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Bangladesh Steel Re-Rolling Mills Limited

Financial Statements (Un audited)

As at and the for the period ended on March 31, 2017

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Bangladesh Steel Re-Rolling Mills Limited
Corporate Office : Ali Mansion, 1207/1099, Sadarghat Road, Chittagong, Bangladesh.
Phone: +88-031-2854901-10, 635382, 613282, 637758; Fax: +88-031-610101; E-mail: mail@bsrm.com; Website: www.bsrm.com
Factory : **Steel Melting Works :** 78/79, Nasirabad I/A, Baizid Bostami Road, Chittagong. Phone : +88-031-681487, 683536; Fax : +88-031-683029
Rolling Mill : 147-149, Nasirabad I/A, Baizid Bostami Road, Chittagong, Bangladesh. Phone : +88-031-683053, 683164; Fax : +88-031-682901

Bangladesh Steel Re-Rolling Mills Limited
Statement of Financial Position (Un-audited)
As at 31 March 2017

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		31-Mar-17	30-Jun-16
		BD Tk	BD Tk
Assets			
Non-current assets			
Property, plant and equipment	8.00	13,119,510,568	11,908,901,352
Intangible asset		26,026,237	28,093,150
Capital work in progress		346,737,321	403,857,592
Investment in associates	9.00	6,079,105,409	6,024,824,712
Other investments	10.00	120,899,201	141,577,875
Total non-current assets		**19,692,278,736**	**18,507,254,681**
Current assets			
Inventories	11.00	10,417,824,671	7,335,268,548
Trade receivables		3,450,973,307	977,102,185
Other receivables		93,566,526	60,527,338
Due from inter companies		2,715,683,340	1,993,023,585
Advances and deposits	12.00	1,487,372,957	1,333,356,641
Short term investments		195,628,171	40,096,301
Cash and cash equivalents		181,698,921	294,004,367
Assets held for sale		-	1,184,359,433
Total current assets		**18,542,747,892**	**13,217,738,398**
Total assets		**38,235,026,628**	**31,724,993,079**
Equity and liabilities			
Equity:			
Share capital		1,950,977,170	1,950,977,170
Share premium		511,970,250	511,970,250
General reserve		30,170,818	30,170,818
Revaluation Reserve		4,036,749,810	4,067,381,989
Retained earnings		4,275,553,919	3,703,625,286
12% convertible coupon bond-equity component		45,661,142	45,661,142
Total equity		**10,851,083,110**	**10,309,786,655**
Liabilities			
Non-current liabilities			
Long term loan		2,077,274,002	3,272,584,206
Defined benefit obligations-Gratuity		155,100,063	142,429,346
Deferred tax liabilities		1,276,449,508	1,134,511,277
Total non-current liabilities		**3,508,823,573**	**4,549,524,829**
Current liabilities			
Trade payables		1,079,288,623	965,096,281
Short term loan	13.00	12,252,616,381	9,015,063,382
Long term loan -current portion		1,902,414,987	1,343,805,090
Due to inter companies		5,966,619,117	3,907,794,543
Advance against sales		1,844,301,939	1,215,180,031
Liabilities for expenses		377,962,953	265,359,168
Provision for income tax		64,982,353	14,037,129
Provision for WPPF and Welfare Fund		39,603,166	40,938,439
Other liabilities	14.00	347,330,427	98,407,532
Total current liabilities		**23,875,119,946**	**16,865,681,595**
Total liabilities		**27,383,943,519**	**21,415,206,424**
Total Equity and liabilities		**38,235,026,629**	**31,724,993,079**
Net Asset Value per share		**55.62**	**52.84**

Chief Financial Officer | Managing Director | Director | Company Secretary | Chairman

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Bangladesh Steel Re-Rolling Mills Limited
Statement of Profit or Loss and Other Comprehensive Income (Un-audited)
For the Period from 1 July 2016 to 31 March 2017

	1 July 2016 to 31 March 2017	1 July 2015 to 31 March 2016	1 January 2017 to 31 March 2017	1 January 2016 to 31 March 2016
	BD Tk	BD Tk	BD Tk	BD Tk
Revenue	16,234,815,627	8,899,998,751	7,710,033,438	5,412,984,111
Cost of sales	(13,942,540,447)	(7,859,307,129)	(6,607,283,979)	(4,655,282,014)
Gross profit	**2,292,275,180**	**1,040,691,622**	**1,102,749,459**	**757,702,097**
Selling and distribution costs	(282,413,832)	(137,593,372)	(136,351,276)	(80,711,085)
Administrative costs	(176,542,273)	(123,794,452)	(65,369,438)	(60,664,675)
	1,833,319,075	**779,303,797**	**901,028,745**	**616,326,337**
Other income	51,233,076	11,292,537	37,233,553	6,409,848
Operating Profit	**1,884,552,152**	**790,596,334**	**938,262,298**	**622,736,185**
Finance costs	(1,185,031,740)	(730,839,025)	(519,930,846)	(321,712,494)
Finance income	6,201,993	21,404,251	2,970,433	212,825
Non-operating income	86,340,917	139,434,429	29,786,746	55,257,956
Profit before tax and WPPF & WF	**792,063,321**	**220,595,990**	**451,088,630**	**356,494,472**
Contribution to WPPF and Welfare Fund	(39,603,166)	(15,061,826)	(22,554,432)	(15,061,826)
	752,460,155	**205,534,164**	**428,534,199**	**341,432,646**
Share of profit of associates	267,469,043	1,128,385,704	(334,306)	282,083,023
Profit before tax	**1,019,929,198**	**1,333,919,868**	**428,199,892**	**623,515,669**
Income tax expenses/benefits:				
Current tax				
Current Year	(141,596,796)	(65,526,305)	(51,263,641)	(64,424,504)
Previous Year	-	8,540,603	-	9,426,367
Deferred tax	(152,148,957)	(142,563,390)	(42,489,395)	(76,635,914)
	(293,745,753)	(199,549,092)	(93,753,036)	(131,634,051)
Net Profit after tax for the period	**726,183,445**	**1,134,370,776**	**334,446,856**	**491,881,618**
Other comprehensive income	-	82,475,649	-	
Total comprehensive income	**726,183,445**	**1,216,846,425**	**334,446,856**	**491,881,618**
Earnings per share	3.72	5.81	1.71	2.52

Chief Financial Officer

Company Secretary

Managing Director

Director

Chairman

Monday, April 24, 2017

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Bangladesh Steel Re-Rolling Mills Limited
Statement of Changes in Equity (Un- audited)
For the Period from 1 July 2016 to 31 March 2017

	Share Capital	Share premium	General Reserve	Revaluation Reserve	Retained Earnings	12% Convertible coupon bond-equity component	Total
	BD TK	BD TK	BD TK	BD TK	BD TK	BD TK	BD TK
Balance as on 01 July 2015	1,773,615,610	549,794,644	30,170,818	4,131,195,426	2,875,847,589	60,881,523	9,421,505,610
Adjustment as per Audit Report ,June 2016					(117,262,431)	(15,220,381)	(132,482,812)
IPO expenses	-	(37,824,394)	-	-	-	-	(37,824,394)
Cash Dividend Paid	-	-	-	-	(164,746,484)	-	(164,746,484)
Stock dividend paid	177,361,561				(177,361,561)		-
Transfer against difference in depreciation between cost and revalued amount	-	-	-	(82,508,227)	47,584,990	-	(34,923,237)
Deferred tax to revaluation surplus	-	-	-	23,165,700	-	-	23,165,700
Net Profit after tax for the period.	-	-	-	-	1,134,370,776	-	1,134,370,776
Balance as on 31 March 2016	**1,950,977,171**	**511,970,250**	**30,170,818**	**4,071,852,900**	**3,598,432,879**	**45,661,142**	**10,209,065,160**
Balance as on 01 July 2016	**1,950,977,170**	**511,970,250**	**30,170,818**	**4,067,381,989**	**3,703,625,286**	**45,661,142**	**10,309,786,655**
Transfer against difference in depreciation between cost and revalued amount	-	-	-	(29,579,056)	39,438,742	-	9,859,685
Interim cash dividend	-	-	-	-	(195,097,717)	-	(195,097,717)
Transfer of revaluation surplus on sale of revalued assets	-	-	-	(1,053,122)	1,404,163	-	351,041
Net Profit during the period	-	-	-	-	726,183,445	-	726,183,445
Balance as on 31 March 2017	**1,950,977,170**	**511,970,250**	**30,170,818**	**4,036,749,810**	**4,275,553,919**	**45,661,142**	**10,851,083,109**

Chief Financial Officer | Company Secretary

Monday, April 24, 2017 | Managing Director | Director | Chairman

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Bangladesh Steel Re-Rolling Mills Limited
Statement of Cash Flows (Un-Audited)
For the Period from 1 July 2016 to 31 March 2017

	1 July 2016 to 31 March 2017	1 July 2015 to 31 March 2016
	BD Tk	BD Tk
Cash flows from operating activities		
Cash collection from customers	14,350,647,918	9,730,250,074
Cash payment for cost and expenses	(16,753,768,125)	(9,999,481,147)
Cash in/(out) flow from operating activities	**(2,403,120,207)**	**(269,231,073)**
Cash flows from investing activities:		
Fixed asset addition and CWIP	(438,355,386)	(1,021,839,323)
Dividend received	213,188,346	-
Proceeds from sale of property, plant and equipment	1,404,034	2,160,001
Short term investment	(134,853,196)	(90,093,946)
Inter-companies transaction	1,336,164,819	(927,583,920)
Non-operating income	86,340,917	(79,572,174)
Cash in/(out) flow from investing activities	**1,063,889,533**	**(2,116,929,362)**
Cash flows from financing activities:		
Share application money	-	(49,739,315)
Dividend paid	(195,097,717)	(74,937,538)
Short Term Loan	2,058,723,251	1,611,535,576
Syndicated Term Loan	(636,700,307)	594,638,778
Cash in/(out) flow from financing activities:	**1,226,925,227**	**2,081,497,500**
Total Cash In/ (Out) flow	**(112,305,447)**	**(304,662,934)**
Opening Cash and Bank balances	294,004,367	485,984,383
Closing Cash and Bank balances	181,698,921	181,321,449
	(112,305,446)	**(304,662,934)**
Operating cash flow per share	**(12.32)**	**(1.52)**

Chief Financial Officer | Company Secretary

Managing Director | Director | Chairman

Monday, April 24, 2017

Bangladesh Steel Re-Rolling Mills Limited
Notes to the Financial Statements
As at and for the period from 1 July 2016 to 31 March 2017

1.01 Company Profile

Bangladesh Steel Re-Rolling Mills Limited is a public company limited by shares is domiciled in Bangladesh. The address of the company's registered office is Ali Mansion, 1207/1099 Sadarghat Road, Chittagong, Bangladesh. The Company is listed with Dhaka Stock Exchange Limited and Chittagong Stock Exchange Limited as a publicly quoted Company. Trading of the shares of the Company started in two stock exchanges from April 27 ,2015.

1.02 Nature of the business

The main activity of the company is to manufacture M.S. products by setting up rolling and re-rolling mills. The company had set up its Re-Rolling mill and Steel Melting Workshop at 147/148/149 and 78/79 Baizid Bostami Road, Nasirabad Industrial Area, Chittagong , Bangladesh respectively.
M.S. billets is manufactured from scraps and sponge iron etc. at Steel Melting Works (SMW) and these billets are re-rolled in the next step at Re-Rolling Mills to manufacture M.S. products. The company also deals in sale of M.S. products like angle, channel, I Beam, H Beam and ingot etc.

2.00 Statement of compliance

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

3.00 Accounting policies and method of computations:

Accounting policies and methods of computations followed in preparing this financial statement are consistent with those used in the annual financial statements , prepared and published for the period ended June 30,2016. But note that the Company has changed the depreciation method from Reducing Balance Method to Straight Line Method from January 2017.

4.00 Revenue

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

5.00 Subsequent events:

No material events occurred after the reporting date, non-disclosure of which could affect the ability of the users of this financial statement to make proper evaluation and decision.

6.00 Significant deviation:

The company resumed its commercial production on December 9, 2015 after massive BMRE to increase its production capacity to 450,000 M. Ton per annum. As a result, there was no production during the period from July 15 to December 15. At that time the company sold old stocks and billets. The comparative figures in the Statement of profit and loss has been fluctuated between two periods for this reason.

7.00: General:

7.01 Wherever considered necessary, prior period's figures and phrases have been re-arranged to confirm to this period's presentation.
7.02 Amounts appearing in these financial statements have been rounded off to the nearest taka.

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		31-Mar-17 BD Tk	30-Jun-16 BD Tk
8.00	**Property, Plant and equipments:**		
	Land and Land Development	3,921,169,370	3,921,169,369
	Plant and Machineries	6,403,807,908	5,174,848,558
	Motor vehicles	19,894,868	25,485,619
	Factory building and sheds	2,645,888,166	2,649,382,028
	Boundary wall, Roads and pavements	86,599,428	90,259,259
	Furniture and fixutes	15,167,263	18,613,288
	Office equipments	18,499,213	19,673,510
	Computer and IT equipments	8,484,352	9,469,721
		13,119,510,568	**11,908,901,352**
9.00	**Investment in associates**		
	BSRM Steels Limited (BSL)	3,587,780,349	3,274,057,531
	BSRM Steel Mills Limited (BSML)	2,491,325,059	2,750,767,181
		6,079,105,408	**6,024,824,712**
10.00	**Other investments**		
	Investment in non-tradable shares at cost	1,000,300	1,000,300
	Investments in Fixed Deposit Receipts	119,898,901	140,577,575
		120,899,201	141,577,875
11.00	**Inventories**		
	Raw Materials	5,514,382,731	2,537,917,341
	Finished Goods	3,914,505,213	3,852,553,082
	Stores and Spares	971,855,557	926,871,779
	Fuel and Lubricants	17,081,170	17,926,346
		10,417,824,671	**7,335,268,548**
12.00	**Advances and deposits**		
	Against L/C	56,125,753	403,601,997
	For capital expenditure	119,319,517	23,205,536
	For revenue expenses	77,391,633	39,958,071
	For scrap purchase and others	2,900,543	3,064,054
	For store & spares	109,939,160	31,392,612
	Godown rent	1,694,288	-
	Income tax	854,309,086	633,509,128
	L/C margin	46,430,952	50,177,182
	Land	7,251,550	2,600,000
	Staff loan against salary	3,708,765	3,009,739
	VAT current account and DEDO recoverable	164,978,243	93,114,308
	Others	-	25,000,000
		1,444,049,489	1,308,632,627
	Deposits	43,323,468	24,724,014
		1,487,372,957	**1,333,356,641**

		31-Mar-17 BD Tk	30-Jun-16 BD Tk
13.00	**Short term loan**		
	Loan against Trust Receipt (LATR)	112,836,205	70,252,349
	Time loan	6,035,845,170	3,750,363,129
	Liability for accepted bills for payment (ABI	3,706,663,735	3,990,963,206
	Loan against CC Pledge and Hypo	2,387,834,479	1,193,091,287
	Factoring Loan against sales invoice	9,436,792	10,393,411
		12,252,616,381	**9,015,063,382**
14.00	**Other liabilities**		
	Security Deposit	1,090,000	640,000
	Retention Money	30,804,197	27,772,628
	Income Tax Deducted at Source	7,583,546	1,452,487
	VAT Deducted at source	4,284,924	3,987,988
	Dividend Payable	48,876,445	1,730,060
	Interest payable on long term loan	243,748,682	52,012,224
	Liability to fixed asset suppliers	-	58,140
	Employees Provident Fund Loan	2,923,954	2,623,325
	IPO over subscription money payable	8,018,679	8,130,680
		347,330,427	**98,407,532**

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