

	Note	30 June 2022	30 June 2021
Cost of sales	28.04	63,126,231	52,961,342
Selling & distribution expenses	29.00	3,622,786	6,284,691
Administrative expenses	30.00	9,659,524	10,958,590
		<b>76,408,541</b>	<b>70,204,623</b>

**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 Twenty Five (25) and Tenure of lease agreements were 2 to 10 years.

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





		30 June 2022	30 June 2021
	Note(s)	Taka	Taka
<b>6.00 Intangible asset</b>			
Computer Software	6.01	57,054,182	34,670,320
Trade Mark	6.02	67,944	74,209
		<b>57,122,126</b>	<b>34,744,529</b>
<b>6.01 Computer Software</b>			
Cost			
Opening balance		68,731,131	68,731,131
Additions during the year		29,502,832	-
Less: Adjustments		-	-
Closing balance		<b>98,233,963</b>	<b>68,731,131</b>
Amortisation			
Opening balance		34,060,811	27,187,698
Less: Adjustments		-	-
Add: Charged during the year		7,118,970	6,873,113
Closing balance		<b>41,179,781</b>	<b>34,060,811</b>
Net Book Value		<b>57,054,182</b>	<b>34,670,320</b>
<b>6.02 Trade Mark</b>			
Cost			
Opening balance		125,300	125,300
Add: Addition during the year		-	-
Closing balance		<b>125,300</b>	<b>125,300</b>
Amortisation			
Opening balance		51,091	44,826
Add: Charged during the year		6,265	6,265
Closing balance		<b>57,356</b>	<b>51,091</b>
Net Book Value		<b>67,944</b>	<b>74,209</b>

<b>7.00 Capital work-in-progress</b>			
Opening balance		42,648,231	24,166,519
Add: Additions during the year	7.01	1,241,989,057	142,079,653
		1,284,637,288	166,246,172
Less: Capitalized during the year		(119,845,150)	(123,597,941)
		<b>1,164,792,138</b>	<b>42,648,231</b>

**7.01 Details of Capital work-in -progress**

Particulars	Opening Balance	Additions	Capitalized during the year	Closing Balance
Civil Construction	2,032,834	891,213,380	-	893,246,214
Plant and Machineries	15,488,432	345,100,895	(90,049,585)	270,539,742
Software	24,834,232	5,409,056	(29,502,832)	740,456
Other	292,733	265,726	(292,733)	265,726
	<b>42,648,231</b>	<b>1,241,989,057</b>	<b>(119,845,150)</b>	<b>1,164,792,138</b>

These costs include costs incurred initially to construct/ install property, plant and equipment (PPE). Construction/ installation costs are transferred to PPE when the construction/ installation is completed and ready for intended use.

	30 June 2022	30 June 2021
	Taka	Taka
<b>8.00 Financial Asset - at fair value</b>		
Investment in Bangladesh Steel Re-Rolling Mills Limited	2,842,560,000	2,476,800,000
	<b>2,842,560,000</b>	<b>2,476,800,000</b>

Under the amalgamation of BSRM Steel Mills Limited (BSML) with Bangladesh Steel 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 2022 was Tk. 98.70 (2021: Tk 86) and accordingly market value of BSRML's 28,800,000 comes to Tk 2,842,560,000 (2021: Tk 2,476,800,000).

		30 June 2022	30 June 2021
	Note(s)	Taka	Taka
<b>9.00 Inventories</b>			
Raw materials	9.01	16,403,414,019	8,434,947,680
Finished goods	9.02	8,300,888,103	3,314,184,745
Store and Spares	9.03	1,990,468,716	1,876,499,363
Fuel and Lubricants		22,764,218	21,368,337
		<b>26,717,535,056</b>	<b>13,647,000,125</b>





		30 June 2022	30 June 2021
	Note(s)	Taka	Taka
<b>9.01 Raw Materials</b>			
Raw Materials-MS Scrap		14,952,678,426	7,622,862,050
Raw Materials-Billets		1,168,552,213	576,188,313
Raw Materials-Packing Materials		13,359,853	11,455,069
Raw Materials-Direct Consumables		268,823,527	224,442,248
		<b>16,403,414,019</b>	<b>8,434,947,680</b>
<b>9.02 Finished Goods</b>			
Finished Goods-Rod		5,385,028,120	2,870,904,910
Finished Goods-Billets		2,915,859,983	443,279,835
		<b>8,300,888,103</b>	<b>3,314,184,745</b>
<b>9.03 Stores and Spares</b>			
Mechanical stores		941,504,012	1,049,366,851
M.S. Roll		23,308,400	15,168,315
Electrical stores		440,361,800	479,241,862
General stores		25,191,697	23,130,267
Civil stores		73,660,918	59,714,614
Others		486,441,889	249,877,454
		<b>1,990,468,716</b>	<b>1,876,499,363</b>
<b>10.00 Trade and Other Receivables</b>			
Trade Receivables	10.01	6,942,456,697	7,332,330,616
Other Receivables	10.02	200,369,490	371,564,807
		<b>7,142,826,187</b>	<b>7,703,895,423</b>
<b>10.01 Trade Receivables</b>			
Bangladesh Steel Re-Rolling Mills Limited		-	2,070,365
BSRM Wires Limited		-	257,045
BSRM Logistic Limited		-	25,000
Chittagong Power Company Limited		-	204,000
Other customers		6,957,820,894	7,330,395,983
		<b>6,957,820,894</b>	<b>7,332,952,393</b>
Less: Allowance for expected credit loss		(15,364,197)	(621,777)
		<b>6,942,456,697</b>	<b>7,332,330,616</b>
<b>10.02 Other Receivables</b>			
Interest Receivables		45,381,403	216,576,720
DEDO and Other Receivables		154,988,087	154,988,087
		<b>200,369,490</b>	<b>371,564,807</b>
<b>10.03 Ageing of Trade receivables</b>			
Due within 90 days		5,898,947,668	6,193,771,812
Due within 91 to 180 days		346,006,127	368,719,075
Due above 181 days		712,867,099	770,461,506
		<b>6,957,820,894</b>	<b>7,332,952,393</b>

The directors consider that above receivables are recoverable in cash and accordingly that no provision against those are required at this stage.

<b>11.00 Due from related companies</b>			
Bangladesh Steel Re-Rolling Mills Limited		2,283,872,672	-
Chittagong Power Company Limited		1,006,312,234	806,425,234
BSRM Logistics Limited		37,695,789	73,723,594
BSRM Ispat Limited		193,807,942	192,375,942
H. Akberali & Co. Limited		-	942,625,968
BSRM Wires Limited		1,576,730,056	691,230,344
		<b>5,098,418,693</b>	<b>2,706,381,082</b>

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

		30 June 2022	30 June 2021
	Note(s)	Taka	Taka
<b>12.00 Advances, deposits and prepayments</b>			
Advances	12.01	4,498,360,823	3,823,515,667
Deposits	12.02	78,804,787	82,890,087
Prepayments	12.03	15,718,480	20,087,674
		<b>4,592,884,090</b>	<b>3,926,493,428</b>





		30 June 2022	30 June 2021
	Note(s)	Taka	Taka
<b>12.01 Advances</b>			
Advance against expenses		63,350,572	91,909,531
Advance against L/C		50,398,093	46,550,694
Advance against non-current asset		454,038,751	229,694,267
Advance against land		21,267,000	26,383,113
Advance for house rent		1,734,068	2,306,941
Advance for purchase of spare parts and other materials		693,248,641	161,359,416
Advance Income tax		1,922,087,825	1,891,029,543
Advance Tax (VAT)		-	492,307
Bank guarantee margin		7,023,647	7,534,141
LC Margin		56,543,468	50,727,929
Staff loan		12,141,667	3,320,000
Trade VAT account (Godown)		12,864	12,864
VAT current account		1,216,514,227	1,312,194,921
		<b>4,498,360,823</b>	<b>3,823,515,667</b>

#### 12.02 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
Bangladesh Power Development Board	24,710,120	24,710,120
BOC Bangladesh Limited	16,000	16,000
Brothers Proukosoli Workshop	480,000	480,000
Central Depository Bangladesh Limited	500,000	500,000
Chittagong WASA	200,000	200,000
Chittagong Club Limited	90,000	90,000
Chittagong Port Authority	-	4,100,300
Cma Cgm Bangladesh Shipping Ltd	1,060,000	1,060,000
GBX Logistics Ltd	1,205,000	1,205,000
Karnaphuli Gas Distribution Co. Limited	44,123,157	44,108,157
Linde Bangladesh Ltd	2,392,000	2,392,000
Maersk Bangladesh Limited	1,162,447	1,162,447
Others	488,400	488,400
	<b>78,804,787</b>	<b>82,890,087</b>

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.

#### 12.03 Prepayments

BSTI License fees	-	1,723,807
Insurance	15,718,480	18,363,867
	<b>15,718,480</b>	<b>20,087,674</b>

#### 13.00 Short Term Investment

Investments in Fixed Deposit Receipts	13.01	2,874,744,862	2,310,041,175
		<b>2,874,744,862</b>	<b>2,310,041,175</b>

#### 13.01 Investments in Fixed Deposit Receipts

Name of banks	Purpose	Period	Rate of interest		
AB Bank Limited	L/C Margin	6 Months	3%	2,525,125	-
Agrani Bank Limited	L/C Margin & Investments	3 months	5%-5.50%	45,180,937	68,942,534
Al-Arafah Islami Bank Limited	L/C Margin	3 months	5%	19,742,292	19,111,377
Bank Asia Limited	L/C Margin	3 months	3.50%	63,603,995	61,668,987
Commercial Bank of Ceylon PLC	L/C Margin	1 year	3.30%	23,068,694	22,418,834
Dhaka Bank Limited	L/C Margin	6 Months to 1 Year	1%-4%	160,472,962	129,154,970
Dutch Bangla Bank Limited	L/C Margin	3 months	2%-5%	60,628,806	74,649,983
Habib Bank Limited	L/C Margin	6 Months	5.00%	319,586,564	306,438,174
IDLC Finance Limited	L/C Margin & Investments	3 Months to 1 Year	2-6%	256,710,000	303,382,167
IFIC Bank Limited	L/C Margin	6 Months to 1 Year	5.50-9%	57,219,976	84,719,208
IPDC Bangladesh Limited	L/C Margin & Investments	6 Months to 1 Year	3-5%	256,766,250	305,635,528
Jamuna Bank Limited	L/C Margin & Investments	3 months to 1 Year	2%-4%	74,299,714	41,693,802
Lanka Bangla Finance & Investment Ltd	Investment	1 Year	8%		3,178,965





Name of banks	Purpose	Period	Rate of interest	30 June 2022	30 June 2021
				Taka	Taka
Mercantile Bank Limited	L/C Margin & Investments	6 Months to 1 Year	2-6%	194,697,588	140,708,399
National Bank Limited	L/C Margin	3 months	1-5%	32,882,816	24,650,262
NCC Bank Limited	L/C Margin	3 months	3.75%	32,456,953	71,868,503
One Bank Limited	L/C Margin	3 to 6 months	7.00%	2,666,407	3,869,687
Prime Bank Limited	Investments	6 Months	2.50%	6,000,000	-
Shahjalal Islami Bank Limited	L/C Margin	3 months	2-5%	102,009,995	84,710,488
Standard Chartered Bank	L/C Margin	1 year	3.50%	-	233,657,155
The City Bank Limited	L/C Margin	6 months	2-8%	1,026,111,963	204,797,578
Trust Bank Limited	L/C Margin	3 Months to 6 months	1.50-6%	33,542,420	43,373,060
United Commercial Bank Limited	L/C Margin	3 Months to 1 Year	3.75-4%	58,251,572	31,887,480
Uttara Bank Limited	L/C Margin	3 months	4.25-8.50%	46,319,833	49,524,034
				<b>2,874,744,862</b>	<b>2,310,041,175</b>

	Note(s)	30 June 2022	30 June 2021
		Taka	Taka
<b>14.00 Cash &amp; Cash Equivalents</b>			
Cash in Hand	14.01	4,383,795	12,517,771
Cash at Banks	14.02	1,502,774,140	2,809,693,692
Fixed Deposit Receipts	14.03	7,451,927,810	13,595,054,062
		<b>8,959,085,745</b>	<b>16,417,265,525</b>

#### 14.01 Cash in Hand

Head Office	153,044	127,339
Dhaka Office	90,495	232,325
Fouzderhat Factory	1,200,000	4,000,000
Mirasarai Factory	115,256	3,106,854
Byzid Factory (BISCO)	1,100,000	3,100,000
Barishal Office	200,000	201,941
Baroaulia Office	200,000	213,769
Benapole Warehouse Office	100,000	100,816
Bhatiary Shipyard	20,000	19,999
Bogra Office	200,000	246,564
Comilla Office	65,000	65,000
Cox's Bazar Office	20,000	20,000
Gazipur Office	50,000	50,000
Jungal Office	200,000	237,173
Khulna Office	150,000	150,000
Khulna warehouse Office	100,000	221,607
Mymensingh Office	100,000	104,384
Noakhali Office	50,000	50,000
Rangpur Office	170,000	170,000
Sylhet Office	100,000	100,000
	<b>4,383,795</b>	<b>12,517,771</b>

#### 14.02 Cash at Banks

Name of the Banks	Branches	Account Types	Currency		
AB Bank Limited	Agrabad	Cash Credit	BDT	-	2,580,949
AB Bank Limited	Agrabad	Current Deposit	USD	44,580,029	92,647,864
Agrani Bank Limited	Laldighi East	Current Deposit	BDT	4,015,059	15,526,513
Al-Arafah Islami Bank Limited	Agrabad	Current Deposit	BDT	12,851,442	10,693,853
Bank Al Falah Limited	Agrabad	Cash Credit	BDT	825,000	99,853,708
Bank Asia Limited	Agrabad	Current Deposit	BDT	6,791,828	8,079,619
BASIC Bank Limited	Dewanhat	Current Deposit	BDT	1,726,850	56,187,050
BRAC Bank Limited	Agrabad	Overdraft	BDT	9,715,899	7,074,228
BRAC Bank Limited	Agrabad	Overdraft	BDT	3,238,855	6,460,201
BRAC Bank Limited	Agrabad	Current Deposit	USD	15,320,835	6,038,712
Commercial Bank of Ceylon PLC	Agrabad	Current Deposit	BDT	1,575,854	390,685
Dhaka Bank Limited	Jubilee Road	Current Deposit	BDT	553,825	97,328,002
Dutch Bangla Bank Limited	Agrabad	Overdraft	BDT	-	3,030,517
Dutch Bangla Bank Limited	Jubilee Road	Current Deposit	BDT	3,066,193	15,736,242
Eastern Bank Limited	Agrabad	Current Deposit	BDT	-	611,658,168
Eastern Bank Limited	Agrabad	Escrow	BDT	39,862	43,553
Eastern Bank Limited	Agrabad	Escrow	USD	162,581	5,588,718
Eastern Bank Limited	Agrabad Branch	High Performance	BDT	1,178,105,117	-





Name of the Banks	Branches	Account Types	Currency	30 June 2022	30 June 2021
				Taka	Taka
EXIM Bank Limited	Jubilee Road	Current Deposit	BDT	8,188,043	9,442,451
First Security Islami Bank Limited	Sadarghat	Current Deposit	BDT	15,304,863	11,477,156
Habib Bank Limited	Chattogram	Current Deposit	BDT	4,274,665	10,569,902
HSBC	Agrabad	Current Deposit	BDT	(81,579,993)	7,567,837
HSBC	Agrabad	Current Deposit	USD	39,638	33,642
HSBC (Dividend)	Agrabad	Current Deposit	BDT	2,508,876	14,103,529
IFIC Bank Limited	Agrabad	Current Deposit	BDT	118,440	94,976,095
Islami Bank Bangladesh Limited	Jubilee Road	Current Deposit	BDT	27,836,602	29,497,195
Jamuna Bank Limited	Khatunganj	Current Deposit	BDT	728,420	276,952
Janata Bank Limited	Laldighi East	Cash Credit	BDT	-	128,553
Janata Bank Limited	Laldighi East	Current Deposit	BDT	196,446	1,274
Meghna Bank Limited	Agrabad	Current Deposit	BDT	186,910	1,252,414
Mercantile Bank Limited	Jubilee Road	Current Deposit	BDT	95,868	15,600,850
Modhumoti Bank Limited	Agrabad	Current Deposit	BDT	55,179	144,687
Mutual Trust Bank Limited	CDA Avenue	Current Deposit	BDT	10,459,454	14,395,860
National Bank Limited	Jubilee Road	Current Deposit	BDT	6,413,154	8,275,445
NCC Bank Limited	Agrabad	Current Deposit	BDT	47,862	11,368
NCC Bank Limited	Agrabad	Current Deposit	USD	3,116,438	4,491,632
NCC Bank Limited	Barayarhat	Current Deposit	BDT	63,156	6,216
NRB Bank Limited	Agrabad	Overdraft	BDT	-	102
NRB Bank Limited	Agrabad	Current Deposit	BDT	3,241,865	751,147
NRB Commercial Bank Limited	Agrabad Branch	Current Deposit	BDT	1,908	-
One Bank Limited	Agrabad	Current Deposit	BDT	400,383	203,199,573
Premier Bank Limited	Agrabad	SOD	BDT	-	703
Premier Bank Limited	Agrabad	Cash Credit	BDT	-	14,728
Premier Bank Limited	Agrabad	Current Deposit	BDT	25,464	2,607,639
Prime Bank Limited	O.R Nizam Road	Current Deposit	BDT	13,361,699	(1,987,126)
Prime Bank Limited	Agrabad Branch	Current Deposit	BDT	369,913	-
Pubali Bank Limited	Agrabad	Overdraft	BDT	-	125,570,023
Rupali Bank Limited	Corporate Branch	Current Deposit	BDT	1,020,532	(257,209)
SBAC Bank Limited	Agrabad	Current Deposit	BDT	69,843	21,425
Shahjalal Islami Bank Limited	Jubilee Road	Current Deposit	BDT	2,555,828	2,397,685
Social Islami Bank Limited	Jubilee Road	Current Deposit	BDT	3,058,767	1,049,936
Sonali Bank Limited	Kalibari	Current Deposit	BDT	-	89,034,320
Sonali Bank Limited	Laldighi	Current Deposit	BDT	79,898	6,989
SBAC Bank Limited	Agrabad	Overdraft	BDT	-	2,252,464
South East Bank Limited	Pahartali	Current Deposit	BDT	5,323,715	7,416,561
Standard Bank Limited	Agrabad	Current Deposit	BDT	705,945	893,881
Standard Chartered Bank	Agrabad	Current Deposit	BDT	(33,156,975)	(8,641,727)
Standard Chartered Bank	Agrabad	Current Deposit	BDT	111,991	43,784
State Bank of India	Chittagong	Current Deposit	BDT	33,587	9,339,498
The City Bank Limited	Agrabad	Current Deposit	BDT	50,261,036	509,425,728
The City Bank Limited	Agrabad	Current Deposit	BDT	4,549,036	-
The City Bank Limited	VIP Road	Current Deposit	BDT	1,643,381	475,974
The City Bank Limited	Agrabad	Current Deposit	USD	156,691,593	336,926,325
Trust Bank Limited	CDA Avenue	Current Deposit	BDT	10,981	9,835,954
United Commercial Bank Limited	Jubilee Road	Current Deposit	BDT	5,759,639	244,979,172
United Commercial Bank Limited (BISC)	Jubilee Road	Current Deposit	BDT	140	1,100,290
Uttara Bank Limited	Agrabad	Current Deposit	BDT	87,632	12,064,213
Uttara Bank Limited	Agrabad	Current Deposit	BDT	5,943,089	-
				<b>1,502,774,140</b>	<b>2,809,693,692</b>

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

#### 14.03 Fixed Deposit Receipts

Name of banks	Purpose	Period	Rate of interest	30 June 2022	30 June 2021
				Taka	Taka
Agrani Bank Limited	Investment	3 months	5% to 5.75%	397,974,832	5,516,171,875
Eastern Bank Limited	Investment	3 months	8%	407,232,400	-
IDLC Finance Limited	Investment	3 months	5.73%	315,436,876	-
IFIC Bank Limited	Investment	3 months	6%	78,444,900	-
IPDC of Bangladesh Limited	Investment	3 months	5.75%	315,591,286	-
Jamuna Bank Limited	Investment	3 months	2.7% to 3%	40,678,441	-
Meghna Bank Limited	Investment	3 months	6.50%	14,000,000	-
Mercantile Bank Limited	Investment	3 months	4.50%	35,147,685	-
Rupali Bank Limited	Investment	3 months	5.30%	4,007,604,842	4,265,946,875
Shahjalal Islami Bank Ltd	Investment	3 months	4.00%	1,584,130	-
Sonali Bank Limited	Investment	3 months	5.50%	1,838,232,418	3,562,935,312
Uttara Bank Limited	Investment	3 months	5.25%	-	250,000,000
				<b>7,451,927,810</b>	<b>13,595,054,062</b>





		30 June 2022	30 June 2021
		Taka	Taka
<b>15.00 Share Capital</b>			
<b>15.01 Authorized capital</b>			
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
		<b>5,000,000,000</b>	<b>5,000,000,000</b>
<b>15.02 Issued, subscribed and paid-up capital</b>			
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
		<b>3,759,525,000</b>	<b>3,759,525,000</b>
<b>15.03 Classification of shares by holding:</b>			
<b>Class by number of shares</b>	<b>No. of Holders</b>	<b>No. of Shares</b>	<b>Holding (%)</b>
Less than 500	4,053	501,689	0.13%
From 501 to 5000	4,371	7,417,278	1.97%
From 5,001 to 10,000	382	3,345,164	0.89%
From 10,001 to 20,000	227	4,125,886	1.10%
From 20,001 to 30,000	77	2,136,065	0.57%
From 30,001 to 40,000	40	1,871,061	0.50%
From 40,001 to 50,000	33	2,015,660	0.54%
From 50,001 to 100,000	58	5,141,168	1.37%
From 100,001 to 1,000,000	94	24,436,278	6.50%
From 10,000,001 to above	30	324,962,251	86.44%
	<b>9,365</b>	<b>375,952,500</b>	<b>100%</b>
<b>15.04 Shareholding Position</b>			
<b>Name of shareholders</b>	<b>30 June 2022</b>	<b>30 June 2021</b>	
	<b>Percentage of holdings</b>	<b>Percentage of holdings</b>	<b>No. of Shares</b>
Sponsor Shareholders	16.85%	16.85%	63,351,162
Foreign Shareholders	0.39%	0.39%	1,480,777
Other Shareholders (Related Parties)	55.21%	53.68%	201,804,671
Other Shareholders (General)	27.55%	29.08%	109,315,861
	<b>100%</b>	<b>100%</b>	<b>375,952,500</b>
<b>16.00 Long term loans</b>	<b>Note(s)</b>	<b>30 June 2022</b>	<b>30 June 2021</b>
		Taka	Taka
Prime Bank Limited	16.06	-	29,678,643
Eastern Bank Limited- Syndicate term loan	16.04	4,771,847,577	5,530,333,884
IDLC Finance Limited	16.05	12,445,384	83,538,588
Standard Chartered Bank - Syndicate term loan	16.07	2,085,410,256	2,923,898,387
		<b>6,869,703,217</b>	<b>8,567,449,502</b>
<b>16.01 Long term loans-Maturity analysis</b>			
Due within one year-Current portion	16.02	1,873,945,551	1,886,837,159
Due after more than one year-Non-current portion	16.03	4,995,757,666	6,680,612,343
		<b>6,869,703,217</b>	<b>8,567,449,502</b>
<b>16.02 Long term loans - Current portion</b>			
Eastern Bank Limited- Syndicate term loan		1,025,500,167	959,222,359
IDLC Finance Limited		12,445,384	71,110,805
Prime Bank Limited		-	20,503,995
Standard Chartered Bank -Syndicate term loan		836,000,000	836,000,000
		<b>1,873,945,551</b>	<b>1,886,837,159</b>
<b>16.03 Long term loans - Non-current portion</b>			
Eastern Bank Limited- Syndicate term loan		3,746,347,410	4,571,111,525
IDLC Finance Limited		-	12,427,783
Prime Bank Limited		-	9,174,648
Standard Chartered Bank -Syndicate term loan		1,249,410,256	2,087,898,387
		<b>4,995,757,666</b>	<b>6,680,612,343</b>





#### 16.04 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:**

- i. Registered Mortgage over the project land measuring 9.6 acres and all civil construction thereon supported by registered General power of Attorney.
- ii. Fixed and floating charge over machinery, plant and equipment.
- iii. 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.
- iv. Corporate guarantee of the sister concerns of H. Akberali & Co. Limited.
- v. Implementation guarantee from the Sponsors.
- vi. 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.

#### 16.05 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.





#### 16.06 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.

#### 16.07 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 7.50% 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.

#### 17.00 Defined benefit obligations - Gratuity

Opening balance

Add: Current service cost

Less: Payment made during the year

Closing balance

30 June 2022	30 June 2021
Taka	Taka
231,003,711	199,570,002
53,118,210	39,093,655
(43,892,534)	(7,659,946)
<u>240,229,387</u>	<u>231,003,711</u>

Defined benefit obligations - Gratuity has been approved by National Board of Revenue (NBR). Subsequently Tk. 53,118,210 has been paid to employee gratuity fund thereof on 28 September 2022.





**18.00 Deferred Tax Liabilities**

Opening balance

**Provided during the year**

Taxable/(deductible) temporary difference of PPE and intangible asset (excluding land)

Deferred tax on ROU Asset

Effect of derecognition of investment in associate

Provision for doubtful debts

Provision for Gratuity

**Adjusted during the year**

Against impact on depreciation on revaluation reserve

Effect of derecognition on revalued portion of Associate

Deferred tax on fair value reserve

**Closing Balance**

30 June 2022	30 June 2021
Taka	Taka
1,799,731,748	2,112,334,257
(41,011,210)	(7,702,185)
(30,749,491)	(4,850,938)
-	(202,535,533)
(3,456,944)	-
(2,075,777)	(2,083,335)
<b>(77,293,422)</b>	<b>(217,171,991)</b>
(3,507,483)	(3,692,087)
-	(239,418,431)
36,576,000	147,680,000
<b>33,068,517</b>	<b>(95,430,518)</b>
<b>1,755,506,843</b>	<b>1,799,731,748</b>

**18.01 Reconciliation of deferred tax liabilities/ (assets)**

	Carrying amount	Tax base	Tax rate	Taxable/ (Deductible) temporary difference	Deferred tax liabilities/ (assets)
<b>As on 30 June 2022</b>	Taka	Taka	%	Taka	Taka
Property, plant and equipment (except land)	12,472,483,047	6,405,200,662	22.50%	6,067,282,385	1,365,138,537
Liability on Revaluation Surplus (Land)	9,773,425,765	1,820,519,825	3-4%	7,952,905,941	266,347,024
ROU Asset (Net)	(12,116,277)	-	22.50%	(12,116,277)	(2,726,162)
Provision for Gratuity	(238,206,272)	-	22.50%	(238,206,272)	(53,596,411)
Provision for doubtful debts	(15,364,197)	-	22.50%	(15,364,197)	(3,456,944)
Actuarial gain/(loss)	(2,023,115)	-	22.50%	(2,023,115)	(455,201)
Financial Asset at fair value	2,842,560,000	1,000,000,000	10.00%	1,842,560,000	184,256,000
<b>Total deferred tax liabilities</b>					<b>1,755,506,843</b>
<b>As on 30 June 2021</b>	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
<b>Total deferred tax liabilities</b>					<b>1,799,731,748</b>

**19.00 Trade Payables**

BSRM Steel Re-Rolling Mills Limited  
BSRM Logistics Limited  
Chittagong Power Company Limited  
Others

Note(s)	30 June 2022	30 June 2021
	Taka	Taka
	-	751,153,386
	1,182,069	19,727,194
	-	118,750
	239,133,119	137,267,187
	<b>240,315,188</b>	<b>908,266,517</b>

**20.00 Short Term Loans**

Loan against trust receipts (LATR)  
Time loans  
Demand loan  
Bank overdraft and cash credit  
Liability for accepted bills for payment  
Stimulus Loans

	30 June 2022	30 June 2021
	Taka	Taka
	338,324,066	-
	160,000,000	988,011,361
	402,803,769	1,241,825,361
	1,135,739,131	1,181,076,232
	39,601,196,261	26,791,563,403
	530,836,625	2,633,591,373
	<b>42,168,899,852</b>	<b>32,836,067,730</b>





	Note(s)	30 June 2022 Taka	30 June 2021 Taka
<b>20.01 Loan Against Trust Receipts (LATR)</b>			
Standard Bank Limited		338,324,066	-
		<b>338,324,066</b>	-
<b>20.02 Time Loans</b>			
IPDC Limited		-	502,211,361
Meghna Bank Limited		-	485,800,000
Commercial Bank of Ceylon plc		160,000,000	-
		<b>160,000,000</b>	<b>988,011,361</b>
<b>20.03 Demand Loans</b>			
BRAC Bank Limited		-	320,311,111
Commercial Bank of Ceylon plc		-	600,000,000
Eastern Bank Limited		402,803,769	-
HSBC		-	320,000,000
Standard Bank Limited		-	1,514,250
		<b>402,803,769</b>	<b>1,241,825,361</b>
<b>20.04 Bank overdraft and Cash Credit</b>			
AB Bank Limited		18,989,234	-
Agrani Bank Limited		56,628,105	1,071,717
Basic Bank Limited		62,773,106	55,627,416
Dhaka Bank Limited		26,221,677	426,254
Dutch Bangla Bank Limited		115,751,216	-
Janata Bank Limited		41,698,663	-
National Credit and Commerce Bank Limited		212,784,629	573,842,726
NRB Bank Limited		30,009,468	-
Premier Bank Limited		8,408,712	-
Pubali Bank Limited		70,278	-
Rupali Bank Limited		403,154,691	411,116,312
Standard Bank Limited		-	3,607,439
Sonali Bank Limited		25,119,668	-
South Bangla Agriculture & Commerce Bank Limited		16,008,014	-
State Bank of India		118,121,670	134,733,707
Uttara Bank Limited		-	650,661
		<b>1,135,739,131</b>	<b>1,181,076,232</b>
<b>20.05 Liability for accepted bills for payment (ABP)</b>			
AB Bank Limited		639,721,876	-
Agrani Bank Limited		634,780,399	1,161,296,343
Al-Arafah Islami Bank Limited		3,501,818,386	809,730,578
Bank Al-Falah Limited		214,319,734	11,431,611
Bank Asia Limited		1,520,271,316	345,499,252
BRAC Bank Limited		3,422,258,992	722,197,544
The City Bank Limited		773,867,101	2,617,100,093
Commercial Bank of Ceylon		915,660,133	557,045,817
Dhaka Bank Limited		1,539,032,702	2,260,136,818
Dutch Bangla Bank Limited		362,027,240	1,057,447,836
Eastern Bank Limited		1,029,006,509	1,692,061,673
HSBC		1,195,611,982	520,711,315
IFIC Bank Limited		3,164,459,110	1,296,981,217
Islami Bank Bangladesh Limited		1,965,042,601	-
Jamuna Bank Limited		1,947,171,596	644,477,078
Mercantile Bank Limited		2,111,362,780	1,021,867,118
Mutual Trust Bank Limited		1,421,043,289	13,498,369
National Bank Limited		792,847,172	428,021,432
NCC Bank Limited		744,032,597	690,704,236
One Bank Limited		639,178,937	782,619,628
Prime Bank Limited		640,469,135	1,030,960,074
Pubali Bank Limited		1,489,915,057	1,364,909,765
Rupali Bank Limited		827,929,323	454,460,630
Shahjalal Islami Bank Limited		2,988,149,727	2,600,793,546
Standard Chartered Bank		2,753,408,919	1,275,195,951
Trust Bank Limited		944,421,323	1,628,570,113
United Commercial Bank Limited		1,228,008,665	1,163,624,502
Uttara Bank Limited		195,379,660	640,220,864
		<b>39,601,196,261</b>	<b>26,791,563,403</b>





	30 June 2022	30 June 2021
	Taka	Taka
<b>20.06 Stimulus Loans</b>		
AB Bank Limited	-	227,822,574
Agrani Bank Limited	-	76,707,937
BASIC Bank Limited	-	136,471,147
BRAC Bank Limited	249,795,530	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
HSBC	150,000,000	-
Meghna Bank Limited	-	153,416,524
NCC Bank Limited	-	151,706,250
Prime Bank Limited	131,041,095	201,849,978
Rupali Bank Limited	-	379,266,435
South Bangla Agriculture & Commerce Limited	-	182,048,125
Standard Chartered Bank	-	655,500
United Commercial Bank Limited	-	151,420,263
	<b>530,836,625</b>	<b>2,633,591,373</b>

<b>21.00 Liabilities for expenses</b>		
Advertisement expenses	93,355,482	58,783,183
Carrying expenses	540,420,451	262,991,485
Domiciliary expenses	2,142,735	2,180,037
Liability against supply of goods/services	320,537,603	193,640,983
Liability against non-current asset	7,050,717	18,744,167
Liability for duty drawback	425,456,343	425,456,343
Sales promotion expenses	12,216,412	2,443,360
Travelling expenses	611,747	102,200
	<b>1,401,791,490</b>	<b>964,341,758</b>

<b>22.00 Provision for income tax</b>		
Opening balance	1,266,472,987	970,071,795
Add: Provision during the year	1,245,409,598	1,043,918,697
Add: Prior years' adjustment	58,639,422	45,229,227
	<b>1,304,049,020</b>	<b>1,089,147,924</b>
Less: Adjusted with advance income tax paid at source	(1,102,558,119)	(792,746,732)
Closing Balance	<b>1,467,963,888</b>	<b>1,266,472,987</b>

	30 June 2022		30 June 2021	
	Rate	Taka	Rate	Taka
<b>22.01 Reconciliation of effective tax rate</b>				
Profit before tax		4,505,254,608		3,919,061,759
Total income tax expense	<b>27.23%</b>	<b>1,226,755,598</b>	<b>22.25%</b>	<b>871,975,933</b>

**Factors affecting the tax charge:**

Tax using the applicable rate	22.50%	1,013,682,287	22.50%	881,788,896
Difference between accounting and fiscal depreciation	-0.49%	(21,895,558)	-3.36%	(131,578,839)
Difference between effect of ROU and actual payment	0.02%	705,359	0.01%	365,252
Difference between gratuity provision and payment	0.05%	2,075,777	0.18%	7,072,585
Adjustment for inadmissible expenses	-4.33%	(195,133,993)	6.46%	253,071,916
Difference between accounting and fiscal gain on sale of non-current asset	-0.02%	(766,931)	0.02%	913,183
Adjustment for reduced rated taxable income	-0.45%	(20,077,711)	-0.24%	(9,280,952)
Adjustment for tax incentives	-0.03%	(1,260,609)	-0.03%	(1,176,517)
Adjustment for minimum tax	10.39%	468,080,978	1.09%	42,743,173
Prior year adjustment	1.30%	58,639,422	1.15%	45,229,227
Impact of temporary differences in deferred tax	-1.72%	(77,293,422)	-5.54%	(217,171,991)
	<b>27.23%</b>	<b>1,226,755,599</b>	<b>22.25%</b>	<b>871,975,933</b>





	30 June 2022	30 June 2021
	Taka	Taka
<b>23.00 Provision for WPPF and Welfare Fund</b>		
Opening balance	259,565,233	88,100,719
Add: Provided during the year	237,118,664	259,565,233
Less: Paid during the year	(259,565,233)	(88,100,719)
Closing Balance	<u>237,118,664</u>	<u>259,565,233</u>
<b>24.00 Unclaimed Dividend</b>		
Opening Balance	26,258,072	24,873,805
Add: Dividend declared during the year	1,127,857,500	939,881,250
Less: Paid during the year	(1,144,894,146)	(938,496,983)
Closing Balance	<u>9,221,426</u>	<u>26,258,072</u>
<b>24.01 Dividend unclaimed for the years</b>		
<b>For year ended on</b>		
30 June 2021 (Final)	2,085,395	-
30 June 2021 (Interim)	764,250	898,826
30 June 2020 (Final)	1,269,477	1,333,821
30 June 2019 (Final)	5,102,304	5,168,957
30 June 2018 (Final)	-	855,090
1st January 2011 to 30 June 2017	-	18,001,379
	<u>9,221,426</u>	<u>26,258,072</u>
Subsequently Tk. 32,127 has been paid to ordinary shareholders thereof from 01 July 2022 to 31 August 2022.		
<b>25.00 Other liabilities</b>		
Audit Fees	805,000	776,250
Blocked Account - Standard Chartered Bank	-	756,250
Brokerage and commission	178,061,904	78,498,548
C & F Bill	5,684,472	1,533,127
Gas bill payable	2,027,077	1,595,309
Interest payable	24,432,905	9,287,766
Liability against share application money	-	7,581,814
Provident fund	4,520,030	4,337,658
Rent payables	374,590	539,452
Retention money	63,546,076	35,600,607
Salary and Allowances	25,384,522	14,452,038
Security deposit	31,975,146	31,225,146
Tax Deducted at Source	-	74,462
Utility	487,662,404	475,752,374
VAT Deducted at source	-	15,604,439
Others	6,282,895	5,850,776
	<u>830,757,021</u>	<u>683,466,016</u>
<b>26.00 Contract liabilities</b>		
Advance against sales	469,948,955	1,258,368,736
<b>Total contract liabilities</b>	<u>469,948,955</u>	<u>1,258,368,736</u>





		01 July 2021 to 30 June 2022	01 July 2020 to 30 June 2021
	Note(s)	Taka	Taka
<b>27.00 Revenue from contracts with customers</b>			
Local sales	27.01	64,103,210,302	53,946,671,739
Export sales		3,017,850,870	1,036,285,976
		<b>67,121,061,172</b>	<b>54,982,957,715</b>

Total export sales during this year were USD 34,854,130 against export of 35,798 Metric Ton of goods and it was USD 12,207,767 against export of 18,475 Metric Ton of goods for the year ended on 30 June 2021.

<b>27.01 Revenue from local sales</b>			
Gross sales		65,604,064,222	55,608,729,501
Less: Value Added Tax (VAT)		(1,500,853,920)	(1,662,057,762)
		<b>64,103,210,302</b>	<b>53,946,671,739</b>

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

**Segments**

**Type of goods**

Xtreme 500W	14,170,155,240	13,826,671,318
Xtreme DWR	45,200,533,378	34,073,464,006
Ultima 420D	6,224,734,033	5,555,883,275
Maxima 500	368,610,973	213,368,501
M.S. Billet	-	3,499,320
Others	1,157,027,548	1,310,071,295
<b>Total revenue from contracts with customers</b>	<b>67,121,061,172</b>	<b>54,982,957,715</b>

**Geographical Markets**

Bangladesh	66,618,799,600	54,658,890,863
China	247,082,758	148,352,464
India	235,893,314	131,968,546
Others	19,285,500	43,745,842
<b>Total revenue from contracts with customers</b>	<b>67,121,061,172</b>	<b>54,982,957,715</b>

**Timing of revenue recognition**

Goods transferred at a point in time	67,121,061,172	54,982,957,715
Services transferred over time	-	-
<b>Total revenue from contracts with customers</b>	<b>67,121,061,172</b>	<b>54,982,957,715</b>

		01 July 2021 to 30 June 2022	01 July 2020 to 30 June 2021
	Note(s)	Taka	Taka
<b>27.03 Contract balances</b>			
Trade receivables	10.01	6,942,456,697	7,332,330,616
Contract assets		-	-
Contract liabilities	26.00	469,948,955	1,258,368,736

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.

**27.04 Performance Obligations**

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

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.



		01 July 2021 to 30 June 2022	01 July 2020 to 30 June 2021
	Note(s)	Taka	Taka
<b>28.00 Cost of sales</b>			
Cost of sale-Scrap	28.01	750,438,910	685,228,516
Cost of sales-Billet	28.01	-	3,216,766
Cost of sales-MS Rod	28.02	59,325,083,125	47,062,824,129
Cost of sales- Finished goods procured from outside	28.03	-	824,410
		<b>60,075,522,035</b>	<b>47,752,093,821</b>
<b>28.01 Cost of sales- Billet</b>			
Opening stock of scrap		7,622,862,050	5,619,303,904
Add: Purchase during the year		50,521,183,811	32,800,882,815
Less: Sale during the year		(750,438,910)	(685,228,516)
Less: Closing stock of scrap		(14,952,678,426)	(7,622,862,050)
<b>Raw materials consumption-Scrap</b>		<b>42,440,928,525</b>	<b>30,112,096,153</b>
Opening stock of Direct Consumable		117,827,781	50,957,453
Add: Purchase during the year		1,734,087,186	1,212,813,350
Less: Closing stock of Direct Consumable		(173,480,481)	(117,827,781)
<b>Direct Consumable Consumption</b>		<b>1,678,434,486</b>	<b>1,145,943,022</b>
Add: Factory overhead	28.04	7,901,020,285	7,722,162,079
<b>Cost of Billet Manufactured</b>		<b>52,020,383,296</b>	<b>38,980,201,254</b>
Add: Opening stock of Billet FG		443,279,835	787,946,141
Less: Closing stock of Billet FG		(2,915,859,983)	(443,279,835)
Transfer to Rolling Mills		(49,547,803,148)	(39,321,650,794)
<b>Cost of sales -Billet</b>		<b>-</b>	<b>3,216,766</b>
<b>28.02 Cost of sales- MS Rod</b>			
Opening stock of raw materials-Billet		576,188,313	603,840,439
Add: Purchase during the year		10,948,693,860	2,866,577,315
Transfer from Melting Shop		49,547,803,148	39,321,650,794
Less: Closing stock of raw materials-Billet		(1,168,552,213)	(576,188,313)
<b>Raw materials consumed-Billet</b>		<b>59,904,133,108</b>	<b>42,215,880,235</b>
Add: Opening stock of Roll Consumable		106,614,467	149,734,389
Less: Addition/Purchase during the year		26,121,933	29,525,533
Less: Closing stock of finished goods		(95,343,046)	(106,614,467)
<b>Roll Consumable Consumption</b>		<b>37,393,354</b>	<b>72,645,455</b>
Opening stock of Packing Materials Consumable		11,455,069	32,364,805
Add: Addition/Purchase during the year		147,814,884	132,193,128
Less: Closing stock of Packing Materials Consumable		(13,359,853)	(11,455,069)
<b>Packing Materials Consumption</b>		<b>145,910,100</b>	<b>153,102,864</b>
Add: Factory overhead	28.04	2,001,870,631	2,218,587,450
<b>Cost of Goods Manufactured</b>		<b>62,089,307,193</b>	<b>44,660,216,004</b>
Add: Opening stock of finished goods		2,870,904,910	5,277,353,254
Less: Issuance for Project/Repair		(250,100,858)	(3,840,219)
Less: Closing stock of finished goods		(5,385,028,120)	(2,870,904,910)
<b>Cost of sales -own production</b>		<b>59,325,083,125</b>	<b>47,062,824,129</b>
<b>28.03 Cost of sales- finished goods procured from outside</b>			
Opening stock of finished goods		-	4,672,074
Add: Finished goods purchased from outside		-	-
			<b>4,672,074</b>
Less: Issuance for Project/Repair		-	(3,847,664)
Less: Closing stock of finished goods		-	-
<b>Cost of sales- finished goods procured from outside</b>		<b>-</b>	<b>824,410</b>
<b>28.04 Factory Overheads</b>			
Car allowance		6,496,499	7,919,999
Carrying charges		394,317,477	375,702,525
Consulting fees		715,368	1,854,486
Conveyance expenses		29,315,716	29,945,141
Depreciation	4.00	1,016,720,405	1,019,859,105
Depreciation of ROU Asset	5.00	63,126,231	52,961,342





		01 July 2021 to 30 June 2022	01 July 2020 to 30 June 2021
	Note(s)	Taka	Taka
Electrical store consumption		138,452,405	219,672,391
Entertainment		8,939,927	7,701,100
Fees and renewals		1,436,545	842,910
Fuel and Lubricants		182,029,706	208,479,150
Gas		329,477,953	314,325,321
General store consumed		71,308,558	47,818,624
Gratuity		26,934,011	24,770,531
Guest house expenses		3,385,853	3,098,939
Guest house rent		3,839,250	4,015,201
Insurance expenses		22,178,508	22,143,998
Land revenue- holding tax		-	120,000
Mechanical store consumption		579,653,162	713,014,526
Medical expenses		5,824,868	6,367,828
Motor car expenses		85,011	85,178
Other store consumption		1,085,945,926	1,045,590,177
Overtime		20,385,221	16,686,620
Paper and periodicals		7,145	7,100
Postage and telegram		34,200	44,086
Power		5,042,405,368	4,971,784,802
Rental expenses		-	70,000
Repairs and Maintenance		35,565,828	45,281,510
Salaries and allowances		619,767,833	587,688,379
Stationery		3,191,635	6,669,675
Testing charges		315,818	262,572
Travelling expenses		769,162	2,926,355
Utility expenses		15,609,357	20,823,698
Wages		194,655,970	182,216,260
		<b>9,902,890,916</b>	<b>9,940,749,529</b>
<b>29.00 Selling and Distribution Expenses</b>			
Advertisement		269,415,279	237,018,348
Bad debt expense		28,106,716	-
Brokerage and commission		146,479,900	256,653,352
Car allowance		5,991,593	5,175,670
Casual wages		1,829,556	1,190,424
Carriage on sales		259,473,525	309,850,611
Conveyance expenses		3,180,269	2,566,571
Depreciation	4.00	29,917,544	33,524,438
Depreciation of ROU Asset	5.00	3,622,786	6,284,691
Electricity expenses-Depot		4,954,352	4,679,320
Entertainment		14,294,957	6,735,879
C&F Charge - Export		6,309,244	4,581,288
Fees and renewals		347,620	275,078
Generator rent & fuel		36,261	62,151
Gratuity expenses		5,913,555	7,447,284
Internet expenses		790,029	742,210
Legal expense		51,900	-
Medical expenses		1,091,047	1,071,727
Motor cycle allowance		3,860,754	4,640,006
Paper and periodicals		98,823	45,785
Printing charges		7,991,683	7,713,683
Professional fees		681,167	952,994
Rental Expenses		167,848	170,413
Repair and maintenance		2,147,022	1,614,698
Royalty expenses	29.01	114,820,686	117,044,183
Salaries and allowances		139,029,089	128,997,725
Sales promotion expenses		37,048,773	19,922,377
Stationery expenses		313,288	278,516
Testing charges		1,327,109	5,472,305
Travelling expenses		4,479,440	4,132,204
		<b>1,093,771,815</b>	<b>1,168,843,931</b>



- 29.01 The trademark 'Xtreme' 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.

	Note(s)	01 July 2021 to 30 June 2022	01 July 2020 to 30 June 2021
		Taka	Taka
<b>30.00 Administrative Expenses</b>			
Advertisement Expenses		780,946	531,590
Amortization of Intangible asset		7,125,235	6,879,378
Audit fees		1,207,500	1,357,000
Board Meeting expenses		308,000	302,500
Casual wages		1,085,554	425,580
Car allowance		9,431,044	7,503,032
Cleaning Expenses		1,495,633	1,156,340
Conveyance expenses		5,990,174	2,662,237
CSR expenses		40,720,315	22,683,105
Depreciation	4.00	22,600,551	22,670,028
Depreciation of ROU Asset	5.00	9,659,524	10,958,590
Directors' remuneration	30.01	94,500,000	94,500,000
Electricity expenses		2,865,738	2,861,841
Entertainment		6,420,894	5,966,658
Fees and renewals		9,849,784	6,730,640
Gratuity expenses		15,153,558	6,875,840
Guest house expenses		461,834	675,436
Guest house rent		2,010,690	2,009,487
Insurance expenses		73,346	97,750
Internet expenses		1,387,999	1,364,000
Land revenue		2,073,748	714,595
Leave assistance		1,500,000	1,725,000
Legal expenses		641,541	2,328,367
Medical expenses		4,455,698	4,256,216
Motor car expenses		3,473,597	5,399,198
Motor cycle allowance		605,950	593,029
Office rent		910,400	657,581
Paper and Periodicals		1,118,699	926,761
Postage expenses		375,316	458,256
Professional and consulting fee		4,218,369	7,518,352
Repair and maintenance		3,846,900	3,199,781
Salaries and allowances		261,912,489	241,579,328
Stationery expenses		3,369,938	3,103,024
Subscriptions		293,800	299,800
Telephone expenses		10,185,779	9,609,792
Training expenses		577,124	697,790
Travelling expenses		4,500,793	3,747,835
		<b>537,188,460</b>	<b>485,025,737</b>

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

Directors' Name	Gross Remuneration	Income Tax Deducted	Net Paid
	Taka	Taka	Taka
Mr. Alihussain Akberali-Chairman	40,500,000	10,125,000	30,375,000
Mr. Aameir Alihussain-Managing Director	36,000,000	9,000,000	27,000,000
Mr. Zohair Taherali-Director	11,400,000	2,850,000	8,550,000
Mrs. Tehseen Zohair Taherali- Director	6,600,000	1,650,000	4,950,000
	<b>94,500,000</b>	<b>23,625,000</b>	<b>70,875,000</b>

31.00 Other Operating Income

	01 July 2021 to 30 June 2022	01 July 2020 to 30 June 2021
	Taka	Taka
Gain on sale of property, plant and equipment assets	9,309,517	1,842,346
Miscellaneous income	3,605,505	17,108,221
Other Income PF Forfeiture	199,075	85,945
	<b>13,114,097</b>	<b>19,036,512</b>





		01 July 2021 to 30 June 2022	01 July 2020 to 30 June 2021
	Note(s)	Taka	Taka
<b>32.00 Finance Costs</b>			
Agency fees		2,032,581	2,230,000
Bank charges & others		31,910,289	38,082,473
Bank Guarantee Commission		2,948,630	1,569,491
Interest on OD, cash credit		34,111,487	73,777,279
Interest on Syndicate loan		581,695,128	740,519,550
Interest on LATR		1,824,166	1,838,760
Interest on Demand and Time loan		63,169,654	372,457,347
Interest on Term loan		5,915,933	15,100,633
Interest on Stimulus loan		33,735,553	82,125,331
Interest expense on lease liability		18,098,609	12,392,673
Interest on redeemable zero coupon bond		-	1,195,911
Foreign currency exchange (gain)/loss	32.01	1,106,078,550	(17,996,532)
Interest on balance due from inter companies		(146,677,262)	(805,441,467)
		<b>1,734,843,318</b>	<b>517,851,449</b>
<b>32.01 Foreign Currency Exchange (Gain)/Loss</b>			
Foreign currency (gain)/loss on transaction		112,169,784	(9,995,638)
Foreign currency (gain)/loss on translation		993,908,766	(8,000,894)
		<b>1,106,078,550</b>	<b>(17,996,532)</b>
<b>33.00 Finance Income</b>			
Interest on trade debtors		6,313,193	13,747,955
Interest income from STD		132,423,136	-
Interest income from FDR		797,380,623	99,377,415
		<b>936,116,952</b>	<b>113,125,370</b>
<b>34.00 Non Operating Income</b>			
Dividend Income		115,199,999	-
Loss on derecognition of lease		(1,793,320)	-
		<b>113,406,679</b>	<b>-</b>
			<b>30 June 2021</b>
	Note(s)	Taka	
<b>35.00 Loss on Derecognition of Investment in Associate</b>			
Fair value of financial asset as on 30 June 2021			2,476,800,000
Carrying amount of investment in associate as on 30 June 2020			(3,608,800,543)
			<b>(1,132,000,543)</b>
<b>Adjustment:</b>			
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)
			<b>(119,322,876)</b>
<b>Loss on derecognition of investment in associate</b>			<b>(1,012,677,667)</b>
			<b>01 July 2021 to 30 June 2021</b>
	Note(s)	Taka	
<b>36.00 Earnings per share</b>			
<b>Basic earnings per share (EPS)</b>			
Profit attributable to the ordinary shareholders		3,278,499,010	3,047,085,826
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)		<b>8.72</b>	<b>8.10</b>

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 2022	30 June 2021
	Taka	Taka
<b>37.00 Net Asset Value Per Share (NAV)</b>		
Total Assets	81,906,656,840	72,384,578,546
Less: Total Liabilities	(55,971,473,465)	(48,932,728,164)
<b>Net Asset Value (NAV)</b>	<b>25,935,183,375</b>	<b>23,451,850,382</b>
Number of ordinary shares outstanding during the period	375,952,500	375,952,500
<b>Net Assets Value (NAV) per share</b>	<b>68.99</b>	<b>62.38</b>
	01 July 2021 to 30 June 2022	01 July 2020 to 30 June 2021
	Taka	Taka
<b>38.00 Net operating cash flow per share</b>		
Net operating cash flows (From statement of Cash Flows)	3,993,347,108	7,845,646,991
Number of ordinary shares outstanding during the period	375,952,500	375,952,500
<b>Net operating cash flow per share</b>	<b>10.62</b>	<b>20.87</b>

### 39.00 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 2022	Mode of Transaction
Bangladesh Steel Re-Rolling Mills Limited	Shareholder	Short term loan	2,283,872,672	Dr.
BSRM Ispat Limited	Sister Company	Short term loan	193,807,942	Dr.
BSRM Logistics Limited	Sister Company	Short term loan	37,695,789	Dr.
H. Akberali & Co. Limited	Sister Company	Short term loan	-	Dr.
Chittagong Power Company Limited	Sister Company	Short term loan	1,006,312,234	Dr.
BSRM Wires Limited	Sister Company	Short term loan	1,576,730,056	Dr.

### 39.01 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	-	2,283,872,672	2,283,872,672	-
BSRM Ispat Limited	192,375,942	Dr. 1,432,000	193,807,942	-
BSRM Logistics Limited	73,723,594	Dr. (36,027,805)	37,695,789	-
H. Akberali & Co. Limited	942,625,968	Dr. (942,625,968)	-	-
Chittagong Power Company Limited	806,425,234	Dr. 199,887,000	1,006,312,234	-
BSRM Wires Limited	691,230,344	Dr. 885,499,712	1,576,730,056	-

These amounts are classified as Due to and Due from related companies, respectively (see notes 11)

	30 June 2022	30 June 2021
	Taka	Taka
<b>39.02 Key management personnel compensation</b>		
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	152,614,248	119,682,588
Post Employment Benefits	28,030,403	-
Other long Term benefit	-	-
Termination Benefit	-	-
Share-based Payment	-	-
	<b>180,644,651</b>	<b>119,682,588</b>





	30 June 2022	30 June 2021
	Taka	Taka
<b>40.00 Reconciliation of cash generated by operations</b>		
<b>Profit before income tax</b>	4,505,254,608	3,919,061,759
<b>Adjustment for:</b>		
Depreciation charged	1,069,238,500	1,076,053,571
Amortization charged	83,533,776	77,084,001
Gain on sale of property, plant and equipment	(9,309,517)	(1,842,346)
Finance Income	(936,116,952)	(113,125,370)
Dividend Income	(113,406,679)	-
Finance Cost	1,734,843,318	517,851,449
Loss on derecognition of investment in associate	-	1,012,677,667
	<b>1,828,782,446</b>	<b>2,568,698,972</b>
<b>Changes in:</b>		
Provision for WPPF & Welfare Fund	(22,446,569)	171,464,514
Defined Benefit Obligations - Gratuity	9,225,676	31,433,709
Inventories (net of inventory for non-current asset)	(1,063,782,861)	1,191,800,075
Trade Receivables	389,873,919	(131,088,050)
Trade Payables	(667,951,329)	769,458,976
Contract Liabilities	(788,419,781)	804,421,033
Lease Obligation Paid	(91,372,219)	(80,973,954)
Advances, deposits and pre-payments (net of advance income tax and advance against non-current asset)	58,582,556	143,838,489
Liabilities for Expenses	437,449,732	(99,457,870)
Other Liabilities	147,291,005	(56,250,407)
	<b>(1,591,549,871)</b>	<b>2,744,646,515</b>
<b>Cash Generated from Operation</b>	<b>4,742,487,183</b>	<b>9,232,407,246</b>
Payment of interest-net	384,476,326	(317,623,683)
Income tax paid	(1,133,616,401)	(1,069,136,572)
<b>Net cash flows from operating activities</b>	<b>3,993,347,108</b>	<b>7,845,646,991</b>
<b>41.00 Contingent liabilities</b>		
<b>41.01 Bank guarantees</b>		
IFIC Bank Limited	47,653,091	47,653,091
HSBC	-	839,979
Mercantile Bank Limited	3,372,793,000	145,373,000
Meghna Bank Limited	279,533,654	-
Mutual Trust Bank Limited	2,101,054,714	-
Trust Bank Limited	46,432,225	-
	<b>5,847,466,684</b>	<b>193,866,070</b>
<b>41.02 Claim against trade VAT by Customs, Excise &amp; VAT authority</b>		
Claim against trade VAT by Customs, Excise & VAT authority	23,053,915	23,053,915
	<b>23,053,915</b>	<b>23,053,915</b>

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.

**41.03 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 2022:

	30 June 2022	30 June 2021
	Taka	Taka
Joint guarantee	18,050,000,000	20,720,000,000
	<b>18,050,000,000</b>	<b>20,720,000,000</b>

Joint guarantee includes guarantee 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 2022	30 June 2021
Bangladesh Steel Re-Rolling Mills Limited	AA+	AA
BSRM Wires Limited	BBB+	BBB+
H. Akberali & Co. Limited	A+	A
BSRM Logistics Limited	A	A

#### 42.00 Production Capacity

Installed Capacity (In M. Ton)- yearly	800,000	800,000
Production (In M. Ton)	868,454	816,494
Capacity utilized- (%)	108.6%	102.1%

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

#### 43.00 Employees

Number of employees whose monthly salary was below Tk. 3,000	-	-
Number of employees whose monthly salary was above Tk. 3,000	1,455	1,416
	<u>1,455</u>	<u>1,416</u>

#### 44.00 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.

- 44.01 Credit risk
- 44.02 Liquidity risk
- 44.03 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.

#### 44.01 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.

##### 44.01.01 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 2022	30 June 2021
	Taka	Taka
Financial Asset (Investment in Bangladesh Steel Re-Rolling Mills Limited)	2,842,560,000	2,476,800,000
Investments in FDRs	2,874,744,862	2,310,041,175
Advances, deposits and prepayments	4,592,884,090	3,926,493,428
Trade and other receivables	7,142,826,187	7,703,895,423
Due from related companies	5,098,418,693	2,706,381,082
Cash at banks	1,502,774,140	2,809,693,692
	<u>24,054,207,972</u>	<u>21,933,304,800</u>





#### 44.01.02 Ageing of trade receivables

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

	30 June 2022	30 June 2021
	Taka	Taka
Due within 90 days	5,898,947,668	6,193,771,812
Due within 91 to 180 days	346,006,127	368,719,075
Above 181 days	712,867,099	770,461,506
	<b>6,957,820,894</b>	<b>7,332,952,393</b>

#### 44.02 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
<b>As at 30 June 2022</b>	<b>Taka</b>	<b>%</b>	<b>Taka</b>	<b>Taka</b>	<b>Taka</b>
Long term loans	6,869,703,217	7.75% - 9%	1,873,945,551	4,995,757,666	-
Trade payables	240,315,188	N/A	240,315,188	-	-
Short term loans	42,168,899,852	3.75%-6.50%	42,168,899,852	-	-
Liabilities for expenses	1,401,791,490	N/A	1,401,791,490	-	-
Defined benefit obligations- Gratuity	240,229,387	N/A	240,229,387	-	-
Provision for WPPF and Welfare fund	237,118,664	N/A	237,118,664	-	-
Unclaimed dividend	9,221,426	N/A	9,221,426	-	-
Other liabilities	830,757,021	N/A	830,757,021	-	-
	<b>51,998,036,245</b>		<b>47,002,278,579</b>	<b>4,995,757,666</b>	<b>-</b>

Non-derivative financial liabilities	Carrying amount	Interest rate	Contractual cash flows		
			Within 12 months	1 to 5 years	More than 5 years
<b>As at 30 June 2021</b>	<b>Taka</b>	<b>%</b>	<b>Taka</b>	<b>Taka</b>	<b>Taka</b>
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	683,466,016	N/A	683,466,016	-	-
	<b>44,476,418,539</b>		<b>37,795,806,196</b>	<b>6,680,612,343</b>	<b>-</b>

#### 44.03 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 2022, 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 2022		30 June 2021	
	USD	Taka	USD	Taka
<b>Foreign currency denominated assets</b>				
Cash and cash equivalents	2,202,415	219,911,114	5,246,932	445,726,893
	<b>2,202,415</b>	<b>219,911,114</b>	<b>5,246,932</b>	<b>445,726,893</b>
<b>Foreign currency denominated liabilities</b>				
Liability for accepted bills for payment	396,606,873	39,601,196,261	315,380,381	26,791,563,403
Syndicated term loan	13,264,283	1,324,438,626	18,335,974	1,557,640,967
	<b>409,871,156</b>	<b>40,925,634,887</b>	<b>333,716,355</b>	<b>28,349,204,370</b>
<b>Net exposure</b>	<b>(407,668,741)</b>	<b>(40,705,723,773)</b>	<b>(328,469,423)</b>	<b>(27,903,477,477)</b>

The following significant exchange rate is applied during the Year:

**Exchange rate of US Dollar**

30 June 2022	30 June 2021
99.85	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 2022		30 June 2021	
	Profit or loss		Profit or loss	
	Strengthening	Weakening	Strengthening	Weakening
	Taka	Taka	Taka	Taka
USD (3% movement)	(1,221,171,713)	1,221,171,713	(837,104,324)	837,104,324

**(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 2022	30 June 2021
	Taka	Taka
<b>Fixed- rate instruments</b>		
Financial assets	7,973,163,555	5,016,422,257
Financial liabilities	(49,038,603,069)	(41,403,517,232)
	<b>(41,065,439,514)</b>	<b>(36,387,094,975)</b>
<b>Variable- rate instruments</b>		
Financial assets	-	-
Financial liabilities	-	-
	<b>-</b>	<b>-</b>

**(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.

**45.00 Events after reporting date:****45.01 Proposed Dividend:**

The Board of Directors of BSRM Steels Limited at its 260th meeting held on 27 October 2022 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 2022. These dividends are subject to final approval by the shareholders at the forthcoming annual general meeting of the company





**45.02 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 2021 to</u> <u>30 June 2022</u> <u>Taka</u>
Distributable Income	3,278,499,010
Minimum Dividend Percentage as per Section 16G	30%
<b>Amount to be Distributed as Dividend</b>	<b><u>983,549,703</u></b>
Net Profit Before Tax	4,505,254,608
Less: Income Tax	(1,226,755,598)
<b>Distributable Income</b>	<b><u>3,278,499,010</u></b>

