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Bangladesh Steel Re-Rolling Mills Limited

Financial Statements (Un-audited)

As at and for the 3rd quarter ended March 31, 2018

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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, 2018

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		31-Mar-18 BD Tk	30-Jun-17 BD Tk
Assets			
Non-current assets			
Property, plant and equipment	7	12,929,797,012	12,983,387,919
Intangible asset		22,642,896	25,180,402
Capital work in progress		103,669,217	387,667,390
Investment in associates	8	6,339,492,358	5,944,053,289
Other investments	9	114,630,024	110,740,333
Total non-current assets		**19,510,231,508**	**19,451,029,333**
Current assets			
Inventories	10	11,095,256,031	9,428,770,010
Trade receivables		3,357,032,839	2,035,053,001
Other receivables		62,767,925	49,229,482
Due from inter companies		937,172,222	1,246,229,284
Advances and deposits	11	1,859,136,324	1,765,022,527
Short term investments		233,636,629	39,272,419
Cash and cash equivalents		404,657,667	511,739,763
Total current assets		**17,949,659,636**	**15,075,316,486**
Total assets		**37,459,891,144**	**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		3,985,533,471	4,019,434,561
Retained earnings		5,522,609,068	4,318,587,024
12% convertible coupon bond-equity component		45,661,142	45,661,142
Total equity		**12,242,019,629**	**10,876,800,965**
Liabilities			
Non-current liabilities			
Long term loan		5,611,256,787	2,077,988,167
Defined benefit obligations-Gratuity		173,605,776	157,134,335
Deferred tax liabilities		1,467,720,374	1,331,863,088
Total non-current liabilities		**7,252,582,937**	**3,566,985,590**
Current liabilities			
Trade payables		1,549,328,241	1,409,937,911
Short term loan	12	7,393,667,359	9,180,040,277
Long term loan -current portion		2,850,112,298	1,395,954,000
Due to inter companies		4,010,639,900	7,093,024,328
Advance against sales		993,299,585	246,549,982
Liabilities for expenses		665,575,365	309,768,903
Provision for income tax		235,933,225	146,892,259
Provision for WPPF and Welfare Fund		58,395,975	67,373,325
Other liabilities	13	208,336,629	233,018,279
Total current liabilities		**17,965,288,578**	**20,082,559,264**
Total liabilities		**25,217,871,516**	**23,649,544,854**
Total Equity and liabilities		**37,459,891,144**	**34,526,345,819**
Net Asset Value per share		**57.04**	**55.75**

Chief Financial Officer **Company Secretary**

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

Wednesday, April 25, 2018

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 31 March 2018

	For the period from 1 July 2017 to 31 March 2018	For the period from 1 July 2016 to 31 March 2017	For the period from 1 January 2018 to 31 March 2018	For the period from 1 January 2017 to 31 March 2017
	BD Tk	BD Tk	BD Tk	BD Tk
Revenue	24,545,439,179	16,234,815,627	13,502,152,396	7,710,033,438
Cost of sales	(21,388,316,810)	(13,942,540,447)	(11,976,009,084)	(6,607,283,979)
Gross profit	**3,157,122,369**	**2,292,275,180**	**1,526,143,312**	**1,102,749,459**
Selling and distribution costs	(550,043,055)	(282,413,832)	(308,592,475)	(136,351,276)
Administrative costs	(217,088,082)	(176,542,273)	(61,671,678)	(65,369,438)
	2,389,991,232	**1,833,319,075**	**1,155,879,159**	**901,028,745**
Other income	18,146,133	51,233,076	6,009,453	37,233,553
Operating Profit	**2,408,137,365**	**1,884,552,152**	**1,161,888,612**	**938,262,298**
Finance costs	(1,474,678,956)	(1,185,031,740)	(531,635,868)	(519,930,846)
Finance income	142,056,407	6,201,993	64,489,404	2,970,433
Non-operating income	92,404,689	86,340,917	33,684,580	29,786,746
Profit before tax and WPPF & WF	**1,167,919,505**	**792,063,321**	**728,426,728**	**451,088,630**
Contribution to WPPF and Welfare Fund	(58,395,975)	(39,603,166)	(36,421,336)	(22,554,432)
	1,109,523,530	**752,460,155**	**692,005,391**	**428,534,199**
Share of profit of associates	555,330,330	267,469,043	335,714,843	(334,306)
Profit before tax	**1,664,853,860**	**1,019,929,198**	**1,027,720,234**	**428,199,892**
Income tax expenses/benefits:			-	
Current tax				
Current Year	(163,777,910)	(141,596,796)	(146,581,994)	(51,263,641)
Deferred tax	(147,157,650)	(152,148,957)	(70,719,495)	(42,489,395)
	(310,935,560)	**(293,745,753)**	**(217,301,489)**	**(93,753,036)**
Net Profit after tax for the period	**1,353,918,300**	**726,183,445**	**810,418,745**	**334,446,856**
Other comprehensive income	-	-	-	-
Total comprehensive income	**1,353,918,300**	**726,183,445**	**810,418,745**	**334,446,856**
			-	
Earnings per share	6.31	3.38	3.78	1.56

Chief Financial Officer | **Company Secretary**

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

Wednesday, April 25, 2018

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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 31 March 2018

	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	-	-	-	(29,579,056)	39,438,742	-	9,859,685
Interim 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 after tax for 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
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	-	-	-	(33,901,090)	45,201,454	-	11,300,363
Stock dividend (@10%)	195,097,710	-	-	-	(195,097,710)	-	-
Net Profit during the period	-	-	-	-	1,353,918,300	-	1,353,918,300
Balance as on 31 December 2017	**2,146,074,880**	**511,970,250**	**30,170,818**	**3,985,533,471**	**5,522,609,068**	**45,661,142**	**12,242,019,628**

Chief Financial Officer **Company Secretary**

Wednesday, April 25, 2018 **Managing Director** **Director** **Chairman**

Bangladesh Steel Re-Rolling Mills Limited
Statement of Cash Flows (Un-Audited)
For the period from 1 July 2017 to 31 March 2018

	For the period from 1 July 2017 to 31 March 2018	For the period from 1 July 2016 to 31 March 2017
	BD Tk	BD Tk
Cash flows from operating activities		
Cash collection from customers	23,910,008,134	14,350,647,918
Cash payment for cost and expenses	(29,740,205,754)	(16,753,768,125)
Cash in/(out) flow from operating activities	**(5,830,197,620)**	**(2,403,120,207)**
Cash flows from investing activities:		
Fixed asset addition and CWIP	(212,896,033)	(438,355,386)
Proceeds from sale of property, plant and equipment	3,610,000	1,404,034
Dividend income	159,891,260	213,188,346
Short term investment	(198,253,902)	(134,853,196)
Inter-companies transaction	4,009,928,060	1,336,164,819
Non-operating income	92,404,689	86,340,917
Cash in/(out) flow from investing activities	**3,854,684,073**	**1,063,889,533**
Cash flows from financing activities:		
Short Term Loan	(3,118,995,467)	2,058,723,251
Dividend paid	-	(195,097,717)
Syndicated Term Loan	4,987,426,918	(636,700,307)
Cash in/(out) flow from financing activities:	**1,868,431,451**	**1,226,925,227**
Total Cash In/ (Out) flow	**(107,082,096)**	**(112,305,447)**
Opening Cash and Bank balances	511,739,763	294,004,367
Closing Cash and Bank balances	404,657,667	181,698,921
	(107,082,096)	**(112,305,446)**
Operating cash flow per share	**(27.17)**	**(12.32)**

Chief Financial Officer **Company Secretary**

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

Wednesday, April 25, 2018

Bangladesh Steel Re-Rolling Mills Limited
Notes to the Financial Statements
As at and for the period from 1 July 2017 to 31 March 2018

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. 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: General:

6.01 Wherever considered necessary, prior period's figures and phrases have been re-arranged to confirm to this period's presentation.

6.02 Amounts appearing in these financial statements have been rounded off to the nearest taka.

		31-Mar-18 BD Tk	30-Jun-17 BD Tk
7.00	**Property, Plant and equipments:**		
	Land and Land Development	3,954,963,829	3,938,501,502
	Plant and Machineries	6,035,309,248	6,299,524,678
	Motor vehicles	24,328,204	18,862,078
	Factory building and sheds	2,752,717,562	2,602,451,727
	Boundary wall, Roads and pavements	130,265,162	81,953,668
	Furniture and fixutes	12,433,011	17,573,154
	Office equipments	13,115,587	17,201,414
	Computer and IT equipments	6,664,410	7,319,698
		12,929,797,012	**12,983,387,919**
8.00	**Investment in associates**		
	BSRM Steels Limited (BSL)	3,773,017,617	3,593,907,671
	BSRM Steel Mills Limited (BSML)	2,566,474,741	2,350,145,618
		6,339,492,358	**5,944,053,289**
9.00	**Other investments**		
	Investment in non-tradable shares at cost	1,000,300	1,000,300
	Investments in Fixed Deposit Receipts	113,629,724	109,740,033
		114,630,024	**110,740,333**
10.00	**Inventories**		
	Raw Materials	7,018,468,921	4,835,332,118
	Finished Goods	2,533,679,458	3,203,950,750
	Stores and Spares	1,526,311,519	1,372,582,927
	Fuel and Lubricants	16,796,133	16,904,215
		11,095,256,031	**9,428,770,010**
11.00	**Advances and deposits**		
	For capital expenditure	102,728,894	66,901,988
	For revenue expenses	123,909,706	80,364,934
	For scrap purchase and others	11,001,588	2,454,038
	For store & spares	46,437,197	85,368,956
	Godown rent	1,584,931	1,645,449
	Income tax	1,052,929,001	931,716,391
	L/C margin	31,480,229	46,628,123
	Land	324,010,406	323,739,000
	Staff loan against salary	2,679,019	7,128,538
	VAT current account and DEDO recoverable	95,093,008	152,623,428
	Others	-	20,000,000
		1,791,853,978	1,718,570,845
	Deposits	67,282,346	46,451,682
		1,859,136,324	**1,765,022,527**

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		31-Mar-18 BD Tk	30-Jun-17 BD Tk
12.00	**Short term loan**		
	Loan against Trust Receipt (LATR)	29,240,544	305,313,374
	Time loan	2,954,821,220	3,901,327,715
	Liability for accepted bills for payment (ABI	2,065,077,884	1,858,962,277
	Loan against CC Pledge and Hypo	2,330,151,870	3,106,578,164
	Factoring Loan against sales invoice	14,375,842	7,858,747
		7,393,667,359	**9,180,040,277**
13.00	**Other liabilities**		
	Security Deposit	1,190,000	1,140,000
	Retention Money	13,857,086	34,478,779
	Income Tax Deducted at Source	15,354,421	1,534,035
	VAT Deducted at source	1,511,128	5,198,416
	Dividend Payable	2,292,346	2,836,583
	Interest payable on long term loan	163,247,116	177,039,942
	Liability to fixed asset suppliers	-	-
	Employees Provident Fund Loan	2,991,858	2,771,844
	IPO over subscription money payable	7,892,673	8,018,679
		208,336,629	**233,018,279**

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