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BSRM Steels Limited

Financial Statements (Un-audited)

As at and for the period ended 30th September 2017

Q1 of 2017-18

AMARSTOCK

BSRM Steels 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 : Plot No. 4(P), Fouzderhat Industrial Estate, Chittagong, Bangladesh.
Phone: +88-031-2770192, 2770193; Fax: +88-031-751452; E-mail : bsrmsteels@bsrm.com

BSRM STEELS LIMITED
STATEMENT OF FINANCIAL POSITION (UN-AUDITED)
AS AT 30 SEPTEMBER 2017

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	Notes	30-Sep-17 Taka	30-Jun-17 Taka
Assets:			
Non-current Assets			
Property, plant and equipment at cost		10,126,329,145	9,695,275,190
Accumulated Depreciation		(1,932,448,476)	(1,849,557,930)
	8	8,193,880,669	7,845,717,260
Intangible Assets		24,020,567	24,855,031
Investment in Subsidiary		1,045,000,000	1,045,000,000
Investment in Associate		1,316,044,794	1,325,036,459
Total Non-current Assets		**10,578,946,030**	**10,240,608,750**
Current Assets			
Short Term Investment		196,367,819	245,502,751
Inventories	9	9,063,298,725	7,015,414,276
Trade & Other Receivables	10	3,948,781,272	3,448,601,088
Current Account with Related Companies		11,402,749,763	10,037,584,376
Advances, deposits and prepayments	11	2,041,818,101	1,563,349,721
Cash and cash equivalents	12	21,970,527	73,899,991
Total Current Assets		**26,674,986,207**	**22,384,352,203**
Total Assets	Taka	**37,253,932,237**	**32,624,960,953**
Equity and Liabilities:			
Share Capital		3,417,750,000	3,417,750,000
Retained Earnings		5,183,368,118	4,820,530,247
Revaluation Reserve		2,100,422,049	2,104,010,606
Equity attributable to Owners of the Company		**10,701,540,167**	**10,342,290,853**
Liabilities			
Non-current Liabilities			
Long Term Borrowings- non current portion		1,318,381,847	1,095,324,237
Retirement Benefit Obligations - Gratuity		76,859,733	72,632,738
Deferred Tax Liability		793,406,590	801,274,097
Total Non-current Liabilities		**2,188,648,170**	**1,969,231,072**
Current Liabilities			
Trade Payable		1,049,848,570	79,194,710
Short Term Borrowings	13	19,160,934,503	17,914,392,772
Current portion of Long Term Borrowings		612,642,000	496,382,366
Current Account with Related Companies		1,339,938,517	15,547,452
Liabilities for Expenses		317,294,928	288,191,966
Current Tax Liabilities		1,026,219,480	897,748,213
Provision for WPPF and Welfare Fund		156,037,267	130,308,597
Other Liabilities	14	700,828,635	491,672,953
Total Current Liabilities		**24,363,743,900**	**20,313,439,029**
Total Liabilities		**26,552,392,070**	**22,282,670,101**
Total Equity and Liabilities	Taka	**37,253,932,237**	**32,624,960,953**

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

Chief Financial Officer **Company Secretary**

Tuesday, November 7, 2017

BSRM Steels Limited
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BSRM STEELS LIMITED

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE PERIOD FROM JULY 01, 2017 TO SEPTEMBER 30, 2017

	July-Sept'17 Taka	July-Sept'16 Taka
Revenue	6,898,779,645	5,495,807,182
Cost of Goods Sold	(5,975,485,006)	(4,311,789,016)
Gross profit	**923,294,639**	**1,184,018,166**
Selling and distribution costs	(187,259,085)	(89,709,810)
Administrative costs	(85,156,111)	(67,062,536)
	(272,415,196)	(156,772,346)
	650,879,443	**1,027,245,820**
Other income	1,145,340	960,736
Profits from operating activities	**652,024,783**	**1,028,206,556**
Finance costs	(139,634,935)	(83,548,568)
Finance income	2,183,561	30,065,891
	(137,451,374)	(53,482,677)
Profit before tax and WPP&WF	**514,573,409**	**974,723,879**
Contribution to WPPF and Welfare Fund	(25,728,670)	(48,736,194)
	488,844,739	**925,987,685**
Share of profit/(loss) of Associate (Net of tax)	(8,991,665)	(20,101,655)
Profit before income tax	**479,853,074**	**905,886,030**
Provision for Income Tax		
Current	(128,471,267)	(226,403,938)
Deferred	6,671,321	(37,757,880)
	(121,799,946)	(264,161,818)
Profit after tax for the period	**358,053,128**	**641,724,212**
Earnings per share:		
Basic earnings per share	**1.05**	**1.88**

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

Chief Financial Officer **Company Secretary**

Tuesday, November 7, 2017

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BSRM STEELS LIMITED
STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
FOR THE PERIOD FROM JULY 01, 2017 TO SEPTEMBER 30, 2017

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Amount in BDT

Particulars	Share Capital	Revaluation Reserve	Retained Earnings	Total Equity
Balance as July 01, 2017	**3,417,750,000**	**2,104,010,606**	**4,820,530,247**	**10,342,290,853**
Total comprehensive income for the period	-	-	358,053,128	358,053,128
Transfer of difference in depreciation between cost model and revaluation model	-	(3,588,557)	4,784,743	1,196,186
Balance as at September 30, 2017	**3,417,750,000**	**2,100,422,049**	**5,183,368,118**	**10,701,540,167**
Balance as on July 01, 2016	**3,417,750,000**	**2,123,842,107**	**3,829,602,555**	**9,371,194,662**
Total comprehensive income	-	-	641,724,212	641,724,212
Transfer of difference in depreciation between cost model and revaluation model	-	(3,777,429)	5,036,572	1,259,143
Balance as at September 30, 2016	**3,417,750,000**	**2,120,064,678**	**4,476,363,339**	**10,014,178,017**

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

Tuesday, November 7, 2017

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BSRM STEELS LIMITED
STATEMENT OF CASH FLOWS (UN-AUDITED)
FOR THE PERIOD FROM JULY 01, 2017 TO SEPTEMBER 30, 2017

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	July-Sept'17 Taka	July-Sept'16 Taka
a. Cash flows from Operating Activities		
Cash receipts from customers	6,651,960,477	5,395,969,809
Cash payments to suppliers and employees	(7,738,595,863)	(8,084,355,323)
Income tax paid	-	(555,934,809)
Interest paid	(137,451,374)	(53,482,677)
Net cash from operating activities	**(1,224,086,760)**	**(3,297,803,001)**
b. Cash flows from Investing Activities		
Acquisition of Property, plant and equipment	(66,580,409)	(31,160,660)
Addition to CWIP	(364,473,547)	(3,643,752)
Disposal of Property, plant and equipment	-	-
Decrease/ (increase) in investments	58,126,597	18,803,655
Net cash used in investing activities	**(372,927,359)**	**(16,000,757)**
c. Cash flows from Financing Activities		
(Repayment) / Receipt of Long term loans	339,317,244	51,543,335
Dividend paid	-	-
(Repayment) / Receipt of short term borrowings	1,246,541,731	3,904,389,358
Loan to/from related companies	(40,774,322)	(667,046,664)
Net cash from financing activities	**1,545,084,653**	**3,288,886,029**
d. Net increase/(decrease) in cash and cash equivalent (a+b+c)	**(51,929,464)**	**(24,917,728)**
e. Opening Cash and Cash equivalent	73,899,991	180,478,907
f. Closing Cash and Cash equivalent (d+e)	**21,970,527**	**155,561,179**

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

Chief Financial Officer **Company Secretary**

Tuesday, November 7, 2017

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BSRM Steels Limited and its subsidiary

Selected Explanatory Notes to the Financial Statements
For the period from July 01, 2017 to September 30, 2017

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1. Legal from of Enterprise

BSRM Steels Limited (hereinafter referred to as BSRMSL, the company or the Parent) was incorporated on 20 July, 2002, vide the certificate C-No. 4392 of 2002 as a Private Limited Company registered 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 quoted 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, Chittagong and commenced commercial production from 1 April 2008. The principle place of business is at Ali Mansion, 1207/1099, Sadarghat Road, Chittagong, Bangladesh.

BSRMSL acquired 95% equity interest in BSRM Iron & Steel Co. Limited (BISCO) i.e. 104,500,000 Ordinary Shares of Tk. 10 each on 10th November 2010 in exchange of 104,500,000 Ordinary Shares of Tk. 10 each in BSRM Steels Limited.

BSRM Steel Mills Limited (BSML) was incorporated on 16 April 2008 as a Private Limited Company and was subsequently converted to a Public Limited Company on 12 November 2013. The main objective of BSML is to manufacture and sell M.S. Billets. BSRM Steels Limited has acquired 100,000,000 nos. of Ordinary Shares of Tk. 10 each of BSML i.e., 25.35%. BSML has not started its commercial operation yet.

2. Nature of the Business

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

3. Reporting

This quarterly financial report has been prepared based on Bangladesh Accounting Standard (BAS) - 34: Interim Financial Reporting". This interim financial statements should be read in conjunction with the published financial statement and last audited financial statements for the period ended 30 June 2017, as they provide an update to previously reported information.

4. 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 financial statement and last audited financial statements for the period ended 30 June 2017.

5. Earnings per share (EPS)

Earnings per share has been calculated based on number of shares outstanding for the period ended 30th September 2017 and profit for the same period. The number of shares outstanding for the period was 34,17,75,000. Earnings per share for the same period of preceding year has been also calculated based on 34,17,75,000 shares.

6. 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.

7. General

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

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

7.3 Bracket figures denote negative balance.

		30-Sep-17 Taka	30-Jun-17 Taka
8	**Property, Plant and Equipment**		
	Land and Land development	2,604,536,128	2,546,483,538
	Plant and Machinery	2,835,253,448	2,882,132,828
	Factory Building	1,397,755,871	1,415,897,050
	Motor Vehicles	40,061,508	43,864,850
	Furniture and Fixtures	13,748,985	16,043,962
	Office Equipment	27,058,385	28,476,242
	Roads and Pavements	11,534,489	11,752,734
	Computer & IT Equipment	17,059,686	18,665,432
	Under Construction	1,246,872,170	882,398,624
	Total	**8,193,880,669**	**7,845,715,260**
9	**Inventories**		
	Raw Materials	2,505,079,393	2,422,415,357
	Finished Goods	5,388,474,923	3,227,291,888
	Stores and Spares	1,167,627,308	1,361,401,190
	Fuel and Lubricants	2,117,100	4,305,842
	Total	**9,063,298,725**	**7,015,414,277**
10	**Trade & Other Receivables**		
	Trade Receivables	3,452,190,108	3,083,992,846
	Other Receivables	496,591,164	364,608,242
	Total	**3,948,781,272**	**3,448,601,088**
11	**Advances, deposits and prepayments**		
	Advances	2,020,398,820	1,531,613,324
	Deposits	16,164,964	25,119,482
	Prepayments	5,254,317	6,616,915
	Total	**2,041,818,101**	**1,563,349,721**
12	**Cash and cash equivalents**		
	Cash in hand	4,385,137	3,698,375
	Cash at banks	(78,454,232)	(30,293,928)
	Fixed deposit	96,039,622	100,495,544
	Total	**21,970,527**	**73,899,991**
13	**Short Term Borrowings**		
	Loan against Trust Receipt (LATR)	63,614,609	55,024,722
	Time loan	2,688,220,673	6,613,430,308
	Demand Loan	8,547,279,957	8,436,395,407
	Bank overdraft and cash credit	559,436,827	1,723,167,779
	Factoring Loan-United Leasing Co. Limited	12,110,815	16,238,167
	Liability for accepted bills for payment (ABP)	7,290,271,622	1,070,136,388
	Total	**19,160,934,503**	**17,914,392,771**
14	**Other liabilities**		
	Advance against sales	577,957,802	375,161,220
	Security Deposit	18,148,103	26,970,146
	Income Tax deducted at source	10,334,105	2,613,668
	VAT deducted at source	8,792,368	2,193,249
	Earnest/Retention Money	36,633,291	28,936,292
	Liability against fractional bonus share	1,163,929	1,163,929
	Unclaimed dividend	16,655,505	16,767,756
	Liability against share application money	7,581,814	7,581,814
	Interest payable	3,153,858	27,942,567
	Provision for bad debts	18,370,331	621,777
	Provident fund	2,037,529	1,720,534
	Total	**700,828,635**	**491,672,951**