

**Auditor's Report  
And  
Audited Financial Statements  
of  
BANGLADESH STEEL RE-ROLLING  
MILLS LIMITED.**

**For the year ended June 30, 2022.**

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

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

**Opinion**

We have audited the consolidated financial statements of Bangladesh Steel Re-Rolling Mills Limited and its subsidiaries ("the Group") as well as the separate financial statements of Bangladesh Steel Re-Rolling Mills Limited ("the Company") which comprise the consolidated and separate statement of financial position as at 30 June 2022, and the consolidated and separate statement of profit or loss and other comprehensive income, consolidated and separate statement of changes in equity and consolidated and separate statement of cash flows for the year then ended, and notes to the consolidated and separate financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated and separate financial statements give a true and fair view of the consolidated financial position of the Group and the separate financial position of the Company as at 30 June 2022, and of its consolidated and separate financial performance and its consolidated and separate cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

**Basis for opinion**

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

**Key audit matters**

Key audit matters are those matters that, in our professional judgement, were of most significance in the audit of the consolidated and the separate financial statements of the current period. These matters were addressed in the context of the audit of the consolidated and the separate financial statements as a whole, and in forming the auditor's 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.



Key Audit Matter	How our audit addressed the key audit matter
<p><b>Revenue from sale of goods recognition-</b></p> <p>As described in the Notes 5.00 to the separate and consolidated financial statements of the Group/Company, Revenue from the sale of goods is recognized, when the Group/Company has delivered products to the customers at the shipping point and control has passed. The sales of the Company are derived from factories and various depots located across the country with relatively transactions of small amounts. In determining the sales price, the Group/ Company considers the effect of discounts. During the year ended 30 June 2022, the Group/Company has recognised revenues of BDT 79,952 million and BDT 79,783 million respectively.</p> <p>We focused on the proper cut-off on sales to the Company's customers due to the fact that the documents of confirming the acceptance of the products were provided by numerous customers based in different locations. There is a risk of differences between the timing of acceptance of the products by the Company's customers and when revenue was recorded. Accordingly, there could be potential misstatements that these revenue transactions are not recognized in the proper reporting periods.</p> <p>We identified revenue recognition as a key audit matter because revenue is one of the key performance indicators of the Company and therefore there is an inherent risk of manipulation of the timing of recognition of revenue by management to meet specific targets or expectations.</p>	<p>Our audit procedures included the following:</p> <ul style="list-style-type: none"> <li>▪ We read the Group/Company's revenue recognition policy and assessed its compliance in terms of IFRS 15 'Revenue from contracts with customers'</li> <li>▪ We assessed the design and tested the operating effectiveness of internal controls related to revenue recognition and applicable discounts.</li> <li>▪ Performed sample tests of individual sales transaction and traced to sales invoices, sales orders and other related documents. In respect of the samples selected, we tested recognition of revenue based on underlying sales invoices, sales orders and other related documents.</li> <li>▪ We selected a sample of invoices on which discounts were given and obtained the discount schemes approved by the management. We noted the accounting of discounts by the Group/Company for the selected sample.</li> <li>▪ Selected samples of sales transactions recognized shortly before and after the reporting date, including the sales returns recorded after that date, to examine whether sales transactions were recorded in the correct reporting periods.</li> <li>▪ Assessed the relevant disclosures made within the financial statements</li> </ul>



The key audit matter	How our audit addressed the key audit matter
<p><b>Accuracy and completeness of disclosure of related party transactions- see notes 26, 29, and 46 to the financial statements</b></p> <p>We identified the accuracy and completeness of disclosure of related party transactions as set out in respective notes to the separate and consolidated financial statements as a key audit matter due to the high volume of business transactions with related parties during the year ended 30 June 2022.</p>	<p>Our procedures in relation to the accuracy and completeness of disclosure of related parties' transactions included:</p> <ul style="list-style-type: none"> <li>▪ Obtaining an understanding of the Group/Company's policies and procedures in respect of identifying related parties; approval and recording of related party transactions including how management determines all transactions/ balances with related parties are determined at arm's length and entered into in the normal course of business and further fully disclosed in the financial statement.</li> <li>▪ We tested, on a sample basis, related party transactions with the underlying contracts and other documents and for appropriate authorization and approval for such transactions.</li> <li>▪ We read minutes of shareholder meetings, board meetings and minutes of meetings of those charged with governance in connection with transaction with related parties effected during the year.</li> <li>▪ Evaluating the completeness of the disclosures through review of statutory information, books and records and other documents obtained during the course of our audit</li> </ul>



The Key Audit Matter	How our audit addressed the key audit matter
<p><b>Completeness and accuracy of deferred tax liabilities- see note 36 to the financial statements</b></p> <p>As at 30 June 2022, deferred tax liabilities amounted to BDT 3,769 million</p> <p>Deferred tax is recognised on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements.</p> <p>The calculation of deferred taxes takes into account the expected point in time when, and the manner in which, the assets and liabilities are expected to be realized or settled. The applied tax rates correspond to those that are enacted or substantively enacted at the balance sheet date.</p> <p>Deferred taxes primarily result from Tangible and intangible assets (including revalued tangible assets), Investment in associate, employee benefits, and unabsorbed depreciation.</p> <p>These calculations are complex because of the applicable tax rules and the necessary subjective estimates and accompanying uncertainty.</p> <p>Therefore, we have defined the carrying amount of deferred tax liabilities as a key audit matter.</p>	<p>Our audit procedures in relation to the completeness and accuracy of deferred tax liabilities included the following:</p> <ul style="list-style-type: none"> <li>▪ We obtained an understanding, evaluated the design, and tested the operational effectiveness of the Group/Company's key controls over the recognition and measurement of deferred tax liabilities and the assumptions used in estimating the group/company's deductible temporary difference.</li> <li>▪ We also assessed the completeness and accuracy of the data used for the estimations of the deductible temporary difference.</li> <li>▪ We performed the mathematical accuracy of the deferred tax calculation.</li> <li>▪ We involved tax specialties to assess key assumptions, controls, recognition, and measurement of deferred tax liabilities.</li> <li>▪ We also assessed the appropriateness of presentation of disclosures against IAS 12 - Income Tax.</li> </ul>

#### Other information included in the Company's 30 June 2022 Annual Report

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

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

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

and the separate financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

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

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

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

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

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

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

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

- Identify and assess the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated and separate financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure, and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision, and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated and separate financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

#### **Report on other legal and regulatory requirements**

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

- i) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit and made due verification thereof;

- ii) In our opinion, proper books of account as required by law have been kept by the company so far as it appeared from our examination of these books;
- iii) The statement of financial position and statement of profit or loss and other comprehensive income dealt with by the report are in agreement with the books of account and returns; and
- iv) The expenditure incurred was for the purposes of the company's business.

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



**Md. Johirul Islam FCA**  
Partner  
Enrolment Number: 1257  
DVC:

**2210271257AS199044**

Place: Chattogram

Date: **27 OCT 2022**





# Consolidated Statement of Financial Position

Bangladesh Steel Re-Rolling Mills Limited  
As at 30 June, 2022

	Notes	2022 BDT	2021 BDT
<b>Assets:</b>			
<b>Non-current assets</b>			
Property, plant and equipment	18.a	38,493,508,025	38,630,655,777
Capital work-in-progress	19.a	771,803,003	1,295,288,934
Right-of-use assets	44.a	118,079,383	102,089,943
Intangible assets	20.a	16,205,442	21,212,828
Investment in subsidiary and associate	21.a	8,088,476,202	7,313,964,240
Other investments	22.a	211,103,121	170,606,800
<b>Total non-current assets</b>		<b>47,699,175,176</b>	<b>47,533,818,522</b>
<b>Current assets</b>			
Short term investments	23.a	4,024,122,027	1,947,709,647
Inventories	24.a	47,793,057,669	14,710,197,317
Trade and other receivables	25.a	2,246,362,749	4,526,507,802
Current account with related companies	26.a	3,519,235,486	3,189,916,578
Advances and deposits	27.a	7,584,601,231	7,026,579,199
Cash and cash equivalents	28.a	5,750,673,133	1,598,183,676
<b>Total Current assets</b>		<b>70,918,052,295</b>	<b>32,999,094,219</b>
<b>Total assets</b>		<b>118,617,227,471</b>	<b>80,532,912,742</b>
<b>Equity and liabilities:</b>			
<b>Shareholder's equity</b>			
Share capital	29.00	2,985,846,260	2,985,846,260
Share premium	30.00	2,057,514,350	2,057,514,350
General reserve	31.01	30,170,818	30,170,818
Revaluation reserve	31.02	17,062,603,781	17,076,734,288
Fair value reserve		517,198,576	414,531,335
Foreign currency translation reserve		26,460,769	18,763,603
Retained earnings		17,415,689,540	15,502,416,401
<b>Equity attributable to owners of the company</b>		<b>40,095,484,094</b>	<b>38,085,977,055</b>
Non- controlling interests		-	-
<b>Total equity</b>		<b>40,095,484,094</b>	<b>38,085,977,055</b>
<b>Non-current liabilities</b>			
Long term borrowings- non-current portion	32.a	224,563,056	728,339,400
Defined benefit obligations- gratuity	33.a	409,316,636	366,317,421
Lease liabilities- non-current portion	44.00	87,549,700	81,934,096
Deferred tax liability	36.a	3,769,754,917	3,670,214,397
<b>Total non-current liabilities</b>		<b>4,491,184,309</b>	<b>4,846,805,314</b>
<b>Current liabilities</b>			
Trade payables	37.a	665,060,676	474,552,413
Short term borrowings	38.a	66,969,381,141	32,537,442,420
Long term borrowings of Current portion	38.b	903,156,973	1,294,202,615
Current account with related companies	39.a	2,397,778,830	-
Contract liabilities	40.a	318,690,253	646,725,298
Liabilities for expenses	41.a	1,122,890,433	1,149,329,482
Current tax liability	34.a	1,159,824,151	834,937,333
Provision for WPPF and Welfare Fund	42.a	195,174,768	317,276,646
Lease liabilities- current portion	44.00	40,204,947	27,618,291
Other liabilities	43.a	235,040,549	313,225,843
Unclaimed dividend account	45.00	23,356,348	4,820,032
<b>Total current liabilities</b>		<b>74,030,559,069</b>	<b>37,600,130,373</b>
<b>Total liabilities</b>		<b>78,521,743,377</b>	<b>42,446,935,686</b>
<b>Total equity and liabilities</b>		<b>118,617,227,471</b>	<b>80,532,912,742</b>
Net Assets Value (NAV) per share	15.a	134.29	127.56

## Footnotes:

These Financial Statements should be read in conjunction with the annexed notes 1 to 53

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

Md. Johirul Islam FCA  
Partner  
Enrolment Number: 1257

DVC: **2210271257AS199044**

Place: Chattogram

Dated:

**27 OCT 2022**



*Alihussain Akberali*  
Alihussain Akberali FCA  
Chairman

*Aameer Alihussain*  
Aameer Alihussain  
Managing Director

*Shekhar Ranjan Kar*  
Shekhar Ranjan Kar FCA  
Company Secretary

# Consolidated statement of profit or loss and other comprehensive income

Bangladesh Steel Re-Rolling Mills Limited  
For the year ended 30 June, 2022

	Note	2022 BDT	2021 BDT
Revenue	5.a	79,952,801,290	59,905,904,343
Cost of sales	6.a	(73,462,557,105)	(52,806,200,371)
Gross profit		6,490,244,185	7,099,703,972
Selling and distribution costs	7.a	(901,019,247)	(1,080,878,244)
Administrative costs	8.a	(818,821,298)	(564,833,375)
Other operating income	9.a	63,468,112	11,524,981
Operating profit		4,833,871,752	5,465,517,333
Finance costs	10.a	(1,516,026,242)	(784,519,817)
Finance income	11.a	174,842,427	72,947,851
Net finance costs		(1,341,183,815)	(711,571,966)
Non-operating income	12.a	63,174,367	54,792,911
Profit before WPPF and Welfare Fund		3,555,862,304	4,808,738,279
Contribution to WPPF and Welfare Fund	42.01.a	(195,174,767)	(254,551,352)
Share of profit of equity accounted investee, net of tax	13.02	1,022,511,566	950,337,483
Profit before tax		4,383,199,102	5,504,524,410
Income tax expenses/benefits			
Current Tax	35.a	(1,191,271,374)	(486,130,927)
Deferred Tax	36.a	(103,642,925)	(48,030,618)
Profit after tax		3,088,284,803	4,970,362,865
Profit attributable to:			
Equity holders of the company		3,088,284,803	4,970,362,865
Non-controlling interests		-	-
		3,088,284,803	4,970,362,865
Other comprehensive income			
Other comprehensive income that may be reclassified to profit or loss in subsequent periods (net of tax):			
Exchange differences on translation of foreign operations		7,697,166	145,860
		7,697,166	145,860
Other comprehensive income that will not be reclassified to profit or loss in subsequent periods (net of tax):			
Fair value reserve on financial assets (net of tax)		102,667,241	414,531,335
		102,667,241	414,531,335
Other comprehensive income/ (loss) for the year, net of tax		110,364,407	414,677,195
Total comprehensive income for the year, net of tax		3,198,649,210	5,385,040,060
Total comprehensive income attributable to:			
Equity holders of the company		3,198,649,210	5,385,040,060
Non-controlling interests		-	-
		3,198,649,210	5,385,040,060
Earnings per share			
Basic earnings per share (Taka)	14.a	10.34	18.96

## Footnotes:

These Financial Statements should be read in conjunction with the annexed notes 1 to 53

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

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

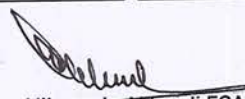
2210271257AS199044

Place: Chattogram

Dated :

2.7 OCT 2022



  
Alihussain Akberali FCA  
Chairman

  
Aameir Aljhussain  
Managing Director

  
Shekhar Ranjan Kar FCA  
Company Secretary

## Consolidated Statement of Changes in equity

Bangladesh Steel Re-Rolling Mills Limited  
For the year ended 30 June, 2022

	Attributable to owners of the company									
	Share capital	Share premium	Fair Value Reserve	General reserve	Foreign currency translation reserve	Revaluation reserve	Retained earnings	Total	Non-controlling interests	Total
Balance at 1 July 2020	2,360,682,360	511,970,250	-	30,170,818	18,617,743	12,130,382,922	8,529,817,734	23,581,641,827	7,824,801,021	31,406,442,848
Transfer of BSRM Steel Mills Ltd Balance as on 01 Feb 2021 due to merger	-	-	-	-	-	8,220,573,719	2,782,073,767	11,002,647,486	-	11,002,647,486
Issue of Shares due to Merger	625,163,900	-	-	-	-	-	-	625,163,900	-	625,163,900
Share Premium due to Merger	-	1,545,544,100	-	-	-	-	-	1,545,544,100	-	1,545,544,100
Adjustment of subsidiary company's profit up June 2020	-	-	-	-	-	-	(1,796,131,696)	(1,796,131,696)	-	(1,796,131,696)
Opening non-controlling balance adjustment	-	-	-	-	-	-	-	-	8,851,191	8,851,191
Adjustment for Unabsorbed Depreciation arisen due to merger	-	-	-	-	-	(2,830,956,955)	774,657,906	774,657,906	(7,833,652,212)	(9,859,929,629)
Adjustment Against BSRM SML Portion for Merger	-	-	-	-	-	(423,134,484)	-	(423,134,484)	-	(423,134,484)
Adjustment against share of Revaluation Reserve of Associate due to merger	-	-	-	-	-	-	-	414,531,335	-	414,531,335
Fair Value Reserve on Financial Assets of BSL	-	-	414,531,335	-	-	-	-	-	-	(354,102,354)
Annual cash dividend paid @15% for 2020	-	-	-	-	-	-	(236,068,236)	(236,068,236)	-	(236,068,236)
Interim cash dividend @10% for 2020-21	-	-	-	-	145,860	-	-	145,860	-	145,860
Exchange differences on translation of foreign operations	-	-	-	-	-	(20,130,914)	25,975,374	5,844,460	-	5,844,460
Transfer against difference in depreciation between cost and revalued amount	-	-	-	-	-	-	1,151,503	1,151,503	-	1,151,503
Transfer of Deferred Tax to retained earnings by the equity accounted investees due to excess depreciation between cost and revalued model	-	-	-	-	-	-	4,970,362,865	4,970,362,865	-	4,970,362,865
Profit after tax for the year	-	-	-	-	-	-	15,502,416,401	38,085,977,055	-	38,085,977,055
Balance at 30 June 2021	2,985,846,260	2,057,514,350	414,531,335	30,170,818	18,763,603	17,076,734,288	15,502,416,401	38,085,977,055	-	38,085,977,055
Balance at 1 July 2021	2,985,846,260	2,057,514,350	414,531,335	30,170,818	18,763,603	17,076,734,288	15,502,416,401	38,085,977,055	-	38,085,977,055
Fair Value Reserve on Financial Assets of BSL	-	-	102,667,241	-	-	-	(1,194,338,504)	(1,194,338,504)	-	(1,194,338,504)
Annual cash dividend paid @40% for 2021	-	-	-	-	-	(14,130,507)	18,232,912	4,102,405	-	4,102,405
Transfer against difference in depreciation between cost and revalued amount	-	-	-	-	-	-	1,093,928	1,093,928	-	1,093,928
Transfer of Deferred Tax to retained earnings by the equity accounted investees due to excess depreciation between cost and revalued model	-	-	-	-	-	-	-	7,697,166	-	7,697,166
Exchange difference on translation of foreign operations	-	-	-	-	7,697,166	-	3,088,284,803	3,088,284,803	-	3,088,284,803
Profit after tax for the year	-	-	-	-	-	-	17,415,689,540	40,095,484,094	-	40,095,484,094
Balance at 30 June 2022	2,985,846,260	2,057,514,350	517,198,576	30,170,818	26,460,769	17,062,603,781	17,415,689,540	40,095,484,094	-	40,095,484,094

### Footnotes:

These Financial Statements should be read in conjunction with the annexed notes 1 to 5

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


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Partner  
Enrolment Number: 1257  
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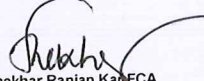
Place: Chattogram

Dated: 27 OCT 2022



  
Alihussain Akberali FCA  
Chairman

  
Aameir Alihussain  
Managing Director

  
Shekhar Ranjan Kal FCA  
Company Secretary

# Consolidated statement of cash flows

Bangladesh Steel Re-Rolling Mills Limited  
For the year ended 30 June, 2022

	Note	2022 BDT	2021 BDT
<b>Cash flows from operating activities</b>			
Cash receipts from customers		82,115,214,378	59,263,732,243
Cash payments to suppliers and employees		(74,007,409,519)	(49,332,677,702)
Income tax paid		(1,094,893,616)	(549,952,337)
Interest paid		(299,207,710)	(639,772,146)
<b>Net cash from/(used in) operating activities</b>		<b>6,713,703,535</b>	<b>8,741,330,058</b>
<b>Cash flows from investing activities</b>			
Acquisition of property, plant and equipment		(99,435,773)	(78,052,894)
Acquisition of Intangible Assets		(1,500,029)	-
Addition to capital work-in-progress		(863,687,902)	(1,198,224,289)
Disposal of property, plant and equipment		2,736,000	10,886,680
Dividend income		351,760,770	293,133,975
Investment in share		(36,430,203)	-
Increase/ (Decrease) in short term investments		(2,116,908,701)	(654,138,668)
<b>Net cash from/(used in) investing activities</b>		<b>(2,763,465,839)</b>	<b>(1,626,395,195)</b>
<b>Cash flows from financing activities</b>			
(Repayments) / Receipts of long term Loans		(894,821,986)	(3,338,248,412)
Dividend Paid		(1,175,802,188)	(585,350,558)
Lease payment	44.00	(44,875,842)	(26,287,073)
Short Term Borrowings/repayment		139,758,536	3,203,711,709
Loan to/ from Related Companies		2,067,631,601	(5,009,947,887)
<b>Net cash from/(used in) financing activities</b>		<b>91,890,120</b>	<b>(5,756,122,221)</b>
<b>Net (decrease)/ increase in cash and cash equivalents</b>		<b>4,042,127,816</b>	<b>1,358,812,641</b>
Cash and cash equivalents at 01 July		1,598,183,676	261,944,191
Adjustment of Cash and Cash equivalents due to merger		-	(23,618,287)
Effect of movements in exchange rates on cash and cash equivalents held		110,361,642	1,045,131
<b>Cash and cash equivalents at 30 June</b>	28.a	<b>5,750,673,133</b>	<b>1,598,183,676</b>
<b>Net Operating Cash flow per share</b>	16.a	<b>22.49</b>	<b>29.28</b>

## Footnotes:

These Financial Statements should be read in conjunction with the annexed notes 1 to 53

### A. Qasem & Co.

Chartered Accountants

RJSC Firm Registration Number: 2-PC7202



Md. Jahirul Islam FCA

Partner

Enrolment Number: 1257

DVC:

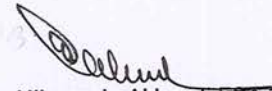
**2210271257AS199044**

Place: Chattogram


Dated :

**27 OCT 2022**



  
Alihussain Akberali FCA  
Chairman

  
Aameir Alihussain  
Managing Director

  
Shekhar Ranjan Kar FCA  
Company Secretary

# Statement of financial position

Bangladesh Steel Re-Rolling Mills Limited  
As at 30 June, 2022


	Notes	2022 BDT	2021 BDT
<b>Assets:</b>			
<b>Non-current assets</b>			
Property, plant and equipment	18.00	38,493,345,628	38,630,370,632
Capital work-in-progress	19.00	771,803,004	1,295,288,934
Right-of-use assets	44.00	118,079,383	102,089,943
Intangible assets	20.00	16,205,442	21,212,828
Investment in subsidiary and associate	21.00	8,152,477,496	7,326,221,683
Other investments	22.00	211,103,121	170,606,800
<b>Total non-current assets</b>		<b>47,763,014,074</b>	<b>47,545,790,820</b>
<b>Current assets</b>			
Short term investments	23.00	4,024,122,027	1,947,709,647
Inventories	24.00	47,792,565,315	14,710,197,317
Trade and other receivables	25.00	2,238,938,860	4,526,507,802
Current account with related companies	26.00	3,531,088,122	3,200,940,893
Advances and deposits	27.00	7,583,683,739	7,025,537,822
Cash and cash equivalents	28.00	5,682,463,553	1,575,195,160
<b>Total Current assets</b>		<b>70,852,861,616</b>	<b>32,986,088,641</b>
<b>Total assets</b>		<b>118,615,875,690</b>	<b>80,531,879,462</b>
<b>Equity and liabilities:</b>			
<b>Shareholder's equity</b>			
Share capital	29.00	2,985,846,260	2,985,846,260
Share premium	30.00	2,057,514,350	2,057,514,350
General reserve	31.01	30,170,818	30,170,818
Revaluation reserve	31.02	17,062,603,779	17,076,734,286
Fair value reserve		517,198,576	414,531,335
Foreign currency translation reserve		26,460,769	18,763,603
Retained earnings		17,415,689,542	15,502,416,403
<b>Total Equity</b>		<b>40,095,484,094</b>	<b>38,085,977,055</b>
<b>Non-current liabilities</b>			
Long term borrowings- non-current portion	32.00	224,563,056	728,339,400
Defined benefit obligations- gratuity	33.00	409,316,636	366,317,421
Lease liabilities- non-current portion	44.00	87,549,700	81,934,096
Deferred tax liability	36.00	3,769,754,917	3,670,214,397
<b>Total non-current liabilities</b>		<b>4,491,184,309</b>	<b>4,846,805,313</b>
<b>Current liabilities</b>			
Trade payables	37.00	665,060,676	474,552,412
Short term borrowings	38.01	66,969,381,141	32,537,442,420
Long term borrowings of current portion	38.02	903,156,973	1,294,202,615
Current account with related companies	39.00	2,397,778,830	-
Contract liabilities	40.00	318,655,890	646,725,298
Liabilities for expenses	41.00	1,122,655,703	1,149,136,050
Provision for income tax	34.00	1,158,741,465	834,097,486
Provision for WPPF and Welfare Fund	42.00	195,174,768	317,276,646
Lease liabilities-current portion	44.00	40,204,947	27,618,290
Other liabilities	43.00	235,040,549	313,225,843
Unclaimed dividend account	45.00	23,356,348	4,820,032
<b>Total current liabilities</b>		<b>74,029,207,287</b>	<b>37,599,097,092</b>
<b>Total liabilities</b>		<b>78,520,391,596</b>	<b>42,445,902,406</b>
<b>Total equity and liabilities</b>		<b>118,615,875,690</b>	<b>80,531,879,462</b>
<b>Net Assets Value (NAV) per share</b>	15.00	<b>134.29</b>	<b>127.56</b>

## Footnotes:

These Financial Statements should be read in conjunction with the annexed notes 1 to 53

### A. Qasem & Co.

Chartered Accountants  
RJS Firm Registration Number: 2-PC7202

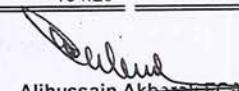
  
Md. Johirul Islam FCA  
Partner  
Enrolment Number: 1257  
DVC:


**2210271257AS199044**

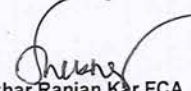
Place: Chattogram

Dated: **27 OCT 2022**



  
Alihussain Akbar FCA  
Chairman

  
Aamer Alihussain  
Managing Director

  
Shekhar Ranjan Kar FCA  
Company Secretary

# Statement of profit or loss and other comprehensive income

Bangladesh Steel Re-Rolling Mills Limited  
For the year ended 30 June, 2022

	Note	2022 BDT	2021 BDT
Revenue	5.00	79,783,104,398	59,875,852,466
Cost of Sales	6.00	(73,296,884,708)	(52,778,622,860)
Gross profit		6,486,219,690	7,097,229,606
Selling and distribution costs	7.00	(901,019,247)	(1,080,878,244)
Administrative costs	8.00	(802,625,801)	(550,150,219)
Other operating income	9.00	63,468,112	11,524,981
Operating profit		4,846,042,754	5,477,726,124
Finance costs	10.00	(1,515,161,187)	(783,209,274)
Finance income	11.00	174,842,427	72,947,851
Net finance cost		(1,340,318,760)	(710,261,423)
Non-operating income	12.00	46,010,581	30,428,372
Profit before WPPF and Welfare Fund		3,551,734,575	4,797,893,073
Contribution to WPPF and Welfare Fund	42.01	(195,174,767)	(254,551,352)
Share of profit of equity accounted investees, net of tax	13.00	1,026,459,617	960,517,273
Profit before tax		4,383,019,425	5,503,858,994
Income tax expenses/benefits			
Current Tax	35.00	(1,191,091,697)	(485,465,510)
Deferred Tax	36.00	(103,642,925)	(48,030,618)
Profit after tax		3,088,284,803	4,970,362,865
<b>Other comprehensive income</b>			
Other comprehensive income that may be reclassified to profit or loss in subsequent periods (net of tax) :			
Exchange differences on translation of foreign operations		7,697,166	145,860
		7,697,166	145,860
Other comprehensive income that will not be reclassified to profit or loss in subsequent periods (net of tax) :			
Fair value reserve on financial assets (net of tax)		102,667,241	414,531,335
		102,667,241	414,531,335
Other comprehensive income/ (loss) for the year, net of tax		110,364,407	414,677,195
Total comprehensive income for the year, net of tax		3,198,649,209	5,385,040,060
<b>Earnings per share</b>			
Basic earnings per share (Taka)	14.01	10.34	18.96

## Footnotes:

These Financial Statements should be read in conjunction with the annexed notes 1 to 53

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



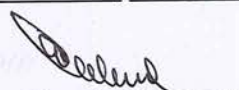
Md. Johirul Islam FCA  
Partner  
Enrolment Number: 1257  
DVC:


2210271257AS199044

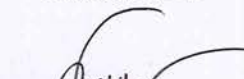
Place: Chattogram

Dated : 27 OCT 2022



  
Alihussain Akberali FCA  
Chairman

  
Aameir Alihussain  
Managing Director

  
Shekhar Ranjan Kar FCA  
Company Secretary

## Statement of changes in equity

Bangladesh Steel Re-Rolling Mills Limited  
For the year ended 30 June, 2022

Particulars	Share capital	Share premium	Fair Value Reserve	General reserve	Foreign currency translation reserve	Revaluation reserve	Retained earnings	Total
Balance at 1 July 2020	2,360,682,360	511,970,250	-	30,170,818	18,617,743	12,130,382,920	8,529,817,736	23,581,641,827
Transfer of BSRM Steel Mills Ltd Balance as on 1 Feb 2021 due to Merger	-	-	-	-	-	8,220,573,719	2,782,073,767	11,002,647,486
Issue of Shares due to Merger	625,163,900	-	-	-	-	-	-	625,163,900
Share Premium due to Merger	-	1,545,544,100	-	-	-	-	-	1,545,544,100
Adjustment of subsidiary company's profit upto June 2020	-	-	-	-	-	-	(1,796,131,696)	(1,796,131,696)
Adjustment for Unabsorbed Depreciation arisen due to merger	-	-	-	-	-	-	774,657,906	774,657,906
Adjustment Against BSRM SML Portion for Merger	-	-	-	-	-	(2,830,956,955)	804,679,539	(2,026,277,416)
Adjustment against share of Revaluation Reserve of Associate (BSL) due to merger	-	-	-	-	-	(423,134,484)	-	(423,134,484)
Fair Value Reserve on Financial Assets of BSL	-	-	414,531,335	-	-	-	-	414,531,335
Annual cash dividend paid @15% for 2020	-	-	-	-	-	-	(354,102,354)	(354,102,354)
Interim cash dividend @10% for 2020-21	-	-	-	-	-	-	(236,068,236)	(236,068,236)
Exchange differences on translation of foreign operations	-	-	-	-	145,860	-	-	145,860
Transfer against difference in depreciation between cost and revalued amount	-	-	-	-	-	(20,130,914)	25,975,374	5,844,460
Transfer of Deferred Tax to Retained Earnings by the equity accounted investees due to excess depreciation between cost and revalued model	-	-	-	-	-	-	1,151,503	1,151,503
Profit after tax for the year	-	-	-	-	-	-	4,970,362,865	4,970,362,865
Balance as at 30 June, 2021	<u>2,985,846,260</u>	<u>2,057,514,350</u>	<u>414,531,335</u>	<u>30,170,818</u>	<u>18,763,603</u>	<u>17,076,734,286</u>	<u>15,502,415,403</u>	<u>38,085,977,055</u>
Balance at 1 July 2021	2,985,846,260	2,057,514,350	414,531,335	30,170,818	18,763,603	17,076,734,286	15,502,416,403	38,085,977,055
Fair Value Reserve on Financial Assets of BSL	-	-	102,667,241	-	-	-	-	102,667,241
Annual cash dividend paid @40% for 2021	-	-	-	-	-	-	(1,194,338,504)	(1,194,338,504)
Transfer against difference in depreciation between cost and revalued amount	-	-	-	-	-	(14,130,507)	18,232,912	4,102,405
Transfer of Deferred Tax to Retained Earnings by the equity accounted investees due to excess depreciation between cost and revalued model	-	-	-	-	-	-	1,093,928	1,093,928
Exchange difference on translation of foreign operations	-	-	-	-	7,697,166	-	-	7,697,166
Profit after tax for the year	-	-	-	-	-	-	3,088,284,803	3,088,284,803
Balance as at 30 June, 2022	<u>2,985,846,260</u>	<u>2,057,514,350</u>	<u>517,198,576</u>	<u>30,170,818</u>	<u>26,460,769</u>	<u>17,062,603,779</u>	<u>17,415,689,542</u>	<u>40,095,484,094</u>

### Footnotes:

These Financial Statements should be read in conjunction with the annexed notes 1 to 53

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

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

**2210271257AS199044**

Place: Chattogram

Dated: **27 OCT 2022**



Alihussain Akberali FCA  
Chairman

Aameir Alihussain  
Managing Director

Shekhar Ranjan Kati FCA  
Company Secretary

**Bangladesh Steel Re-Rolling Mills Limited**

**Statement of cash flows**  
**For the year ended 30 June, 2022**

	Note	2022	2021
		BDT	BDT
<b>Cash flows from operating activities</b>			
Cash receipts from customers		81,820,449,135	59,208,451,443
Cash payments to suppliers, employees and advance tax		(73,710,277,955)	(49,289,647,243)
Income tax paid		(1,094,893,616)	(549,952,337)
Interest paid		(298,342,359)	(638,461,603)
<b>Net cash from operating activities</b>		<b>6,716,935,205</b>	<b>8,730,390,260</b>
<b>Cash flows from investing activities</b>			
Acquisition of Property, plant and equipment		(99,435,773)	(78,052,894)
Acquisition of Intangible Assets		(1,500,029)	-
Addition of capital work-in-progress		(863,687,902)	(1,198,224,289)
Disposal of Property, plant and equipment		2,736,000	10,886,680
Dividend income		351,760,770	293,133,975
Investment in share		(83,121,311)	-
Increase/ (Decrease) in investments		(2,116,908,701)	(654,138,668)
<b>Other income</b>		<b>-</b>	<b>-</b>
<b>Net cash used in investing activities</b>		<b>(2,810,156,947)</b>	<b>(1,626,395,195)</b>
<b>Cash flows from financing activities</b>			
(Repayment) / Receipt of Long term loans		(894,821,986)	(3,338,248,412)
Dividend paid		(1,175,802,188)	(585,350,558)
Lease rent payment	44.00	(44,875,842)	(26,287,073)
Receipt/(Repayment) of short term borrowings		139,724,171	3,203,434,444
Loan to/from related Companies		2,067,631,601	(5,009,947,887)
<b>Net cash from financing activities</b>		<b>91,855,756</b>	<b>(5,756,399,486)</b>
<b>Net increase/(decrease) in cash and cash equivalent</b>		<b>3,998,634,014</b>	<b>1,347,595,576</b>
Cash and cash equivalents at 01 July		1,575,195,160	226,554,453
Effect of movements in exchange rates on cash and cash equivalents held		108,634,380	1,045,132
<b>Cash and cash equivalents at 30 June</b>	<b>28.00</b>	<b>5,682,463,553</b>	<b>1,575,195,160</b>
<b>Net Operating Cash flow per share</b>	<b>16.00</b>	<b>22.50</b>	<b>29.24</b>

**Footnotes:**

These Financial Statements should be read in conjunction with the annexed notes 1 to 53

**A. Qasem & Co.**

Chartered Accountants  
RJSC Firm Registration Number: 2-PC7202



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

**2210271257AS199044**

Place: Chattogram

Dated: **27 OCT 2022**




**Alihussain Akberali FCA**  
Chairman



**Aameir Alihussain**  
Managing Director



**Shekhar Ranjan Kar FCA**  
Company Secretary



# Notes to the Consolidated Financial Statements

## 1 Reporting entity

### A. Legal form of the entity

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

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

Another Billet making plant name- Melting Unit-2 (SML) located at Sonapahar, 03 No. Zorargonj, Mirsarai, Chattogram previously known as BSRM Steel Mills Limited which was merged with the Company on February 01, 2021. The production Capacity of this plant is 8,62,000 MT per year.

### Nature of the business

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

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

### B. Branch office of the company

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

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

BSRM (Hong Kong) Limited was incorporated on 30 May 2018 in Hong Kong as a private company limited by shares. Registered office of the company is in Hong Kong. The company has share capital of HKD 3,920,000 (3,920,000 shares) which is owned by Bangladesh Steel Re-Rolling Mills Limited.

### D. BSRM Steels Limited- associate

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

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

In addition to the Rolling unit, the company produce M.S. Billets at Mirsharai, Chattogram, since April 16, 2019. This unit is supplying Billet to the rolling unit of BSRM Steels Limited. The annual production capacity of this plant is 450,000 MT and it has another plant to produce M.S. Billets at Baizid Bostami Road, Nasirabad Industrial Area, Chattogram with 230,000 MT capacity per annum.



## Notes to the Consolidated Financial Statements (Continued)

### 2 Basis of accounting

#### A. Statement of compliance

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

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

#### B. Basis of Consolidation

The consolidated financial statements comprise the financial statements of the company and its subsidiaries as at 30 June 2022. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if, and only if, the Group has:

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

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

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

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

#### C. Other regulatory compliances

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

- i) The Income Tax Ordinance, 1984
- ii) The Income Tax Rules, 1984
- iii) The Value Added Tax and Supplementary Duty Act, 2012
- iv) The Value Added Tax and Supplementary Duty Rules, 2016
- v) The Customs Act, 1969
- vi) Bangladesh Labour Law, 2006
- vii) The Securities and Exchange Ordinance, 1969
- viii) The Securities and Exchange Rules, 2020
  
- ix) The Financial Reporting Act 2015

#### D. Basis of measurement

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

#### E. Going concern

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

#### F. Reporting period

The separate financial statements of the company and the consolidated financial statements of the group cover twelve months from 1 July 2021 to 30 June 2022 and is followed consistently.

#### G. Authorization for issue

These consolidated financial statements for the year ended 30 June, 2022 have been authorized for issue by the Board of Directors on 27 October 2022.

#### H. Consistency

Unless otherwise stated, the accounting policies and methods of computation used in preparation of the financial statements as at and for the year ended 30 June 2022 are consistent with those policies and methods adopted in preparing the financial statements as at and for the year ended 30 June 2021.



I. **Comparative information**

Comparative information has been disclosed in respect of 2021 in accordance with IAS 1: Presentation of Financial Statements, for all numeric information in the financial statements and also the narrative and descriptive information where it is relevant for understanding of the current period's financial statements. Prior year's figures have been rearranged wherever considered necessary to ensure comparability with the current year.

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

J. **Functional and presentation currency**

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

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

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

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

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

The Company classifies all other assets as non-current.

**A liability is current when:**

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

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

3 **Use of estimates and judgements**

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

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

**Judgements, assumptions and estimation uncertainties**

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

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

**Measurement of fair values**

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

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

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



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

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

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

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

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



## Notes to the Consolidated Financial Statements (Continued)

### 4 Summary of significant accounting policies

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

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

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

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

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

##### i. **Business combinations**

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

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

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

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

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



## Notes to the Consolidated Financial Statements (Continued)

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

### ii. *Subsidiaries*

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

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

### iii. *Non-controlling interests*

NCI are measured initially at their proportionate share of the acquiree's identifiable net assets at the date of acquisition.

Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

### iv. *Loss of control*

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

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

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

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

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

### vi. *Transactions eliminated on consolidation*

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

## B. *Foreign currency*

### i. *Foreign currency transactions*

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



## Notes to the Consolidated Financial Statements (Continued)

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.

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

### II. Foreign operations

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

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

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

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

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

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

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

The Statement of financial position of **Kolkata Branch** has been translated using the closing rate of Tk 1.1854 and the statement of profit or loss and other comprehensive income has been translated using the average rate of Tk 1.1843.

The Statement of financial position of **BSRM (Hong Kong) Limited** has been translated using the closing rate of Tk 11.911 and the statement of profit or loss and other comprehensive income has been translated using the average rate of Tk 11.907.

### C. Consistency

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



## Notes to the Consolidated Financial Statements (Continued)

### D. Property, plant and equipment

#### I. *Recognition and measurement*

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

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

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

#### II. *Subsequent costs*

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

#### III. *Depreciation*

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

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

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

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

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

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

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

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

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

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





## Notes to the Consolidated Financial Statements (Continued)

### E. Capital work-in-progress

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

### F. Intangible assets

#### I. Recognition and measurement

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

#### II. Subsequent costs

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

#### III. Amortisation

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

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

### G. Inventories

#### Nature of inventories

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

#### Valuation of the inventories

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

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

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

### H. Investment in subsidiary and associate

#### Investment in subsidiary

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

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

#### Investment in associate

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



## Notes to the Consolidated Financial Statements (Continued)

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

### I. Financial assets

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

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

The group derecognizes a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred.

Financial assets include Short term investments; Trade and other receivables; Advances, deposits and prepayments; Loan to related companies and Cash and bank balances etc.

#### I. Trade and Other Receivables

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

Provision for doubtful debts is made based on the Group policy. Bad debts are written off considering the status of individual debtors.

#### II. Advances, deposits and prepayments

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

Deposits are measured at payment value.

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

#### III. Cash and cash equivalents

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

### J. Financial liabilities

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

#### I. Trade and other payables

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

#### II. Other liabilities

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

### K. Impairment

#### I. Financial assets

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

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



## Notes to the Consolidated Financial Statements (Continued)

### II. *Non-financial assets*

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

### L. *Cash flow statement*

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

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

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

### N. *Borrowing costs*

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

### O. *Taxation*

#### I. *Current tax*

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

#### II. *Deferred tax*

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

### P. *Share capital*

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

### Q. *Employee benefits*

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

#### I. *Defined contribution plan (Provident Fund)*

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

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



## Notes to the Consolidated Financial Statements (Continued)

### II. *Defined Benefit Plan (Gratuity)*

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

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

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

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

### R. *Revenue recognition*

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

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

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

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

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

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

### S. *Finance income and costs*

#### I. *Finance income*

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

#### II. *Finance costs*

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

### T. *Other operating income*

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

### U. *Earnings per share (EPS)*

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



## Notes to the Consolidated Financial Statements (Continued)

**I. Basis of earnings**

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

**II. Basic earnings per share**

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

**III. Diluted earnings per share**

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

**V. Duty drawback**

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

**W. Measurement of fair values**

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

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

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

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

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

**Property, plant and equipment**

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

**Equity and debt securities**

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

**X. Events after the reporting period**

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

**Y. Leases**

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

**I. As a lessee**

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

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



## Notes to the Consolidated Financial Statements (Continued)

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

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

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

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

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

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

### *II. As a lessor*

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

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

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



## Notes to the Financial Statements (Continued)

	Note	2022 BDT	2021 BDT
<b>5.00 Revenue</b>			
See accounting policy in note 4(R)			
Bangladesh Steel Re-Rolling Mills Limited-HO	5.01	79,311,494,122	59,692,767,486
Bangladesh Steel Re-Rolling Mills Limited-Kolkata Branch		3,635,304,464	2,192,619,725
Less: Intra-company sales		(1,301,095,437)	(613,177,687)
Less: VAT on sales		(1,862,598,751)	(1,396,357,058)
		<u>79,783,104,398</u>	<u>59,875,852,466</u>
<b>5.01 Bangladesh Steel Re-Rolling Mills Limited-HO</b>			
Local sales	5.01.01	76,201,375,489	57,594,028,762
Export sales	5.01.02	1,247,519,882	702,381,666
Add: VAT on sales		1,862,598,751	1,396,357,058
		<u>79,311,494,122</u>	<u>59,692,767,486</u>
<b>5.01.01 Local sales</b>			
MS Rod/Channal/Angle etc		63,500,983,259	54,567,489,261
MS Billets, scrap and by-products etc		12,700,392,230	3,026,539,501
		<u>76,201,375,489</u>	<u>57,594,028,762</u>
<b>5.01.02 Export sales</b>			
By Products		653,491,399	336,399,908
Finished Products		594,028,483	365,981,758
		<u>1,247,519,882</u>	<u>702,381,666</u>
Export sales of finished products during 01 July 2021 to 30 June 2022 was USD 6,887,815.62 against export of 7,935.75 Metric Ton of goods and it was USD 4,313,812.85 against export of 5,864.19 Metric Ton of goods during 01 July 2020 to 30 June 2021.			
<b>5.01-A Revenue streams</b>			
Revenue from contracts with customers	5.01	77,448,895,371	58,296,410,428
		<u>77,448,895,371</u>	<u>58,296,410,428</u>
<b>5.01-B Disaggregation of revenue from contracts with customers (net of VAT)</b>			
<b>Primary geographical markets</b>			
Bangladesh		76,795,403,973	57,781,498,791
China		483,774,607	185,149,986
South Korea		103,433,551	54,178,047
Thailand		-	3,390,000
India		49,119,116	272,193,605
Indonesia		17,164,125	-
		<u>77,448,895,372</u>	<u>58,296,410,428</u>
<b>Major products lines or services</b>			
Xtreme 500		45,731,210,100	39,272,318,652
M. S. Products		27,834,952,843	16,780,267,598
By Product & Scrap		2,070,229,404	857,802,461
H & I Beam		210,602,018	234,338,314
Others		1,601,901,008	1,151,683,403
		<u>77,448,895,372</u>	<u>58,296,410,428</u>
<b>Timing of revenue recognition</b>			
Products transferred at a point in time		77,448,895,372	58,296,410,428
		<u>77,448,895,372</u>	<u>58,296,410,428</u>
<b>5.01-C Contract balances</b>			
The following table provides information about receivables, contract assets and contract liabilities from contracts with customers.			
Receivables, which are included in 'trade and other receivables'	25.02	1,887,314,286	4,139,893,593
Contract liabilities	40.00	318,655,890	646,725,298
<b>5.a CONSOLIDATED REVENUE</b>			
Bangladesh Steel Re-Rolling Mills Limited	5.00	79,783,104,398	59,875,852,466
BSRM (Hong Kong) Limited		284,923,853	30,916,246
Less: Intra-group elimination		(115,226,962)	(864,369)
		<u>79,952,801,290</u>	<u>59,905,904,343</u>



## Notes to the Financial Statements (Continued)

	Note	2022 BDT	2021 BDT
<b>6.00 Cost of sales</b>			
Bangladesh Steel Re-Rolling Mills Limited-HO	6.01	71,371,557,847	51,320,565,735
Bangladesh Steel Re-Rolling Mills Limited-Kolkata Branch		3,226,422,298	2,071,234,812
Less: Intra-company sales		(1,301,095,437)	(613,177,687)
		<b>73,296,884,708</b>	<b>52,778,622,860</b>
<b>6.01 Bangladesh Steel Re-Rolling Mills Limited-HO</b>			
Cost of sales- own production	6.01.01	57,187,514,714	47,524,244,924
Cost of sales- finished goods procured and sold	6.01.02	300,435,449	545,634,242
Cost of sales- scrap and others	6.01.01	1,047,014,589	401,056,461
Cost of sales- billet	6.01.01	11,469,772,648	1,999,376,849
Cost of Ribbed Wire	6.01.03	1,366,820,446	850,253,259
		<b>71,371,557,847</b>	<b>51,320,565,735</b>
<b>6.01.01 Cost of sales- own production</b>			
Stock of raw materials-scrap at 1 July		5,546,106,888	1,390,522,066
Raw Materials transfer from BSML due to merger		-	5,417,575,522
Purchase during the year		84,589,889,875	19,884,007,227
		<b>90,135,996,763</b>	<b>26,692,104,815</b>
Cost of scrap and others sales		(1,047,014,589)	(401,056,461)
Stock of raw materials-scrap at 30 June	24.01	(20,781,100,472)	(5,546,106,887)
Raw materials consumed-scrap		68,307,881,701	20,744,941,467
Factory overhead- Melting Unit	6.02.a	14,496,724,284	6,053,039,327
Cost of billet manufactured		<b>82,804,605,986</b>	<b>26,797,980,794</b>
Stock of billet at 1 July		2,435,306,638	39,666,437
Billet transfer from BSML due to merger		-	2,327,748,626
Stock of billet available		<b>85,239,912,624</b>	<b>29,165,395,857</b>
Cost of billet sale		(11,469,772,648)	(1,999,376,849)
Stock of billet at 30 June	24.01	(16,153,394,297)	(2,435,306,638)
Billet transferred to Re-Rolling Unit		<b>57,616,745,679</b>	<b>24,730,712,370</b>
Stock of billet at 1 July		1,074,287,811	1,510,977,480
Purchase during the year		-	17,475,924,935
Stock of billet at 30 June	24.01	(1,438,062,514)	(1,074,287,811)
Billet consumed		<b>57,252,970,976</b>	<b>42,643,326,974</b>
Cost of packing materials		190,654,080	123,996,651
Factory overhead- Rolling Unit	6.02.b	2,416,549,028	2,491,483,961
Cost of Production of finished goods		<b>59,860,174,084</b>	<b>45,258,807,586</b>
Stock of finished goods at 1 July		2,071,570,543	4,345,804,002
Purchase FG for cut and bend during the year		114,823,330	45,128,284
Production cost for cut and bend		167,826,789	-
Stock of finished goods at 30 June	24.01	(4,903,132,153)	(2,071,570,543)
Goods available for sale		<b>57,311,262,592</b>	<b>47,578,169,329</b>
Own use		(123,747,878)	(53,924,404)
Cost of sales- own production		<b>57,187,514,714</b>	<b>47,524,244,924</b>
<b>6.01.02 Cost of sales- finished goods procured and sold</b>			
Stock of finished goods at 1 July		278,784,215	421,396,820
Finished goods imported		264,599,733	248,433,044
Finished goods purchased locally		109,785,248	190,293,783
Available for sale/consumption		653,169,196	860,123,647
Stock of finished goods at 30 June	24.01	(288,201,338)	(278,784,216)
Goods used by the company		(64,532,409)	(35,705,190)
Cost of sales- finished goods procured and sold		<b>300,435,449</b>	<b>545,634,242</b>
<b>6.01.03 Cost of sales- Ribbed Wire</b>			
Stock of raw materials-Scrap at 1 July		30,672,236	-
Purchase during the year		2,020,533,856	896,160,331
Stock of raw materials-scrap at 30 June	24.01	(519,894,265)	(30,672,236)
Raw materials consumed-Wire Rod		<b>1,531,311,827</b>	<b>865,488,094</b>
Cost of Packing Materials		2,174,762	1,673,302
Factory overhead	6.02.c	57,762,743	43,138,318
Cost of billet manufactured		<b>1,591,249,332</b>	<b>910,299,715</b>
Stock of finished goods at 01 July		23,168,247	-
Stock of finished goods at 30 June	24.01	(131,872,078)	(23,168,247)
Goods available for sale		<b>1,482,545,501</b>	<b>887,131,468</b>
Own use		(25,429)	(36,878,208)
Transfer to rolling unit for binding		(115,699,626)	-
Cost of sales- Ribbed Wire		<b>1,366,820,446</b>	<b>850,253,259</b>





## Notes to the Financial Statements (Continued)

		2022	2021
	Note	BDT	BDT
<b>6.02 Factory overhead</b>			
Factory overhead- Melting Unit	6.02.a	14,496,724,284	6,053,039,327
Factory overhead- Rolling Unit	6.02.b	2,416,549,028	2,491,483,961
Factory overhead- Ribbed Wire	6.02.c	57,762,743	43,138,318
		<b>16,971,036,055</b>	<b>8,587,661,606</b>
<b>6.02.a Factory overhead- Melting Unit</b>			
Salaries and allowances		803,797,202	412,754,174
Consumption of electrical stores		76,789,770	55,404,927
Consumption of general stores		55,149,722	31,128,197
Consumption of mechanical stores		245,873,847	232,096,768
Conveyance expenses		20,791,132	11,062,952
Depreciation	18.01	983,280,558	512,131,210
Direct materials consumed		4,598,882,141	1,453,139,016
Electricity expenses		-	2,071,834
Entertainment		15,406,817	8,835,987
Fees and renewals		3,578,289	1,617,837
Fuel and lubricants		225,536,882	82,340,072
Gas		53,529,944	27,574,567
Gratuity expenses		42,366,522	19,850,819
Guest house expenses		898,528	2,294,385
Guest house rent		2,259,840	1,206,900
Materials and finished goods handling charges		263,006,873	89,118,408
Medical expenses		6,552,036	4,017,376
Motor vehicle expenses		4,673,435	3,856,070
Postage and telegram		1,025	1,431
Power (factory)		6,812,648,437	2,971,099,929
Printing and stationery		665,348	1,738,516
Repairs and maintenance		72,003,459	23,952,358
Scrap Processing Expenses		97,312,439	75,645,362
Slag Processing Expenses		31,765,318	12,033,182
Travelling expenses		1,265,411	208,083
Testing Charges		816,045	224,932
Water bill- WASA		97,920	111,676
Depreciation- Right-of-use assets	44.00	16,396,919	14,217,518
Insurance expenses		23,391,219	865,385
Rent		37,987,208	2,439,456
		<b>14,496,724,284</b>	<b>6,053,039,327</b>
<b>6.02.b Factory overhead- Rolling Unit</b>			
Salaries and allowances		263,454,778	240,990,976
Consumption of electrical stores		33,309,857	85,617,751
Consumption of general stores		16,724,300	4,045,009
Consumption of mechanical stores		326,139,465	341,682,027
Conveyance expenses		6,937,253	8,507,414
Depreciation	18.01	528,649,819	498,879,975
Other materials consumed		12,982,072	847,236
Electricity expenses		-	9,259,171
Entertainment		2,738,764	2,125,993
Fees and renewals		1,008,424	1,019,075
Fuel and lubricants		35,091,306	26,042,130
Gas		268,856,506	271,830,275
Gratuity expenses		22,648,982	19,009,236
Guest house expenses		161,693	212,465
Guest house rent		1,792,620	1,776,335
Insurance expenses		12,067,944	20,104,824
Materials and finished goods handling charges		218,757,954	288,991,777
Medical expenses		2,676,154	2,391,974
Motor vehicle expenses		2,049,454	929,078
Postage and telegram		7,075	4,755
Power (factory)		578,189,758	559,544,835
Printing and stationery		4,049,279	5,230,708
Rent		1,552,851	923,136
Ghat Rent		-	25,952,041
Repairs and maintenance		28,310,097	19,408,863
Travelling expenses		1,477,484	321,877
Testing Charges		632,629	312,850
Water bill- WASA		328,353	254,233
Consumption of MS Roll		37,438,774	49,004,418
Depreciation- Right-of-use assets	44.00	8,515,381	6,263,523
		<b>2,416,549,028</b>	<b>2,491,483,961</b>



## Notes to the Financial Statements (Continued)

	Note	2022	2021
		BDT	BDT
<b>6.02.c Factory overhead- Ribbed Wire</b>			
Carrying charges		7,780	5,225
Consumption electrical stores		302,979	528,285
Consumption general stores		511,226	147,481
Consumption of Mechanical Stores		1,215,797	1,588,865
Consumption of MS Roll		-	90,549
Conveyance expenses		353,272	243,441
Depreciation	18.01	2,714,953	2,257,406
Entertainment		403,276	333,684
Fuel and Lubricants		404,827	384,004
Gratuity expenses		2,101,724	1,657,003
Insurance expenses		-	2,883
Materials and finished goods handling charges		5,412,799	2,371,799
Medical expenses		730,052	237,004
Motor vehicles expenses		216,000	-
Office Expenses		-	17,160
Other Materials Consumed		108,964	73,403
Postage and telegram		3,121	1,610
Power		4,348,077	3,702,046
Printing and stationery		231,789	271,255
Repairs and Maintenance		641,480	769,514
Salaries and allowances		37,942,154	28,343,018
Testing Charges		97,045	66,470
Travelling expenses		-	3,500
Water bill-WASA		15,428	42,713
		<b>57,762,743</b>	<b>43,138,318</b>
<b>6.a CONSOLIDATED COST OF SALES</b>			
Bangladesh Steel Re-Rolling Mills Limited	6.00	73,296,884,708	52,778,622,860
BSRM (Hong Kong) Limited		280,899,359	28,441,880
Less: Intra-group elimination		(115,226,962)	(864,369)
		<b>73,462,557,105</b>	<b>52,806,200,371</b>



## Notes to the Financial Statements (Continued)

	Note	2022	2021
		BDT	BDT
<b>7.00 Selling and distribution costs</b>			
Bangladesh Steel Re-Rolling Mills Limited-HO	7.01	901,019,247	1,080,878,244
Bangladesh Steel Re-Rolling Mills Limited-Kolkata Branch		-	-
		<b>901,019,247</b>	<b>1,080,878,244</b>
<b>7.01 Bangladesh Steel Re-Rolling Mills Limited-HO</b>			
Salary and allowances		192,958,839	170,947,243
Advertisement		138,208,699	155,117,744
Bad debt		5,399,843	-
Professional and legal expenses		217,200	-
Sales promotion expenses		11,907,427	15,766,861
Brokerage and commission		56,101,017	260,115,966
Marketing expenses		35,177,551	71,117,833
Carriage on sales		247,407,460	184,462,781
Telephone expenses		227,512	204,442
Conveyance expenses		1,226,688	815,940
Depreciation	18.01	45,133,614	45,205,737
Electricity expenses		9,392,140	11,640,076
Entertainment		709,794	474,736
Finished goods handling charges		26,946,657	31,225,096
Export charges		9,531,912	8,332,907
Repair & maintenance		469,998	279,954
Fees and renewals		195,660	142,730
Godown rent		4,003,904	3,126,685
Medical expenses		1,480,345	1,411,113
Motor cycle expenses		11,668,796	11,162,902
Printing and stationeries expenses		2,712,176	3,344,918
Royalty expenses		88,460,024	93,970,589
Testing charges		1,930,361	691,980
Travelling expenses		2,124,227	1,793,844
Depreciation- Right-of-use assets	44.00	3,604,255	2,332,984
Gratuity expenses		3,823,148	7,193,182
		<b>901,019,247</b>	<b>1,080,878,244</b>
<b>7.02</b>			
The trademark 'Xtreme 500W' has been registered in the name of 'H. Akberali & Co. Limited' (HACL) from the Department of Patents, Designs and Trademark of Government of Bangladesh under section 20(2) of the Trademark Act 2009. The company is paying royalty to HACL @ Tk. 150 per MT on its sold quantity from 01 January 2016 according to Trademark License Agreement between the Company and HACL effective from the aforesaid date.			
<b>7.a CONSOLIDATED SELLING AND DISTRIBUTION COSTS</b>			
Bangladesh Steel Re-Rolling Mills Limited	7.00	901,019,247	1,080,878,244
BSRM (Hong Kong) Limited		-	-
		<b>901,019,247</b>	<b>1,080,878,244</b>
<b>8.00 Administrative costs</b>			
Bangladesh Steel Re-Rolling Mills Limited-HO	8.01	576,255,104	451,078,720
Bangladesh Steel Re-Rolling Mills Limited-Kolkata Branch		226,370,697	99,071,499
		<b>802,625,801</b>	<b>550,150,219</b>
<b>8.01 Bangladesh Steel Re-Rolling Mills Limited-HO</b>			
Salaries and allowances		261,311,749	214,548,551
Directors' remuneration	8.02	166,500,000	121,000,000
Advertisement expenses		543,998	605,686
Audit fees		1,329,250	1,544,900
Board meeting expenses		308,000	302,500
Conveyance expenses		5,767,471	2,388,275
Insurance expenses		39,066	33,638
CSR expenses		26,049,493	15,750,728
Depreciation	18.01	5,945,640	4,849,281
Amortisation	20.01	6,507,415	4,549,901
Donation and subscriptions		358,981	5,010,257
Entertainment		13,536,323	4,833,619
Fees and renewals		10,848,155	5,774,487
Generator and fuel expenses		184,892	232,832
Guest house expenses		2,381,819	1,266,924



## Notes to the Financial Statements (Continued)

	Note	2022 BDT	2021 BDT	
Land revenue, municipal tax		3,488,109	1,279,418	
Legal expenses		714,942	650,558	
Medical expenses		5,667,097	5,075,837	
Motor vehicle expenses		11,938,678	11,554,563	
Office expenses		1,104,857	1,316,611	
Postage expenses		231,972	288,711	
Printing expenses		1,939,899	1,926,135	
Professional expenses		3,682,113	14,431,876	
Rent (office, depot and others)		1,955,787	1,489,434	
Repair and maintenance		5,840,113	2,633,032	
Telephone expenses		5,179,332	4,278,627	
Internet expenses		2,614,000	1,881,092	
Training expenses		671,153	788,383	
Travelling expenses		4,549,781	3,040,046	
Utility expenses		2,558,020	1,913,722	
Gratuity expenses		14,662,712	9,022,822	
Depreciation- Right-of-use assets	44.00	7,844,287	6,816,275	
		<b>576,255,104</b>	<b>451,078,720</b>	
<b>8.02 Directors' remuneration</b>				
Details of directors' remuneration paid during the year are as follows:				
Director's Name		Gross remuneration	Income tax deducted	Net paid
Mr. Alihussain Akberali- Chairman		66,000,000	16,500,000	49,500,000
Mr. Aameir Alihussain- Managing Director		64,500,000	16,125,000	48,375,000
Mr. Zohair Taherali- Director		28,500,000	7,125,000	21,375,000
Mrs. Sabeen Aameir- Director		7,500,000	1,500,000	6,000,000
		<b>166,500,000</b>	<b>41,250,000</b>	<b>125,250,000</b>
In addition to remuneration, directors avail company vehicles for transportation purposes. These key management personnel are not entitled to any other benefits. No amount is lying as receivable from the directors.				
<b>8.a CONSOLIDATED ADMINISTRATIVE COSTS</b>				
Bangladesh Steel Re-Rolling Mills Limited	8.00	802,625,801	550,150,219	
BSRM (Hong Kong) Limited		16,195,497	14,683,156	
		<b>818,821,298</b>	<b>564,833,375</b>	
<b>9.00 Other operating income</b>				
See accounting policy in note 4(S).				
Bangladesh Steel Re-Rolling Mills Limited-HO	9.01	63,468,112	11,524,981	
Bangladesh Steel Re-Rolling Mills Limited-Kolkata Branch		-	-	
		<b>63,468,112</b>	<b>11,524,981</b>	
<b>9.01 Bangladesh Steel Re-Rolling Mills Limited-HO</b>				
Late payment charge		11,383,319	27,377,242	
Other item sales		53,466,486	3,615,255	
Gain/(loss) on sale of PPE		(1,381,693)	(19,467,515)	
		<b>63,468,112</b>	<b>11,524,981</b>	
<b>9.a CONSOLIDATED OTHER OPERATING INCOME</b>				
Bangladesh Steel Re-Rolling Mills Limited	9.00	63,468,112	11,524,981	
BSRM (Hong Kong) Limited		-	-	
		<b>63,468,112</b>	<b>11,524,981</b>	
<b>10.00 Finance costs</b>				
See accounting policy in note 4(T)				
Bangladesh Steel Re-Rolling Mills Limited-HO	10.01	1,495,826,888	769,705,652	
Bangladesh Steel Re-Rolling Mills Limited-Kolkata Branch		19,334,299	13,503,622	
		<b>1,515,161,187</b>	<b>783,209,274</b>	



## Notes to the Financial Statements (Continued)

	Note	2022 BDT	2021 BDT
<b>10.01 Bangladesh Steel Re-Rolling Mills Limited-HO</b>			
Interest on LATR		-	12,836,166
Interest on Demand and Time loan		37,322,678	213,344,455
Interest on Overdraft		40,468,879	59,755,776
Interest on Term loan		133,762,738	332,567,556
Bank charges		15,361,474	24,313,538
Bank guarantee commission		3,612,340	809,417
Agency fee		575,000	2,300,000
Interest on balance due to inter companies		30,983,680	218,898,926
Interest on balance due from inter companies		(282,070,165)	(178,230,922)
Interest on stimulus fund		50,767,900	74,590,174
Interest on lease liabilities	44.00	10,727,822	10,050,440
Foreign currency exchange rate fluctuation (gain)/loss	10.02	1,454,314,541	(1,529,875)
		<b>1,495,826,888</b>	<b>769,705,652</b>
<b>10.02 Foreign currency exchange loss/(gain)</b>			
Realized foreign currency transaction loss/(gain)		244,467,989	(445,407)
Unrealized foreign currency translation loss/(gain)		1,209,846,552	(1,084,468)
		<b>1,454,314,541</b>	<b>(1,529,875)</b>
<b>Foreign currency transaction loss/(gain)</b>			
This represents net gain on transaction in foreign currency during the year.			
<b>Foreign currency translation loss/(gain)</b>			
This represents net gain on translation of foreign currencies into Bangladeshi Taka at the rate prevailing on reporting date.			
<b>10.a CONSOLIDATED FINANCE COSTS</b>			
Bangladesh Steel Re-Rolling Mills Limited	10.00	1,515,161,187	783,209,274
BSRM (Hong Kong) Limited		865,055	1,310,543
		<b>1,516,026,242</b>	<b>784,519,817</b>
<b>11.00 Finance income</b>			
See accounting policy in note 4 (T)			
Bangladesh Steel Re-Rolling Mills Limited-HO	11.01	174,842,427	72,947,851
Bangladesh Steel Re-Rolling Mills Limited-Kolkata Branch		-	-
		<b>174,842,427</b>	<b>72,947,851</b>
<b>11.01 Bangladesh Steel Re-Rolling Mills Limited-HO</b>			
Interest income on STD		27,933,462	51,632
Interest income from FDR		146,908,965	72,896,219
		<b>174,842,427</b>	<b>72,947,851</b>
<b>11.a CONSOLIDATED FINANCE INCOME</b>			
Bangladesh Steel Re-Rolling Mills Limited	11.00	174,842,427	72,947,851
BSRM (Hong Kong) Limited		-	-
		<b>174,842,427</b>	<b>72,947,851</b>
<b>12.00 Non-operating income</b>			
Bangladesh Steel Re-Rolling Mills Limited-HO	12.01	46,010,581	30,428,372
Bangladesh Steel Re-Rolling Mills Limited-Kolkata Branch		-	-
		<b>46,010,581</b>	<b>30,428,372</b>
<b>12.01 Bangladesh Steel Re-Rolling Mills Limited-HO</b>			
PF forfeiture		208,761	121,966
Rental income		45,790,900	26,640,950
Dividend income		10,920	-
Profit on sale of shares		-	3,665,456
		<b>46,010,581</b>	<b>30,428,372</b>
<b>12.a CONSOLIDATED NON-OPERATING INCOME</b>			
Bangladesh Steel Re-Rolling Mills Limited	12.00	46,010,581	30,428,372
BSRM (Hong Kong) Limited		17,163,786	24,364,539
		<b>63,174,367</b>	<b>54,792,911</b>



## Notes to the Financial Statements (Continued)

	Note	2022 BDT	2021 BDT
<b>13.00 Share of (loss)/profit of equity accounted investees (Net of tax)</b>			
Share of profit of subsidiary (BSRM HK)	13.01	3,948,052	10,179,789
Share of profit of associate (BSL)	13.02	1,022,511,566	950,337,483
		<u>1,026,459,617</u>	<u>960,517,273</u>
<b>13.01 Share of profit of subsidiary (BSRM HK)</b>			
Net profit/(loss) attributable to the shareholders' of BSRM (HK)		3,948,052	10,179,789
Percentage of holding		100.00%	100.00%
Net profit attributable to BSRM Ltd.		<u>3,948,052</u>	<u>10,179,789</u>
<b>13.02 Share of profit of associate (BSL)</b>			
Net profit attributable to the shareholders' of BSL		3,278,499,010	3,047,085,826
Percentage of holding		31.19%	31.19%
Net profit attributable to BSRM Ltd.		<u>1,022,511,566</u>	<u>950,337,483</u>
<b>13.03 Share of other comprehensive income of associate (BSL) (Net of tax)</b>			
Other comprehensive income attributable to the shareholders' of BSL		329,184,000	(27,584,445)
Percentage of holding		31.19%	31.19%
Other comprehensive income attributable to BSRM Ltd.		<u>102,667,241</u>	<u>(8,603,149)</u>
<b>14.00 Earnings per share (EPS)</b>			
See accounting policy in note 4(U)			
<b>14.01 Basic EPS</b>			
Profit attributable to the ordinary shareholders		3,088,284,803	4,970,362,865
Number of ordinary shares at the year end		298,584,626	298,584,626
Weighted average no. of shares outstanding during the year (Nos.)		<u>298,584,626</u>	<u>262,116,732</u>
		<u>10.34</u>	<u>18.96</u>
<b>14.a CONSOLIDATED EARNING PER SHARE</b>			
Net profit after tax attributable to owners of the company (Taka)		3,088,284,803	4,970,362,865
Number of ordinary shares at the period end		298,584,626	298,584,626
Weighted average number of ordinary shares outstanding during the year (Nos.)		<u>298,584,626</u>	<u>262,116,732</u>
		<u>10.34</u>	<u>18.96</u>
Earning per share (EPS) has been computed by dividing the basic earnings by the number of ordinary shares outstanding as of 30 June 2022 in terms of International Accounting Standard (IAS-33).			
<b>15.00 Net asset value per share (NAV)</b>			
Total assets		118,615,875,690	80,531,879,462
Total liabilities		(78,520,391,596)	(42,445,902,406)
Net asset value (NAV)		<u>40,095,484,094</u>	<u>38,085,977,055</u>
Number of ordinary shares outstanding during the year		298,584,626	298,584,626
		<u>134.29</u>	<u>127.56</u>
<b>15.a CONSOLIDATED NET ASSET VALUE PER SHARE (CNAV)</b>			
Total assets		118,617,227,471	80,532,912,742
Total liabilities		(78,521,743,377)	(42,446,935,686)
Consolidated net asset value (CNAV)		<u>40,095,484,094</u>	<u>38,085,977,055</u>
Less: Non-controlling interest		-	-
Assets attributable to owners of the company		<u>40,095,484,094</u>	<u>38,085,977,055</u>
Number of ordinary shares outstanding during the year		298,584,626	298,584,626
		<u>134.29</u>	<u>127.56</u>
<b>16.00 Net operating cash flow per share</b>			
Net operating cash flow		6,716,935,205	8,730,390,260
Number of ordinary shares outstanding during the year		298,584,626	298,584,626
Net operating cash flow per share		<u>22.50</u>	<u>29.24</u>



## Notes to the Financial Statements (Continued)

Note	2022 BDT	2021 BDT
<b>16.a CONSOLIDATED NET OPERATING CASH FLOW PER SHARE</b>		
Consolidated net operating cash flow	6,713,703,535	8,741,330,058
Number of ordinary shares outstanding during the year	298,584,626	298,584,626
Net operating cash flow per share	<u>22.49</u>	<u>29.28</u>
<b>17.00 Reconciliation of net income with cash flows from operating activities:</b>		
Net Profit before Tax	4,383,019,425	5,503,858,994
Adjustments to reconcile net income with cash flows from operating activities:		
Amortisation	6,507,415	4,549,901
Gain/(loss) on sale of PPE	1,381,693	19,467,515
Depreciation	1,566,290,125	1,064,122,337
Depreciation on right-of-use-assets	36,360,842	29,630,300
Interest on finance lease	10,727,822	10,050,440
Unrealized foreign currency translation loss/(gain)	1,107,879,012	(1,084,467)
Share of (loss)/profit of equity accounted investee, net of tax	<u>(1,026,459,617)</u>	<u>(960,517,273)</u>
	<u>1,702,687,292</u>	<u>166,218,754</u>
<b>(Increase)/decrease in current assets:</b>		
Trade and other receivables	2,287,568,942	(1,143,450,242)
Advances and deposits	(230,983,171)	5,096,440,065
<b>Increase/(decrease) in current liabilities:</b>		
Trade payables	190,508,261	(1,878,736,350)
Other liabilities	(78,185,294)	117,811,927
Defined benefit obligations - gratuity	42,999,215	41,960,317
Advance against sales	(328,069,408)	387,549,130
Liabilities for expenses	(24,886,742)	451,640,716
Current Tax liability of SML	-	367,210,459
Provision for WPPF and Welfare Fund	<u>(122,101,879)</u>	<u>179,889,269</u>
	<u>1,736,849,923</u>	<u>3,620,315,289</u>
Income tax paid	<u>(1,094,893,616)</u>	<u>(549,952,337)</u>
Interest paid on finance lease	<u>(10,727,822)</u>	<u>(10,050,440)</u>
Net cash flow from operating activities	<u>6,716,935,205</u>	<u>8,730,390,260</u>
<b>17.a Reconciliation of consolidated net income with cash flows from operating activities:</b>		
Net profit before tax	4,383,199,102	5,504,524,410
Adjustments to reconcile net income with cash flows from operating activities:		
Amortisation	6,507,415	4,549,901
Gain/(loss) on sale of PPE	1,381,693	19,467,515
Depreciation	1,602,813,362	1,093,903,684
Interest on finance lease	10,727,822	10,050,440
Unrealized foreign currency translation loss/(gain)	1,107,879,012	(1,084,467)
Consolidation impact	8,312,848	(1,195)
Share of (loss)/profit of equity accounted investee, net of tax	<u>(1,022,511,566)</u>	<u>(950,337,483)</u>
	<u>1,715,110,587</u>	<u>176,548,393</u>
<b>(Increase)/decrease in current assets:</b>		
Trade and other receivables	2,287,568,942	(1,143,450,242)
Advances and deposits	(247,184,110)	5,096,364,899
<b>Increase/(decrease) in current liabilities:</b>		
Trade payables	190,508,261	(1,878,736,350)
Other liabilities	(77,818,998)	117,831,836
Defined benefit obligations - gratuity	42,999,215	41,960,317
Advance against sales	(328,069,408)	387,549,130
Liabilities for expenses	(24,886,742)	451,640,716
Current Tax liability of SML	-	367,210,459
Provision for WPPF and Welfare Fund	<u>(122,101,879)</u>	<u>179,889,269</u>
	<u>1,721,015,282</u>	<u>3,620,260,033</u>
Income tax paid	<u>(1,094,893,616)</u>	<u>(549,952,337)</u>
Interest paid on finance lease	<u>(10,727,822)</u>	<u>(10,050,440)</u>
Net cash flow from operating activities	<u>6,713,703,535</u>	<u>8,741,330,058</u>



## Notes to the Financial Statements (Continued)

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

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

	30 June 2022	30 June 2021
Note	BDT	BDT
18.01	38,491,805,786	38,628,459,022
	1,539,842	1,911,610
	<b>38,493,345,628</b>	<b>38,630,370,632</b>

18.01 Bangladesh Steel Re-Rolling Mills Limited-HO

Particulars	Land and land development	Plant and machinery	Motor vehicles	Factory building and shed	Boundary wall, road & pavements	Furniture and fixtures	Office equipment	Computer & IT equipment	Total
<b>At Revaluation</b>									
Balance at 1 July 2020	7,493,858,916	8,233,692,021	59,967,638	3,364,066,038	255,859,284	44,218,556	42,334,342	26,076,156	19,520,072,950
Balance at 31 January 2021 (SML)	9,861,528,162	12,276,661,197	25,636,481	4,314,225,708	1,088,384,139	77,698,541	113,111,574	22,638,215	27,779,884,014
Additions	21,041,519	138,991,091	7,211,486	20,613,644	795,642	2,960,855	3,628,279	3,171,320	198,413,834
Disposals/transfer	-	(91,236,924)	(12,516,122)	-	-	(6,300)	(93,000)	(219,209)	(104,071,555)
Balance at 30 June 2021	17,376,428,596	20,558,107,385	80,299,483	7,698,905,390	1,345,039,065	124,871,651	158,981,194	51,666,481	47,394,299,243
Balance at 1 July 2021	17,376,428,596	20,558,107,385	80,299,483	7,698,905,390	1,345,039,065	124,871,651	158,981,194	51,666,481	47,394,299,243
Additions	619,666,107	770,773,131	3,096,754	1,694,180	8,329,915	4,273,201	2,744,709	22,611,045	1,433,189,042
Disposals/transfer	-	(6,000,000)	(3,682,971)	-	-	(41,710)	(245,000)	(352,305)	(10,321,986)
Balance at 30 June 2022	17,996,094,703	21,322,880,516	79,713,266	7,700,599,570	1,353,368,980	129,103,142	161,480,903	73,925,221	48,817,166,299

### Accumulated depreciation

Balance at 1 July 2020	-	2,503,515,351	42,205,505	838,942,694	109,118,339	35,903,106	35,463,816	19,266,095	3,584,414,905
Balance at 31 January 2021 (SML)	-	3,061,672,677	22,136,804	734,007,374	225,487,063	54,997,328	78,405,542	15,112,279	4,191,819,066
Charged for the year	-	802,410,070	6,986,167	204,713,821	29,126,550	8,232,206	7,806,216	4,048,579	1,063,323,610
Adjustment for disposal	-	(61,184,401)	(12,263,041)	-	-	(6,300)	(89,000)	(174,617)	(73,717,360)
Balance at 30 June 2021	-	6,306,413,697	59,065,435	1,777,663,889	363,731,952	99,126,339	121,586,575	38,252,335	8,765,840,221
Balance at 1 July 2021	-	6,306,413,697	59,065,435	1,777,663,889	363,731,952	99,126,339	121,586,575	38,252,335	8,765,840,221
Charged for the year	-	1,180,168,104	6,707,841	299,684,741	48,876,567	12,532,259	11,809,934	5,945,139	1,565,724,585
Adjustment for disposal	-	(1,889,157)	(3,682,971)	-	-	(41,710)	(238,150)	(352,305)	(6,204,293)
Balance at 30 June 2022	-	7,484,692,644	62,090,305	2,077,348,630	412,608,519	111,616,888	133,158,359	43,845,169	10,325,360,513

Carrying amount  
As at 30 June 2021

As at 30 June 2022	17,376,428,596	14,251,693,688	21,234,048	5,921,241,501	981,307,113	25,745,312	37,394,619	13,414,146	38,628,459,022
	17,996,094,703	13,838,187,872	17,622,961	5,623,250,940	940,760,461	17,486,254	28,322,544	30,080,052	38,491,805,786

### Depreciation allocation:

Cost of sales  
Selling & distribution costs  
Administrative costs

	2022	2021
Note	BDT	BDT
6.02	1,514,645,330	1,013,268,591
7.01	45,133,614	45,205,737
8.01	5,945,640	4,849,281
	<b>1,565,724,584</b>	<b>1,063,323,610</b>





## Notes to the Financial Statements (Continued)

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

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

Note	2022	2021
18.03	24,648,542,909	24,766,963,234
	1,539,842	1,911,610
	<u>24,650,082,751</u>	<u>24,768,874,844</u>

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

Particulars	Land and land development	Plant and machinery	Motor vehicles	Factory building and shed	Boundary wall, road & pavements	Furniture and fixtures	Office equipment	Computer & IT equipment	Total
<b>At cost</b>									
Balance at 1 July 2020	2,030,311,495	9,086,939,805	89,870,859	3,493,775,352	255,859,284	58,454,941	59,332,838	26,076,156	15,100,620,730
Balance at 31 January 2021 (SML)	1,386,709,894	12,276,661,197	25,636,481	4,314,225,708	1,088,384,139	77,698,541	113,111,574	22,638,215	19,305,065,747
Additions	21,041,519	138,991,091	7,211,486	20,613,644	795,642	2,960,855	3,628,279	3,171,320	198,413,834
Disposal/Transfer	-	(88,632,936)	(12,516,122)	-	-	(6,300)	(93,000)	(219,209)	(101,467,567)
Balance at 30 June 2021	<u>3,438,062,908</u>	<u>21,413,959,157</u>	<u>110,202,704</u>	<u>7,828,614,704</u>	<u>1,345,039,065</u>	<u>139,108,036</u>	<u>175,979,690</u>	<u>51,666,481</u>	<u>34,502,632,744</u>
Balance at 1 July 2021	3,438,062,908	21,413,959,157	110,202,704	7,828,614,704	1,345,039,065	139,108,036	175,979,690	51,666,481	34,502,632,744
Additions	619,666,107	770,773,131	3,086,754	1,694,180	8,329,915	4,273,201	2,744,709	22,611,045	1,433,189,042
Disposal/Transfer	-	(6,000,000)	(3,682,971)	-	-	(41,710)	(245,000)	(352,305)	(10,321,986)
Balance at 30 June 2022	<u>4,057,729,015</u>	<u>22,178,732,288</u>	<u>109,616,487</u>	<u>7,830,308,884</u>	<u>1,353,368,980</u>	<u>143,339,527</u>	<u>178,479,399</u>	<u>73,925,221</u>	<u>35,925,499,800</u>
<b>Accumulated depreciation</b>									
Balance at 1 July 2020	-	3,281,931,809	59,013,784	1,010,736,711	109,118,339	50,159,437	47,389,416	19,266,083	4,577,615,579
Balance at 31 January 2021 (SML)	-	3,061,672,677	22,136,804	734,007,374	225,487,063	54,997,328	78,405,542	15,112,279	4,191,819,067
Charged for the year	-	779,229,122	6,924,573	201,980,990	29,126,550	8,232,206	7,806,216	4,048,579	1,037,348,236
Adjustment for disposal	-	(58,580,413)	(12,263,041)	-	-	(6,300)	(89,000)	(174,617)	(71,113,371)
Balance at 30 June 2021	-	<u>7,064,253,195</u>	<u>75,812,120</u>	<u>1,946,725,075</u>	<u>363,731,952</u>	<u>113,382,671</u>	<u>133,512,175</u>	<u>38,252,323</u>	<u>9,735,669,510</u>
Balance at 1 July 2021	-	7,064,253,195	75,812,120	1,946,725,075	363,731,952	113,382,671	133,512,175	38,252,323	9,735,669,510
Charged for the year	-	1,164,256,848	6,673,616	297,397,310	48,876,567	12,532,259	11,809,934	5,945,139	1,547,491,673
Adjustment for disposal	-	(1,889,157)	(3,682,971)	-	-	(41,710)	(238,150)	(352,305)	(6,204,293)
Balance at 30 June 2022	-	<u>8,226,620,886</u>	<u>78,802,765</u>	<u>2,244,122,386</u>	<u>412,608,519</u>	<u>125,873,220</u>	<u>145,083,958</u>	<u>43,845,157</u>	<u>11,276,966,891</u>
<b>Carrying amount</b>									
As at 30 June 2021	<u>3,438,062,908</u>	<u>14,349,705,962</u>	<u>34,390,584</u>	<u>5,881,889,629</u>	<u>981,307,113</u>	<u>25,725,365</u>	<u>42,467,515</u>	<u>13,414,158</u>	<u>24,766,963,234</u>
As at 30 June 2022	<u>4,057,729,015</u>	<u>13,952,111,402</u>	<u>30,813,722</u>	<u>5,586,186,498</u>	<u>940,760,461</u>	<u>17,466,307</u>	<u>33,395,441</u>	<u>30,080,064</u>	<u>24,648,542,909</u>



## Notes to the Financial Statements (Continued)

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

Particulars	Land and land development	Plant and machinery	Motor vehicles	Factory building and shed	Boundary wall, road & pavements	Furniture and fixtures	Office equipment	Computer & IT equipment	Total
<b>At revaluation</b>									
Balance at 1 July 2020	17,355,387,078	20,313,574,102	86,786,031	7,604,287,538	1,340,947,205	123,628,981	155,721,483	48,475,810	47,028,808,228
Additions (BSRM Ltd)	21,041,519	138,991,091	7,211,486	20,613,644	795,642	2,960,855	3,628,279	3,171,320	198,413,834
Additions (Kolkata)	-	196,843,405	-	74,336,595	-	1,190,640	402,226	669,440	15,472
Additions - SML-7 Month	-	(91,236,924)	(12,516,122)	-	3,296,218	(6,300)	(93,000)	(219,209)	276,738,524
Disposal/Transfer	-	-	-	-	-	-	-	-	(104,071,555)
<b>Balance at 30 June 2021</b>	<b>17,376,428,597</b>	<b>20,558,171,674</b>	<b>81,481,395</b>	<b>7,699,237,777</b>	<b>1,345,039,065</b>	<b>127,774,176</b>	<b>159,658,988</b>	<b>52,112,833</b>	<b>47,399,904,504</b>
Balance at 1 July 2021	17,376,428,597	20,558,171,674	81,481,395	7,699,237,777	1,345,039,065	127,774,176	159,658,988	52,112,833	47,399,904,504
Additions (BSRM Ltd)	619,666,107	770,773,131	3,096,754	1,694,180	8,329,915	4,273,201	2,744,709	22,611,045	1,433,189,042
Additions (Kolkata)	-	-	-	-	-	24,892	55,337	153,191	233,420
Additions (HK)	-	-	-	-	-	(41,710)	(245,000)	(352,305)	-
Disposal/Transfer	-	(6,000,000)	(3,682,971)	-	-	-	-	-	(10,321,986)
<b>Balance at 30 June 2022</b>	<b>17,996,094,704</b>	<b>21,322,944,805</b>	<b>80,895,178</b>	<b>7,700,931,957</b>	<b>1,353,368,980</b>	<b>132,030,559</b>	<b>162,214,033</b>	<b>74,524,764</b>	<b>48,823,004,979</b>
<b>Accumulated depreciation</b>									
Balance at 1 July 2020	-	5,199,236,243	64,079,185	1,477,053,778	313,149,061	83,929,393	106,625,979	32,705,074	7,276,778,713
Charged for the year-BSRM	-	802,410,070	6,986,167	204,713,821	29,126,550	8,232,206	7,806,216	4,048,579	1,063,323,610
Charged for the year-HK	-	-	-	-	-	-	-	157,823	157,823
Charged for the year-Kolkata	-	-	86,360	-	-	566,265	142,493	68,058	863,177
Charged for the year-SML- 7 month	-	365,951,786	1,217,976	96,042,712	21,456,341	7,571,192	7,610,338	1,992,418	501,842,763
Adjustment for disposal	-	(61,184,401)	(12,263,041)	-	-	(6,300)	(89,000)	(174,617)	(73,717,360)
<b>Balance at 30 June 2021</b>	<b>-</b>	<b>6,306,413,698</b>	<b>60,106,647</b>	<b>1,777,810,311</b>	<b>363,731,952</b>	<b>100,292,756</b>	<b>122,096,027</b>	<b>38,797,335</b>	<b>8,769,248,726</b>
Balance at 1 July 2021	-	6,306,413,698	60,106,647	1,777,810,311	363,731,952	100,292,756	122,096,027	38,797,335	8,769,248,726
Charged for the year-BSRM	-	1,180,168,104	6,707,841	299,684,741	48,876,567	12,532,259	11,809,934	5,945,139	1,565,724,585
Charged for the year-HK	-	-	-	-	-	-	-	162,395	162,395
Charged for the year-Kolkata	-	-	47,132	-	-	338,701	68,326	111,381	565,540
Adjustment for disposal	-	(1,889,157)	(3,682,971)	-	-	(41,710)	(238,150)	(352,305)	(6,204,293)
<b>Balance at 30 June 2022</b>	<b>-</b>	<b>7,484,692,645</b>	<b>63,178,649</b>	<b>2,077,495,052</b>	<b>412,608,519</b>	<b>113,122,006</b>	<b>133,736,136</b>	<b>44,663,945</b>	<b>10,329,496,953</b>
<b>Carrying amount</b>									
As at 30 June 2021	17,376,428,597	14,251,757,976	21,374,748	5,921,427,466	981,307,113	27,481,420	37,562,961	13,315,498	38,630,655,777
As at 30 June 2022	17,996,094,704	13,838,252,160	17,716,529	5,623,436,905	940,760,461	18,908,553	28,477,897	29,860,819	38,493,508,026



## Notes to the Financial Statements (Continued)

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

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

Bangladesh Steel Re-Rolling Mills Limited-Kolkata Branch

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

Note	2022	2021
18.03	24,648,542,909	24,766,963,234
	162,395	302,091
	24,648,705,304	24,767,265,325
	1,539,842	1,911,610
18.a.ii	24,650,245,148	24,769,176,935

Particulars	Land and land development	Plant and machinery	Motor vehicles	Factory building and shed	Boundary wall, road & pavements	Furniture and fixtures	Office equipment	Computer & IT equipment	Total
<b>At cost</b>									
Balance at 1 July 2020	3,417,021,389	21,166,821,885	116,689,251	7,733,996,852	1,340,947,205	137,865,366	172,719,979	48,475,811	34,134,537,738
Additions	21,041,519	138,991,091	7,211,486	20,613,644	795,642	2,960,855	3,628,279	3,171,320	198,413,834
Additions -SML-7 Month	-	196,843,405	-	74,336,595	3,296,218	1,190,640	402,226	669,440	276,738,524
Additions (Kolkata)	-	(88,632,936)	(12,516,122)	-	-	(6,300)	(93,000)	15,472	15,472
Disposal	-	-	-	-	-	-	(219,209)	(219,209)	(101,467,567)
Balance at 30 June 2021	3,438,062,908	21,414,023,445	111,384,615	7,828,947,091	1,345,039,065	142,010,561	176,657,484	52,112,834	34,508,238,001
Balance at 1 July 2021	3,438,062,908	21,414,023,445	111,384,615	7,828,947,091	1,345,039,065	142,010,561	176,657,484	52,112,834	34,508,238,000
Additions	619,666,107	770,773,131	3,096,754	1,694,180	8,329,915	4,273,201	2,744,709	22,611,045	1,433,189,042
Additions (Kolkata)	-	-	-	-	-	24,892	55,337	153,191	233,420
Additions (Hongkong)	-	(6,000,000)	(3,682,971)	-	-	(41,710)	(245,000)	(352,305)	(10,321,986)
Disposal	-	-	-	-	-	-	-	-	-
Balance at 30 June 2022	4,057,729,015	22,178,796,576	110,796,398	7,830,641,271	1,353,368,980	146,266,944	179,212,529	74,524,765	35,931,338,476
<b>Accumulated depreciation</b>									
Balance at 1 July 2020	-	5,977,652,701	80,887,464	1,648,847,795	313,149,061	98,185,724	118,551,578	32,705,062	8,269,979,385
Charged for the year	-	779,229,122	6,924,573	201,980,990	29,126,550	8,232,206	7,806,216	4,048,579	1,037,348,236
Charged for the year-HK	-	-	-	-	-	-	-	157,823	157,823
Charged for the year-Kolkata	-	-	86,360	-	-	566,265	142,493	68,058	863,177
Charged for the year-SML- 7 month	-	385,951,786	1,217,976	96,042,712	21,456,341	7,571,192	7,610,338	1,992,418	501,842,763
Adjustment for disposal	-	(58,580,413)	(12,263,041)	-	-	(6,300)	(89,000)	(174,617)	(71,113,371)
Balance at 30 June 2021	-	7,064,253,196	76,853,332	1,946,871,497	363,731,952	114,549,087	134,021,626	38,797,323	9,739,078,013
Balance at 1 July 2021	-	7,064,253,196	76,853,332	1,946,871,497	363,731,952	114,549,087	134,021,626	38,797,323	9,739,078,013
Charged for the year	-	1,164,256,848	6,673,616	297,397,310	48,876,567	12,532,259	11,809,934	5,945,139	1,547,491,673
Charged for the year-HK	-	-	-	-	-	-	-	162,395	162,395
Charged for the year-Kolkata	-	-	47,132	-	-	338,701	68,326	111,381	565,540
Charged for the year-SML	-	(1,889,157)	(3,682,971)	-	-	(41,710)	(238,150)	(352,305)	(6,204,293)
Adjustment for disposal	-	8,226,620,887	79,891,110	2,244,268,808	412,608,518	127,378,337	145,661,735	44,663,933	11,281,093,328
Balance at 30 June 2022	-	8,226,620,887	79,891,110	2,244,268,808	412,608,518	127,378,337	145,661,735	44,663,933	11,281,093,328
<b>Carrying amount</b>									
As at 30 June 2021	3,438,062,908	14,349,770,249	34,531,283	5,882,075,594	981,307,113	27,461,474	42,635,858	13,315,511	24,769,159,988
As at 30 June 2022	4,057,729,015	13,952,175,689	30,907,288	5,586,372,463	940,760,462	18,886,607	33,550,794	29,860,832	24,650,245,148



## Notes to the Financial Statements (Continued)

### 18.04 Revaluation of Property, plant and equipment

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

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

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

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



## Notes to the Financial Statements (Continued)

	Note	30 June 2022 BDT	30 June 2021 BDT		
<b>19.00 Capital work-in-progress</b>					
See accounting policy in note 4 (E)					
Bangladesh Steel Re-Rolling Mills Limited-HO	19.01	771,803,004	1,295,288,934		
Bangladesh Steel Re-Rolling Mills Limited-Kolkata Branch		-	-		
		<b>771,803,004</b>	<b>1,295,288,934</b>		
<b>19.01 Bangladesh Steel Re-Rolling Mills Limited-HO</b>					
Opening balance		1,295,288,934	267,408,809		
Add: Additions during the year	19.02	810,267,338	1,148,241,066		
		2,105,556,272	1,415,649,875		
Less: Capitalized during the year		(1,333,753,269)	(120,360,941)		
		<b>771,803,004</b>	<b>1,295,288,934</b>		
<b>19.02 Details of Capital work-in -progress</b>					
		<b>Opening Balance</b>	<b>Additions</b>	<b>Capitalized during the year</b>	<b>Closing Balance</b>
Factory building and shed		355,311,549	642,928,490	(603,452,676)	394,787,363
Plant and machineries		867,178,243	155,842,813	(718,937,591)	304,083,464
Boundary wall, drainage System, roads and pavement		72,799,142	6,405,280	(8,266,248)	70,938,174
Motor vehicles		-	5,090,756	(3,096,754)	1,994,002
		<b>1,295,288,934</b>	<b>810,267,338</b>	<b>(1,333,753,269)</b>	<b>771,803,004</b>
Property, Plant and Equipment under construction/acquisition is accounted for and measured at cost as capital work-in-progress until construction/acquisition is completed and it is ready for use.					
<b>19.a CONSOLIDATED CAPITAL WORK IN PROGRESS</b>					
Bangladesh Steel Re-Rolling Mills Limited		771,803,004			1,295,288,934
BSRM (Hong Kong) Limited		-			-
		<b>771,803,004</b>			<b>1,295,288,934</b>



## Notes to the Financial Statements (Continued)

	Note	30 June 2022 BDT	30 June 2021 BDT
<b>20.00 Intangible assets</b>			
See accounting policy in note 4 (F)			
Bangladesh Steel Re-Rolling Mills Limited-HO	20.01	16,205,442	21,212,828
Bangladesh Steel Re-Rolling Mills Limited-Kolkata Branch		-	-
		<u>16,205,442</u>	<u>21,212,828</u>
<b>20.01 Bangladesh Steel Re-Rolling Mills Limited-HO</b>			
<b><u>At Cost</u></b>			
Balance as at July 01		60,480,225	33,833,413
Addition due to Merger (SML)		-	26,646,812
Addition during the year		1,500,029	-
Balance as at Jun 30		<u>61,980,254</u>	<u>60,480,225</u>
<b><u>Accumulated Amortisation</u></b>			
Balance as at July 01		39,267,397	18,803,034
Amortisation due to Merger (SML)		-	15,914,462
Amortisation during the year		6,507,415	4,549,901
Balance as at Jun 30		<u>45,774,813</u>	<u>39,267,397</u>
<b><u>Carrying Amounts</u></b>		<u>16,205,442</u>	<u>21,212,828</u>
<b>20.a <u>CONSOLIDATED INTANGIBLE ASSETS</u></b>			
Bangladesh Steel Re-Rolling Mills Limited	20.00	16,205,442	21,212,828
BSRM (Hong Kong) Limited		-	-
		<u>16,205,442</u>	<u>21,212,828</u>



## Notes to the Financial Statements (Continued)

	Note	30 June 2022	30 June 2021
		BDT	BDT
<b>21.00 Investment in subsidiaries and associate</b> See accounting policy in note 4 (H)			
<b>Subsidiary company</b>			
BSRM (Hong Kong) Limited (BSRM HK)	21.01	64,001,293	12,257,443
<b>Associate company</b>			
BSRM Steels Limited (BSL)	21.01	8,088,476,202	7,313,964,240
		<u>8,152,477,496</u>	<u>7,326,221,683</u>

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

### 21.01 Movement of Investment in Associate and Subsidiary

	BSL	BSML	BSRM HK
<b>Balance at 1 July 2021</b>	7,313,964,240	-	12,257,443
Investment made	-		42,624,990
<b>Addition/adjustments during the year:</b>			
Share of profit/(loss) of equity accounted Investees	1,022,511,563		3,948,052
Effect of foreign currency rate fluctuation			5,170,808
Transfer of Deferred Tax to Retained Earnings by the equity accounted investees due to excess depreciation between cost and revalued model	1,093,928	-	-
Share of Revaluation Reserve of Associate Fair Value Reserve	102,667,241	-	-
Dividend received	(351,760,770)	-	-
<b>Balance at 30 June 2022</b>	<u>8,088,476,202</u>	<u>-</u>	<u>64,001,293</u>
<b>Balance at 1 July 2020</b>	6,664,212,379	6,400,734,650	2,077,654
Investment made	-	-	-
<b>Addition/adjustments during the year:</b>			
Share of profit/(loss) of equity accounted Investees	950,337,482	-	10,179,789
Transfer of Deferred Tax to Retained Earnings by the equity accounted investees due to excess depreciation between cost and revalued model	1,151,503	-	-
Share of Revaluation Reserve of Associate Fair Value Reserve	(423,134,483)	-	-
Dividend received	414,531,335	-	-
Elimination of BSML(subsidiary) portion due to merger	(293,133,975)	-	-
	-	(6,400,734,650)	-
<b>Balance at 30 June 2021.</b>	<u>7,313,964,240</u>	<u>-</u>	<u>12,257,443</u>



## Notes to the Financial Statements (Continued)

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

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

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

#### Summary of financial information of subsidiary:

	30-Jun-22	31-Jan-21
	BDT	BDT
Non-current assets	-	23,883,712,100
Current assets	-	22,378,196,633
<b>Total assets</b>	<b>-</b>	<b>46,261,908,733</b>
Share capital	-	3,944,354,000
Retained earnings	-	2,782,073,767
Revaluation reserve	-	8,220,573,719
<b>Total equity</b>	<b>-</b>	<b>14,947,001,486</b>
Non-current liabilities	-	2,595,847,464
Current liabilities	-	28,719,059,783
<b>Total liabilities</b>	<b>-</b>	<b>31,314,907,247</b>
<b>Total equity &amp; liabilities</b>	<b>-</b>	<b>46,261,908,733</b>
<b>Net asset value (NAV) per share</b>	<b>-</b>	<b>37.89</b>
Revenue	-	17,769,419,856
Other income	-	46,044,187
Expenses	-	(17,102,849,418)
<b>Total comprehensive income for the year</b>	<b>-</b>	<b>712,614,625</b>

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

Bangladesh Bank allowed the Company to remit and invest USD 500,000 in the equity shares of BSRM (Hong Kong) Limited (Ref- EFID/DIBA/703(2)/42/2622-585 dated 15 February 2022). Accordingly, the Company remitted USD 500,000. On 28 April 2022, 39,19,999 Nos ordinary shares @ HKD 1 (equivalent to TK. 4,26,24,990) were issued by BSRM (Hong Kong) Limited. Now Bangladesh Steel Re-Rolling Mills Limited is holding 39,20,000 nos ordinary shares @ HKD 1 each in BSRM (Hong Kong) Limited and has become the 100% shareholder of BSRM (Hong Kong) Limited.

#### Summary of financial information of subsidiary:

	30-Jun-22	30-Jun-21
	HKD	HKD
Non-current assets	13,634	27,268
Current assets	6,468,249	2,182,820
<b>Total assets</b>	<b>6,481,883</b>	<b>2,210,088</b>
Share capital	3,920,000	1
Retained earnings	1,453,293	1,121,719
<b>Total equity</b>	<b>5,373,293</b>	<b>1,121,720</b>
Non-current liabilities	-	995,100
Current liabilities	1,108,590	93,268
<b>Total liabilities</b>	<b>1,108,590</b>	<b>1,088,368</b>
<b>Total equity &amp; liabilities</b>	<b>6,481,883</b>	<b>2,210,088</b>
Revenue	23,929,105	5,053,735
Expenses	(23,591,111)	(4,123,105)
<b>Profit for the year</b>	<b>337,994</b>	<b>930,630</b>





## Notes to the Financial Statements (Continued)

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

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

#### Summary of financial information of associate:

	<u>30-Jun-22</u>	<u>30-Jun-21</u>
	<u>BDT</u>	<u>BDT</u>
Non-current assets	26,521,162,207	25,673,501,788
Current assets	55,385,494,633	46,711,698,535
<b>Total assets</b>	<b>81,906,656,840</b>	<b>72,385,200,323</b>
Share capital	3,759,525,000	3,759,525,000
Retained earnings	12,614,176,621	10,447,946,298
Fair Value Reserve	1,658,304,000	1,329,120,000
Revaluation reserve	7,903,177,754	7,915,259,084
<b>Total Equity</b>	<b>25,935,183,375</b>	<b>23,451,850,382</b>
Non-current liabilities	7,195,295,382	8,791,516,968
Current liabilities	48,776,178,083	40,141,832,973
<b>Total liabilities</b>	<b>55,971,473,465</b>	<b>48,933,349,941</b>
<b>Total equity &amp; liabilities</b>	<b>81,906,656,840</b>	<b>72,385,200,323</b>
<b>Net asset value (NAV) per share</b>	<b>68.99</b>	<b>62.38</b>
Revenue	67,121,061,172	54,982,957,715
Other income	1,062,637,728	150,158,414
Expenses	(64,905,199,890)	(52,086,030,303)
<b>Profit for the year</b>	<b>3,278,499,010</b>	<b>3,047,085,826</b>
<b>Other comprehensive income</b>	<b>329,184,000</b>	<b>(27,584,445)</b>
<b>Total Comprehensive income attributable to owners of the company</b>	<b>3,607,683,010</b>	<b>3,019,501,381</b>

The market price of the Ordinary shares of BSRM Steels Limited (BSL) was Tk. 67.20 per share on 30 June 2022. Fair value of investments in BSL for 117,253,590 numbers of share has been estimated at Tk. 7,879,441,248.

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

### 21.a CONSOLIDATED EQUITY ACCOUNTED INVESTEEES

BSRM Steel Limited (BSL)	21.01	8,088,476,202	7,313,964,240
BSRM (Hong Kong) Limited	21.01	-	-
		<b>8,088,476,202</b>	<b>7,313,964,240</b>



## Notes to the Financial Statements (Continued)

	Note	30 June 2022 BDT	30 June 2021 BDT
<b>22.00 Other investments</b>			
Bangladesh Steel Re-Rolling Mills Limited-HO	22.01	211,103,121	170,606,800
Bangladesh Steel Re-Rolling Mills Limited-Kolkata Branch		-	-
		<b>211,103,121</b>	<b>170,606,800</b>
<b>22.01 Bangladesh Steel Re-Rolling Mills Limited-HO</b>			
Investment in non-tradable shares at cost	22.02	211,103,121	170,606,800
		<b>211,103,121</b>	<b>170,606,800</b>
<b>22.02 Investment in non-tradable shares at cost</b>			
Islamic Steamship Co. Limited		300	300
BSRM Wires Limited		164,500,000	164,500,000
BMS Steel Limited		46,602,821	6,106,500
		<b>211,103,121</b>	<b>170,606,800</b>

Bangladesh Bank allowed the Company to remit and invest in the BMS Steel Limited USD 523,800 by its approval Letter Ref: বৈমুবি/৭০৩(৩)/ওবিশাএ/নন-ব্যাংক/২০২০-২৪৩৮, তারিখ: ২০ আগস্ট ২০২০ ইং. Accordingly the Company remitted USD 523,800 on 29 August 2021 and 52,380 nos Ordinary shares has been issued in favor of Bangladesh Steel Re-Rolling Mills Limited on 21 December 2021. Now the Company is holding 18% equity in BMS Steel Limited.

<b>22.a CONSOLIDATED OTHER INVESTMENTS</b>			
Bangladesh Steel Re-Rolling Mills Limited	22.01	211,103,121	170,606,800
BSRM (Hong Kong) Limited		-	-
		<b>211,103,121</b>	<b>170,606,800</b>
<b>23.00 Short term investments</b>			
See accounting policy in note 4 (I)			
Bangladesh Steel Re-Rolling Mills Limited-HO	23.01	4,024,122,027	1,947,709,647
Bangladesh Steel Re-Rolling Mills Limited-Kolkata Branch		-	-
		<b>4,024,122,027</b>	<b>1,947,709,647</b>
<b>23.01 Bangladesh Steel Re-Rolling Mills Limited-HO</b>			
Investment in tradeable securities at fair value	23.02	-	-
Investment in fixed deposit receipts	23.03	4,024,122,027	1,947,709,647
		<b>4,024,122,027</b>	<b>1,947,709,647</b>
<b>23.02 Investment in tradable securities at fair value</b>			
Balance at 1 July		-	600,890
Sold during the year		-	-
Change in fair value of tradable securities		-	(600,890)
Balance at 30 June		-	-
<b>23.03 Investment in fixed deposit receipts</b>			

Name of financial company	Tenure	Purpose	Rate of Interest	30 June 2022	30 June 2021
AB Bank Limited	3 Months	L/C Margin	6.00%	30,810,408	29,254,656
Agrani Bank Limited	3 Months	L/C Margin	5.75%	1,200,417,988	127,216,746
Bank Asia Limited	3 Months	L/C Margin	4.00%	49,626,151	21,462,000
Brac Bank Limited	6 Months	L/C Margin	5.75%	750,000,000	-
Commercial Bank of Ceylon PLC	3 Months - 1 year	L/C Margin	2.50% to 7.00%	69,618,041	67,820,543
Dhaka Bank Limited	6 Months	L/C Margin	4.00% to 8.75%	223,874,117	162,869,584
Dutch Bangla Bank Limited	3 Months	L/C Margin	1.50% to 4.25%	24,873,216	54,442,924
Fareast Finance and Investment Limited	1 Year	Security Deposit	10.00%	4,111,597	4,611,597
Habib Bank Limited	3-6 Months	L/C Margin	2.50% to 5.75%	19,937,323	19,126,361
IFIC Bank Limited	3 Months-1 year	L/C Margin	5.50% to 9.75%	83,349,528	100,710,922
International Leasing and Financial Services Limited	1 Year	Security Deposit	12.50%	33,110,975	33,110,975



## Notes to the Financial Statements (Continued)

				30 June 2022	30 June 2021
		Note		BDT	BDT
Jamuna Bank Limited	3 Months	Investment	2.00% to 6.00%	102,694,067	82,808,278
Mercantile Bank Limited	3 Months	L/C Margin	4.00 to 8.00%	400,849,901	258,219,443
Mutual Trust Bank Ltd	3 Months	L/C Margin	3.50% to 5.50%	-	12,466,651
National Bank Limited	3-6 Months	L/C Margin	5.50% to 6.00%	11,346,698	13,738,181
NCC Bank Limited	3 Months	L/C Margin	1.00% to 6.00%	146,583,239	385,015,142
Prime Bank Limited	6 Months	L/C Margin	2.5%	1,500,000	-
Shahjalal Islami Bank Limited	3 Months	L/C Margin	2.00% to 5.00%	115,183,714	31,251,351
Southeast Bank Ltd	1 Year	L/C Margin	5.50%	21,529,740	12,156,346
Standard Bank Limited	6 Months	L/C Margin	5.25%	-	3,571,147
Standard Chartered Bank Ltd.	1 Year	L/C Margin	3.50%	-	58,443,985
The City Bank Limited	6 Months	L/C Margin	1.00% to 6.00%	409,390,689	173,398,291
Trust Bank Limited	3-6 Months	L/C Margin	2.00% to 5.50%	45,076,293	38,076,120
United Commercial Bank Limited	3 Months	L/C Margin	3.25% to 6.00%	252,843,208	216,208,359
Uttara Bank Limited	3 Months	L/C Margin	4.50% to 5.25%	27,395,134	41,730,044
				<b>4,024,122,027</b>	<b>1,947,709,647</b>
<b>23.a CONSOLIDATED SHORT TERM INVESTMENTS</b>					
Bangladesh Steel Re-Rolling Mills Limited		23.00		4,024,122,027	1,947,709,647
BSRM (Hong Kong) Limited				-	-
				<b>4,024,122,027</b>	<b>1,947,709,647</b>
<b>24.00 Inventories</b>					
See accounting policy in note 4(G)					
Bangladesh Steel Re-Rolling Mills Limited-HO		24.01		47,593,839,047	14,693,006,789
Bangladesh Steel Re-Rolling Mills Limited-Kolkata Branch				198,726,269	17,190,528
				<b>47,792,565,315</b>	<b>14,710,197,317</b>
<b>24.01 Bangladesh Steel Re-Rolling Mills Limited-HO</b>					
<b>Raw material</b>					
Raw Materials- Billets				17,591,456,812	3,509,594,449
Raw Materials- Scraps				21,300,994,737	5,576,779,124
				<b>38,892,451,549</b>	<b>9,086,373,573</b>
<b>Work-in-process</b>				-	-
<b>Finished goods</b>					
Finished goods- own production				5,035,004,231	2,094,738,789
Finished goods- procured				288,201,338	278,784,216
				<b>5,323,205,569</b>	<b>2,373,523,005</b>
<b>Stores and spares</b>					
Mechanical stores				1,281,731,679	1,507,208,825
M.S. Roll				46,721,736	43,778,102
Electrical stores				695,157,585	645,780,070
General stores				37,431,560	33,228,759
Consumable stores				1,287,734,165	973,473,475
				<b>3,348,776,725</b>	<b>3,203,469,230</b>
<b>Fuel and lubricants</b>				29,405,204	29,640,981
				<b>47,593,839,047</b>	<b>14,693,006,789</b>
<b>24.a CONSOLIDATED INVENTORIES</b>					
Bangladesh Steel Re-Rolling Mills Limited		24.00		47,792,565,315	14,710,197,317
BSRM (Hong Kong) Limited				492,353	-
				<b>47,793,057,669</b>	<b>14,710,197,317</b>



## Notes to the Financial Statements (Continued)

	Note	30 June 2022 BDT	30 June 2021 BDT
<b>25.00 Trade and other receivables</b>			
See accounting policy in note 4(l)			
Bangladesh Steel Re-Rolling Mills Limited-HO	25.01	2,021,529,232	4,305,742,030
Bangladesh Steel Re-Rolling Mills Limited-Kolkata Branch		217,409,628	220,765,772
		<u>2,238,938,860</u>	<u>4,526,507,802</u>
<b>25.01 Bangladesh Steel Re-Rolling Mills Limited-HO</b>			
Trade receivables	25.02	1,887,314,286	4,139,893,593
Other receivables	25.03	134,214,946	165,848,437
		<u>2,021,529,232</u>	<u>4,305,742,030</u>
<b>25.02 Trade receivables</b>			
BSRM Steels Limited		-	764,178,680
BSRM Wires Limited		-	5,470,010
BSRM Logistics Limited		556	-
H. Akberali & Co. Limited		-	178,160
Other parties		1,888,404,732	3,371,157,745
		<u>1,888,405,288</u>	<u>4,140,984,595</u>
Provision for doubtful debt		(1,091,002)	(1,091,002)
		<u>1,887,314,286</u>	<u>4,139,893,593</u>
<b>25.03 Other receivables</b>			
Interest receivables		90,534,586	122,168,077
DEDO and other receivables		43,680,360	43,680,360
		<u>134,214,946</u>	<u>165,848,437</u>
<b>25.04 Ageing of trade receivables is as follows:</b>			
Not yet due		1,374,905,689	2,812,082,351
Less than 3 months		367,780,871	1,059,167,114
Over 3 months but less than 6 months		68,368,796	110,103,629
Over 6 months		77,349,932	159,631,501
		<u>1,888,405,288</u>	<u>4,140,984,595</u>
<b>25.a CONSOLIDATED TRADE AND OTHER RECEIVABLES</b>			
Bangladesh Steel Re-Rolling Mills Limited	25.00	2,238,938,860	4,526,507,802
BSRM (Hong Kong) Limited		7,423,888	-
		<u>2,246,362,749</u>	<u>4,526,507,802</u>
<b>26.00 Current account with related companies</b>			
BSRM Logistics Limited		420,924,285	399,201,537
BSRM Ispat Limited		999,298,302	1,001,798,302
BSRM Wires Limited		1,558,074,973	1,068,118,494
Chittagong Power Company Limited		540,937,926	523,737,926
H. Akberali & Co. Limited		-	118,524,322
BSRM Metal Ltd		-	78,535,996
BSRM (Hong Kong) Limited (BSRM HK)		11,852,636	11,024,315
		<u>3,531,088,122</u>	<u>3,200,940,893</u>
All transactions among the related companies have been made through account payee cheques or bank transfers and interests were charged on all related companies' balances.			
<b>26.a CONSOLIDATED CURRENT ACCOUNT WITH RELATED COMPANIES</b>			
Bangladesh Steel Re-Rolling Mills Limited	26.00	3,531,088,122	3,200,940,893
BSRM (Hong Kong) Limited		-	-
Less: Intra group elimination		(11,852,636)	(11,024,315)
		<u>3,519,235,486</u>	<u>3,189,916,578</u>
<b>27.00 Advances and deposits</b>			
See accounting policy in note 4 (l)			
Bangladesh Steel Re-Rolling Mills Limited-HO	27.01	7,433,640,111	6,867,774,842
Bangladesh Steel Re-Rolling Mills Limited-Kolkata Branch		150,043,628	157,762,979
		<u>7,583,683,739</u>	<u>7,025,537,822</u>



## Notes to the Financial Statements (Continued)

		<u>30 June 2022</u>	<u>30 June 2021</u>
		BDT	BDT
<b>27.01</b>	<b>Bangladesh Steel Re-Rolling Mills Limited-HO</b>		
	Advances	27.02 7,293,743,998	6,727,646,022
	Deposits	27.03 139,896,113	140,128,820
		<u>7,433,640,111</u>	<u>6,867,774,842</u>
<b>27.02</b>	<b>Advances</b>		
	For capital expenditure	34,531,855	20,464,019
	For revenue expenses	90,473,903	103,401,332
	For scrap purchase and others	472,289,859	2,207,456
	For store and spares	395,670,591	122,503,444
	Godown rent	742,613	1,248,201
	Income tax	4,145,921,747	3,870,585,697
	L/C margin	352,327,901	141,428,785
	Against L/C	301,958,995	135,992,701
	Land	938,548,579	900,789,719
	Staff loan against salary	4,660,336	4,071,047
	VAT current account	536,617,619	1,404,953,620
	Western Marine Shipyard Limited	20,000,000	20,000,000
		<u>7,293,743,998</u>	<u>6,727,646,022</u>
<b>27.03</b>	<b>Deposits</b>		
	Bangladesh Ansar and VDP	825,682	825,682
	Bank guarantee to Customs authority	4,303,441	4,226,535
	Bureau of Indian Standards	2,431,387	2,418,000
	Customs authority against claim	552,890	552,890
	Karnaphuli Gas Distribution Co. Limited (KGDCL)	21,932,805	21,932,805
	Linde Bangladesh Limited	879,900	879,900
	Meghna Petroleum Limited	40,000	40,000
	Chittagong Club Limited	-	40,000
	Maxicon Shipping Agencies (BD) Pvt. Limited	650,000	650,000
	Others	2,102,696	2,385,696
	Power Development Board	104,949,368	104,949,368
	Refundable security deposits for IPO	500,000	500,000
	T & T and others	227,944	227,944
	WASA	500,000	500,000
		<u>139,896,113</u>	<u>140,128,820</u>
<b>27.04</b>	The directors consider that all the above advances, deposits and prepayments are either adjustable or recoverable in cash or in kind and that no provision against these are required at this stage.		
<b>27.a</b>	<b><u>CONSOLIDATED ADVANCE, DEPOSITS AND PREPAYMENTS</u></b>		
	Bangladesh Steel Re-Rolling Mills Limited	27.00 7,583,683,739	7,025,537,822
	BSRM (Hong Kong) Limited	917,492	1,041,377
		<u>7,584,601,231</u>	<u>7,026,579,199</u>
<b>28.00</b>	<b>Cash and cash equivalents</b>		
	See accounting policy in note 4(l)		
	Bangladesh Steel Re-Rolling Mills Limited-HO	28.01 5,638,420,787	1,563,830,880
	Bangladesh Steel Re-Rolling Mills Limited-Kolkata Branch	44,042,766	11,364,281
		<u>5,682,463,553</u>	<u>1,575,195,160</u>
<b>28.01</b>	<b>Bangladesh Steel Re-Rolling Mills Limited-HO</b>		
	Cash in hand	28.02 2,625,576	10,250,451
	Cash at banks	28.03 5,232,579,917	1,253,580,429
	Fixed deposit receipts	28.05 403,215,294	300,000,000
		<u>5,638,420,787</u>	<u>1,563,830,880</u>
<b>28.02</b>	<b>Cash in hand</b>		
	Corporate office	158,527	149,445
	Factory office	2,289,460	9,258,080
	Dhaka office	77,589	742,926
	Mirsarai office (Warehouse)	100,000	100,000
		<u>2,625,576</u>	<u>10,250,451</u>



## Notes to the Financial Statements (Continued)

Note					30 June 2022	30 June 2021
					BDT	BDT
28.03	<b>Cash at banks</b>					
	<u>Name of the Banks</u>	<u>Branch</u>	<u>Account type</u>	<u>Currency</u>		
	AB Bank Limited	Agrabad	CD	BDT	14,340	3,331,082
	AB Bank Limited	Agrabad	CD	USD	147,691	125,652
	Agrani Bank Limited	Laldighi East	CD	BDT	1,096,484	44,709,629
	Agrani Bank Limited	Laldighi East	CD	USD	560,000,496	267,189,520
	Al-Arafah Islami Bank Limited	Agrabad	CD	BDT	20,800,034	53,533,867
	Bank Alfalah Limited	Agrabad	CD	BDT	58,509	(22,824,669)
	Bank Asia Limited	Agrabad	CD	BDT	7,687,949	7,281,578
	BASIC Bank Limited	Dewanhat	CD	BDT	300,272	388,337
	BRAC Bank Limited	Agrabad	CD	BDT	(7,322,401)	6,929,247
	BRAC Bank Limited	Agrabad	FCY CD	USD	839,089	-
	Commercial Bank of Ceylon PLC	Agrabad	CD	BDT	1,655,133	83,702
	Commercial Bank of Ceylon PLC	Agrabad	FCY CD	USD	-	96,507
	Dhaka Bank Limited	Jubilee Road	CD	BDT	519,373	2,581,894
	Dutch Bangla Bank Limited	Jubilee Road	CD	BDT	167,068	3,270,920
	Eastern Bank Limited	Agrabad	CD	BDT	2,330,045	5,020,098
	Eastern Bank Limited-High Performance	Agrabad	CD	BDT	3,959,370,648	-
	EXIM Bank Limited	CDA Avenue	CD	BDT	1,737,361	1,835,327
	Habib Bank Ltd	Laldighi East	CD	BDT	-	1,431,436
	HSBC	Agrabad	CD	BDT	(77,888,912)	(57,098,612)
	HSBC	Agrabad	ERQ	USD	36,768	31,976
	IFIC Bank Limited	Agrabad	CD	BDT	106,476	19,490,378
	Islami Bank Bangladesh Limited	Jubilee Road	CD	BDT	13,658,526	15,647,340
	Jamuna Bank Limited	Khatunjonj	CD	BDT	1,164,701	(100,932)
	Janata Bank Limited	Laldighi East	CD	BDT	9,837	5,473,649
	Meghna Bank Ltd	Agrabad	CD	BDT	-	91,136
	Mercantile Bank Limited	Jubilee Road	CD	BDT	684,681	3,791,680
	Midland Bank Limited	Agrabad	CD	BDT	2,808,669	1,858,527
	Mutual Trust Bank Limited	Jubilee Road	CD	BDT	655,852	4,677,802
	National Bank Limited	Jubilee Road	CD	BDT	24,509	92,870
	NCC Bank Limited	Agrabad	CD	BDT	91,663,794	764,235,891
	NRB Commercial Bank Limited	Agrabad	CD	BDT	4,613,222	7,560,632
	NCC Bank Limited	Agrabad	ERQ	USD	180,484,483	5,904,861
	NCC Bank Limited	Agrabad	FCY CD	USD	142,778	197,564
	One Bank Limited	Agrabad	CD	BDT	112,861,527	(98,011,683)
	Premier Bank Limited	O.R Nizam Road	CD	BDT	5,203,358	1,551,633
	Prime Bank Limited	O.R Nizam Road	CD	BDT	102,601,008	10,373,393
	Prime Bank Limited	Agrabad	Escrow	BDT	651,445	609,134
	Prime Bank Limited	Agrabad	FCY CD	USD	-	1,351,830
	Pubali Bank Limited	Agrabad	CD	BDT	-	53,492
	Pubali Bank Limited	Dhaka	CD	BDT	-	81,741
	Shahjalal Islami Bank Limited	Jubilee Road	CD	BDT	5,169,270	5,623,942
	Social Islami Bank Limited	Jubilee Road	CD	BDT	4,216,803	10,820,086
	Sonali Bank Limited	Kalibari	CD	BDT	51,655	158,063
	Sonali Bank Limited	Laldighi East	CD	BDT	1,153,559	50,769
	Southeast Bank Limited	CDA Avenue	CD	BDT	480,259	1,440,770
	Southeast Bank Limited	Pahartali	CD	BDT	600,513	2,628,593
	Standard Bank Limited	Sadarghat Road	CD	BDT	5,115,986	4,405,856
	Standard Chartered Bank	Dhaka	CD	BDT	24,347	24,692
	Standard Chartered Bank	Agrabad	CD	BDT	-	612,065
	State Bank of India	Agrabad	CD	BDT	168,776	354,250
	The City Bank Limited	Agrabad	CD	BDT	27,050,335	22,328,466
	The City Bank Limited	Agrabad	FCY CD	USD	12,311,667	114,249,915
	Trust Bank Limited	CDA Avenue	CD	BDT	9,143	2,217,710
	Uttara Bank Limited	Agrabad	CD	BDT	788,499	60,328
	United Commercial Bank Limited	Jubilee Road	CD	BDT	185,584,294	21,574,504
	United Commercial Bank Limited	Jubilee Road	Escrow	BDT	6,111	6,801
					<b>5,231,616,030</b>	<b>1,249,405,238</b>
	<u>Name of the Banks</u>	<u>Branch</u>	<u>Account type</u>	<u>Currency</u>		
	Mutual Trust Bank Limited	Dilkusha	CD	USD	28.04	696,218
	Mutual Trust Bank Limited	Dilkusha	CD	Pound	28.04	49,988
	Mutual Trust Bank Limited	Dilkusha	Escrow	BDT	28.04	452,015
	Mutual Trust Bank Limited	Dilkusha	CD	EURO	28.04	16,444
	Standard Chartered Bank	Agrabad	CD	BDT	28.04	963,887
						2,960,526
					<b>963,887</b>	<b>4,175,191</b>
					<b>5,232,579,917</b>	<b>1,253,580,429</b>

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



## Notes to the Financial Statements (Continued)

Note	30 June 2022		30 June 2021	
	BDT		BDT	
28.04	These accounts were opened for deposit of Share Money (IPO) and payment of dividend. Balances in these accounts represent amount refundable to the applicants to whom shares were not allotted and unclaimed dividend.			
28.05	<b>Fixed deposit receipts</b>			
	<u>Name of the Banks</u>	<u>Tenure</u>	<u>Rate of interest</u>	
	Sonali Bank Limited	3 Months	5.5%-6%	
			403,215,294	300,000,000
			<u>403,215,294</u>	<u>300,000,000</u>
28.a	<b>CONSOLIDATED CASH AND CASH EQUIVALENTS</b>			
	Bangladesh Steel Re-Rolling Mills Limited		5,682,463,553	1,575,195,160
	BSRM (Hong Kong) Limited	28.00	68,209,580	22,988,516
			<u>5,750,673,133</u>	<u>1,598,183,676</u>



## Notes to the Financial Statements (Continued)

	30 June 2022	30 June 2021	
	BDT	BDT	
<b>29.00 Share capital</b>			
See accounting policy in note 4 (P)			
<b>Authorized capital</b>			
500,000,000 Ordinary shares @ Tk. 10 each	5,000,000,000	5,000,000,000	
	<b>5,000,000,000</b>	<b>5,000,000,000</b>	
<b>Issued, Subscribed and Paid-up capital</b>			
64,345,491 Ordinary shares @ Tk. 10 each issued in cash	643,454,910	643,454,910	
64,345,491 Ordinary shares @ Tk. 10 each fully paid-up as Bonus Shares	643,454,910	643,454,910	
27,160,056 Ordinary shares @ Tk. 10 each fully paid up (other than cash)	271,600,560	271,600,560	
17,500,000 Ordinary shares @ Tk. 10 each issued through Initial Public	175,000,000	175,000,000	
4,010,523 Ordinary shares @ Tk. 10 each issued against 12% Convertible	40,105,230	40,105,230	
17,736,156 Ordinary shares @ Tk. 10 each fully paid-up as Bonus Shares	177,361,560	177,361,560	
19,509,771 Ordinary shares @ Tk. 10 each fully paid-up as Bonus Shares	195,097,710	195,097,710	
2,146,748 Ordinary shares @ Tk. 10 each fully paid-up as Bonus Shares	214,607,480	214,607,480	
62,516,390 share issued @Tk. 10 each merger with BSRM Steel Mills Ltd with 1:288 ratio	625,163,900	625,163,900	
	<b>2,985,846,260</b>	<b>2,985,846,260</b>	
<b>29.01 Classification of shares by holding at 30 June 2022</b>			
<b>Class by number of shares</b>	<b>No. of holders</b>	<b>No. of Shares</b>	<b>Holding (%)</b>
Less than 500	4,360	666,469	0.22%
From 501 to 5000	2,359	3,865,710	1.29%
From 5,001 to 10,000	269	2,032,632	0.68%
From 10,001 to 20,000	149	2,190,409	0.73%
From 20,001 to 30,000	58	1,498,157	0.50%
From 30,001 to 40,000	21	743,424	0.25%
From 40,001 to 50,000	20	900,310	0.30%
From 50,001 to 100,000	42	3,164,924	1.06%
From 100,001 to 1,000,000	49	18,651,051	6.25%
From 1,000,001 to above	30	264,871,540	88.71%
	<b>7,357</b>	<b>298,584,626</b>	<b>100%</b>
<b>29.02 Composition of Shareholders at 30 June 2022</b>			
<b>Name of shareholders</b>		<b>No. of shares</b>	<b>Holding (%)</b>
<b>Directors:</b>			
Mr. Alihussain Akberali		29,970,251	10.04%
Mr. Aameir Alihussain		25,409,856	8.51%
Mr. Zohair Taherali		46,835,044	15.69%
Mrs. Sabeen Aameir		28,800,000	9.65%
Shareholders other than Directors		167,569,475	56.12%
		<b>298,584,626</b>	<b>100.00%</b>
<b>29.03 Composition of Shareholders at 30 June 2022</b>			
<b>Nature of shareholders</b>	<b>No. of holders</b>	<b>No. of shares</b>	<b>Holding (%)</b>
Sponsor/Director Shareholders	5	140,703,407	47.12%
Foreign Shareholders	11	52,231,666	17.49%
Other Shareholders	7,341	105,649,553	35.38%
	<b>7,357</b>	<b>298,584,626</b>	<b>100%</b>
<b>29.04 Dividends</b>			
The following dividends were declared and paid/payable by the company for the year:	<b>Date of board meeting</b>		
40% annual cash dividend (Tk.4.00) per qualifying ordinary share (For Jul'20-Jun'21)	23-Oct-21	1,194,338,504	-
15% annual cash dividend (Tk. 1.5) per qualifying ordinary share (For Jul'19-Jun'20)	15-Oct-20	-	354,102,354
10% Interim cash dividend (Tk.1.00) per qualifying ordinary share (For Jul'20-Jun'21)	28-Jan-21	-	236,068,236
<b>30.00 Share Premium</b>			
Balance As at July 01		2,057,514,350	511,970,250
Add: Addition during the year due to merger	30.01	-	1,545,544,100
Balance As at June 30		<b>2,057,514,350</b>	<b>2,057,514,350</b>





## Notes to the Financial Statements (Continued)

		30 June 2022	30 June 2021
		BDT	BDT
<b>30.01 Addition during the year (on Merger)</b>			
Total paid up share capital of BSRM Steel Mills Limited (Transferor Company)		-	3,944,354,000
Less: cost of investment of Transferee Company in the Transferor Company		-	(1,773,646,000)
Net amount on which shares to be issued		-	2,170,708,000
Value of Share issued as per directives of Honourable High Court as purchase consideration		-	(625,163,900)
Share Premium		-	1,545,544,100
<b>31.00 Reserves</b>			
<b>31.01 General reserve</b>			
The general reserve is created from time to time by transferring profits from retained earnings for appropriation purposes and to meet future known or unknown requirements. There is no policy of regular transfer. As the general reserve is created by a transfer from one component of equity to another and is not an item of other comprehensive income, items included in the general reserve will not be reclassified subsequently to profit or loss.			
<b>31.02 Revaluation reserve</b>			
Revaluation reserve relates to the revaluation of property plant and equipment.			
<b>32.00 Long term borrowings- non-current portion</b>			
See accounting policy in note 4 (J)			
Bangladesh Steel Re-Rolling Mills Limited-HO	32.01	224,563,056	728,339,400
Bangladesh Steel Re-Rolling Mills Limited-Kolkata Branch		-	-
		<u>224,563,056</u>	<u>728,339,400</u>
<b>32.01 Bangladesh Steel Re-Rolling Mills Limited-HO</b>			
Lanka Bangla Finance Limited	32.02	26,731,891	130,445,718
Prime Bank Limited- Syndicated term loan	32.03	197,831,165	597,893,682
		<u>224,563,056</u>	<u>728,339,400</u>
<b>32.02 Lanka Bangla Finance Limited</b>			
Due within one (1) year		103,156,973	94,202,615
Due after more than one (1) year		26,731,891	130,445,718
		<u>129,888,864</u>	<u>224,648,333</u>

### Terms of loan:

Total loan facilities: Tk. 40 crore.

### Interest rate:

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

### Disbursement:

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

### Repayment:

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

### Securities:

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

### Purpose:

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



## Notes to the Financial Statements (Continued)

	30 June 2022	30 June 2021
	BDT	BDT
<b>32.03 Prime Bank Limited - Syndicated term loan</b>		
Due within one (1) year	800,000,000	1,200,000,000
Due after more than one (1) year	197,831,165	597,893,682
	<u>997,831,165</u>	<u>1,797,893,682</u>

### Terms of loan:

#### Lenders:

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

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

#### Interest rate:

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

#### Disbursement:

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

#### Repayment:

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

#### Securities:

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

#### Purpose:

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

<b>32.a CONSOLIDATED LONG TERM BORROWING- NON CURRENT PORTION</b>			
Bangladesh Steel Re-Rolling Mills Limited	32.00	224,563,056	728,339,400
BSRM (Hong Kong) Limited		-	-
		<u>224,563,056</u>	<u>728,339,400</u>
<b>33.00 Defined benefit obligations - gratuity</b>			
See accounting policy in note 4 (Q)			
Balance at 1 July		366,317,421	259,300,000
Transferred on 01 Feb 2021 (BSRM SML)		-	65,057,104
Transferred on 30 June 2021 (BSRM Wires Ltd)		-	10,498,674
Current service cost		94,656,789	47,299,755
		<u>460,974,210</u>	<u>382,155,533</u>
Payment made during the year		(51,657,574)	(15,838,112)
		<u>409,316,636</u>	<u>366,317,421</u>
Actuarial loss		-	-
<b>Balance at 30 June</b>		<u>409,316,636</u>	<u>366,317,421</u>

A funded gratuity scheme has been created which has obtained approval from National Board of Revenue vide Letter Ref: 08.01.0000.035..02.347.20/57 dated 18 February 2021. Subsequently Tk.94,646,789 has been paid to employee gratuity fund on 11th September 2022.

<b>33.a CONSOLIDATED DEFINED BENEFIT OBLIGATIONS-GRATUITY</b>			
Bangladesh Steel Re-Rolling Mills Limited	33.00	409,316,636	366,317,421
BSRM (Hong Kong) Limited		-	-
		<u>409,316,636</u>	<u>366,317,421</u>



## Notes to the Financial Statements (Continued)

	Note	30 June 2022 BDT	30 June 2021 BDT			
<b>34.00 Provision for Income Tax</b> See accounting policy in note 4 (J)						
Bangladesh Steel Re-Rolling Mills Limited-HO	34.01	1,122,047,427	834,097,486			
Bangladesh Steel Re-Rolling Mills Limited-Kolkata Branch		36,694,038	-			
		<b>1,158,741,465</b>	<b>834,097,486</b>			
<b>34.01 Bangladesh Steel Re-Rolling Mills Limited-HO</b>						
Opening Balance		834,097,486	86,980,212			
Add: Transfer from SML as on 01 Feb 2021 due to Merger		-	367,210,460			
Add: Provision during the year		1,144,201,545	466,887,027			
Add/(Less): Previous year tax Adjustment		10,196,114	-			
Less: Advance Income Tax Adjusted during the year		(866,447,718)	(86,980,213)			
Closing Balance		<b>1,122,047,427</b>	<b>834,097,486</b>			
<b>34.a CONSOLIDATED PROVISION FOR INCOME TAX</b>						
Bangladesh Steel Re-Rolling Mills Limited	34.00	1,158,741,465	834,097,486			
BSRM (Hong Kong) Limited		1,082,686	839,848			
		<b>1,159,824,151</b>	<b>834,937,333</b>			
<b>35.00 Current Tax Expenses</b> See accounting policy in note 4 (O)						
Bangladesh Steel Re-Rolling Mills Limited-HO		1,144,201,545	466,887,027			
Bangladesh Steel Re-Rolling Mills Limited-Kolkata Branch		36,694,038	-			
Add/(Less): Previous year tax Adjustment		10,196,114	18,578,483			
		<b>1,191,091,697</b>	<b>485,465,510</b>			
<b>35.01 Year wise income taxes assessment status is as follows:</b>						
Accounting Year	Assessment Year	Opening balance	Charged/ (credited) to profit or loss	Adjusted/ paid during the year	30 June 2022	Remarks
2013	2014-2015	-	-	-	-	Reference to High Court
2014	2015-2016	-	-	-	-	Reference to High Court
2015	2016-2017	-	-	-	-	Tribunal completed
2016	2016-2017	-	-	-	-	Tribunal completed
2017	2017-2018	-	-	-	-	Tribunal completed
2018	2018-2019	-	-	-	-	Tribunal completed
2019	2019-2020	-	-	-	-	Appeal to Tribunal
2020	2020-2021	-	266,292,561	(179,312,349)	86,980,212	Appeal to The Commissioner of Taxes
2021	2021-2022	86,980,212	834,097,487	(86,980,213)	834,097,486	Under audit at LTU
2022	2021-2022	834,097,486	1,154,397,659	(844,293,599)	1,144,201,546	Return due by 15 January 2023
<b>35.02 Reconciliation of effective tax rate</b>						
		2022		2021		
		Rate	Taka	Rate	Taka	
Profit before tax			4,383,019,425		5,503,858,995	
Tax using the applicable tax rate		22.5%	986,179,371	22.5%	1,238,368,274	
Tax effect of:						
Share of loss/ (profit) of equity accounted investee		-5.27%	(230,953,414)	-3.93%	(216,116,386)	
Difference between accounting and fiscal depreciation		-0.62%	(27,336,624)	-0.81%	(44,508,358)	
Inadmissible expenses		6.98%	305,816,234	0.63%	34,496,025	
Rebate on export sales		-0.16%	(7,146,258)	-0.11%	(5,991,740)	
Unabsorbed depreciation		0.00%	-	-10.92%	(600,895,071)	
Rebate on CSR		-0.01%	(307,414)	-0.01%	(292,271)	
Implication for minimum tax		1.93%	84,550,150	-	-	
Bangladesh Steel Re-Rolling Mills Ltd. (Kolkata Branch)		0.00%	(20,825)	-0.04%	(1,982,203)	
Effect of deferred tax		2.36%	103,642,925	0.87%	48,030,619	
Prior year income tax		0.23%	10,196,114	0.34%	18,578,483	
Gain/(loss) on sale of Non-current asset		-0.01%	(237,518)	0.08%	4,380,191	
Loss carried over		0.00%	-	-0.01%	(320,040)	
Impact on cash dividend received		1.61%	70,352,154	1.07%	58,626,795	
Impact on cash dividend received (Other than associate)		0.00%	(273)	-	-	
Profit on sale of shares		0.00%	-	-0.01%	(824,728)	
Piscal profit on sale of shares		0.00%	-	0.03%	1,430,995	
Capital gain on sales of Listed shares		0.00%	-	0.001%	68,546	
Capital gain on sales of Non-Listed shares		0.00%	-	0.01%	447,000	
		<b>29.54%</b>	<b>1,294,734,622</b>	<b>9.67%</b>	<b>533,496,128</b>	
<b>35.a CONSOLIDATED CURRENT TAX EXPENSES</b>						
Bangladesh Steel Re-Rolling Mills Limited	35.00	1,191,091,697	485,465,510			
BSRM (Hong Kong) Limited		179,677	665,417			
		<b>1,191,271,374</b>	<b>486,130,927</b>			



## Notes to the Financial Statements (Continued)

		30 June 2022	30 June 2021
		BDT	BDT
36.00	<b>Deferred tax liability</b>		
	See accounting policy in note 4 (O)		
	Bangladesh Steel Re-Rolling Mills Limited-HO	3,769,826,096	3,670,214,397
	Bangladesh Steel Re-Rolling Mills Limited-Kolkata Branch	(71,179)	-
		<u>3,769,754,917</u>	<u>3,670,214,397</u>

36.01 **Bangladesh Steel Re-Rolling Mills Limited-HO**  
Deferred tax liability has been calculated below at the applicable tax rate on the temporary difference between the carrying value and tax base.

<b>Balance at 1 July</b>		3,670,214,397	2,676,575,321
Transfer from SML as on 31 January 2021 due to Merger		-	2,530,790,361
Adjustment for unabsorbed depreciation of SML		-	(774,657,906)
<b>Provided/ (adjusted) during the year:</b>			
Investments in associates		204,517,685	134,487,109
Unabsorbed depreciation		(110,795,716)	684,037,431
Adjustment for gratuity		(9,674,823)	5,712,861
Adjustment in investment due to merger		-	(804,679,539)
Right of use of assets		(26,567,861)	-
Lease liabilities		28,744,795	-
For temporary difference of PPE and software (excluding land)		17,490,024	(776,038,214)
Adjustment for impact of excess depreciation on revaluation surplus		(4,102,405)	(5,844,459)
Deferred tax of overseas branch		-	(168,568)
<b>Balance at 30 June</b>		<u>3,769,826,096</u>	<u>3,670,214,397</u>

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

	Rate applied	Carrying amount	Tax base	Taxable/ (Deductible) temporary difference	Deferred tax Liability/ (Asset)
<b>As on 30 June 2022</b>					
Property, plant and equipment (other than land)	22.50%	20,495,711,083	8,450,234,815	12,045,476,268	2,710,232,160
Intangible assets (Software)	22.50%	16,205,442	23,863,465	(7,658,024)	(1,723,055)
Provision for gratuity	22.50%	409,316,636	-	(409,316,636)	(92,096,243)
Unabsorbed depreciation	22.50%	1,147,474,585	-	(1,147,474,585)	(258,181,782)
Investment in Associate	5-20%	-	-	-	961,228,041
Right of use of assets	22.50%	118,079,383	-	(118,079,383)	(26,567,861)
Lease liabilities	22.50%	(127,754,647)	-	127,754,647	28,744,795
DT on Revaluation Reserve	-	-	-	-	254,244,548
Deferred tax on land revaluation	-	-	-	-	194,425,905
Deferred tax of overseas branch	-	-	-	-	(480,414)
					<u>3,769,826,096</u>

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



## Notes to the Financial Statements (Continued)

		30 June 2022	30 June 2021
		BDT	BDT
36.a	<b>CONSOLIDATED DEFERRED TAX LIABILITY</b>		
	Bangladesh Steel Re-Rolling Mills Limited	3,769,754,917	3,670,214,397
	BSRM (Hong Kong) Limited	-	-
		<u>3,769,754,917</u>	<u>3,670,214,397</u>
37.00	<b>Trade payables</b>		
	See accounting policy in note 4 (J)		
	Bangladesh Steel Re-Rolling Mills Limited-HO	508,005,052	361,777,439
	Bangladesh Steel Re-Rolling Mills Limited-Kolkata Branch	157,055,624	112,774,974
		<u>665,060,676</u>	<u>474,552,412</u>
37.01	<b>Bangladesh Steel Re-Rolling Mills Limited-HO</b>		
	BSRM Logistics Limited	21,094,429	25,982,222
	Goods & supplies	26,604,879	21,087,161
	Labor cost	3,264,051	1,752,945
	Payables for stores and spares	457,041,693	312,925,245
	BSRM Wires Limited	-	29,866
		<u>508,005,052</u>	<u>361,777,439</u>
	These balances represent amounts payable against supply of raw materials and services.		
37.a	<b>CONSOLIDATED TRADE PAYABLES</b>		
	Bangladesh Steel Re-Rolling Mills Limited	665,060,676	474,552,412
	BSRM (Hong Kong) Limited	-	-
	Less: Intra group elimination	-	-
		<u>665,060,676</u>	<u>474,552,412</u>
38.00	<b>Short term borrowings</b>		
	See accounting policy in note 4 (J)		
	Short term borrowings	66,969,381,141	32,537,442,420
	Long term borrowings- current portion	903,156,973	1,294,202,615
		<u>67,872,538,114</u>	<u>33,831,645,035</u>
38.01	<b>Short term borrowings</b>		
	Time loan	541,885,080	1,530,953,800
	Bank overdraft, SOD and cash credit	947,444,203	1,921,838,965
	Demand Loan	322,248,889	1,140,403,657
	Liability for accepted bills for payment (ABP)	64,316,768,817	25,453,483,820
	Stimulus Loan - Trust Bank Limited	841,034,152	2,490,762,178
		<u>66,969,381,141</u>	<u>32,537,442,420</u>
38.01.01	<b>Time loan</b>		
	Bangladesh Steel Re-Rolling Mills Limited-HO	330,000,000	1,308,251,389
	Bangladesh Steel Re-Rolling Mills Limited-Kolkata Branch	211,885,080	222,702,411
		<u>541,885,080</u>	<u>1,530,953,800</u>
38.01.01.01	<b>Bangladesh Steel Re-Rolling Mills Limited-HO</b>		
	BRAC Bank Limited	-	50,000,000
	Habib Bank Limited	180,000,000	180,000,000
	HSBC	150,000,000	220,000,000
	Jamuna Bank Limited	-	350,077,778
	The City Bank Limited	-	508,173,611
		<u>330,000,000</u>	<u>1,308,251,389</u>
38.01.02	<b>Bank overdraft, SOD and cash credit</b>		
	Agrani Bank Limited	62,395,993	(7,401,788)
	Agrani Bank Limited	1,210	2,256
	Agrani Bank Limited	-	64,076
	Dhaka Bank Limited	58,568,704	(95,844)
	Habib Bank Limited	(4,426,195)	9,398,099
	IFIC Bank Limited	-	77,315
	IFIC Bank Limited	10,801,803	-
	Jamuna Bank Limited	18,163,886	221,422
	Mercantile Bank Limited	66,124,396	356,883,363
	Mutual Bank Limited	4,476,548	-
	National Bank Limited	35,389,332	(1,407,872)
	NRB Commercial Bank Limited	50,012,328	-
	Pubali Bank Limited	159,831,071	109,636,658
	Pubali Bank Limited	(32,159)	1,174,967,179
	Shahjalal Islami Bank Limited	-	17,288,120
	Sonali Bank Limited	159,773,517	148,007,773
	Sonali Bank Limited	50,031,677	3,999,893
	Southeast Bank Limited	-	10,867,113
		<u>62,395,993</u>	<u>(7,401,788)</u>



## Notes to the Financial Statements (Continued)

		30 June 2022	30 June 2021
		BDT	BDT
Southeast Bank Limited	OD	16,656,081	-
Standard Chartered Bank	OD	73,421,767	3,782,618
State Bank of India	CC	119,342,079	148,531,829
The City bank Limited	OD	16,871,848	(31,577,212)
Trust Bank Limited	OD	49,445,506	(13,997,764)
Uttara Bank Limited	OD	(4,309)	-
Uttara Bank Limited	OD	-	(8,592,983)
United Commercial Bank	CC	599,120	1,184,713
		<b>947,444,203</b>	<b>1,921,838,965</b>
<b>38.01.03 Demand Loan</b>			
BRAC Bank Limited		-	500,827,180
Eastern Bank Limited		-	603,083,917
Commercial Bank of Celon		322,248,889	-
Islami Bank Bangladesh Limited		-	36,492,560
		<b>322,248,889</b>	<b>1,140,403,657</b>
<b>38.01.04 Liability for accepted bills for payment (ABP)</b>			
Bank Alfalah Limited		491,051,976	32,719,512
Al-Arafah Bank Limited		2,126,242,961	627,668,531
AB Bank Limited		36,658,967	-
Bank Asia Limited		2,312,435,308	1,335,201,896
Dhaka Bank Limited		4,405,722,948	2,819,990,952
Dutch Bangla Bank Limited		3,319,614,675	49,225,842
HSBC		2,831,641,812	1,520,714,160
Habib Bank Limited		159,789,690	-
Mutual Trust Bank Limited		1,879,852,036	267,183,576
Mercantile Bank Limited		4,026,021,846	1,719,562,654
NCC Bank Limited		4,831,795,927	1,315,541,456
Jamuna Bank Limited		3,145,560,675	965,842,059
One Bank Limited		650,482,738	-
Prime Bank Limited		2,940,745,853	380,327,770
Pubali Bank Limited		1,938,546,459	1,771,243,742
Standard Chartered Bank		3,431,277,549	1,147,354,770
The City Bank Limited		5,166,962,675	1,281,731,648
Trust Bank Limited		1,382,838,515	652,448,432
United Commercial Bank Limited		3,285,063,479	2,140,561,252
Uttara Bank Limited		318,737,220	1,097,546,819
Agrani Bank Limited		2,529,131,465	1,807,761,752
Commercial Bank of Ceylon PLC		1,950,965,288	482,549,928
IFIC Bank Limited		1,192,477,169	997,715,979
Islami Bank Limited		78,533,595	-
Shahjalal Islami Bank Limited		4,529,494,887	515,199,503
Sonali Bank Limited		932,064,607	-
BRAC Bank Limited		2,802,513,627	862,606,121
Eastern Bank Limited		926,338,178	1,045,607,198
Southeast Bank Limited		433,795,776	273,172,727
National Bank Limited		260,410,916	275,181,246
State Bank of India		-	68,824,294
		<b>64,316,768,817</b>	<b>25,453,483,820</b>
<b>38.01.05 Stimulus Loan</b>			
AB Bank Limited		-	151,707,938
Prime Bank Limited		-	151,682,876
The City Bank Limited		-	130,851
Eastern Bank Limited		222,429,486	-
Trust Bank Limited		217,742,608	-
Bank Asia Limited		-	197,211,250
Agrani Bank Limited		61,364,395	132,960,425
Al-Arafah Islami Bank Limited		-	101,121,918
Bank Alfalah Limited		-	182,047,500
Dhaka Bank Limited		-	49,619,766
Habib Bank Limited		-	31,023,750
Islami Bank Bangladesh Limited		-	109,291,671
Jamuna Bank Limited		249,999,969	99,998,868
Mercantile Bank Limited		-	479,830,970
One Bank Limited		-	104,280,554
Pubali Bank Limited		-	74,298,052
Sonali Bank Limited		89,497,694	-
Shahjalal Islami Bank Limited		-	205,063,331
Southeast Bank Limited		-	49,996,089
Standard Bank Limited		-	108,656,495
United Commercial Bank limited		-	201,839,860
LankaBangla Finance Limited		-	60,000,015
		<b>841,034,152</b>	<b>2,490,762,178</b>



## Notes to the Financial Statements (Continued)

	Note	30 June 2022 BDT	30 June 2021 BDT
<b>38.02 Long term borrowings- current portion</b>			
These balances represent current portion of long term loans from financial institutions which are repayable within next twelve months from reporting date and consist of as follows:			
Lanka Bangla Finance Limited	32.02	103,156,973	94,202,615
Prime Bank Limited- Syndicated term loan	32.03	800,000,000	1,200,000,000
		<u>903,156,973</u>	<u>1,294,202,615</u>
<b>38.a CONSOLIDATED SHORT TERM BORROWINGS</b>			
Bangladesh Steel Re-Rolling Mills Limited	38.01	66,969,381,141	32,537,442,420
BSRM (Hong Kong) Limited		-	-
		<u>66,969,381,141</u>	<u>32,537,442,420</u>
<b>38.b CONSOLIDATED LONG TERM BORROWINGS CURRENT PORTION</b>			
Bangladesh Steel Re-Rolling Mills Limited	38.02	903,156,973	1,294,202,615
BSRM (Hong Kong) Limited		-	-
		<u>903,156,973</u>	<u>1,294,202,615</u>
<b>39.00 Current account with related companies</b>			
BSRM Steels Limited		2,283,872,672	-
H. Akberali & Co Limited		113,906,158	-
		<u>2,397,778,830</u>	<u>-</u>
These balances represent short term financial arrangement availed from related companies as and when required to meet working capital and interest was charged on outstanding balances. All transactions were made through account payee cheques.			
<b>39.a CONSOLIDATED CURRENT ACCOUNT WITH RELATED COMPANIES</b>			
Bangladesh Steel Re-Rolling Mills Limited	39.00	2,397,778,830	-
BSRM (Hong Kong) Limited		11,852,636	11,024,315
Less: Intra group elimination		(11,852,636)	(11,024,315)
		<u>2,397,778,830</u>	<u>-</u>
<b>40.00 Contract liabilities</b>			
Bangladesh Steel Re-Rolling Mills Limited-HO		318,655,890	646,725,298
Bangladesh Steel Re-Rolling Mills Limited-Kolkata Branch		-	-
		<u>318,655,890</u>	<u>646,725,298</u>
These balances represent advances received from different parties against sale of finished goods. Goods have not been delivered to them within the reporting date.			
<b>40.a CONSOLIDATED CONTRACT LIABILITIES</b>			
Bangladesh Steel Re-Rolling Mills Limited	40.00	318,655,890	646,725,298
BSRM (Hong Kong) Limited		34,363	-
		<u>318,690,253</u>	<u>646,725,298</u>
<b>41.00 Liabilities for expenses</b>			
See accounting policy in note 4(J)			
Bangladesh Steel Re-Rolling Mills Limited-HO	41.01	1,122,655,703	1,149,136,050
Bangladesh Steel Re-Rolling Mills Limited-Kolkata Branch		-	-
		<u>1,122,655,703</u>	<u>1,149,136,050</u>
<b>41.01 Bangladesh Steel Re-Rolling Mills Limited-HO</b>			
Brokerage and commission		256,837	78,893,850
C & F bill and others		2,179,404	3,696,368
Carriage on sales		194,356,520	178,792,419
Contractors		7,333,683	9,585,067
Karnaphuli Gas Distribution Co. Limited		26,359,032	152,086,775
Liability for fixed assets		3,685,271	3,027,491
Others		188,409,257	66,362,348
Power Development Board for electricity (Factory)		665,520,031	588,722,522
Professional expenses		281,549	523,750
Repair and maintenance		297,567	1,691,271
Salary and allowances		12,968,989	22,079,900
Sales promotion		8,907,699	32,458,083



## Notes to the Financial Statements (Continued)

	Note	30 June 2022 BDT	30 June 2021 BDT
Unclaimed cheque		2,937,596	2,965,164
Audit fees		851,000	756,000
CSR expenses		642,108	-
Insurance expenses		5,606,864	4,340,846
Travelling and conveyance		629,815	13,580
WASA		27,627	7,841
Printing and stationeries		1,404,854	3,129,274
Training expenses		-	3,500
		<b>1,122,655,703</b>	<b>1,149,136,050</b>
<b>41.a CONSOLIDATED LIABILITIES FOR EXPENSES</b>			
Bangladesh Steel Re-Rolling Mills Limited	41.00	1,122,655,703	1,149,136,050
BSRM (Hong Kong) Limited		234,730	193,432
		<b>1,122,890,433</b>	<b>1,149,329,482</b>
<b>42.00 Provision for WPPF and Welfare Fund</b>			
See accounting policy in note 4 (Q)			
<b>Balance at 1 July</b>		317,276,646	43,476,238
Transfer from SML as on 31 January 2021 due to Merger		-	93,911,140
Provided during the year	42.01	195,174,767	254,551,352
Paid during the year		(317,276,646)	(74,662,084)
<b>Balance at 30 June</b>		<b>195,174,768</b>	<b>317,276,646</b>
<b>42.01 Contribution to WPPF and Welfare Fund</b>			
Profit before tax and WPPF and Welfare Fund		3,551,734,575	4,797,893,073
Cash dividend received from investment in associates		351,760,770	293,133,976
Profit applicable for WPPF and Welfare Fund		3,903,495,345	5,091,027,049
Contribution to WPPF and Welfare Fund at 5%		<b>195,174,767</b>	<b>254,551,352</b>
<b>42.a CONSOLIDATED PROVISION FOR WPPF AND WELFARE FUND</b>			
Bangladesh Steel Re-Rolling Mills Limited	42.00	195,174,768	317,276,646
BSRM (Hong Kong) Limited		-	-
		<b>195,174,768</b>	<b>317,276,646</b>
<b>42.01.a CONSOLIDATED CONTRIBUTION TO WPPF AND WELFARE FUND</b>			
Bangladesh Steel Re-Rolling Mills Limited		195,174,767	254,551,352
BSRM (Hong Kong) Limited		-	-
		<b>195,174,767</b>	<b>254,551,352</b>
<b>43.00 Other liabilities</b>			
See accounting policy in note 4 (J)			
Bangladesh Steel Re-Rolling Mills Limited-HO	43.01	183,471,252	288,669,618
Bangladesh Steel Re-Rolling Mills Limited-Kolkata Branch		51,569,297	24,556,225
		<b>235,040,549</b>	<b>313,225,843</b>
<b>43.01 Bangladesh Steel Re-Rolling Mills Limited-HO</b>			
Against paid-up capital of BSRM (Hong Kong) Limited		-	10
Duty drawback		110,738,498	110,738,498
Income tax deducted at source	43.01.01	58,371	7,295
Interest Payable		-	976,273
IPO over subscription money payable	43.01.02	-	7,864,673
Retention money		60,865,245	58,240,388
Security deposit		2,439,995	1,990,000
Interest on intercompany loan		9,369,143	108,852,480
		<b>183,471,252</b>	<b>288,669,618</b>
<b>43.01.01</b> Income tax deducted at source have subsequently been deposited to the Government Exchequer.			
<b>43.01.02</b> The total amount of Tk. 7,864,673 has been transferred to Capital Market Stabilization Fund on August 29,2021 as per directive of Bangladesh Securities and Exchange Commission mentioned above.			
<b>43.a CONSOLIDATED OTHER LIABILITIES</b>			
Bangladesh Steel Re-Rolling Mills Limited	43.00	235,040,549	313,225,843
BSRM (Hong Kong) Limited		-	-
Less: Intra group elimination		-	-
		<b>235,040,549</b>	<b>313,225,843</b>





## Notes to the Financial Statements (Continued)

44.00 Leases as a Lessee  
See accounting policy in note 4 (Y)

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

	Land	Warehouse / Godown / Shed	Office Space	Total
As at 01 July 2020	38,157,506	47,164,177	19,033,142	104,354,825
Additions	13,025,146	-	2,967,542	15,992,688
Addition due to lease modification	-	4,353,501	7,019,230	11,372,731
Depreciation expense	(11,369,909)	(11,623,839)	(6,636,552)	(29,630,300)
As at 30 June 2021	<u>39,812,743</u>	<u>39,893,839</u>	<u>22,383,362</u>	<u>102,089,943</u>
As at 01 July 2021	39,812,743	39,893,839	22,383,362	102,089,943
Additions	8,976,742	-	10,921,175	19,897,917
Addition due to lease modification	10,084,119	22,368,245	-	32,452,364
Depreciation expense	(14,177,399)	(14,339,155)	(7,844,287)	(36,360,841)
As at 30 June 2022	<u>44,696,204</u>	<u>47,922,928</u>	<u>25,460,250</u>	<u>118,079,383</u>

**Depreciation allocation:**

		2022	2021
Cost of sales	6.02	24,912,300	20,481,041
Selling & distribution costs	7.01	3,604,255	2,332,984
Administrative costs	8.01	7,844,287	6,816,275
		<u>36,360,842</u>	<u>29,630,300</u>

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

As on 01 July 2021	109,552,386	108,474,040
Additions	19,897,917	15,992,688
Addition due to lease modification	32,452,364	11,372,731
Accretion of interest	10,727,822	10,050,440
Payments	(44,875,842)	(36,337,513)
As on 30 June 2022	<u>127,754,647</u>	<u>109,552,386</u>
Current	40,204,947	27,618,290
Non-current	<u>87,549,700</u>	<u>81,934,096</u>

44.01 Amounts recognized in statement of profit or loss

Interest on lease liabilities	10,727,822	10,050,440
Depreciation charge on right-of-use assets	36,360,842	29,630,300
	<u>47,088,664</u>	<u>39,680,740</u>

44.02 Amount recognized in statement of cash flows

Interest paid on lease liabilities	(10,727,822)	(10,050,440)
Principal paid on lease liabilities	(34,148,020)	(26,287,073)

44.03 Maturity analysis

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

Less than one year	49,698,516	36,043,746
One to two years	41,787,516	33,111,240
Two to three years	30,750,516	30,115,240
Three to four years	19,303,536	18,768,840
Four to five years	6,210,180	9,334,980
More than five years	-	2,400,000
	<u>147,750,264</u>	<u>129,774,046</u>

44.a CONSOLIDATED RIGHT OF USE ASSETS

Bangladesh Steel Re-Rolling Mills Limited	118,079,383	102,089,943
BSRM (Hong Kong) Limited	-	-
	<u>118,079,383</u>	<u>102,089,943</u>



## Notes to the Financial Statements (Continued)

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

Lessor	Lessee	Location	Rental start date	Tenure	Discount rate	Monthly rent	Total yearly rent	Tax deducted at source	VAT	Gross yearly rent
M/S Haleem Engineering Works Limited	Plot no# 147-149, Nasirabad I/A, Bayezid Bostami Road, Chattogram		01-Oct-19	2 years		243,000	729,000	36,450	109,350	838,350
			01-Oct-21			275,000	2,475,000	123,750	371,250	2,846,250
Arco Industries Limited	Bangladesh Steel Re-Rolling Mills Limited	Plot no# 23-26, Nasirabad I/A, Bayezid Bostami Road, Chattogram	01-Jul-17	3 years		200,000	1,200,000	60,000	180,000	1,380,000
			01-Jan-22			400,000	2,400,000	120,000	360,000	2,760,000
H. Akberali & Co. Limited	Karnafully Engineering Works Limited	Plot JL# 13 at Sonapahar Mouza, Zoragonj, Mirsarai, Chattogram	01-Jul-16	5 years	9.00%	150,000	900,000	45,000	135,000	1,035,000
			01-Jan-22			300,000	1,800,000	90,000	270,000	2,070,000
Karnafully Engineering Works Limited	Karnafully Engineering Works Ltd.	Plot no# 8/D, Sholoshahar Light Industrial Area, Chattogram	01-Nov-19	5 years		350,000	4,200,000	210,000	630,000	4,830,000
			1-Sep-20			264,000	3,168,000	158,400	475,200	3,643,200
BSRM Logistics Ltd	BSRM Ltd_SML	4000 sft Spaces under Plot no# 180,3995,3979,3978,4001,3997,3998,3946,3972,3996,4002, Mouza- Jahanabad, Bhatary, Sitakunda, Chattogram	1-Jan-17	5 years		20,000	120,000	6,000	18,000	138,000
			01-Jan-22			60,000	360,000	18,000	54,000	414,000
							<b>17,352,000</b>	<b>867,600</b>	<b>2,602,800</b>	<b>19,954,800</b>

### 44.05 Leased warehouse/godown/factory shed

Lessor	Lessee	Location	Rental start date	Tenure	Discount rate	Monthly rent	Total yearly rent	Tax deducted at source	VAT	Gross yearly rent
Chittagong Power Company Limited	Plot no# 297, Nasirabad I/A, Bayezid Bostami Road, Chattogram		01-Jul-19	5 years		150,000	900,000	45,000	135,000	1,035,000
			01-Jan-22			300,000	1,800,000	90,000	270,000	2,070,000
Section Steel Industries Limited	Bangladesh Steel Re-Rolling Mills Limited	Shiromoni Industrial Area, Khulna	01-Jan-19	5 years		100,000	600,000	30,000	90,000	690,000
			01-Jan-22			200,000	1,200,000	60,000	180,000	1,380,000
Bangladesh Steels Limited	Bangladesh Steel Re-Rolling Mills Limited	Plot no# 297, Nasirabad I/A, Bayezid Bostami Road, Chattogram	01-Apr-19	5 years	9.00%	280,000	1,680,000	84,000	252,000	1,932,000
			01-Jan-22			400,000	2,400,000	120,000	360,000	2,760,000
BSRM Logistics Limited	Karnafully Engineering Works Limited	50 No. Kagoipur, P.S.- Benapole Port, Sharsa, Jessore	01-Jul-21	5 years		295,695	3,548,340	177,417	532,251	4,080,591
			01-Jan-21			390,000	4,680,000	234,000	702,000	5,382,000
H. Akberali & Co. Limited	Karnafully Engineering Works Limited	Plot no# 8/D, Sholoshahar Light Industrial Area, Chattogram	01-Nov-19	5 years		100,000	1,200,000	60,000	180,000	1,380,000
			01-Nov-19			100,000	1,200,000	60,000	180,000	1,380,000
							<b>18,008,340</b>	<b>900,417</b>	<b>2,701,251</b>	<b>20,709,591</b>



## Notes to the Financial Statements (Continued)

### 44.06 Leased office spaces

Lessor	Lessee	Location	Rental start date	Tenure	Discount rate	Monthly rent	Total yearly rent	Tax deducted at source	VAT	Gross yearly rent
H. Akberali & Co. Limited	Bangladesh Steel Re-Rolling Mills Limited	Nasir Uddin Tower, 4th floor, 104/1 Kakrail, Ramna, Dhaka	01 Oct 18	5 years		204,000	2,448,000	122,400	367,200	2,815,200
H. Akberali & Co. Limited		1st, Mezzanine & 3rd Floor, Ali Mansion, 1207/1099 Sadarghat, Chattogram	01 Jan 21	5 years	9.00%	377,830	4,533,960	226,698	680,094	5,214,054
H. Akberali & Co. Limited	BSRM Ltd._SML	3rd floor, Habib City Tower, 822/835, Sadarghat, Chittagong	1-May-17	5 years		208,351 225,018	2,083,506 450,036	104,175 22,502	312,526 67,505	2,396,032 517,541
<b>Grand Total</b>							<b>9,515,502</b>	<b>475,775</b>	<b>1,427,325</b>	<b>10,942,827</b>
							<b>44,875,842</b>	<b>2,243,792</b>	<b>6,731,376</b>	<b>51,607,218</b>



## Notes to the Financial Statements (Continued)

	30 June 2022	30 June 2021
	BDT	BDT
<b>45.00 Unclaimed dividend account</b>		
Year wise unclaimed dividend as on June 30 2021		
Year- 2020-21 (Final)	21,239,305	-
Year- 2020-21 (Interim)	211,249	415,562
Year- 2019-20	499,044	612,218
Year- 2018-19	1,406,749	1,288,688
Year- 2017-18	-	339,801
Cheque Issued to the shareholders	-	412,903
Year- 2014 to Year 2017	-	1,604,514
Untraced/ Others	-	146,346
	<b>23,356,348</b>	<b>4,820,032</b>

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

### 46.00 Related party transactions

#### 46.01 Transactions with key management personnel

Name of personnel	Relationship	Nature of transactions	Transactions values for the year ended 30 June		Balance outstanding as at 30 June	
			2022	2021	2022	2021
Mr. Alihussain Akberali	Chairman	Remuneration and other benefits	66,000,000	48,500,000	-	-
Mr. Aameir Alihussain	Managing Director		64,500,000	43,500,000	-	-
Mr. Zohair Taherali	Director		28,500,000	21,500,000	-	-
Mrs. Sabeen Aameir	Director		7,500,000	7,500,000	-	-
			<b>166,500,000</b>	<b>121,000,000</b>	-	-

#### 46.02 Other related party transactions

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

Name of the party	Relationship	Nature of transactions	Transactions during the year		Balance outstanding as at 30 June	
			Addition	Adjustment	2022	2021
BSRM Hong Kong Limited	Subsidiary	Short Term Finance	828,321	-	11,852,636	11,024,315
		Investment	51,743,860	10	64,001,293	12,257,443
		Purchase	185,341,401	185,355,366	755,257	769,222
BSRM Steels Limited	Associate	Short Term Finance	106,253,780,447	108,537,653,118	(2,283,872,672)	-
		Purchase	2,491,172,920	2,491,172,920	-	-
		Sales Revenue	11,327,445,673	12,091,624,353	-	764,178,680
BSRM Wires Limited	Sister Company	Investment	1,126,272,732	351,760,770	8,088,476,202	7,313,964,242
		Short Term Finance	1,412,340,518	922,384,040	1,558,074,973	1,068,118,494
		Purchase	150,017,170	149,987,304	-	(29,866)
		Investment	-	-	164,500,000	164,500,000
BSRM Logistics Limited	Sister Company	Sales Revenue	5,212,931	10,682,941	-	5,470,010
		Short Term Finance	401,872,388	380,149,641	420,924,285	399,201,537
		Purchase, Rental & Other Expenses	649,251,599	644,363,806	(21,094,429)	(25,982,222)
Chittagong Power Company Limited	Sister Company	Sales Revenue	401,066	400,510	556	-
		Short Term Finance	17,200,000	-	540,937,926	523,737,926
Karnafully Engineering Works Limited	Sister Company	Rental expenses	3,493,250	3,493,250	-	-
		Short Term Finance	19,900,000	19,900,000	-	-
H. Akber Ali & Co. Limited	Sister Company	Rental expenses	14,483,160	14,483,160	-	-
		Short Term Finance	2,265,764,885	2,498,195,365	(113,906,158)	118,524,322
		Rental & Royalty Expenses	131,251,087	123,402,539	(5,508,587)	(13,357,135)
BSRM Ispat Limited	Sister Company	Sales Revenue	1,645,390	1,823,550	-	178,161
BSRM Real Estat Ltd.	Sister Company	Short Term Finance	2,505,750	5,005,750	999,298,302	1,001,798,302
BSRM Metals Limited	Sister Company	Short Term Finance	6,600,000	6,600,000	-	-
BSRM Recycling Limited	Sister Company	Short Term Finance	-	78,535,996	-	78,535,996
Bangladesh Agricultural Products Limited	Sister Company	Short Term Finance	1,400,000	1,400,000	-	-
		Sales Revenue	20,936	20,936	-	-
Bangladesh Steels Limited	Sister Company	Purchase	521,040	521,040	-	-
		Rental expenses	4,720,690	4,720,690	-	-
BMS Steels Limited	Sister Company	Investment	40,496,321	-	46,602,821	6,106,500



## Notes to the Financial Statements (Continued)

	30 June 2022	30 June 2021
	BDT	BDT
<b>47.00 Contingent liabilities</b>		
See accounting policy in note 4 (M).		
Contingent liabilities at the reporting date are as follows:		
<b>47.01 Bank guarantee</b>		
Karnaphuli Gas Distribution Co. Limited	52,842,958	594,939
Deposit to Customs authority against claim under appeal	552,890	552,890
Customs authority	67,968,728	1,997,162
Bureau of Indian Standards	2,418,000	2,418,000
Chittagong Port	428,214	18,578,713
	<u>124,210,790</u>	<u>24,141,704</u>

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

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

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

	Credit rating	
	30 June 2022	30 June 2021
BSRM Steels Limited	AA+	AA+
BSRM Wires Limited	BBB+	BBB+
H. Akberali & Co. Limited	A+	A+
BSRM Steel Mills Ltd.	-	A

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

Subject matter	Current status
Claimed by VAT Commissionerate Office against Duty Drawback from 01 January 2015 to 31 August 2018.	At High Court (VAT Revision No 50 of 2021) (Appellate Tribunal Nothi No CEVT/Case(VAT)-55/2019)
Claimed by VAT Commissionerate Office against Duty Drawback from 01 September 2018 to 31 December 2018	At High Court (VAT Revision No 49 of 2021) (Appellate Tribunal Nothi No CEVT/Case(VAT)-56/2019)
Trade VAT of K. Rahman warehouse regarding sale of wastage items (packing materials).	At High Court (VAT Revision No 33 of 2021) (Appellate Tribunal Nothi No CEVT/Case(VAT)-72/2019, Demand No 54/2019) for a demand of BDT 322,566.
Claim by VAT Commissionerate office against export of January 2019 to garments and projects.	At High Court (VAT Appeal No 62 of 2021) (Appellate Tribunal Nothi No CEVT/Case(VAT)-02/2020, Demand No 152/2019/4861 dated 04.12.2019)

- 48.00 Capital expenditure commitment**  
The Company has no capital expenditure commitment at the reporting date.

**49.00 Production capacity**

<b>(i) MS product- finished</b>			
Installed Capacity (In M.Ton)	800,000	800,000	
Production (In M.Ton)	820,012	813,781	
Capacity utilized (%)	<u>102.50%</u>	<u>101.72%</u>	
<b>(ii) MS billet</b>			
Installed Capacity (In M.Ton)	1,012,000	509,167	
Production (In M.Ton)	1,164,609	514,845	
Capacity utilized (%)	<u>115.08%</u>	<u>101.12%</u>	
<b>(iii) Wires Unit</b>			
Installed Capacity (In M.Ton)	24,000	24,000	
Production (In M.Ton)	20,375	14,434	
Capacity utilized (%)	<u>84.90%</u>	<u>60.14%</u>	
	<u>30 June 2022</u>	<u>30 June 2021</u>	
<b>50.00 No. of employees</b>			
Number of employees whose salary was below Tk. 3,000		-	
Number of employees whose salary was above Tk. 3,000	1,883	1,832	
	<u>1,883</u>	<u>1,832</u>	

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



## Notes to the Financial Statements (Continued)

51.00 Financial summary of Kolkata Branch office on 30 June 2022 as per audited financial statements:

	30 June 2022	30 June 2021
	INR	INR
Non-current assets	3,621,695	3,691,441
Current assets	512,964,715	357,557,420
<b>Total assets</b>	<b>516,586,410</b>	<b>361,248,861</b>
Head Office Account	(21,613,383)	10,225,039
Retained earnings	171,177,463	33,393,818
	<b>149,564,080</b>	<b>43,618,857</b>
Non-current liabilities	178,753,178	196,473,234
Current liabilities	188,269,152	121,156,770
<b>Total liabilities</b>	<b>367,022,330</b>	<b>317,630,004</b>
<b>Total equity &amp; liabilities</b>	<b>516,586,410</b>	<b>361,248,861</b>
Revenue	3,069,580,735	1,937,799,138
Expenses	(2,931,797,090)	(1,930,013,198)
<b>Profit for the year</b>	<b>137,783,645</b>	<b>7,785,940</b>

### 51-A Events after the reporting period

The Board of Directors of the Bangladesh Steel Re-Rolling Mills Limited at its 437th meeting held on 27 October 2022 recommended a final cash dividend amounting to BDT 1,045,046,191.00 being 35% of the paid up capital (i.e. BDT 3.5 Per Share) for the year ended 30 June 2022. These dividend is subject to final approval by the shareholders at the forthcoming annual general meeting of the Company.

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

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

#### Distributable Profit

Net profit after tax	3,088,284,803
Un-realized share of profit from Associates under equity method	(1,026,459,617)
Realized profit from Associates as dividend received during this year	351,760,770
<b>Distributable profit for the year</b>	<b>2,413,585,956</b>

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

30%

Minimum Dividend payable during the year u/s 16G of the ITO 1984	724,075,787
Interim dividend paid during the year	-
<b>Net Minimum dividend payable</b>	<b>724,075,787</b>
Paid up share capital	2,985,846,260
<b>Applicable Minimum Rate of Final Dividend</b>	<b>24.25%</b>

The Net Profit after tax of Tk.3,088,284,802 includes Tk. 1,026,459,617 which is "share of profit of equity accounted investees". This Tk. 1,026,459,617 is an unrealized gain but included in the profit and loss statement as per International Accounting Standards-28: Investments in Associates and Joint Ventures. As dividend cannot be declared and distributed from the unrealized gain/profit, hence Tk. 1,026,459,617 has been excluded in computing distributable profit for this year. Again dividend declared and received from associate company of Tk. 351,760,770 is not included in profit of Tk. 3,088,284,802. As this declared and distributed dividend by the Associated Company is realized gain for the company and hence Tk. 351,760,770 has been included while computing distributable profit for the year.



## Notes to the Financial Statements (Continued)

### 52.00 Financial risk management

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

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

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

### 52.01 Credit risk

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

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

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

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

#### 52.01.01 Exposure to credit risk

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

	Note	30-Jun-22	30-Jun-21
Investment in non-tradable shares	22.02	211,103,121	170,606,800
Investments in FDRs (Short term & long term)		4,427,337,321	2,247,709,647
Advances and deposits	27.00	7,583,683,739	7,025,537,822
Trade and other receivables	25.00	2,238,938,860	4,526,507,802
Due from sister companies	26.00	3,531,088,122	3,200,940,893
Cash at bank	28.03	5,232,579,917	1,253,580,429
		<b>23,224,731,081</b>	<b>18,424,883,392</b>

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

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

Investment in non-tradable shares	211,103,121	170,606,800
Investments in FDRs (Short term & long term)	4,427,337,321	2,247,709,647
Advances and deposits	7,584,601,231	7,026,579,199
Trade and other receivables	2,246,362,749	4,526,507,802
Due from sister companies	3,519,235,486	3,189,916,578
Cash at bank	5,300,789,497	1,276,532,253
	<b>23,289,429,405</b>	<b>18,437,852,279</b>

#### 52.01.02 Ageing of trade receivables

Not yet due	1,374,905,689	2,812,082,352
Dues within 3 months	367,780,871	1,059,167,114
Dues over 3 months but less than 6 months	68,368,796	110,103,629
Dues over 6 months	77,349,932	159,631,501
	<b>1,888,405,288</b>	<b>4,140,984,596</b>

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

Not yet due	1,374,905,689	2,812,082,352
Dues within 3 months	367,780,871	1,059,167,114
Dues over 3 months but less than 6 months	68,368,796	110,103,629
Dues over 6 months	77,349,932	159,631,501
	<b>1,888,405,288</b>	<b>4,140,984,596</b>



## Notes to the Financial Statements (Continued)

### 52.02 Liquidity risk

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

#### 52.02.01 Exposure to Liquidity risk

The followings are the contractual maturities of financial liabilities:

Non-derivative financial liabilities	Carrying amount	Interest Rate	Contractual cash flows		
			Within 12 months	2 to 5 years	More than 5 years
<b>As At 30 June 2022</b>					
Long term borrowings	1,127,720,029	7.75% & 8.99%	903,156,973	224,563,056	-
Defined benefit obligations - Gratuity	409,316,636	N/A	-	-	409,316,636
Trade payables	665,060,676	N/A	665,060,676	-	-
Short term borrowings	66,969,381,141	4%-9%	66,969,381,141	-	-
Liabilities for expenses	1,122,655,703		1,122,655,703	-	-
Provision for WPPF and Welfare Fund	195,174,768	N/A	195,174,768	-	-
Lease liabilities	127,754,647	9%	40,204,947	87,549,700	-
Other liabilities	235,040,549	N/A	235,040,549	-	-
	<b>70,852,104,147</b>		<b>70,130,674,755</b>	<b>312,112,756</b>	<b>409,316,636</b>

Non-derivative financial liabilities	Carrying amount	Interest Rate	Contractual cash flows		
			Within 12 months	2 to 5 years	More than 5 years
<b>As At 30 June 2021</b>					
Long term borrowings	2,022,542,015	7.75%-8.99%	1,294,202,615	728,339,400	-
Defined benefit obligations - Gratuity	366,317,421	N/A	-	-	366,317,421
Trade payables	474,552,412	N/A	474,552,412	-	-
Short term borrowings	32,537,442,420	4%-9%	32,537,442,420	-	-
Liabilities for expenses	1,149,136,050		1,149,136,050	-	-
Provision for WPPF and Welfare Fund	317,276,646	N/A	317,276,646	-	-
Lease liabilities	109,552,386	9%	27,618,290	81,934,096	-
Other liabilities	313,225,843	N/A	313,225,843	-	-
	<b>37,290,045,192</b>		<b>36,113,454,276</b>	<b>810,273,496</b>	<b>366,317,421</b>

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

The followings are the contractual maturities of financial liabilities:

Non-derivative financial liabilities	Carrying amount	Interest Rate	Contractual cash flows		
			Within 12 months	2 to 5 years	More than 5 years
<b>As At 30 June 2022</b>					
Long term borrowings	1,127,720,029	7.75% & 8.99%	903,156,973	224,563,056	-
Defined benefit obligations - Gratuity	409,316,636	N/A	-	-	409,316,636
Trade payables	665,060,676	N/A	665,060,676	-	-
Short term borrowings	66,969,381,141	4%-9%	66,969,381,141	-	-
Liabilities for expenses	1,122,890,433		1,122,890,433	-	-
Provision for WPPF and Welfare Fund	195,174,768	N/A	195,174,768	-	-
Lease liabilities	127,754,647	9%	40,204,947	87,549,700	-
Other liabilities	235,040,549	N/A	235,040,549	-	-
	<b>70,852,338,878</b>		<b>70,130,909,486</b>	<b>312,112,756</b>	<b>409,316,636</b>





## Notes to the Financial Statements (Continued)

Non-derivative financial liabilities	Carrying amount	Interest Rate	Contractual cash flows		
			Within 12 months	2 to 5 years	More than 5 years
<b>As At 30 June 2021</b>					
Long term borrowings	2,022,542,015	7.75%-8.99%	1,294,202,615	728,339,400	-
Defined benefit obligations - Gratuity	366,317,421	N/A	-	-	366,317,421
Trade payables	474,552,413	N/A	474,552,413	-	-
Short term borrowings	32,537,442,420	4%-9%	32,537,442,420	-	-
Liabilities for expenses	1,149,329,482		1,149,329,482	-	-
Provision for WPPF and Welfare Fund	317,276,645	N/A	317,276,645	-	-
Lease liabilities	109,552,386	9%	27,618,291	81,934,096	-
Other liabilities	313,225,843	N/A	313,225,843	-	-
	<b>37,290,238,625</b>		<b>36,113,647,708</b>	<b>810,273,496</b>	<b>366,317,421</b>

### 52.03 Market risk

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

### 52.03.01 Currency risk exposure and its management

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

As at 30 June 2022, The Group and the Company was exposed to foreign currency risk in respect of financial assets and liabilities denominated in the following currencies:

52.03.01.01 Exposure to currency risk	GBP	EURO	USD	Taka
<b>30 June 2022</b>				
<b>Foreign currency denominated assets:</b>				
Cash and cash equivalents	-	-	7,550,956	753,962,972
Short term investment	-	-	-	-
	-	-	<b>7,550,956</b>	<b>753,962,972</b>
<b>Foreign currency denominated liabilities:</b>				
Liability for accepted bills for payment (ABP)	-	117,868	644,015,844	64,316,768,817
	-	<b>117,868</b>	<b>644,015,844</b>	<b>64,316,768,817</b>
<b>Net exposure</b>	-	<b>(117,868)</b>	<b>(636,464,888)</b>	<b>(63,562,805,845)</b>
<b>30 June 2021</b>				
<b>Foreign currency denominated assets:</b>				
Cash and cash equivalents	420	161	4,589,100	389,910,474
Short term investment	-	-	2,960,755	251,516,137
	<b>420</b>	<b>161</b>	<b>7,549,855</b>	<b>641,426,611</b>
<b>Foreign currency denominated liabilities:</b>				
Liability for accepted bills for payment (ABP)	-	671,232	298,834,271	25,453,483,820
	-	<b>671,232</b>	<b>298,834,271</b>	<b>25,453,483,820</b>
<b>Net exposure</b>	<b>420</b>	<b>(671,071)</b>	<b>(291,284,416)</b>	<b>(24,812,057,209)</b>

The following significant exchange rates are applied during the year:

	30 June 2022	30 June 2021
US dollar	99.85	84.95
EURO	100.00	102.37
GBP	-	119.02



## Notes to the Financial Statements (Continued)

### 52.03.01.02 Sensitivity analysis

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

	30 June 2022			
	Profit or loss		Equity- net of tax	
	Strengthening	Weakening	Strengthening	Weakening
USD (2% movement)	(1,271,020,381)	1,271,020,381	(285,979,586)	285,979,586
EURO (2% movement)	(235,736)	235,736	(53,041)	5,304,060
GBP (2% movement)	-	-	-	-

	30 June 2021			
	Profit or loss		Equity- net of tax	
	Strengthening	Weakening	Strengthening	Weakening
USD (2% movement)	(494,892,223)	494,892,223	(111,350,750)	111,350,750
EURO (2% movement)	(1,373,896)	1,373,896	(309,127)	309,127
GBP (2% movement)	1,000	(1,000)	225	(225)

### 52.03.01.01.a CONSOLIDATED EXPOSURE TO CURRENCY RISK

	GBP	EURO	USD	BDT
<b>30 June 2022</b>				
<u>Foreign currency denominated assets:</u>				
Cash and cash equivalents	-	-	7,550,956	753,962,972
Short term investment	-	-	7,550,956	753,962,972
<u>Foreign currency denominated liabilities:</u>				
Liability for accepted bills for payment (ABP)	-	117,868	644,015,844	64,316,768,817
	-	117,868	644,015,844	64,316,768,817
Net exposure	-	(117,868)	(636,464,888)	(63,562,805,845)

	GBP	EURO	USD	BDT
<b>30 June 2021</b>				
<u>Foreign currency denominated assets:</u>				
Cash and cash equivalents	420	161	4,589,100	389,910,474
Short term investment	-	-	2,960,755	251,516,137
	420	161	7,549,855	641,426,611
<u>Foreign currency denominated liabilities:</u>				
Liability for accepted bills for payment (ABP)	-	671,232	298,834,271	25,454,682,589
	-	671,232	298,834,271	25,454,682,589
Net exposure	420	(671,071)	(291,284,416)	(24,813,255,978)

The following significant exchange rate is applied during the year:

	30 June 2022	30 June 2021
US dollar	99.85	84.95
EURO	100.00	102.37
GBP	-	119.02



## Notes to the Financial Statements (Continued)

### 52.03.01.02.a CONSOLIDATED EXPOSURE TO SENSITIVITY ANALYSIS

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

	30 June 2022			
	Profit or loss		Equity- net of tax	
	Strengthening	Weakening	Strengthening	Weakening
USD (2% movement)	(1,271,020,381)	1,271,020,381	(285,979,586)	285,979,586
EURO (2% movement)	(235,736)	235,736	(53,041)	5,304,060
GBP (2% movement)	-	-	-	-

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

### 52.03.02 Transaction risk

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

### 52.03.03 Economic risk

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

### 52.03.04 Interest risk

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

#### Exposure to interest rate risk

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

#### Fixed-rate instruments

	30 June 2022	30 June 2021
Financial assets	7,958,425,443	5,448,650,540
Financial liabilities	(68,097,101,170)	(34,559,984,435)
	<b>(60,138,675,727)</b>	<b>(29,111,333,895)</b>

#### Variable-rate instruments

Financial assets	-	-
Financial liabilities	-	-
	<b>-</b>	<b>-</b>

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

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

#### Fixed-rate instruments

Financial assets	7,946,572,807	5,437,626,225
Financial liabilities	(68,097,101,170)	(34,559,984,435)
	<b>(60,150,528,363)</b>	<b>(29,122,358,210)</b>

#### Variable-rate instruments

Financial assets	-	-
Financial liabilities	-	-
	<b>-</b>	<b>-</b>



## Notes to the Financial Statements (Continued)

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

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

Note	Carrying amount				Fair Value					
	Fair value through profit or loss	Fair value through other comprehensive income- debt instruments	Fair value through other comprehensive income- equity instruments	Financial assets at amortized costs	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total
<b>30 June 2022</b>										
<b>Financial assets measured at fair value:</b>										
23.02	-	-	-	-	-	-	-	-	-	-
Investment in tradeable securities										
<b>Financial assets not measured at fair value:</b>										
25.00	-	-	-	2,238,938,860	-	2,238,938,860	-	-	-	2,238,938,860
26.00	-	-	-	3,531,088,122	-	3,531,088,122	-	-	-	3,531,088,122
27.03	-	-	-	4,427,337,321	-	4,427,337,321	-	-	-	4,427,337,321
28.03	-	-	-	139,896,113	-	139,896,113	-	-	-	139,896,113
	-	-	-	5,232,579,917	-	5,232,579,917	-	-	-	5,232,579,917
	-	-	-	15,569,840,334	-	15,569,840,334	-	-	-	15,569,840,334
<b>Financial liabilities not measured at fair value:</b>										
37.00	-	-	-	-	665,060,676	665,060,676	-	-	-	665,060,676
38.01	-	-	-	-	66,969,381,141	66,969,381,141	-	-	-	66,969,381,141
43.00	-	-	-	-	1,127,720,029	1,127,720,029	-	-	-	1,127,720,029
	-	-	-	-	235,040,549	235,040,549	-	-	-	235,040,549
	-	-	-	-	68,997,202,394	68,997,202,394	-	-	-	68,997,202,394
<b>30 June 2021</b>										
<b>Financial assets measured at fair value:</b>										
23.03	-	-	-	-	-	-	-	-	-	-
Investment in tradeable securities										
<b>Financial assets not measured at fair value:</b>										
25	-	-	-	4,526,507,802	-	4,526,507,802	-	-	-	4,526,507,802
26	-	-	-	3,200,940,893	-	3,200,940,893	-	-	-	3,200,940,893
27.03	-	-	-	2,247,709,647	-	2,247,709,647	-	-	-	2,247,709,647
28.03	-	-	-	140,128,820	-	140,128,820	-	-	-	140,128,820
	-	-	-	1,253,580,429	-	1,253,580,429	-	-	-	1,253,580,429
	-	-	-	11,368,867,590	-	11,368,867,590	-	-	-	11,368,867,590
<b>Financial liabilities not measured at fair value:</b>										
37	-	-	-	-	474,552,412	474,552,412	-	-	-	474,552,412
38.01	-	-	-	-	32,537,442,420	32,537,442,420	-	-	-	32,537,442,420
43	-	-	-	-	2,022,542,015	2,022,542,015	-	-	-	2,022,542,015
	-	-	-	-	313,225,843	313,225,843	-	-	-	313,225,843
	-	-	-	-	35,347,762,690	35,347,762,690	-	-	-	35,347,762,690



## Notes to the Financial Statements (Continued)

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

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

	Note	Carrying amount				Fair Value													
		Fair value through profit or loss	Fair value through other comprehensive income- debt instruments	Fair value through other comprehensive income- equity instruments	Financial assets at amortized costs	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total								
<b>30 June 2022</b>																			
<b>Financial assets measured at fair value:</b>																			
Investment in tradeable securities	23.02	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Financial assets not measured at fair value:</b>																			
Trade and other receivables	25.a	-	-	-	2,246,362,749	-	-	-	-	-	-	-	-	-	-	-	-	-	2,246,362,749
Due from inter companies	26.a	-	-	-	3,519,235,486	-	-	-	-	-	-	-	-	-	-	-	-	-	3,519,235,486
Investments in FDRs		-	-	-	4,427,337,321	-	-	-	-	-	-	-	-	-	-	-	-	-	4,427,337,321
Deposits	27.03 & 27.a	-	-	-	140,813,606	-	-	-	-	-	-	-	-	-	-	-	-	-	140,813,606
Cash at bank	28.03 & 28.a	-	-	-	5,300,789,498	-	-	-	-	-	-	-	-	-	-	-	-	-	5,300,789,498
		-	-	-	15,634,538,659	-	-	-	-	-	-	-	-	-	-	-	-	-	15,634,538,659
<b>Financial liabilities not measured at fair value:</b>																			
Trade and other payables	37.a	-	-	-	-	-	-	-	665,060,676	-	-	-	-	-	-	-	-	-	665,060,676
Short term liabilities	38.a	-	-	-	-	-	-	-	66,969,381,141	-	-	-	-	-	-	-	-	-	66,969,381,141
Long term loan		-	-	-	-	-	-	-	1,127,720,029	-	-	-	-	-	-	-	-	-	1,127,720,029
Other liabilities	43.a	-	-	-	-	-	-	-	235,040,549	-	-	-	-	-	-	-	-	-	235,040,549
		-	-	-	-	-	-	-	68,997,202,394	-	-	-	-	-	-	-	-	-	68,997,202,394
<b>30 June 2021</b>																			
<b>Financial assets measured at fair value:</b>																			
Investment in tradeable securities	23.03	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Financial assets not measured at fair value:</b>																			
Trade and other receivables	25.a	-	-	-	4,526,507,802	-	-	-	-	-	-	-	-	-	-	-	-	-	4,526,507,802
Due from inter companies	26.a	-	-	-	3,189,916,578	-	-	-	-	-	-	-	-	-	-	-	-	-	3,189,916,578
Investments in FDRs		-	-	-	2,247,709,647	-	-	-	-	-	-	-	-	-	-	-	-	-	2,247,709,647
Deposits	27.03 & 27.a	-	-	-	141,170,197	-	-	-	-	-	-	-	-	-	-	-	-	-	141,170,197
Cash at bank	28.03 & 28.a	-	-	-	1,276,568,945	-	-	-	-	-	-	-	-	-	-	-	-	-	1,276,568,945
		-	-	-	11,381,873,169	-	-	-	-	-	-	-	-	-	-	-	-	-	11,381,873,169
<b>Financial liabilities not measured at fair value:</b>																			
Trade and other payables	37.a	-	-	-	-	-	-	-	474,552,413	-	-	-	-	-	-	-	-	-	474,552,413
Short term liabilities	38.a	-	-	-	-	-	-	-	32,537,442,420	-	-	-	-	-	-	-	-	-	32,537,442,420
Long term loan		-	-	-	-	-	-	-	2,022,542,015	-	-	-	-	-	-	-	-	-	2,022,542,015
Other liabilities	43.a	-	-	-	-	-	-	-	313,225,843	-	-	-	-	-	-	-	-	-	313,225,843
		-	-	-	-	-	-	-	35,347,762,690	-	-	-	-	-	-	-	-	-	35,347,762,690

