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Bangladesh Steel Re-Rolling Mills Limited

Financial Statements (Un audited)

As at and the for the quarter ended on September 30, 2017

AMAR STOCK

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 30 Septemeber 2017

		30-Sep-17 BD Tk	30-Jun-17 BD Tk
Assets			
Non-current assets			
Property, plant and equipment	8	13,165,022,903	12,983,387,919
Intangible asset		24,334,566	25,180,402
Capital work in progress		54,263,956	387,667,390
Investment in associates	9	6,041,952,293	5,944,053,289
Other investments	10	120,484,523	110,740,333
Total non-current assets		**19,406,058,241**	**19,451,029,333**
Current assets			
Inventories	11	12,873,220,967	9,428,770,010
Trade receivables		1,672,898,707	2,035,053,001
Other receivables		53,775,153	49,229,482
Due from inter companies		1,296,536,185	1,246,229,284
Advances and deposits	12	2,104,183,681	1,765,022,527
Short term investments		214,172,127	39,272,419
Cash and cash equivalents		283,062,424	511,739,763
		-	-
Total current assets		**18,497,849,243**	**15,075,316,486**
Total assets		**37,903,907,484**	**34,526,345,819**
Equity and liabilities			
Equity:			
Share capital		2,146,074,880	1,950,977,170
Share premium		511,970,250	511,970,250
General reserve		30,170,818	30,170,818
Revaluation Reserve		4,007,764,265	4,019,434,561
Retained earnings		4,304,136,508	4,318,587,024
12% convertible coupon bond-equity component		45,661,142	45,661,142
Total equity		**11,045,777,863**	**10,876,800,965**
Liabilities			
Non-current liabilities			
Long term loan		1,444,595,895	2,077,988,167
Defined benefit obligations-Gratuity		168,584,710	157,134,335
Deferred tax liabilities		1,403,810,027	1,331,863,088
Total non-current liabilities		**3,016,990,632**	**3,566,985,590**
Current liabilities			
Trade payables		2,694,812,746	1,409,937,911
Short term loan	13	10,150,346,450	9,180,040,277
Long term loan -current portion		1,774,636,302	1,395,954,000
Due to inter companies		8,100,492,230	7,093,024,328
Advance against sales		292,824,524	246,549,982
Liabilities for expenses		340,778,013	309,768,903
Provision for income tax		161,921,885	146,892,259
Provision for WPPF and Welfare Fund		75,691,981	67,373,325
Other liabilities	14	249,634,860	233,018,279
Total current liabilities		**23,841,138,989**	**20,082,559,264**
Total liabilities		**26,858,129,622**	**23,649,544,854**
Total Equity and liabilities		**37,903,907,485**	**34,526,345,819**
Net Asset Value per share		**51.47**	**55.75**

Chief Financial Officer **Company Secretary**

Managing Director **Director** **Chairman**

Bangladesh Steel Re-Rolling Mills Limited

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Statement of Profit or Loss and Other Comprehensive Income (Un-audited)
For the period from 1 July 2017 to 30 September 2017

	For the period from 1 July 2017 to 30 September 2017	For the period from 1 July 2016 to 30 September 2016
	BD Tk	BD Tk
Revenue	4,179,719,052	2,398,793,041
Cost of sales	(3,439,266,821)	(2,058,032,955)
Gross profit	**740,452,231**	**340,760,086**
Selling and distribution costs	(108,095,744)	(48,764,731)
Administrative costs	(88,539,534)	(57,532,527)
	543,816,952	**234,462,828**
Other income	3,425,741	12,023,812
Operating Profit	**547,242,693**	**246,486,640**
Finance costs	(442,579,671)	(260,226,926)
Finance income	33,123,667	1,253,953
Non-operating income	28,586,423	30,577,779
Profit before tax and WPPF & WF	**166,373,112**	**18,091,446**
Contribution to WPPF and Welfare Fund	(8,318,656)	(904,572)
	158,054,457	**17,186,874**
Share of profit of associates	97,899,005	200,704,854
Profit before tax	**255,953,462**	**217,891,728**
Income tax expenses/benefits:		
Current tax		
Current Year	(15,029,626)	(8,651,973)
Previous Year	-	-
Deferred tax	(75,837,038)	(64,224,318)
	(90,866,663)	**(72,876,291)**
Net Profit after tax for the period	**165,086,799**	**145,015,437**
Other comprehensive income	-	-
Total comprehensive income	**165,086,799**	**145,015,437**
Earnings per share	0.77	0.68

Chief Financial Officer **Company Secretary**

Managing Director **Director** **Chairman**

Tuesday, November 7, 2017

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Bangladesh Steel Re-Rolling Mills Limited
Statement of Changes in Equity (Un- audited)
For the period from 1 July 2017 to 30 September 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 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	-	-	-	(5,015,634)	6,687,512	-	1,671,878
Transfer of revaluation surplus on sale of revalued assets	-	-	-	(108,180)	144,240	-	36,060
Net Profit after tax for the period.	-	-	-	-	145,015,436	-	145,015,436
Balance as on 30 September 2016	**1,950,977,170**	**511,970,250**	**30,170,818**	**4,062,258,175**	**3,855,472,474**	**45,661,142**	**10,456,510,029**
Balance as on 01 July 2017	**1,950,977,170**	**511,970,250**	**30,170,818**	**4,019,434,561**	**4,318,587,024**	**45,661,142**	**10,876,800,965**
Transfer against difference in depreciation between cost and revalued amount	-	-	-	(11,670,296)	15,560,395	-	3,890,099
Stock dividend (@10%)	195,097,710	-	-	-	(195,097,710)	-	-
Transfer of revaluation surplus on sale of revalued assets	-	-	-	-	-	-	-
Net Profit during the period	-	-	-	-	165,086,799	-	165,086,799
Balance as on 30 September 2017	**2,146,074,880**	**511,970,250**	**30,170,818**	**4,007,764,265**	**4,304,136,508**	**45,661,142**	**11,045,777,862**

Chief Financial Officer

Company Secretary

Tuesday, November 7, 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 2017 to 30 September 2017

	For the period from 1 July 2017 to 30 September 2017	For the period from 1 July 2016 to 30 September 2016
	BD Tk	BD Tk
Cash flows from operating activities		
Cash collection from customers	4,591,558,630	1,476,672,545
Cash payment for cost and expenses	(12,676,446,464)	(6,735,100,607)
Cash in/(out) flow from operating activities	**(8,084,887,834)**	**(5,258,428,062)**
Cash flows from investing activities:		
Fixed asset addition and CWIP	(34,303,654)	(73,827,639)
Proceeds from sale of property, plant and equipment	15,000	
Short term investment	(184,643,898)	(190,936,920)
Inter-companies transaction	7,740,416,426	1,680,142,178
Non-operating income	28,586,423	30,577,779
Cash in/(out) flow from investing activities	**7,550,070,297**	**1,445,955,398**
Cash flows from financing activities:		
Short Term Loan	560,850,170	3,882,337,020
Syndicated Term Loan	(254,709,970)	(235,060,995)
Cash in/(out) flow from financing activities:	**306,140,200**	**3,647,276,025**
Total Cash In/ (Out) flow	**(228,677,340)**	**(165,196,639)**
Opening Cash and Bank balances	511,739,763	294,004,367
Closing Cash and Bank balances	283,062,424	128,807,729
	(228,677,339)	**(165,196,638)**
Operating cash flow per share	**(37.67)**	**(26.95)**

Chief Financial Officer **Company Secretary**

Managing Director **Director** **Chairman**

Tuesday, November 7, 2017

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Bangladesh Steel Re-Rolling Mills Limited
Notes to the Financial Statements
As at and for the period from 1 July 2017 to 30 September 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.

		30-Sep-17 BD Tk	30-Jun-16 BD Tk
8.00	**Property, Plant and equipments:**		
	Land and Land Development	3,938,501,502	3,938,501,502
	Plant and Machineries	6,195,473,250	6,299,524,678
	Motor vehicles	26,598,623	18,862,078
	Factory building and sheds	2,829,475,358	2,602,451,727
	Boundary wall, Roads and pavements	138,252,175	81,953,668
	Furniture and fixutes	15,587,492	17,573,154
	Office equipments	14,899,419	17,201,414
	Computer and IT equipments	6,235,084	7,319,698
		13,165,022,903	**12,983,387,919**
9.00	**Investment in associates**		
	BSRM Steels Limited (BSL)	3,707,754,706	3,593,907,671
	BSRM Steel Mills Limited (BSML)	2,334,197,587	2,350,145,618
		6,041,952,293	**5,944,053,289**
10.00	**Other investments**		
	Investment in non-tradable shares at cost	1,000,300	1,000,300
	Investments in Fixed Deposit Receipts	119,484,223	109,740,033
		120,484,523	110,740,333
11.00	**Inventories**		
	Raw Materials	5,740,530,712	4,835,332,118
	Finished Goods	5,788,816,349	3,203,950,750
	Stores and Spares	1,325,110,173	1,372,582,927
	Fuel and Lubricants	18,763,732	16,904,215
		12,873,220,967	**9,428,770,010**
12.00	**Advances and deposits**		
	Against L/C	150,891,037	11,364,567
	For capital expenditure	51,622,302	66,901,988
	For revenue expenses	79,561,911	80,364,934
	For scrap purchase and others	28,607,850	2,454,038
	For store & spares	208,480,909	74,004,389
	Godown rent	1,596,609	1,645,449
	Income tax	968,165,510	931,716,391
	L/C margin	44,717,958	46,628,123
	Land	324,010,406	323,739,000
	Staff loan against salary	10,561,082	7,128,538
	VAT current account and DEDO recoverable	168,700,761	152,623,428
	Others	-	20,000,000
		2,036,916,335	1,718,570,845
	Deposits	67,267,346	46,451,682
		2,104,183,681	**1,765,022,527**

		30-Sep-17 BD Tk	30-Jun-16 BD Tk
13.00	**Short term loan**		
	Loan against Trust Receipt (LATR)	186,649,516	305,313,374
	Time loan	4,795,063,888	3,901,327,715
	Liability for accepted bills for payment (AB	2,138,984,372	1,858,962,277
	Loan against CC Pledge and Hypo	3,031,617,616	3,106,578,164
	Factoring Loan against sales invoice	-1,968,942	7,858,747
		10,150,346,450	**9,180,040,277**
14.00	**Other liabilities**		
	Security Deposit	1,240,000	1,140,000
	Retention Money	32,301,632	34,478,779
	Income Tax Deducted at Source	6,200,013	1,534,035
	VAT Deducted at source	2,917,842	5,198,416
	Dividend Payable	2,750,765	2,836,583
	Interest payable on long term loan	193,228,048	177,039,942
	Liability to fixed asset suppliers	-	-
	Employees Provident Fund Loan	2,977,881	2,771,844
	IPO over subscription money payable	8,018,679	8,018,679
		249,634,860	**233,018,279**

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