

**BSRM STEELS LIMITED**  
**INDEPENDENT AUDITORS' REPORT**  
**AND FINANCIAL STATEMENTS**  
**AS AT AND FOR THE YEAR ENDED 30 JUNE 2023**

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

**Opinion**

We have audited the accompanying financial statements of BSRM Steels Limited (the Company), which comprise the Statement of Financial Position as at 30 June 2023, the Statement of Profit or loss and Other Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the period from 1 July 2022 to 30 June 2023, and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to explanations given to us, the accompanying financial statements, prepared in accordance with International Financial Reporting Standards (IFRSs), give a true and fair view of the financial position of the company as at 30 June 2023 and of its financial performance and cash flows for the period from 1 July 2022 to 30 June 2023 and comply with the Companies Act, 1994, the Securities and Exchange Rules, 2020 and other applicable laws and regulations.

**Basis for opinion**

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

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

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

**Key Audit Matters**

Key audit matters are those matters that, in the auditors' professional judgment, were of most significance in the audit of the financial statements for the year ended 30 June 2023. These matters, and any comments we make on the results of our procedures thereon, were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

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

1.	IAS-2 Inventory	How our audit addressed the key audit matter
	The Company has closing inventory BDT 18,501.67 million. Inventory is carried in the financial statements at the lower of cost and net realisable value.	<ul style="list-style-type: none"> <li>• Verified a sample of inventory items to ensure that costs have been appropriately recorded.</li> <li>• Tested on a sample basis the net realisable value by comparing costs to recent selling prices and assessing the reasonableness of any resulting write down of inventory items.</li> </ul>

<p><b>1. IAS-2 Inventory (Continued)</b></p> <p>The exercise for the assessment of the net realisable value involves the use of judgement and assumptions that may vary depending on technological and socio-economical conditions and is therefore considered a significant key audit matter. Please refer to note 3.06 and 9 to the financial statements.</p>	<p><b>How our audit addressed the key audit matter</b></p> <ul style="list-style-type: none"> <li>• Performed cut-off tests to determine that the purchases and sales of the inventories have been captured in the correct accounting period.</li> <li>• Confirmed physical existence and completeness by performing annual physical inventory on a sample basis.</li> <li>• Confirmed all necessary disclosures have been made and that the information is appropriately presented.</li> </ul>
<p><b>2. IFRS-15 Revenue Recognition</b></p> <p>Appropriateness of revenue recognition and disclosures. Revenue recognition has significant and wide influence on financial statements. As described in the accounting policy note 3.11 to the financial statements, the company recognises revenue upon transfer of control as per IFRS 15 – Revenue from Contracts with Customers. The company has reported total revenue of BDT 84,524.77 million. Refer to note 27 to the financial statements. This material item is subject to considerable inherent risk due to the complexity and identifying revenue and the high number of transactions from multiple locations from which revenue is being recognised. Against this background, the proper application of the accounting standards is considered to be complex and assumptions made by management.</p>	<p><b>How our audit addressed the key audit matter</b></p> <ul style="list-style-type: none"> <li>• Assessed the relevant systems supporting the accounting of revenue.</li> <li>• Performed walkthrough test to understand the adequacy and the design of the revenue cycle.</li> <li>• Assessed the invoicing and measurement systems up to entries in the general ledger.</li> <li>• Examined customer contracts, invoices and receipts of payment on a test basis.</li> <li>• Conducted analytical procedures such as trend analysis, ratio analysis, and variance analysis on a sample basis.</li> <li>• Obtained and reviewed supporting documents for sales transactions recorded.</li> <li>• Tested the timing of revenue recognition as well as cut off checked.</li> <li>• Tested the revenue charging model against the regulatory guidelines, contractual provisions and accounting standards, on a sample basis.</li> <li>• Assessed whether the sufficient disclosure has been given.</li> </ul>
<p><b>3. IAS-24 Identification and completeness of disclosure of related party transactions</b></p> <p>We determined the identification and completeness of disclosure of related party transactions as set out in respective notes to the financial statements as a key audit matter due to high volume of business transactions with numerous related parties during the year ended 30 June 2023.</p>	<p><b>How our audit addressed the key audit matter</b></p> <ul style="list-style-type: none"> <li>• Obtained an understanding of the Company's processes and procedures in respect of identifying related parties; approval and recording of related party transactions including how management determines all transactions/ balances with related parties are determined at arm's length and entered into in the normal course of business and disclosed in the financial statement.</li> </ul>





3.	<b>IAS-24 Identification and completeness of disclosure of related party transactions</b>	<b>How our audit addressed the key audit matter</b>
	Refer to note 11 and 38 to the financial statements.	<ul style="list-style-type: none"> <li>• We tested, on a sample basis, related party transactions with the underlying documents and for authorization and approval for such transactions.</li> <li>• We have obtained balance confirmation from the related parties.</li> <li>• We read minutes of shareholder meetings, board meetings and minutes of meetings of those charged with governance in connection with transaction with related parties effected during the year.</li> <li>• We have recalculated interest on due balance to confirm during the year's interest income or expenses.</li> <li>• Evaluated the completeness of the disclosures through reading of statutory information, books and records and other documents obtained during the course of our audit.</li> </ul>
4.	<b>IFRS 16 - Lease</b>	<b>How our audit addressed the key audit matter</b>
	<p>The Company has reported right-of-use assets (ROU) of BDT 218.50 million and lease liabilities, arising from the lease rental agreements for its land, warehouse and office spaces. For calculation of the lease liability, the management applies Its judgement in determination of lease term where certainty of exercising the option to extend or the option not to terminate the lease is considered.</p> <p>The incremental borrowing rate is used as discounting rate in calculation of lease liability.</p> <p>We considered the implementation of IFRS 16 Leases as a key audit matter, since the balances recorded are material. Management had to apply several judgments and estimates such as lease term, discount rates, measurement basis among others and undertake a significant data extraction exercise to summarize the lease data for input into their lease calculation model.</p>	<ul style="list-style-type: none"> <li>• Obtaining an understanding of the managements approach for implementing IFRS 16 and its impact on the financial</li> <li>• Obtaining, reading and evaluating the contracts for lease rental arrangements, especially the terms and conditions related to payments, lease incentives, any indirect costs, dismantling and restoration, option to extend the lease or not to terminate the lease.</li> <li>• Testing the lease amortization schedule and depreciation schedule for each of the leases.</li> <li>• Assessing whether the disclosures within the financial statements are as prescribed by the relevant IFRS Standards.</li> <li>• Testing managements assumptions in determining the certainty of exercising option to extend or terminate lease and the discounting rate applied to calculate lease liability.</li> </ul>

**Reporting on other information**

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

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



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

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

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

Management is responsible for the preparation and fair presentation of these financial statements of the Company in accordance with International Financial Reporting Standards (IFRSs), the Companies Act, 1994, the Securities and Exchange Rules, 2020 and other applicable laws and regulations and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

#### **Auditors' responsibilities for the audit of the financial statements**

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

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

- (a) identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- (b) obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- (c) evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- (d) conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.

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

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

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

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

**Report on other legal and regulatory requirements**

In accordance with the Companies Act 1994 and the Securities and Exchange Rules, 2020, we also report the following;

- i) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit and made due verification thereof;
- ii) in our opinion, proper books of account as required by law have been kept by the Company so far as it appeared from our examination of these books;
- iii) the statement of financial position and statement of profit or loss and other comprehensive income dealt with by the report are in agreement with the books of account and returns and;
- iv) the expenditure incurred was for the purposes of the Company's business.

Firm Name	: Hussain Farhad & Co., Chartered Accountants
Registration No.	: 4/452/ICAB-84
Signature of the auditor	: <i>Sarwar Uddin</i>
Name of the auditor	: Sarwar Uddin FCA, Partner/ICAB Enrollment No: 0779 FRC Enrollment No: CA-001-136
DVC No.	: 2310140779AS110360
Place	: Chattogram
Date	: 14 October 2023.







**BSRM STEELS LIMITED**  
Statement of Financial Position  
As at 30 June 2023

		30 June 2023	30 June 2022
	Notes	Taka	Taka
<b>ASSETS:</b>			
<b>Non-Current Assets:</b>			
Property, plant and equipment	4	22,253,517,526	22,188,786,686
Right of use assets	5	218,495,680	267,901,257
Intangible assets	6	51,500,326	57,122,126
Capital work-in-progress	7	9,853,579,508	1,164,792,138
Financial asset at fair value	8	2,592,000,000	2,842,560,000
<b>Total Non-Current Assets</b>		<b>34,969,093,040</b>	<b>26,521,162,207</b>
<b>Current Assets:</b>			
Inventories	9	18,501,679,245	26,717,535,056
Trade and other receivables	10	7,143,051,404	7,142,826,187
Due from related companies	11	3,541,967,035	5,098,418,693
Advances, deposits and prepayments	12	7,078,686,146	4,592,884,090
Short term investments	13	1,221,572,917	2,874,744,862
Cash and cash equivalents	14	4,443,074,215	9,073,822,713
<b>Total Current Assets</b>		<b>41,930,030,962</b>	<b>55,500,231,601</b>
<b>Total Assets</b>		<b>76,899,124,002</b>	<b>82,021,393,808</b>
<b>EQUITY:</b>			
Share capital	15.02	3,759,525,000	3,759,525,000
Revaluation reserve		7,891,700,491	7,903,177,754
Fair value reserve		1,432,800,000	1,658,304,000
Retained earnings		14,480,528,363	12,614,176,621
<b>Total Equity</b>		<b>27,564,553,854</b>	<b>25,935,183,375</b>
<b>LIABILITIES:</b>			
<b>Non-Current Liabilities:</b>			
Long term loans - non-current portion	16.03	4,397,519,453	4,995,757,666
Defined benefit obligations - gratuity	17	260,427,314	240,229,387
Finance lease obligations - non-current portion	5.03	159,315,805	203,801,486
Deferred tax liabilities	18	1,659,575,182	1,755,506,843
<b>Total Non-Current Liabilities</b>		<b>6,476,837,754</b>	<b>7,195,295,382</b>
<b>Current Liabilities:</b>			
Trade payables	19	3,009,467,836	240,315,188
Short term loans	20	34,191,496,720	42,283,636,820
Long term loans - current portion	16.02	1,933,820,598	1,873,945,551
Finance lease obligations- current portion	5.03	77,034,589	76,216,048
Liabilities for expenses	21	812,451,180	1,401,791,490
Provision for income tax	22	1,083,846,530	1,467,963,888
Provision for WPPF and Welfare Fund	23	198,479,421	237,118,664
Unclaimed dividend	24	4,900,540	9,221,426
Other liabilities	25	850,194,076	830,757,021
Contract liabilities	26	696,040,904	469,948,955
<b>Total Current Liabilities</b>		<b>42,857,732,394</b>	<b>48,890,915,051</b>
<b>Total Liabilities</b>		<b>49,334,570,148</b>	<b>56,086,210,433</b>
<b>Total Equity &amp; Liabilities</b>		<b>76,899,124,002</b>	<b>82,021,393,808</b>
<b>Net asset value (NAV) per share</b>	36	<b>73.32</b>	<b>68.99</b>

The accompanying notes 1 to 44 form an integral part of these financial statements.

  
Managing Director

  
Director

  
Company Secretary

Signed as per our separate report of same date.

Place : Chattogram

Dated : 14 October 2023.

DVC : 2310140779AS110360



  
Hussain Farhad & Co.

Chartered Accountants

**BSRM STEELS LIMITED**  
**Statement of Profit or Loss and Other Comprehensive Income**  
**For the year ended 30 June 2023**

		01 July 2022 to 30 June 2023	01 July 2021 to 30 June 2022
	Note(s)	Taka	Taka
Revenue from contracts with customers	27	84,524,774,603	67,121,061,172
Cost of goods sold	28	<u>(76,410,892,271)</u>	<u>(60,075,522,035)</u>
<b>Gross profit for the year</b>		<b>8,113,882,332</b>	<b>7,045,539,137</b>
Selling and distribution expenses	29	(1,035,094,642)	(1,093,771,815)
Administrative expenses	30	<u>(638,201,016)</u>	<u>(537,188,460)</u>
		<b>6,440,586,674</b>	<b>5,414,578,862</b>
Other operating income	31	19,966,699	13,114,097
<b>Net Operating profit for the year</b>		<b>6,460,553,373</b>	<b>5,427,692,959</b>
Finance costs	32	(3,022,542,044)	(1,734,843,318)
Finance income	33	430,777,086	936,116,952
Non Operating Income	34	<u>100,800,000</u>	<u>113,406,679</u>
<b>Net Profit Before Tax and WPPF and Welfare Fund</b>		<b>3,969,588,415</b>	<b>4,742,373,272</b>
Contribution to WPPF and Welfare Fund	23	<u>(198,479,421)</u>	<u>(237,118,664)</u>
<b>Net Profit before Tax</b>		<b>3,771,108,994</b>	<b>4,505,254,608</b>
Income tax expenses/benefits:			
Current tax	22	(859,252,676)	(1,304,049,020)
Deferred tax	18	<u>67,543,552</u>	<u>77,293,422</u>
		<b>(791,709,124)</b>	<b>(1,226,755,598)</b>
<b>Net Profit after Tax</b>		<b>2,979,399,870</b>	<b>3,278,499,010</b>
<b>Other comprehensive income not to be reclassified to profit or loss</b>			
Fair value reserve on financial asset (Net of tax)		(225,504,000)	329,184,000
<b>Total comprehensive income for the year, net of tax</b>		<b>2,753,895,870</b>	<b>3,607,683,010</b>
<b>Earnings per share (EPS)</b>	35	<b>7.92</b>	<b>8.72</b>

The accompanying notes 1 to 44 form an integral part of these financial statements.

  
**Managing Director**

  
**Director**

  
**Company Secretary**

Signed as per our separate report of same date.

Place : Chattogram

Dated : 14 october 2023

DVC : 231014D779A511036D



**Hussain Farhad & Co.**

Chartered Accountants





**BSRM STEELS LIMITED**  
**Statement of Changes in Equity**  
**For the year ended 30 June 2023**

					Amount in Taka
Particulars	Share Capital	Fair Value Reserve	Revaluation Reserve	Retained Earnings	Total Equity
Balance as at 01 July 2021	3,759,525,000	1,329,120,000	7,915,259,084	10,447,946,298	23,451,850,382
Net profit after tax for the year ended 30 June 2022	-	-	-	3,278,499,010	3,278,499,010
Fair value reserve on financial asset	-	329,184,000	-	-	329,184,000
Transfer against difference in depreciation between cost and revalued amount	-	-	(12,081,330)	15,588,813	3,507,483
Final cash dividend 2021	-	-	-	(1,127,857,500)	(1,127,857,500)
<b>Balance as at 30 June 2022</b>	<b>3,759,525,000</b>	<b>1,658,304,000</b>	<b>7,903,177,754</b>	<b>12,614,176,621</b>	<b>25,935,183,375</b>
Balance as at 01 July 2022	3,759,525,000	1,658,304,000	7,903,177,754	12,614,176,621	25,935,183,375
Net profit after tax for the year ended 30 June 2023	-	-	-	2,979,399,870	2,979,399,870
Fair value reserve on financial asset	-	(225,504,000)	-	-	(225,504,000)
Transfer against difference in depreciation between cost and revalued amount	-	-	(11,477,263)	14,809,372	3,332,109
Final cash dividend 2022	-	-	-	(1,127,857,500)	(1,127,857,500)
<b>Balance as at 30 June 2023</b>	<b>3,759,525,000</b>	<b>1,432,800,000</b>	<b>7,891,700,491</b>	<b>14,480,528,363</b>	<b>27,564,553,854</b>



**BSRM STEELS LIMITED**  
**Statement of Cash Flows**  
**For the year ended 30 June 2023**

		01 July 2022 to 30 June 2023	01 July 2021 to 30 June 2022
	Note(s)	Taka	Taka
<b>A. Operating activities</b>			
Receipts from customers against sales		84,695,812,194	66,726,319,890
Cash Paid to suppliers, operating and other expenses		(71,108,139,585)	(61,983,832,707)
Payment of interest-net		(1,837,010,038)	384,476,326
Income tax paid		(790,042,752)	(1,133,616,401)
<b>Net cash generated by operating activities</b>	39	<b>10,960,619,819</b>	<b>3,993,347,108</b>
<b>B. Investing activities</b>			
Acquisition of property, plant and equipment		(991,665,944)	(145,402,119)
Acquisition of Intangible asset		(4,347,204)	(29,502,832)
Addition of capital work-in-progress		(8,091,095,567)	(1,949,850,297)
Proceeds from sale of property, plant and equipment		5,136,046	11,292,500
Increase in short term investments		1,653,171,945	(564,703,687)
Dividend Received		100,800,000	115,199,999
<b>Net cash used in investing activities</b>		<b>(7,328,000,724)</b>	<b>(2,562,966,436)</b>
<b>C. Financing activities</b>			
Dividend paid		(1,132,178,386)	(1,144,894,146)
Re-payment of long term loan		(617,179,394)	(1,898,662,358)
Received from/paid against short term loan		(8,092,140,100)	(3,362,063,768)
Loan received from /(paid to) affiliated companies		1,556,451,658	(2,392,037,611)
<b>Net cash provided by /(used in) financing activities</b>		<b>(8,285,046,222)</b>	<b>(8,797,657,883)</b>
<b>D. Net increase in cash and cash equivalent (A+B+C)</b>		<b>(4,652,427,128)</b>	<b>(7,367,277,211)</b>
<b>E. Opening cash and cash equivalents</b>		<b>9,073,822,713</b>	<b>16,417,265,525</b>
<b>F. Effect of foreign exchange rate changes on cash and cash equivalents</b>		<b>21,678,630</b>	<b>23,834,399</b>
<b>Closing cash and cash equivalent (D+E+F)</b>		<b>4,443,074,215</b>	<b>9,073,822,713</b>
<b>Net operating cash flows (NOCF) per share</b>	37	<b>29.15</b>	<b>10.62</b>





**BSRM STEELS LIMITED**  
**Notes to the Financial Statements**  
**As at and for the year ended 30 June 2023**

**1.00 REPORTING ENTITY**

**1.01 Legal form of the entity**

BSRM Steels Limited (hereinafter referred to as 'BSL', 'the company' was incorporated on 20 July, 2002, vide the certificate C-No. 4392 of 2002 as a Private Limited Company in Bangladesh under Companies Act 1994. The company was converted to a Public Limited Company on 20 December 2006. The Company is listed with Dhaka Stock Exchange (DSE) and Chittagong Stock Exchange (CSE) as a publicly traded company. Trading of the shares of the company started in two stock exchanges from 18 January 2009.

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

**1.02 Nature of the business**

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

**2.00 BASIS OF PREPARATION**

**2.01 Statement of Compliance**

The financial statements have been prepared in accordance with the International Accounting Standards (IASs), International Financial Reporting Standards (IFRS), the Companies Act 1994, the Securities and Exchange Rules 2020 and other applicable laws and regulations in Bangladesh as per requirements under the Financial Reporting Act 2015. Cash flows from operating activities are prepared under direct method as prescribed by the Securities and Exchange Rules 2020.

**2.02 Basis of Reporting**

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

- a) A statement of financial position as at 30 June 2023
- b) A statement of profit or loss and other comprehensive income for the year ended 30 June 2023
- c) A statement of changes in equity for the year ended 30 June 2023
- d) A statement of cash flows for the year ended 30 June 2023
- e) Notes, comprising a summary of significant accounting policies and explanatory information.

**2.03 Other Regulatory Compliances**

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

- A. The Income Tax Ordinance, 1984 & Income Tax Act, 2023
- B. The Income Tax Rules, 1984
- C. The Value Added Tax and Supplementary Duty Act, 2012
- D. The Value Added Tax and Supplementary Duty Rule, 2016
- E. The Securities and Exchange Ordinance, 1969
- F. The Securities and Exchange Rules, 2020
- G. Securities and Exchange Commission Act, 1993
- H. The Customs Act, 1969
- I. Bangladesh Labour Law, 2006



#### 2.04 Basis of Measurement

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

#### 2.05 Use of Estimates and Judgments

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

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

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

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

Property, plant and equipment	Note: 4
Right of use assets	Note: 5
Intangible assets	Note: 6
Inventories	Note: 9
Trade and other receivables	Note: 10
Defined benefit obligations - gratuity	Note: 17
Deferred tax liabilities	Note: 18
Liabilities for expenses	Note: 21
Provision for income tax	Note: 22
Contingent liabilities	Note: 40

#### 2.06 Going Concern

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

#### 2.07 Reporting Period

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

#### 2.08 Authorization for Issue

These financial statements for the year ended 30 June 2023 have been authorized for issue by the Board of Directors on 12 October 2023.

#### 2.09 Functional and Presentation Currency

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

#### 2.10 Comparative Information

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





### 2.11 Consistency of presentation

Unless otherwise stated, the accounting policies and methods of computation used in preparation of the financial statements as at and for the year ended 30 June 2023 are consistent with those policies and methods applied in preparing the financial statements for the year ended 30 June 2022.

### 2.12 Current versus non-current classification

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

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

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

The Company classifies all other assets as non-current.

**A liability is current when:**

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

The company classifies all other liabilities as non-current.

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

### 3.00 SIGNIFICANT ACCOUNTING POLICIES

The specific accounting policies selected and applied by the company's directors for significant transactions and events that have material effect within the framework of IAS-1 "Presentation of Financial Statements", in preparation and presentation of financial statements have been consistently applied throughout the period and were also consistent with those used in earlier periods.

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

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

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



### 3.01 Property, Plant and Equipment

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

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

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

Any cost directly attributable to the acquisition of the assets.

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

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

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

Land is held on a freehold basis and is not depreciated considering the unlimited life. In respect of all other property, plant and equipment, depreciation is recognized in statement of profit or loss and other comprehensive income on straight line method over the estimated useful lives of property, plant and equipment. Significant parts of individual assets are assessed and if a component has a useful life that is different from the remainder of that asset, that component is depreciated separately.

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

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

### 3.02 Revaluation of Property, Plant and Equipment

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





### **Property, plant and equipment (Revaluation model)**

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

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

### **3.03 Leases**

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

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

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

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

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

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

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

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

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

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





### 3.04 Intangible Asset

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

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

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

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

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

A summary of the intangible assets is as follows:

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

### 3.05 Borrowing Costs

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

### 3.06 Inventories

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

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

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

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

### 3.07 Financial Instruments

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



### **i) Recognition and measurement**

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

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

### **ii) Classification and subsequent measurement**

#### **Financial assets**

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

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

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

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

#### **Financial assets – Business model assessment**

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

- the stated policies and objective for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realising cash flows through the sale of the assets;
- how the performance of the portfolio is evaluated and reported to the Company's management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- how managers of the business are compensated-e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

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

#### **Financial assets-Subsequent measurement and gains and losses**

##### **Financial assets at amortised cost**

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

#### **Financial liabilities- Classification, subsequent measurement and gains and losses**

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





### **iii) Derecognition**

#### **Financial assets**

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

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

#### **Financial liabilities**

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

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

#### **iv) Offsetting a financial asset and a financial liability**

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

### **v) Impairment**

#### **Financial assets**

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

#### **Non-financial assets**

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

### **3.08 Cash and cash equivalents**

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

### **3.09 Provisions, Contingent liability and Contingent assets**

#### **General**

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





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

#### **Contingent liabilities**

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

### **3.10 Employee Benefits**

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

#### **Defined Contribution plan**

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

#### **Defined benefit plan**

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

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

#### **Workers profit participation and welfare funds**

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

### **3.11 Revenue**

Revenue is measured based on the consideration specified in a contract with a customer. The Company recognises revenue when it transfers control over a goods or service to a customer. The following table provides information about the nature and timing of the satisfaction of performance obligations in contracts with customers.

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

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



The company's typical performance obligations include the following;

**Revenue from contracts with customers:**

Type of products	Nature and timing of satisfaction of performance obligations	Revenue recognition
- Local sales	Customers obtain control of products when goods are shipped out at factory gate. Invoices raised as per management approved price list are generated at that point in time.	Revenue is recognized when (or as) the entity satisfies a performance obligation by transferring the promised goods or service to a customer.
- Export sales		
- By Products		

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

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

### 3.12 Foreign currency

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

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

### 3.13 Earnings Per Share

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

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

### 3.14 Segment information

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

-The M.S Rod segment which produces different graded Rod and sell the same to several dealers, end users, other corporate users and some deemed export to EPZ based companies.

-The M.S Billets segment which produces different graded Billets and transfer the same to produce M.S Rod.

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





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

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

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

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

### 3.15 Capital management

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

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

	30 June 2023	30 June 2022
Interest bearing loan	6,331,340,051	6,869,703,217
Short term loan	34,191,496,720	42,283,636,820
Less: Cash and Cash equivalents	(4,443,074,215)	(9,073,822,713)
<b>Net Debt</b>	<b>36,079,762,556</b>	<b>40,079,517,324</b>
<b>Total Equity</b>	<b>27,564,553,854</b>	<b>25,935,183,375</b>
<b>Capital and net debt</b>	<b>63,644,316,410</b>	<b>66,014,700,699</b>
<b>Gearing Ratio</b>	<b>56.69%</b>	<b>60.71%</b>

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

### 3.16 Event after the reporting period

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

### 3.17 Fair Value Measurement

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

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





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

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

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

Level 3: Inputs for the asset or liability that are not based on observable market data.

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

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



#### 4.00 PROPERTY, PLANT & EQUIPMENT : At Revaluation Model

Particulars	Land and Land Development	Plant & Machinery	Motor Vehicles	Factory Building	Furniture & Fixtures	Office Equipment	Roads and Pavements	Computer and IT equipment	TOTAL
<b>COST</b>									
At 01 July 2021	9,692,659,567	12,254,794,183	179,682,679	5,972,378,645	96,764,345	168,260,103	671,112,806	73,786,646	29,109,438,974
Additions during the year	80,766,198	140,402,547	13,402,152	456,084	1,650,691	2,982,916	2,498,402	23,088,279	265,247,269
Disposals	-	-	(19,978,574)	-	-	-	-	(816,290)	(20,794,864)
At 30 June 2022	9,773,425,765	12,395,196,730	173,106,257	5,972,834,729	98,415,036	171,243,019	673,611,208	96,058,635	29,353,891,379
At 01 July 2022	9,773,425,765	12,395,196,730	173,106,257	5,972,834,729	98,415,036	171,243,019	673,611,208	96,058,635	29,353,891,379
Additions during the year	911,028,406	45,000,234	13,608,268	1,254,881	4,220,782	4,981,790	-	12,577,765	992,672,126
Disposals	-	-	(7,019,527)	-	(462,567)	(5,364,855)	-	(7,577,276)	(20,424,225)
At 30 June 2023	10,684,454,171	12,440,196,964	179,694,998	5,974,089,610	102,173,251	170,859,954	673,611,208	101,059,124	30,326,139,280
<b>DEPRECIATION</b>									
At 01 July 2021	-	4,330,232,142	128,724,682	1,304,628,002	78,958,404	128,945,942	85,554,078	57,634,824	6,114,678,074
Charge during the year	-	709,351,757	15,332,761	278,276,910	8,687,919	16,143,170	33,765,786	7,680,197	1,069,238,500
Disposals	-	-	(18,111,986)	-	-	-	-	(699,895)	(18,811,881)
At 30 June 2022	-	5,039,583,899	125,945,457	1,582,904,912	87,646,323	145,089,112	119,319,864	64,615,126	7,165,104,693
At 01 July 2022	-	5,039,583,899	125,945,457	1,582,904,912	87,646,323	145,089,112	119,319,864	64,615,126	7,165,104,693
Charge during the year	-	637,875,597	15,313,983	222,654,020	6,946,203	13,236,527	23,567,553	8,086,993	927,680,876
Disposals	-	-	(7,019,527)	-	(461,513)	(5,352,617)	-	(7,330,158)	(20,163,815)
At 30 June 2023	-	5,677,459,496	134,239,913	1,805,558,932	94,131,013	152,973,022	142,887,417	65,371,961	8,072,621,754
<b>CARRYING AMOUNT</b>									
At 30 June 2022	9,773,425,765	7,355,612,831	47,160,800	4,389,929,817	10,768,713	26,153,907	554,291,344	31,443,509	22,188,786,686
At 30 June 2023	10,684,454,171	6,762,737,468	45,455,085	4,168,530,678	8,042,238	17,886,932	530,723,791	35,687,163	22,253,517,526

Allocation of Depreciation:	Note	01 July 2022 to 30 June 2023	01 July 2021 to 30 June 2022
		Taka	Taka
Cost of sales	28.03	877,553,582	1,016,720,405
Selling & distribution expenses	29.00	29,404,329	29,917,544
Administrative expenses	30.00	20,722,965	22,600,551
		<u>927,680,876</u>	<u>1,069,238,500</u>





#### 4.01 PROPERTY, PLANT & EQUIPMENT : At Cost Model

Particulars	Land and Land Development	Plant & Machinery	Motor Vehicles	Factory Building	Furniture & Fixtures	Office Equipment	Roads and Pavements	Computer and IT equipment	TOTAL
<b>COST</b>									
At 01 July 2021	1,739,753,626	12,254,794,183	179,682,678	5,616,068,633	96,764,344	168,260,103	671,112,807	73,786,646	20,800,223,020
Additions during the year	80,766,198	140,402,547	13,402,152	456,084	1,650,691	2,982,916	2,498,402	23,088,279	265,247,269
Disposals	-	-	(19,978,574)	-	-	-	-	(816,290)	(20,794,864)
At 30 June 2022	1,820,519,825	12,395,196,730	173,106,256	5,616,524,717	98,415,035	171,243,019	673,611,209	96,058,635	21,044,675,425
At 01 July 2022	1,820,519,825	12,395,196,730	173,106,256	5,616,524,717	98,415,035	171,243,019	673,611,209	96,058,635	21,044,675,425
Additions during the year	911,028,406	45,000,234	13,608,268	1,254,881	4,220,782	4,981,790	-	12,577,765	992,672,126
Disposals	-	-	(7,019,527)	-	(462,567)	(5,364,855)	-	(7,577,276)	(20,424,225)
At 30 June 2023	2,731,548,231	12,440,196,964	179,694,997	5,617,779,598	102,173,250	170,859,954	673,611,209	101,059,124	22,016,923,327
<b>DEPRECIATION</b>									
At 01 July 2021	-	4,330,232,142	128,724,682	1,253,798,527	78,958,404	128,945,942	85,554,078	57,634,824	6,063,848,600
Charge during the year	-	709,351,757	15,332,761	262,688,097	8,687,919	16,143,170	33,765,786	7,680,197	1,053,649,687
Disposals	-	-	(18,111,986)	-	-	-	-	(699,895)	(18,811,881)
At 30 June 2022	-	5,039,583,899	125,945,457	1,516,486,624	87,646,323	145,089,112	119,319,864	64,615,126	7,098,686,406
At 01 July 2022	-	5,039,583,899	125,945,457	1,516,486,624	87,646,323	145,089,112	119,319,864	64,615,126	7,098,686,406
Charge during the year	-	637,875,597	15,313,983	207,844,648	6,946,203	13,236,527	23,567,553	8,086,993	912,871,504
Disposals	-	-	(7,019,527)	-	(461,513)	(5,352,617)	-	(7,330,158)	(20,163,815)
At 30 June 2023	-	5,677,459,496	134,239,913	1,724,331,272	94,131,013	152,973,022	142,887,417	65,371,961	7,991,394,095
<b>CARRYING AMOUNT</b>									
At 30 June 2022	1,820,519,825	7,355,612,831	47,160,800	4,100,038,093	10,768,713	26,153,907	554,291,344	31,443,509	13,945,989,020
At 30 June 2023	2,731,548,231	6,762,737,468	45,455,085	3,893,448,326	8,042,238	17,886,932	530,723,791	35,687,163	14,025,529,232



5.00 Lease - Right of Use Assets

5.01 As a Lessee

Right of Use Assets

Particulars

At 01 July 2021

Additions during the year

Disposals/adjustment during the year

At 30 June 2022

At 01 July 2022

Additions during the year

Disposals/adjustment during the year

At 30 June 2023

AMORTISATION

At 01 July 2021

Charge during the year

Disposals/adjustment during the year

At 30 June 2022

At 01 July 2022

Charge during the year

Disposals/adjustment during the year

At 30 June 2023

CARRYING AMOUNT

At 30 June 2022

At 30 June 2023

Amount in Taka			
Land	Warehouse	House	Total
147,322,102	50,581,442	66,693,836	264,597,380
231,750,146	39,848,251	-	271,598,397
(135,558,230)	(40,942,305)	(13,944,580)	(190,445,115)
243,514,018	49,487,388	52,749,256	345,750,662
243,514,018	49,487,388	52,749,256	345,750,662
-	5,539,939	12,654,193	18,194,132
-	21,647,906	71,601	21,719,507
243,514,018	76,675,233	65,475,050	385,664,301
93,098,469	21,215,832	25,734,951	140,049,252
53,679,037	11,306,246	11,423,258	76,408,541
(111,063,748)	(17,943,174)	(9,601,466)	(138,608,388)
35,713,758	14,578,904	27,556,743	77,849,405
35,713,758	14,578,904	27,556,743	77,849,405
60,221,030	17,562,457	11,535,729	89,319,216
-	-	-	-
95,934,788	32,141,361	39,092,472	167,168,621
207,800,260	34,908,484	25,192,513	267,901,257
147,579,230	44,533,872	26,382,578	218,495,680

5.02 Lease liabilities

Opening balance

Lease obligations

Less: Derecognition of lease

Less: Paid during the year

Lease Liabilities

30 June 2023

30 June 2022

280,017,534

131,736,154

39,913,639

271,598,397

-

(50,043,407)

(83,580,779)

(73,273,610)

236,350,394

280,017,534

5.03 Lease Liabilities- Maturity analysis

Lease liabilities - non-current portion

Lease liabilities - current portion

159,315,805

203,801,486

77,034,589

76,216,048

236,350,394

280,017,534

5.04 Amounts recognised in profit or loss

Interest on lease liabilities

Loss on derecognition of lease

Note

32.00

25,015,810

18,098,609

-

1,793,320

25,015,810

19,891,929

5.05 Amount recognised in the statements of cash flows

Principal paid on lease liabilities

Interest paid on lease liabilities

83,580,779

73,273,610

25,015,810

18,098,609

108,596,589

91,372,219

5.06 Allocation of Depreciation of ROU Asset:

Cost of sales

Selling & distribution expenses

Administrative expenses

Note

28.03

29.00

30.00

54,744,113

9,823,655

24,751,448

89,319,216

63,126,231

3,622,786

9,659,524

76,408,541

5.07 The Company has consider 9% incremental borrowing rate to determine present value of right of use assets. Total number lease agreements were Twenty Six (26) and Tenure of lease agreements were 2 to 7 years.

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





		30 June 2023	30 June 2022	
	Note(s)	Taka	Taka	
<b>6.00 Intangible assets</b>				
Computer Software	6.01	51,438,647	57,054,182	
Trade Mark	6.02	61,679	67,944	
		<b>51,500,326</b>	<b>57,122,126</b>	
<b>6.01 Computer Software</b>				
<b>Cost</b>				
Opening balance		98,233,963	68,731,131	
Additions during the year		4,347,204	29,502,832	
<b>Closing balance</b>		<b>102,581,167</b>	<b>98,233,963</b>	
<b>Amortisation</b>				
Opening balance		41,179,781	34,060,811	
Add: Charged during the year		9,962,739	7,118,970	
<b>Closing balance</b>		<b>51,142,520</b>	<b>41,179,781</b>	
<b>Net Book Value</b>		<b>51,438,647</b>	<b>57,054,182</b>	
<b>6.02 Trade Mark</b>				
<b>Cost</b>				
Opening balance		125,300	125,300	
Add: Addition during the year		-	-	
<b>Closing balance</b>		<b>125,300</b>	<b>125,300</b>	
<b>Amortisation</b>				
Opening balance		57,356	51,091	
Add: Charged during the year		6,265	6,265	
<b>Closing balance</b>		<b>63,621</b>	<b>57,356</b>	
<b>Net Book Value</b>		<b>61,679</b>	<b>67,944</b>	
<b>7.00 Capital work-in-progress</b>				
Opening balance		1,164,792,138	42,648,231	
Add: Additions during the year	7.01	8,689,793,552	1,241,989,057	
		9,854,585,690	1,284,637,288	
Less: Capitalized during the year		(1,006,182)	(119,845,150)	
		<b>9,853,579,508</b>	<b>1,164,792,138</b>	
<b>7.01 Details of Capital work-in-progress</b>				
<b>Particulars</b>	<b>Opening Balance</b>	<b>Additions</b>	<b>Capitalized during the year</b>	<b>Closing Balance</b>
Civil Construction	893,246,214	4,543,615,229	-	5,436,861,443
Plant and Machineries	270,539,742	4,144,888,019	-	4,415,427,761
Software	740,456	-	(740,456)	-
Other	265,726	1,290,304	(265,726)	1,290,304
	<b>1,164,792,138</b>	<b>8,689,793,552</b>	<b>(1,006,182)</b>	<b>9,853,579,508</b>

During the year the company has started two major capital investments to enhance its existing production capacity. The company expanding its existing melting capacity by another 250,000 MT PA and setting-up another re-rolling mills having capacity of 500,000 MT of MS product & 100,000 MT wire rod. Both of these projects situated at Mirsarai. Expansion of melting unit has almost completed and trial production is running. Rolling mills work is in progress and 70% completed and expected date of completion is September 2024.

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

	30 June 2023	30 June 2022
	Taka	Taka
<b>8.00 Financial Asset - at fair value</b>		
Investment in Bangladesh Steel Re-Rolling Mills Limited	2,592,000,000	2,842,560,000
	<b>2,592,000,000</b>	<b>2,842,560,000</b>

Under the amalgamation of BSRM Steel Mills Limited (BSML) with Bangladesh Steel Re-Rolling Mills Limited (BSRML), the Company has been allotted 28,800,000 equity shares of BSRML with the conversion ratio 1:0.288 of investment in BSML 100,000,000 equity shares. BSRML is listed with Dhaka Stock Exchange Limited (DSE) and Chittagong Stock Exchange Limited (CSE). The market price of BSRML share as on 30 June 2023 was Tk. 90 (2022: Tk 98.70) and accordingly market value of BSRML's 28,800,000 comes to Tk 2,592,000,000 (2022: Tk 2,842,560,000).



		30 June 2023	30 June 2022
	Note(s)	Taka	Taka
<b>9.00 Inventories</b>			
Raw materials	9.01	7,174,143,745	16,403,414,019
Finished goods	9.02	8,796,305,610	8,300,888,103
Store and Spares	9.03	2,503,953,418	1,990,468,716
Fuel and Lubricants		27,276,472	22,764,218
		<u>18,501,679,245</u>	<u>26,717,535,056</u>
<b>9.01 Raw Materials</b>			
Raw Materials-MS Scrap		5,436,917,578	14,952,678,426
Raw Materials-Billets		1,505,454,780	1,168,552,213
Raw Materials-Packing Materials		9,873,958	13,359,853
Raw Materials-Direct Consumables		221,897,429	268,823,527
		<u>7,174,143,745</u>	<u>16,403,414,019</u>
<b>9.02 Finished Goods</b>			
Finished Goods-Rod		7,105,445,065	5,385,028,120
Finished Goods-Billets		1,690,860,545	2,915,859,983
		<u>8,796,305,610</u>	<u>8,300,888,103</u>
<b>9.03 Stores and Spares</b>			
Mechanical stores		1,151,562,348	941,504,012
M.S. Roll		33,269,951	23,308,400
Electrical stores		605,859,344	440,361,800
General stores		33,006,497	25,191,697
Civil stores		87,512,504	73,660,918
Others		592,742,774	486,441,889
		<u>2,503,953,418</u>	<u>1,990,468,716</u>
<b>10.00 Trade and Other Receivables</b>			
Trade Receivables	10.01	7,012,602,118	6,942,456,697
Other Receivables	10.02	130,449,286	200,369,490
		<u>7,143,051,404</u>	<u>7,142,826,187</u>
<b>10.01 Trade Receivables</b>			
Bangladesh Steel Re-Rolling Mills Limited		8,570,862	-
Other customers		7,025,480,047	6,957,820,894
		<u>7,034,050,909</u>	<u>6,957,820,894</u>
Less: Allowance for expected credit loss		(21,448,791)	(15,364,197)
		<u>7,012,602,118</u>	<u>6,942,456,697</u>
<b>10.02 Other Receivables</b>			
Interest Receivables		360,000	45,381,403
DEDO and Other Receivables		130,089,286	154,988,087
		<u>130,449,286</u>	<u>200,369,490</u>
<b>10.03 Ageing of Trade Receivables</b>			
Due within 90 days		6,022,400,713	5,898,947,668
Due within 91 to 180 days		282,354,561	346,006,127
Due above 181 days		729,295,635	712,867,099
		<u>7,034,050,909</u>	<u>6,957,820,894</u>
<b>11.00 Due from related companies</b>			
Bangladesh Steel Re-Rolling Mills Limited		-	2,283,872,672
Chittagong Power Company Limited		1,105,942,034	1,006,312,234
BSRM Logistics Limited		20,516,651	37,695,789
BSRM Ispat Limited		253,404,032	193,807,942
H. Akberali & Co. Limited		86,235,687	-
BSRM Wires Limited		2,075,868,631	1,576,730,056
		<u>3,541,967,035</u>	<u>5,098,418,693</u>

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





		30 June 2023	30 June 2022
	Note(s)	Taka	Taka
<b>12.00 Advances, deposits and prepayments</b>			
Advances	12.01	6,882,538,897	4,498,360,823
Deposits	12.02	174,851,986	78,804,787
Prepayments	12.03	21,295,263	15,718,480
		<b>7,078,686,146</b>	<b>4,592,884,090</b>
<b>12.01 Advances</b>			
Advance against expenses		83,116,337	63,350,572
Advance against L/C		98,947,752	50,398,093
Advance against non-current asset		209,128,732	454,038,751
Advance against land		79,085,100	21,267,000
Advance for house rent		1,555,468	1,734,068
Advance for purchase of spare parts and other materials		283,051,378	693,248,641
Advance Income tax		1,468,760,543	1,922,087,825
Bank guarantee margin		91,930,141	7,023,647
LC Margin		3,341,089,246	56,543,468
Staff loan		9,341,671	12,141,667
Trade VAT account (Godown)		12,864	12,864
VAT current account		1,216,519,665	1,216,514,227
		<b>6,882,538,897</b>	<b>4,498,360,823</b>
<b>12.02 Deposits</b>			
Bangladesh Ansar and VDP		2,482,174	2,211,663
Bangladesh Power Development Board		45,111,620	24,710,120
Bangladesh Railway		280,000	140,000
Bangladesh Telecommunication Company Limited (BTCL)		28,000	26,000
BOC Bangladesh Limited		16,000	16,000
Brothers Proukosoli Workshop		880,000	480,000
Central Depository Bangladesh Limited		500,000	500,000
Chittagong Club Limited		80,000	90,000
Chittagong Port Authority		15,000	-
Chittagong WASA		400,000	200,000
Cma Cgm Bangladesh Shipping Ltd		1,060,000	1,060,000
Fuel Plus Filling & Servicing Centre		150,000	-
GBX Logistics Ltd		1,205,000	1,205,000
Karnaphuli Gas Distribution Co. Limited		118,222,445	44,123,157
Linde Bangladesh Ltd		2,712,000	2,392,000
Maersk Bangladesh Limited		1,162,447	1,162,447
Others		547,300	488,400
		<b>174,851,986</b>	<b>78,804,787</b>
The directors consider that all the above advances and deposits are either adjustable or recoverable in cash or in kind and accordingly that no provision against them are required at this stage.			
<b>12.03 Prepayments</b>			
BSTI License fees		8,050,000	-
Insurance		13,245,263	15,718,480
		<b>21,295,263</b>	<b>15,718,480</b>
<b>13.00 Short Term Investments</b>			
Investments in Fixed Deposit Receipts	13.01	1,221,572,917	2,874,744,862
		<b>1,221,572,917</b>	<b>2,874,744,862</b>



**13.01 Investments in Fixed Deposit Receipts**

Name of banks	Purpose	Period	Rate of interest	30 June 2023	30 June 2022
				Taka	Taka
AB Bank Limited	L/C Margin	6 Months	3%-6%	2,655,962	2,525,125
Agrani Bank Limited	L/C Margin	3 months	4%-6%	-	45,180,937
Al-Arafah Islami Bank Limited	L/C Margin	3 months	3%-6%	20,598,303	19,742,292
Bank Asia Limited	L/C Margin	3 months	3%-5%	66,328,237	63,603,995
BRAC Bank Limited	Investment	6 months	6.25%	100,000,000	-
Commercial Bank of Ceylon PLC	L/C Margin	1 year	3.30%	-	23,068,694
Dhaka Bank Limited	L/C Margin & Investments	6 Months to 1 Year	1%-4%	185,367,914	160,472,962
Dutch Bangla Bank Limited	L/C Margin	3 months	2%-5%	61,889,806	60,628,806
Habib Bank Limited	L/C Margin & Investments	6 Months	5.00%	335,003,233	319,586,564
IDLC Finance Limited	Investment	6 Months	2-6%	-	256,710,000
IFIC Bank Limited	L/C Margin & Investments	3 Months to 1 Year	5%-9%	38,215,256	57,219,976
IPDC Bangladesh Limited	L/C Margin & Investments	6 Months	8.00%	10,000,000	256,766,250
Jamuna Bank Limited	L/C Margin	1 Months to 3 Months	2%-4%	10,177,006	74,299,714
Meghna Bank Limited	BG Margin	6 Months	4%-7%	62,500,000	-
Mercantile Bank Limited	L/C Margin & Investments	3 Months to 1 Year	2%-6%	107,862,464	194,697,588
National Bank Limited	L/C Margin	3 Months	1%-5%	-	32,882,816
NCC Bank Limited	L/C Margin	3 Months	3%-4%	-	32,456,953
NRB Commercial Bank Ltd	Investments	6 Months	6.50%	62,500,000	-
One Bank Limited	L/C Margin & Investments	3 Months to 1 Year	6%-7%	6,288,407	2,666,407
Prime Bank Limited	Investments	6 Months	2%-3%	-	6,000,000
Shahjalal Islami Bank Limited	L/C Margin	3 months	2%-5%	-	102,009,995
The City Bank Limited	L/C Margin & Investments	6 months	1%-8%	-	1,026,111,963
Trust Bank Limited	L/C Margin	3 Months to 6 months	1.50%-6%	68,626,714	33,542,420
United Commercial Bank Limited	L/C Margin	3 Months to 1 Year	3%-4%	60,055,791	58,251,572
Uttara Bank Limited	L/C Margin	3 months	4%-8.50%	23,503,824	46,319,833
				<b>1,221,572,917</b>	<b>2,874,744,862</b>

**14.00 Cash & Cash Equivalents**

Note(s)	30 June 2023	30 June 2022
Taka	Taka	Taka
Cash in Hand	4,668,177	4,383,795
Cash at Banks	3,938,169,892	1,617,511,108
Fixed Deposit Receipts	500,236,146	7,451,927,810
	<b>4,443,074,215</b>	<b>9,073,822,713</b>

**14.01 Cash in Hand**

Barishal Office	50,000	200,000
Baroaulia Office	200,000	200,000
Benapole Warehouse Office	100,000	100,000
Bhatiary Shipyard	20,000	20,000
Bogra Office	100,000	200,000
Bogra Warehouse	100,000	-
Byzid Factory (BISCO)	1,100,000	1,100,000
Comilla Office	80,000	65,000
Cox's Bazar Office	50,000	20,000
Dhaka Office	90,947	90,495
Fouzderhat Factory	1,200,000	1,200,000
Gazipur Office	50,000	50,000
Head Office	146,331	153,044
Jungal Office	200,000	200,000
Khulna Office	150,000	150,000
Khulna warehouse Office	100,000	100,000
Kustia Office	75,000	-
Mirasarai Factory	385,899	115,256
Mymensingh Office	50,000	100,000





	Note(s)	30 June 2023 Taka	30 June 2022 Taka
Noakhali Office		50,000	50,000
Rajshahi Office		100,000	-
Rangpur Warehouse		100,000	-
Rangpur Office		70,000	170,000
Sylhet Office		100,000	100,000
		<b>4,668,177</b>	<b>4,383,795</b>

#### 14.02 Cash at Banks

Name of the Banks	Branches	Account Types	Currency		
AB Bank Limited	Agrabad	Current Deposit	USD	25,520,048	44,580,029
AB Bank Limited	Agrabad	Overdraft	BDT	1,216,511	-
AB Bank Limited	Agrabad	Overdraft	BDT	1,376,840	-
Agrani Bank Limited	Laldighi East	Current Deposit	BDT	2,838,668	4,015,059
Al-Arafah Islami Bank Limited	Agrabad	Current Deposit	BDT	31,534,253	12,851,442
Bank Al Falah Limited	Agrabad	Cash Credit	BDT	-	825,000
Bank Asia Limited	Agrabad	Current Deposit	BDT	20,924	6,791,828
BASIC Bank Limited	Dewanhat	Current Deposit	BDT	1,984,584	1,726,850
BRAC Bank Limited	Agrabad	Overdraft	BDT	1,566,687,880	9,715,899
BRAC Bank Limited	Agrabad	Overdraft	BDT	3,302,572	3,238,855
BRAC Bank Limited	Agrabad	Current Deposit	USD	79,307,730	15,320,835
Commercial Bank of Ceylon PLC	Agrabad	Current Deposit	BDT	629,079	1,575,854
Dhaka Bank Limited	Jubilee Road	Current Deposit	BDT	293,713	553,825
Dhaka Bank Limited	Jubilee Road	Overdraft	BDT	7,151,193	-
Dutch Bangla Bank Limited	Jubilee Road	Current Deposit	BDT	5,258,320	3,066,193
Eastern Bank Limited	Agrabad	Current Deposit	BDT	3,269,141	-
Eastern Bank Limited	Agrabad	Escrow	BDT	91,236	39,862
Eastern Bank Limited	Agrabad	Escrow	USD	-	162,581
Eastern Bank Limited	Agrabad	High Performance	BDT	1,393,825,527	1,178,105,117
EXIM Bank Limited	Jubilee Road	Current Deposit	BDT	29,693,381	8,188,043
First Security Islami Bank Limited	Sadarghat	Current Deposit	BDT	16,804,988	15,304,863
Habib Bank Limited	Chattogram	Current Deposit	BDT	158,418,831	4,274,665
HSBC	Agrabad	Current Deposit	USD	634,722	39,638
HSBC (Dividend)	Agrabad	Current Deposit	BDT	1,396,450	2,508,876
HSBC	Agrabad	FCY	USD	15,507,070	-
IFIC Bank Limited	Agrabad	Current Deposit	BDT	92,355	118,440
Islami Bank Bangladesh Limited	Jubilee Road	Current Deposit	BDT	18,597,946	27,836,602
Jamuna Bank Limited	Khatunganj	Current Deposit	BDT	607,028	728,420
Janata Bank Limited	Laldighi East	Current Deposit	BDT	192,816	196,446
Meghna Bank Limited	Agrabad	Current Deposit	BDT	143,482	186,910
Mercantile Bank Limited	Jubilee Road	Current Deposit	BDT	4,383	95,868
Modhumoti Bank Limited	Agrabad	Current Deposit	BDT	4,131,312	55,179
Mutual Trust Bank Limited	CDA Avenue	Current Deposit	BDT	209,127,697	10,459,454
Mutual Trust Bank Limited	Agrabad	FCY	USD	22,461,677	-
National Bank Limited	Jubilee Road	Current Deposit	BDT	6,546,639	6,413,154
NCC Bank Limited	Agrabad	Current Deposit	BDT	7,475,292	47,862
NCC Bank Limited	Agrabad	Current Deposit	USD	-	3,116,438
NCC Bank Limited	Barayarhat	Current Deposit	BDT	126,536	63,156
NCC Bank Limited	Agrabad	FCY	USD	33,655,050	-
NCC Bank Limited	Agrabad	FCY	USD	50,632,936	-
NRB Bank Limited	Agrabad	Current Deposit	BDT	350,440	3,241,865
NRB Commercial Bank Limited	Agrabad	Current Deposit	BDT	2,590,360	1,908
One Bank Limited	Agrabad	Current Deposit	BDT	79,577	400,383
Premier Bank Limited	Agrabad	Current Deposit	BDT	43,439	25,464
Prime Bank Limited	O.R Nizam Road	Current Deposit	BDT	15,660,758	13,361,699
Prime Bank Limited	Agrabad	Current Deposit	BDT	3,297,491	369,913
Pubali Bank Limited	Agrabad	Overdraft	BDT	68,424	-
Pubali Bank Limited	Agrabad	Current Deposit	BDT	287	-
Rupali Bank Limited	New-Market	Current Deposit	BDT	6,359,602	1,020,532
SBAC Bank Limited	Agrabad	Current Deposit	BDT	13,738	69,843
Shahjalal Islami Bank Limited	Jubilee Road	Current Deposit	BDT	191,302	2,555,828
Social Islami Bank Limited	Jubilee Road	Current Deposit	BDT	3,141,791	3,058,767



Name of the Banks	Branches	Account Types	Currency	30 June 2023	30 June 2022
				Taka	Taka
Sonali Bank Limited	Laldighi	Current Deposit	BDT	79,553	79,898
South East Bank Limited	Pahartali	Current Deposit	BDT	9,621,578	5,323,715
Standard Bank Limited	Agrabad	Current Deposit	BDT	1,698,034	705,945
Standard Chartered Bank	Agrabad	Current Deposit	BDT	4,656,383	-
Standard Chartered Bank	Agrabad	Current Deposit	BDT	14,843	111,991
State Bank of India	Chattogram	Current Deposit	BDT	83,793	33,587
The City Bank Limited	Agrabad	FCY	USD	82,401,190	-
The City Bank Limited	Agrabad	Current Deposit	BDT	367,795	50,261,036
The City Bank Limited	Agrabad	Current Deposit	BDT	3,673,670	4,549,036
The City Bank Limited	VIP Road	Current Deposit	BDT	42,957	1,643,381
The City Bank Limited	Agrabad	FCY	USD	100,214,958	156,691,593
Trust Bank Limited	CDA Avenue	Current Deposit	BDT	2,295,253	10,981
United Commercial Bank Limited	Jubilee Road	Current Deposit	BDT	151,971	5,759,639
United Commercial Bank Limited	Jubilee Road	Current Deposit	BDT	655	140
Uttara Bank Limited	Agrabad	Current Deposit	BDT	511,240	87,632
Uttara Bank Limited	Agrabad	Current Deposit	BDT	-	5,943,089
				<b>3,938,169,892</b>	<b>1,617,511,108</b>

All bank balances are reconciled with bank statements.

#### 14.03 Fixed Deposit Receipts

Name of banks	Purpose	Period	Rate of interest		
Agrani Bank Limited	Investment	3 Months	4%-6%	-	397,974,832
Bank Asia Limited	Investment	3 Months	3%-5%	8,247,486	-
Eastern Bank Limited	Investment	3 Months	8%	-	407,232,400
IDL Finance Limited	Investment	3 Months	5%-6%	-	315,436,876
IFIC Bank Limited	Investment	3 Months	5%-7%	30,745,011	78,444,900
IPDC of Bangladesh Limited	Investment	3 Months	5%-6%	-	315,591,286
Islami Bank Bangladesh Limited	Investment	3 Months	6%-7%	100,765,616	-
Jamuna Bank Limited	Investment	3 Months	2%- 4%	-	40,678,441
Meghna Bank Limited	Investment	3 Months	6.50%	14,737,039	14,000,000
Mercantile Bank Limited	Investment	3 Months	4.50%	45,740,994	35,147,685
Rupali Bank Limited	Investment	3 Months	5.30%	-	4,007,604,842
Shahjalal Islami Bank Limited	Investment	3 Months	4.00%	-	1,584,130
Sonali Bank Limited	Investment	3 Months	5.50%	-	1,838,232,418
United Commercial Bank Limited	Investment	3 Months	7.00%	300,000,000	-
				<b>500,236,146</b>	<b>7,451,927,810</b>
				<b>30 June 2023</b>	<b>30 June 2022</b>
				<b>Taka</b>	<b>Taka</b>

#### 15.00 Share Capital

##### 15.01 Authorized capital

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

##### 15.02 Issued, subscribed and paid-up capital

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

##### 15.03 Classification of shares by holding:

Class by number of shares	No. of Holders	No. of Shares	Holding (%)
Less than 500	4,610	760,420	0.20%
From 501 to 5000	4,253	6,587,481	1.75%
From 5,001 to 10,000	379	2,719,796	0.72%
From 10,001 to 20,000	222	3,082,074	0.82%
From 20,001 to 30,000	72	1,825,214	0.49%
From 30,001 to 40,000	40	1,414,192	0.38%
From 40,001 to 50,000	29	1,339,527	0.36%
From 50,001 to 100,000	55	3,959,157	1.05%
From 100,001 to 1,000,000	93	28,337,354	7.54%
From 10,000,001 to above	30	325,927,285	86.69%
	<b>9,783</b>	<b>375,952,500</b>	<b>100%</b>





		30 June 2023		30 June 2022	
15.04 Shareholding Position		Percentage of holdings	No. of Shares	Percentage of holdings	No. of Shares
Name of shareholders					
Sponsor Shareholders		16.85%	63,351,162	16.85%	63,351,162
Foreign Shareholders		0.31%	1,169,866	0.39%	1,480,777
Other Shareholders (Related Parties)		55.21%	207,554,671	55.21%	207,554,671
Other Shareholders (General)		27.63%	103,876,801	27.55%	103,565,890
		<b>100%</b>	<b>375,952,500</b>	<b>100%</b>	<b>375,952,500</b>
		30 June 2023		30 June 2022	
		Note(s)	Taka	Taka	
16.00 Long term loans					
Eastern Bank Limited- Syndicate term loan		16.04	5,082,339,301	4,771,847,577	
IDLC Finance Limited		16.05	-	12,445,384	
Standard Chartered Bank - Syndicate term loan		16.06	1,249,000,750	2,085,410,256	
			<b>6,331,340,051</b>	<b>6,869,703,217</b>	
16.01 Long term loans-Maturity analysis					
Due within one year-Current portion		16.02	1,933,820,598	1,873,945,551	
Due after more than one year-Non-current portion		16.03	4,397,519,453	4,995,757,666	
			<b>6,331,340,051</b>	<b>6,869,703,217</b>	
16.02 Long term loans - Current portion					
Eastern Bank Limited- Syndicate term loan			1,097,820,598	1,025,500,167	
IDLC Finance Limited			-	12,445,384	
Standard Chartered Bank -Syndicate term loan			836,000,000	836,000,000	
			<b>1,933,820,598</b>	<b>1,873,945,551</b>	
16.03 Long term loans - Non-current portion					
Eastern Bank Limited- Syndicate term loan			3,984,518,703	3,746,347,410	
Standard Chartered Bank -Syndicate term loan			413,000,750	1,249,410,256	
			<b>4,397,519,453</b>	<b>4,995,757,666</b>	



#### 16.04 Eastern Bank Limited- Syndicated term loan

**Lenders:**

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

**Total loan facilities: Tk. 426.500 crore.**

**Total loan facilities: USD. 2.500 crore.**

**Interest rate: BDT**

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

**Interest rate: USD**

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

**Disbursement:**

The first disbursement was made on 19 June 2018.

**Repayments:**

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

**Securities:**

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

**Purpose:**

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

#### 16.05 IDLC Finance Limited

**Total loan facilities: Tk. 300,000,000**

**Interest rate:**

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

**Disbursement:**

The full disbursement was made on July 24, 2017.

**Repayments**

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

**Securities:**

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

**Purpose:**

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





**16.06 A. Standard Chartered Bank - Syndicated term loan****Lenders:**

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

**Total loan facilities: Tk. 700.00 crore.**

**Interest rate :**

Interest rate is 7.50% per annum calculated on quarterly basis and variable depending on the situation of money market.

**Disbursement:**

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

**Repayments:**

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

**Securities:**

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

**Purpose:**

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

**16.06 B. Standard Chartered Bank Limited- Syndicated term loan (BDT Tk. 800 Crore & USD 10.80 Crore)****Lenders:**

The company entered into a separate syndicated loan agreement for the New Rolling Unit & expansion of melting unit on 12 July 2022 with Standard Chartered Bank Limited, the lead arranger and 5 (five) other Banks and 2 (two) Financial Institutions.

**Total loan facilities: Tk. 800.000 crore.**

**Total loan facilities: USD. 10.800 crore.**

**Interest rate: BDT**

Interest rate is 8%-9% per annum calculated on quarterly basis and variable depending on the situation of money market.

**Interest rate: USD**

Interest rate is 3 months SOFR+ 3.50% per annum calculated on quarterly basis and variable depending on the situation of money market.

**Disbursement:**

The first disbursement was made on 03 May 2023.

**Repayments:**

This term loan is repayable in 20-40 (twenty to forty) equal quarterly installments commencing from the end of 24th month of the first draw down date.

**Securities:**

- i Registered Mortgage over the project land measuring 19.9552 acres and all civil construction thereon supported by registered General power of Attorney.
- ii Fixed and floating charge over machinery, plant and equipment.
- iii Corporate guarantee of the sister concerns of H. Akberali & Co. Limited.
- iv Implementation guarantee from the Sponsors.
- v Demand promissory note from the company.

**Purpose:**

To import required plant and machinery for installation of the new rolling unit & expansion of melting unit and to meet up cost of land development, building and civil construction, fabrication works.

**17.00 Defined benefit obligations - Gratuity**

Opening balance

Add: Current service cost

Less: Payment made during the year

Closing balance

30 June 2023	30 June 2022
Taka	Taka
240,229,387	231,003,711
73,316,137	53,118,210
(53,118,210)	(43,892,534)
<b>260,427,314</b>	<b>240,229,387</b>

Defined benefit obligations - Gratuity has been approved by National Board of Revenue (NBR). Subsequently Tk. 73,316,137 has been paid to employee gratuity fund thereof on 26 August 2023.



	30 June 2023	30 June 2022
	Taka	Taka
<b>18.00 Deferred Tax Liabilities</b>		
Opening balance	1,755,506,843	1,799,731,748
<b>Provided during the year</b>		
Taxable/(deductible) temporary difference of PPE and intangible asset (excluding land)	(60,338,835)	(41,011,210)
Deferred tax on ROU Asset	(1,291,149)	(30,749,491)
Provision for doubtful debts	(1,369,034)	(3,456,944)
Provision for Gratuity	(4,544,534)	(2,075,777)
	<b>(67,543,552)</b>	<b>(77,293,422)</b>
<b>Adjusted during the year</b>		
Against impact on depreciation on revaluation reserve	(3,332,109)	(3,507,483)
Deferred tax on fair value reserve	(25,056,000)	36,576,000
	<b>(28,388,109)</b>	<b>33,068,517</b>
<b>Closing Balance</b>	<b>1,659,575,182</b>	<b>1,755,506,843</b>

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

	Carrying amount	Tax base	Tax rate	Taxable/ (Deductible) temporary difference	Deferred tax liabilities/ (assets)
	Taka	Taka	%	Taka	Taka
<b>As on 30 June 2023</b>					
Property, plant and equipment (except land)	11,620,563,681	5,836,263,262	22.50%	5,784,300,419	1,301,467,593
Liability on Revaluation Surplus (Land)	10,684,454,171	2,731,548,231	3-4%	7,952,905,941	266,347,024
ROU Asset (Net)	(17,854,714)	-	22.50%	(17,854,714)	(4,017,311)
Provision for Gratuity	(258,404,199)	-	22.50%	(258,404,199)	(58,140,945)
Provision for doubtful debts	(21,448,791)	-	22.50%	(21,448,791)	(4,825,978)
Actuarial gain/(loss)	(2,023,115)	-	22.50%	(2,023,115)	(455,201)
Financial Asset at fair value	2,592,000,000	1,000,000,000	10.00%	1,592,000,000	159,200,000
<b>Total deferred tax liabilities</b>					<b>1,659,575,182</b>

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

**19.00 Trade Payables**

	Note(s)	30 June 2023	30 June 2022
		Taka	Taka
BSRM Steel Re-Rolling Mills Limited		2,723,513,620	-
BSRM Logistics Limited		17,112,865	1,182,069
Others		268,841,352	239,133,119
		<b>3,009,467,836</b>	<b>240,315,188</b>

**20.00 Short Term Loans**

		30 June 2023	30 June 2022
Loan against trust receipts (LATR)	20.01	8,939,001	338,324,066
Time loans	20.02	7,317,729,373	160,000,000
Demand loan	20.03	2,596,352,773	402,803,769
Bank overdraft and cash credit	20.04	3,890,857,699	1,250,476,099
Liability for accepted bills for payment	20.05	20,286,897,874	39,601,196,261
Stimulus Loans	20.06	90,720,000	530,836,625
		<b>34,191,496,720</b>	<b>42,283,636,820</b>





	30 June 2023	30 June 2022
Note(s)	Taka	Taka
<b>20.01 Loan Against Trust Receipts (LATR)</b>		
Standard Bank Limited	-	338,324,066
NRB Bank Limited	8,939,001	-
	<b>8,939,001</b>	<b>338,324,066</b>
<b>20.02 Time Loans</b>		
Bank Alfalah Limited	189,301,758	-
Commercial Bank of Ceylon plc	2,028,083,333	160,000,000
Dutch Bangla Bank Limited	1,120,569,707	-
Eastern Bank Limited	1,000,242,438	-
IPDC Limited	511,197,917	-
NCC Bank Limited	1,009,750,000	-
The Trust Bank Limited	208,052,919	-
Uttara Bank Limited	1,022,754,125	-
United Finance Limited	227,777,176	-
	<b>7,317,729,373</b>	<b>160,000,000</b>
<b>20.03 Demand Loans</b>		
Bank Asia Limited	52,213,637	-
Eastern Bank Limited	950,230,903	402,803,769
HSBC	150,187,500	-
IDLC Finance Limited	514,823,233	-
Prime Bank Limited	928,897,500	-
	<b>2,596,352,773</b>	<b>402,803,769</b>
<b>20.04 Bank overdraft and Cash Credit</b>		
AB Bank Limited	-	18,989,234
Agrani Bank Limited	63,763,076	56,628,105
Agrani Bank Limited	1,541,436,251	-
Bank Al Falah Limited	467,577,059	-
Basic Bank Limited	31,763,684	62,773,106
Dhaka Bank Limited	-	26,221,677
Dutch Bangla Bank Limited	138,635,256	115,751,216
HSBC	57,617,165	81,579,993
Janata Bank Limited	1,315,170	41,698,663
Meghna Bank Limited	37,434,178	-
National Credit and Commerce Bank Limited	445,248,450	212,784,629
NRB Bank Limited	97,843,208	30,009,468
Premier Bank Limited	13,113,573	8,408,712
Pubali Bank Limited	-	70,278
Rupali Bank Limited	692,579,486	403,154,691
Standard Chartered Bank	-	33,156,975
Sonali Bank Limited	36,369,696	25,119,668
South Bangla Agriculture & Commerce Bank Limited	127,180,128	16,008,014
State Bank of India	108,973,373	118,121,670
Uttara Bank Limited	30,007,946	-
	<b>3,890,857,699</b>	<b>1,250,476,099</b>
<b>20.05 Liability for accepted bills for payment (ABP)</b>		
AB Bank Limited	-	639,721,876
Agrani Bank Limited	-	634,780,399
Al-Arafah Islami Bank Limited	781,129,696	3,501,818,386
Bank Al-Falah Limited	-	214,319,734
Bank Asia Limited	803,634,988	1,520,271,316
BRAC Bank Limited	1,664,361,162	3,422,258,992
Commercial Bank of Ceylon	425,132,855	915,660,133
Dhaka Bank Limited	428,902,394	1,539,032,702
Dutch Bangla Bank Limited	523,945,613	362,027,240
Eastern Bank Limited	2,251,028,062	1,029,006,509
HSBC	1,147,923,338	1,195,611,982
IFIC Bank Limited	-	3,164,459,110
Islami Bank Bangladesh Limited	-	1,965,042,601
Jamuna Bank Limited	331,184,700	1,947,171,596
Mercantile Bank Limited	1,651,142,448	2,111,362,780
Mutual Trust Bank Limited	374,130,191	1,421,043,289



	Note(s)	30 June 2023	30 June 2022
		Taka	Taka
National Bank Limited		-	792,847,172
NCC Bank Limited		580,642,717	744,032,597
One Bank Limited		-	639,178,937
Prime Bank Limited		1,975,714,671	640,469,135
Pubali Bank Limited		152,768,700	1,489,915,057
Rupali Bank Limited		-	827,929,323
Shahjalal Islami Bank Limited		-	2,988,149,727
Standard Chartered Bank		2,434,537,983	2,753,408,919
Standard Bank Limited		1,066,263,511	-
The City Bank Limited		2,607,018,256	773,867,101
Trust Bank Limited		601,084,572	944,421,323
United Commercial Bank Limited		486,352,017	1,228,008,665
Uttara Bank Limited		-	195,379,660
		<b>20,286,897,874</b>	<b>39,601,196,261</b>
		30 June 2023	30 June 2022
		Taka	Taka
<b>20.06 Stimulus Loans</b>			
BRAC Bank Limited		-	249,795,530
HSBC		-	150,000,000
Prime Bank Limited		-	131,041,095
The City Bank Limited		90,720,000	-
		<b>90,720,000</b>	<b>530,836,625</b>
<b>21.00 Liabilities for expenses</b>			
Advertisement expenses		-	93,355,482
Carrying expenses		76,578,621	540,420,451
Domiciliary expenses		2,204,906	2,142,735
Liability against supply of goods/services		280,252,512	320,537,603
Liability against non-current asset		16,655,928	7,050,717
Liability for duty drawback		425,456,343	425,456,343
Sales promotion expenses		10,671,307	12,216,412
Travelling expenses		631,563	611,747
		<b>812,451,180</b>	<b>1,401,791,490</b>
<b>22.00 Provision for income tax</b>			
Opening balance		1,467,963,888	1,266,472,987
Add: Provision during the year		861,292,240	1,245,409,598
Add/(Less): Prior years' adjustment		(2,039,564)	58,639,422
		<b>859,252,676</b>	<b>1,304,049,020</b>
Less: Adjusted with advance income tax paid at source		(1,243,370,034)	(1,102,558,119)
Closing Balance		<b>1,083,846,530</b>	<b>1,467,963,888</b>
		30 June 2023	30 June 2022
		Rate	Taka
<b>22.01 Reconciliation of effective tax rate</b>			
Profit before tax			4,505,254,608
Total income tax expense	20.99%	791,709,124	1,226,755,598
<b>Factors affecting the tax charge:</b>			
Tax using the applicable rate	22.50%	848,499,522	1,013,682,287
Difference between accounting and fiscal depreciation	1.71%	64,346,072	(21,895,558)
Difference between effect of ROU and actual payment	0.03%	1,291,148	705,359
Difference between gratuity provision and payment	0.12%	4,544,534	2,075,777
Adjustment for inadmissible expenses	-0.93%	(35,239,348)	(195,133,993)
Difference between accounting and fiscal gain on sale of non-current asset	-0.02%	(675,129)	(766,931)
Adjustment for reduced rated taxable income	-0.54%	(20,400,945)	(20,077,711)
Adjustment for tax incentives	-0.03%	(1,073,615)	(1,260,609)
Adjustment for minimum tax	0.00%	-	468,080,978
Prior year adjustment	-0.05%	(2,039,564)	58,639,422
Impact of temporary differences in deferred tax	-1.79%	(67,543,552)	(77,293,422)
	20.99%	<b>791,709,124</b>	<b>1,226,755,598</b>





	30 June 2023	30 June 2022
	Taka	Taka
<b>23.00 Provision for WPPF and Welfare Fund</b>		
Opening balance	237,118,664	259,565,233
Add: Provided during the year	198,479,421	237,118,664
Less: Paid during the year	(237,118,664)	(259,565,233)
Closing Balance	<u>198,479,421</u>	<u>237,118,664</u>
<b>24.00 Unclaimed Dividend</b>		
Opening Balance	9,221,426	26,258,072
Add: Dividend declared during the year	1,127,857,500	1,127,857,500
Less: Paid during the year	(1,132,178,386)	(1,144,894,146)
Closing Balance	<u>4,900,540</u>	<u>9,221,426</u>
<b>24.01 Dividend unclaimed for the years</b>		
<u>For year ended on</u>		
30 June 2022 (Final)	1,427,229	-
30 June 2021 (Final)	1,525,717	2,085,395
30 June 2021 (Interim)	697,003	764,250
30 June 2020 (Final)	1,250,591	1,269,477
30 June 2019 (Final)	-	5,102,304
	<u>4,900,540</u>	<u>9,221,426</u>
Subsequently Tk. 31,154 has been paid to ordinary shareholders thereof from 01 July 2023 to 31 August 2023.		
<b>25.00 Other liabilities</b>		
Audit Fees	862,500	805,000
Brokerage and commission	89,466,464	178,061,904
C & F Bill	813,905	5,684,472
Interest payable	-	24,432,905
Provident fund	5,758,010	4,520,030
Rent payables	96,809	374,590
Retention money	126,419,461	63,546,076
Salary and Allowances	19,543,767	25,384,522
Security deposit	35,266,998	31,975,146
Utility (Gas & Electricity)	566,529,130	489,689,481
Others	5,437,032	6,282,895
	<u>850,194,076</u>	<u>830,757,021</u>
<b>26.00 Contract liabilities</b>		
Advance against sales	696,040,904	469,948,955
<b>Total contract liabilities</b>	<u>696,040,904</u>	<u>469,948,955</u>



		01 July 2022 to 30 June 2023	01 July 2021 to 30 June 2022
	Note(s)	Taka	Taka
<b>27.00 Revenue from contracts with customers</b>			
Local sales	27.01	81,487,278,404	64,103,210,302
Export sales		3,037,496,199	3,017,850,870
		<b>84,524,774,603</b>	<b>67,121,061,172</b>

Total export sales during this year were USD 28,369,483 against export of 30,525 Metric Ton of goods and it was USD 34,854,130 against export of 35,798 Metric Ton of goods for the year ended on 30 June 2022.

<b>27.01 Revenue from local sales</b>			
Gross sales		83,094,901,548	65,604,064,222
Less: Value Added Tax (VAT)		(1,607,623,144)	(1,500,853,920)
		<b>81,487,278,404</b>	<b>64,103,210,302</b>

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

**Segments**

**Type of goods**

Xtreme 500W	-	14,170,155,240
Xtreme DWR	67,534,428,519	45,200,533,378
Xtreme CWR	9,755,015,443	-
Ultima 420D	5,153,370,223	6,224,734,033
Maxima 500	143,988,756	368,610,973
Others	1,937,971,662	1,157,027,548
<b>Total revenue from contracts with customers</b>	<b>84,524,774,603</b>	<b>67,121,061,172</b>

**Geographical Markets**

Bangladesh	84,141,679,262	66,618,799,600
China	185,651,750	247,082,758
India	197,381,591	235,893,314
Others	-	19,285,500
<b>Total revenue from contracts with customers</b>	<b>84,524,712,603</b>	<b>67,121,061,172</b>

**Timing of revenue recognition**

Goods transferred at a point in time	84,524,774,603	67,121,061,172
Services transferred over time	-	-
<b>Total revenue from contracts with customers</b>	<b>84,524,774,603</b>	<b>67,121,061,172</b>

		01 July 2022 to 30 June 2023	01 July 2021 to 30 June 2022
	Note(s)	Taka	Taka
<b>27.03 Contract balances</b>			
Trade receivables	10.01	7,012,602,118	6,942,456,697
Contract assets		-	-
Contract liabilities	26.00	696,040,904	469,948,955

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

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

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

**27.04 Performance Obligations**

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

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

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





		01 July 2022 to 30 June 2023	01 July 2021 to 30 June 2022
	Note(s)	Taka	Taka
<b>28.00 Cost of goods sold</b>			
Cost of sale-Scrap	28.01	1,342,739,068	750,438,910
Cost of sales-MS Rod	28.02	75,068,153,203	59,325,083,125
		<b>76,410,892,271</b>	<b>60,075,522,035</b>
<b>28.01 Cost of sales- Billet</b>			
Opening stock of scrap		14,952,678,426	7,622,862,050
Add: Purchase during the year		27,311,877,139	50,521,183,811
Less: Sale during the year		(1,342,739,068)	(750,438,910)
Less: Closing stock of scrap		(5,436,917,578)	(14,952,678,426)
<b>Raw materials consumption-Scrap</b>		<b>35,484,898,919</b>	<b>42,440,928,525</b>
Opening stock of Direct Consumable		173,480,481	117,827,781
Add: Purchase during the year		1,067,070,122	1,734,087,186
Less: Closing stock of Direct Consumable		(146,500,039)	(173,480,481)
<b>Direct Consumable Consumption</b>		<b>1,094,050,564</b>	<b>1,678,434,486</b>
Add: Factory overhead	28.03	6,313,297,194	7,901,020,285
<b>Cost of Billet Manufactured</b>		<b>42,892,246,677</b>	<b>52,020,383,296</b>
Add: Opening stock of Billet FG		2,915,859,983	443,279,835
Less: Closing stock of Billet FG		(1,690,860,545)	(2,915,859,983)
Transfer to Rolling Mills		(44,117,246,115)	(49,547,803,148)
<b>Cost of sales -Billet</b>		<b>-</b>	<b>-</b>
<b>28.02 Cost of sales- MS Rod</b>			
Opening stock of raw materials-Billet		1,168,552,213	576,188,313
Add: Purchase during the year		30,685,686,684	10,948,693,860
Transfer from Melting Shop		44,117,246,115	49,547,803,148
Less: Closing stock of raw materials-Billet		(1,505,454,780)	(1,168,552,213)
<b>Raw materials consumed-Billet</b>		<b>74,466,030,232</b>	<b>59,904,133,108</b>
Add: Opening stock of Roll Consumable		95,343,046	106,614,467
Less: Addition/Purchase during the year		17,242,100	26,121,933
Less: Closing stock of finished goods		(75,397,390)	(95,343,046)
<b>Roll Consumable Consumption</b>		<b>37,187,756</b>	<b>37,393,354</b>
Opening stock of Packing Materials Consumable		13,359,853	11,455,069
Add: Addition/Purchase during the year		214,112,224	147,814,884
Less: Closing stock of Packing Materials Consumable		(9,873,958)	(13,359,853)
<b>Packing Materials Consumption</b>		<b>217,598,119</b>	<b>145,910,100</b>
Add: Factory overhead	28.03	2,353,713,226	2,001,870,631
<b>Cost of Goods Manufactured</b>		<b>77,074,529,333</b>	<b>62,089,307,193</b>
Add: Opening stock of finished goods		5,385,028,120	2,870,904,910
Less: Issuance for Project/Repair		(285,959,185)	(250,100,858)
Less: Closing stock of finished goods		(7,105,445,065)	(5,385,028,120)
<b>Cost of sales -own production</b>		<b>75,068,153,203</b>	<b>59,325,083,125</b>
<b>28.03 Factory Overheads</b>			
Car allowance		7,662,284	6,496,499
Carrying charges		301,127,674	394,317,477
Consulting fees		725,789	715,368
Conveyance expenses		26,515,546	29,315,716
Depreciation	4.00	877,553,582	1,016,720,405
Depreciation of ROU Asset	5.06	54,744,113	63,126,231



	01 July 2022 to 30 June 2023	01 July 2021 to 30 June 2022
Note(s)	Taka	Taka
Electrical store consumption	71,829,719	138,452,405
Entertainment	8,633,157	8,939,927
Fees and renewals	1,371,207	1,436,545
Fuel and Lubricants	352,749,328	182,029,706
Gas	562,607,608	329,477,953
General store consumed	33,039,512	71,308,558
Gratuity	45,316,580	26,934,011
Guest house expenses	2,769,593	3,385,853
Guest house rent	2,819,215	3,839,250
Insurance expenses	16,953,426	22,178,508
Light Diesel Oil Consumed	28,238,321	-
Mechanical store consumption	247,968,160	579,653,162
Medical expenses	6,213,973	5,824,868
Motor car expenses	34,863	85,011
Other store consumption	1,128,529,176	1,085,945,926
Overtime	22,507,575	20,385,221
Paper and periodicals	4,018	7,145
Postage and telegram	30,990	34,200
Power	4,039,788,099	5,042,405,368
Repairs and Maintenance	41,003,553	35,565,828
Salaries and allowances	603,750,073	619,767,833
Stationery	1,163,661	3,191,635
Testing charges	399,097	315,818
Travelling expenses	995,551	769,162
Utility expenses	22,722,219	15,609,357
Wages	157,242,757	194,655,970
	<b>8,667,010,419</b>	<b>9,902,890,916</b>

#### 29.00 Selling and Distribution Expenses

Advertisement		278,864,425	269,415,279
Bad debt expense		8,798,105	28,106,716
Brokerage and commission		133,502,362	146,479,900
C&F Charge - Export		4,575,911	6,309,244
Car allowance		8,090,522	5,991,593
Carriage on sales		178,720,430	259,473,525
Casual wages		2,820,861	1,829,556
Conveyance expenses		3,735,915	3,180,269
Depreciation	4.00	29,404,329	29,917,544
Depreciation of ROU Asset	5.06	9,823,655	3,622,786
Electricity expenses-Depot		4,662,750	4,954,352
Entertainment		14,342,795	14,294,957
Fees and renewals		356,196	347,620
Generator rent & fuel		71,744	36,261
Gratuity expenses		9,383,988	5,913,555
Internet expenses		931,737	790,029
Legal expense		800	51,900
Medical expenses		1,030,231	1,091,047
Motor cycle allowance		4,095,472	3,860,754
Paper and periodicals		65,343	98,823
Printing charges		7,483,756	7,991,683
Professional fees		349,750	681,167
Rental Expenses		90,555	167,848
Repair and maintenance		1,628,315	2,147,022
Royalty expenses	29.01	130,009,390	114,820,686
Salaries and allowances		149,610,671	139,029,089
Sales promotion expenses		43,440,153	37,048,773
Stationery expenses		386,003	313,288
Testing charges		2,188,076	1,327,109
Travelling expenses		6,630,402	4,479,440
		<b>1,035,094,642</b>	<b>1,093,771,815</b>





- 29.01 The trademark 'Xtreme' has been registered in the name of 'H. Akberali & Co. Limited' (HACL) from the department of Patents, Designs and Trademark of Government of Bangladesh under section 20(2) of the Trademark Act 2009. The company is paying royalty to HACL @ Tk. 150 per MT on its sold quantity from 01 January 2015 according to Trademark License Agreement between the Company and HACL effective from the aforesaid date.

	Note(s)	01 July 2022 to 30 June 2023	01 July 2021 to 30 June 2022
		Taka	Taka
<b>30.00 Administrative Expenses</b>			
Advertisement Expenses		690,303	780,946
Amortization of Intangible asset		9,969,004	7,125,235
Audit fees		1,335,000	1,207,500
Board Meeting expenses		286,000	308,000
Casual wages		1,724,091	1,085,554
Car allowance		9,687,721	9,431,044
Cleaning Expenses		1,164,313	1,495,633
Conveyance expenses		9,721,118	5,990,174
CSR expenses		51,026,852	40,720,315
Depreciation	4.00	20,722,965	22,600,551
Depreciation of ROU Asset	5.06	24,751,448	9,659,524
Directors' remuneration	30.01	94,500,000	94,500,000
Utility Expenses		2,948,691	2,865,738
Entertainment		11,865,051	6,420,894
Fees and renewals		39,634,230	9,849,784
Gratuity expenses		17,029,975	15,153,558
Guest house expenses		431,977	461,834
Guest house rent		1,873,766	2,010,690
Insurance expenses		76,221	73,346
Internet expenses		1,563,095	1,387,999
Land revenue		1,274,952	2,073,748
Legal expenses		1,109,971	641,541
Medical expenses		4,716,212	4,455,698
Motor car expenses		4,194,480	3,473,597
Motor cycle allowance		631,490	605,950
Office rent		683,800	910,400
Paper and Periodicals		1,489,159	1,118,699
Postage expenses		499,742	375,316
Professional and consulting fee		10,760,892	4,218,369
Repair and maintenance		3,477,890	3,846,900
Salaries and allowances		287,783,002	263,412,489
Stationery expenses		3,451,224	3,369,938
Subscriptions		487,800	293,800
Telephone expenses		7,545,694	10,185,779
Training expenses		1,908,831	577,124
Travelling expenses		7,184,056	4,500,793
		<b>638,201,016</b>	<b>537,188,460</b>

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

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



	Note(s)	01 July 2022 to 30 June 2023 Taka	01 July 2021 to 30 June 2022 Taka
<b>31.00 Other Operating Income</b>			
Gain on sale of property, plant and equipment assets		4,875,636	9,309,517
Miscellaneous income		14,893,619	3,605,505
Other Income PF Forfeiture		135,444	199,075
Rental Income		62,000	-
		<b>19,966,699</b>	<b>13,114,097</b>
		<b>01 July 2022 to 30 June 2023 Taka</b>	<b>01 July 2021 to 30 June 2022 Taka</b>
<b>32.00 Finance Costs</b>			
Agency fees		6,102,567	2,032,581
Bank charges & others		35,005,642	31,910,289
Bank Guarantee Commission		31,709,420	2,948,630
Interest on OD, cash credit		198,436,914	34,111,487
Interest on Syndicate loan		522,590,742	581,695,128
Interest on LATR		88,460,858	1,824,166
Interest on Demand and Time loan		654,958,141	63,169,654
Interest on Term loan		114,594	5,915,933
Interest on Stimulus loan		10,392,064	33,735,553
Interest expense on lease liability	5.04	25,015,810	18,098,609
Foreign currency exchange (gain)/loss	32.01	1,847,506,605	1,106,078,550
Interest on balance due to inter companies		1,367,661	40,895,272
Interest on balance due from inter companies		(399,118,974)	(187,572,534)
		<b>3,022,542,044</b>	<b>1,734,843,318</b>
<b>32.01 Foreign Currency Exchange (Gain)/Loss</b>			
Foreign currency (gain)/loss on transaction		1,162,788,898	112,169,784
Foreign currency (gain)/loss on translation		684,717,707	993,908,766
		<b>1,847,506,605</b>	<b>1,106,078,550</b>
<b>33.00 Finance Income</b>			
Interest on trade debtors		25,059,323	6,313,193
Interest income from STD		186,296,854	132,423,136
Interest income from FDR		219,420,909	797,380,623
		<b>430,777,086</b>	<b>936,116,952</b>
<b>34.00 Non Operating Income</b>			
Dividend Income		100,800,000	115,199,999
Loss on derecognition of lease		-	(1,793,320)
		<b>100,800,000</b>	<b>113,406,679</b>
		<b>01 July 2022 to 30 June 2023 Taka</b>	<b>01 July 2021 to 30 June 2022 Taka</b>
<b>35.00 Earnings per share</b>			
<b>Basic earnings per share (EPS)</b>			
Profit attributable to the ordinary shareholders		2,979,399,870	3,278,499,010
Number of ordinary shares at the year end		375,952,500	375,952,500
Weighted Average number of shares outstanding during the year		375,952,500	375,952,500
Basic earnings per share (EPS)		<b>7.92</b>	<b>8.72</b>

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





	30 June 2023	30 June 2022
	Taka	Taka
<b>36.00 Net Asset Value Per Share (NAV)</b>		
Total Assets	76,899,124,002	82,021,393,808
Less: Total Liabilities	(49,334,570,148)	(56,086,210,433)
<b>Net Asset Value (NAV)</b>	<b>27,564,553,854</b>	<b>25,935,183,375</b>
Number of ordinary shares outstanding during the period	375,952,500	375,952,500
<b>Net Assets Value (NAV) per share</b>	<b>73.32</b>	<b>68.99</b>
	01 July 2022 to 30 June 2023	01 July 2021 to 30 June 2022
	Taka	Taka
<b>37.00 Net operating cash flow per share</b>		
Net operating cash flows (From statement of Cash Flows)	10,960,619,819	3,993,347,108
Number of ordinary shares outstanding during the period	375,952,500	375,952,500
<b>Net operating cash flow per share</b>	<b>29.15</b>	<b>10.62</b>

### 38.00 Related party transactions

During the year, the company carried out a number of transactions with related parties in the normal course of business and on Arms Length Basis. The name of these related parties, nature of transactions, their total value and balances on reporting date have been set in accordance with the provisions of IAS 24.

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

Name of parties	Relationship	Nature of Transactions	30 June 2023	Mode of Transaction
Bangladesh Steel Re-Rolling Mills Limited	Shareholder	Short term loan	-	Dr.
BSRM Ispat Limited	Sister Company	Short term loan	253,404,032	Dr.
BSRM Logistics Limited	Sister Company	Short term loan	20,516,651	Dr.
H. Akberali & Co. Limited	Sister Company	Short term loan	86,235,687	Dr.
Chittagong Power Company Limited	Sister Company	Short term loan	1,105,942,034	Dr.
BSRM Wires Limited	Sister Company	Short term loan	2,075,868,631	Dr.
Bangladesh Steel Re-Rolling Mills Limited	Shareholder	Land Purchase	536,757,090	Dr.
BSRM Ispat Limited	Sister Company	Land Purchase	120,774,683	Dr.
Chittagong Power Company Limited	Sister Company	Land Purchase	147,611,775	Dr.
H. Akberali & Co. Limited	Sister Company	Land Purchase	98,073,046	Dr.
Bangladesh Steel Re-Rolling Mills Limited	Shareholder	Raw Materials Purchase	30,685,686,684	Dr.

### 38.01 Details of transactions

Name of inter companies	Opening balances	Transaction during the year (Net)	Amount owed by related parties	Amount owed to related parties
Bangladesh Steel Re-Rolling Mills Limited	2,283,872,672	Dr. (2,283,872,672)	-	-
BSRM Ispat Limited	193,807,942	Dr. 59,596,090	253,404,032	-
BSRM Logistics Limited	37,695,789	Dr. (17,179,138)	20,516,651	-
H. Akberali & Co. Limited	-	Dr. 86,235,687	86,235,687	-
Chittagong Power Company Limited	1,006,312,234	Dr. 99,629,800	1,105,942,034	-
BSRM Wires Limited	1,576,730,056	Dr. 499,138,575	2,075,868,631	-

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

	30 June 2023	30 June 2022
	Taka	Taka
<b>38.02 Key management personnel compensation</b>		
In accordance with para 17 of IAS 24 related party disclosure: during the year the amount of compensation paid to key management personnel including Board of Directors is as follows;		
Short term benefits	177,272,600	152,614,248
Post Employment Benefits	31,354,185	28,030,403
Other long Term benefit	-	-
Termination Benefit	-	-
Share-based Payment	-	-
	<b>208,626,785</b>	<b>180,644,651</b>



	30 June 2023	30 June 2022
	Taka	Taka
<b>39.00 Reconciliation of cash generated by operations</b>		
<b>Profit before income tax</b>	<b>3,771,108,994</b>	<b>4,505,254,608</b>
<b>Adjustment for:</b>		
Depreciation charged	927,680,876	1,069,238,500
Amortization charged	99,288,220	83,533,776
Gain on sale of property, plant and equipment	(4,875,636)	(9,309,517)
Finance Income	(430,777,086)	(936,116,952)
Dividend Income	(100,800,000)	(113,406,679)
Finance Cost	3,022,542,044	1,734,843,318
	<b>3,513,058,418</b>	<b>1,828,782,446</b>
<b>Changes in:</b>		
Provision for WPPF & Welfare Fund	(38,639,243)	(22,446,569)
Defined Benefit Obligations - Gratuity	20,197,927	9,225,676
Inventories (net of inventory for non-current asset)	7,602,127,288	(1,063,782,861)
Trade Receivables	(70,145,421)	389,873,919
Trade Payables	2,769,152,648	(667,951,329)
Contract Liabilities	226,091,949	(788,419,781)
Other Receivables (Net of interest receivable)	24,898,801	-
Lease Obligation Paid	(108,596,589)	(91,372,219)
Advances, deposits and pre-payments (net of advance income tax and advance against non-current asset)	(3,551,678,909)	58,582,556
Liabilities for Expenses	(589,340,310)	437,449,732
Other Liabilities	19,437,055	147,291,005
	<b>6,303,505,196</b>	<b>(1,591,549,871)</b>
<b>Cash Generated from Operation</b>	<b>13,587,672,609</b>	<b>4,742,487,183</b>
Payment of interest-net	(1,837,010,038)	384,476,326
Income tax paid	(790,042,752)	(1,133,616,401)
<b>Net cash flows from operating activities</b>	<b>10,960,619,819</b>	<b>3,993,347,108</b>
<b>40.00 Contingent liabilities</b>		
<b>40.01 Bank guarantees</b>		
Dhaka Bank Limited	2,577,725	-
HSBC	1,078,664	-
IFIC Bank Limited	47,794,047	47,653,091
Meghna Bank Limited	1,338,900,250	279,533,654
Mercantile Bank Limited	144,700,000	3,372,793,000
Mutual Trust Bank Limited	-	2,101,054,714
One Bank Limited	201,726,557	-
Trust Bank Limited	-	46,432,225
United Commercial Bank Limited	289,000	-
	<b>1,737,066,243</b>	<b>5,847,466,684</b>
<b>40.02 Claim against trade VAT by Customs, Excise &amp; VAT authority</b>		
Claim against trade VAT by Customs, Excise & VAT authority	23,053,915	23,053,915
	<b>23,053,915</b>	<b>23,053,915</b>

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

#### 40.03 Corporate guarantees

The company has a policy to extend corporate guarantees for the financial arrangements of the sister companies within the group. The guarantee is issued to sister companies without any fee or premium. In addition, there is no interest rate benefit for the borrower as a result of the said guarantee. The corporate guarantee acts as a comfort for banks in addition to the collateral security which comprises of mortgage of land, lien of shares by the sister companies. The company has provided the following guarantees at 30 June 2023:

	30 June 2023	30 June 2022
	Taka	Taka
Joint guarantee	7,200,000,000	18,050,000,000
	<b>7,200,000,000</b>	<b>18,050,000,000</b>

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





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

Name of sister companies	Credit Rating	
	30 June 2023	30 June 2022
Bangladesh Steel Re-Rolling Mills Limited	AA+	AA+
BSRM Wires Limited	A-	BBB+
H. Akberali & Co. Limited	A+	A+
BSRM Logistics Limited	A+	A

<b>41.00 Production Capacity</b>		
Installed Capacity (In M. Ton)- yearly	800,000	800,000
Production (In M. Ton)	920,257	868,454
Capacity utilized- (%)	115%	109%

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

<b>42.00 Employees</b>		
Number of employees whose monthly salary was below Tk. 3,000	-	-
Number of employees whose monthly salary was above Tk. 3,000	1,557	1,455
	<u>1,557</u>	<u>1,455</u>

#### 43.00 Financial instruments- Financial risk management

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

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

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

#### Risk management framework

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

#### 43.01 Credit risk

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

##### 43.01.01 Exposure to credit risk

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

	30 June 2023	30 June 2022
	Taka	Taka
Financial Asset (Investment in Bangladesh Steel Re-Rolling Mills Limited)	2,592,000,000	2,842,560,000
Investments in FDRs	1,221,572,917	2,874,744,862
Advances, deposits and prepayments	7,078,686,146	4,592,884,090
Trade and other receivables	7,143,051,404	7,142,826,187
Due from related companies	3,541,967,035	5,098,418,693
Cash at banks	3,938,169,892	1,617,511,108
	<u>25,515,447,394</u>	<u>24,168,944,940</u>



**43.01.02 Ageing of trade receivables**

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

	30 June 2023	30 June 2022
	Taka	Taka
Due within 90 days	6,022,400,713	5,898,947,668
Due within 91 to 180 days	282,354,561	346,006,127
Above 181 days	729,295,635	712,867,099
	<b>7,034,050,909</b>	<b>6,957,820,894</b>

**43.02 Liquidity risk**

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

**Exposure to Liquidity risk**

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

Non-derivative financial liabilities	Carrying amount	Interest rate	Contractual cash flows		
			Within 12 months	1 to 5 years	More than 5 years
As at 30 June 2023	Taka	%	Taka	Taka	Taka
Long term loans	6,331,340,051	7.75% - 9%	1,933,820,598	4,397,519,453	-
Trade payables	3,009,467,836	N/A	3,009,467,836	-	-
Short term loans	34,191,496,720	3.75%-6.50%	34,191,496,720	-	-
Liabilities for expenses	812,451,180	N/A	812,451,180	-	-
Defined benefit obligations- Gratuity	260,427,314	N/A	260,427,314	-	-
Provision for WPPF and Welfare fund	198,479,421	N/A	198,479,421	-	-
Unclaimed dividend	4,900,540	N/A	4,900,540	-	-
Other liabilities	850,194,076	N/A	850,194,076	-	-
	<b>45,658,757,137</b>		<b>41,261,237,684</b>	<b>4,397,519,453</b>	-

Non-derivative financial liabilities	Carrying amount	Interest rate	Contractual cash flows		
			Within 12 months	1 to 5 years	More than 5 years
As at 30 June 2022	Taka	%	Taka	Taka	Taka
Long term loans	6,869,703,217	7.75% - 9%	1,873,945,551	4,995,757,666	-
Trade payables	240,315,188	N/A	240,315,188	-	-
Short term loans	42,283,636,820	3.75%-6.50%	42,283,636,820	-	-
Liabilities for expenses	1,401,791,490	N/A	1,401,791,490	-	-
Defined benefit obligations- Gratuity	240,229,387	N/A	240,229,387	-	-
Provision for WPPF and Welfare fund	237,118,664	N/A	237,118,664	-	-
Unclaimed Dividend	9,221,426	N/A	9,221,426	-	-
Other liabilities	830,757,021	N/A	830,757,021	-	-
	<b>52,112,773,213</b>		<b>47,117,015,547</b>	<b>4,995,757,666</b>	-

**43.03 Market risk**

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

**(a) Currency risk exposure and its management**

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

The Company is exposed to foreign currency risk relating to purchases, sales and other transactions which are denominated in foreign currencies. As at 30 June 2023, the Company was exposed to foreign currency risk in respect of financial liabilities denominated in the following currencies:





**(i) Exposure to currency risk**

	30 June 2023		30 June 2022	
	USD	Taka	USD	Taka
<b>Foreign currency denominated assets</b>				
Cash and cash equivalents	3,477,418	410,335,381	2,202,415	219,911,114
	<b>3,477,418</b>	<b>410,335,381</b>	<b>2,202,415</b>	<b>219,911,114</b>
<b>Foreign currency denominated liabilities</b>				
Liability for accepted bills for payment	171,922,863	20,286,897,874	396,606,873	39,601,196,261
Syndicated term loan	8,555,893	1,009,595,335	13,264,283	1,324,438,626
	<b>180,478,756</b>	<b>21,296,493,209</b>	<b>409,871,156</b>	<b>40,925,634,887</b>
<b>Net exposure</b>	<b>(177,001,338)</b>	<b>(20,886,157,828)</b>	<b>(407,668,741)</b>	<b>(40,705,723,773)</b>

The following significant exchange rate is applied during the Year:

**Exchange rate of US Dollar**

30 June 2023	30 June 2022
118	99.85

**Basis of consideration of foreign currency rate**

Foreign exchange loss refers to the loss that occurs as a result of converting foreign currency liabilities, mainly comprised of UPAS loan liabilities. According to IAS-21, the closing rate must be used to convert foreign currency assets and liabilities. During the financial year 2022-23, the value of BDT has significantly deteriorated against foreign currencies such as USD and EURO. As a result, it is advisable to make a forward booking, which has also indicated a record rise in the USD to BDT conversion rate that extended up to Taka 118/USD in a transaction that occurred with us. To minimize the risk, we have converted our outstanding foreign currency liabilities and assets using the forward booking rate of BDT 118/USD as a base mark, in accordance with the principle of conservatism. This was done to ensure maximum risk coverage by the end of the reporting period, which is 30th June 2023.

**(ii) Sensitivity analysis**

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

	30 June 2023		30 June 2022	
	Profit or loss		Profit or loss	
	Strengthening	Weakening	Strengthening	Weakening
	Taka	Taka	Taka	Taka
USD (3% movement)	(626,584,735)	626,584,735	(1,221,171,713)	1,221,171,713

**(b) Transaction risk**

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

**(c) Economic risk**

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

**(d) Interest risk**

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

**Exposure to interest rate risk**

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

	30 June 2023	30 June 2022
	Taka	Taka
<b>Fixed- rate instruments</b>		
Financial assets	4,763,539,952	7,973,163,555
Financial liabilities	(40,522,836,771)	(49,153,340,037)
	<b>(35,759,296,819)</b>	<b>(41,180,176,482)</b>
<b>Variable- rate instruments</b>		
Financial assets	-	-
Financial liabilities	-	-
	<b>-</b>	<b>-</b>

**(e) Other market price risk**

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



**44.00 Events after reporting date:**

**44.01 Proposed Dividend:**

The Board of Directors of BSRM Steels Limited at its 269th meeting held on 12 October 2023 recommended a final cash dividend amounting to BDT 939,881,250 being 25% of the paid-up capital (i.e. BDT 2.50 per share) for the year 30 June 2023. These dividends are subject to final approval by the shareholders at the forthcoming annual general meeting of the company

**44.02 Minimum amount to be distributed as dividend**

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

Distributable Income  
Minimum Dividend Percentage as per Section 16G  
**Amount to be Distributed as Dividend**

Net Profit Before Tax  
Less: Income Tax  
**Distributable Income**

01 July 2022 to 30 June 2023	01 July 2021 to 30 June 2022
Taka	Taka
2,979,399,870	3,278,499,010
30%	30%
<b>893,819,961</b>	<b>983,549,703</b>
3,771,108,994	4,505,254,608
(791,709,124)	(1,226,755,598)
<b>2,979,399,870</b>	<b>3,278,499,010</b>

