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BSRM Steels Limited

Financial Statements (Un-audited)

As at and for the period ended 30th September 2018

For the 1st Quarter ended 2018-2019

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 30th September 2018

	Notes	30th September 2018 Taka	30th June 2018 Taka
Assets:			
Non-current Assets			
Property, plant and equipment at cost		16,302,267,100	15,903,468,130
Accumulated Depreciation		(3,619,295,544)	(3,499,000,530)
	8	12,682,971,556	12,404,467,600
Intangible Assets		26,556,980	27,629,844
Investment in Associate		1,589,853,121	1,562,913,138
Total Non-current Assets		**14,299,381,657**	**13,995,010,582**
Current Assets			
Short Term Investment		339,722,621	323,908,621
Inventories	9	14,874,700,256	14,451,900,658
Trade & Other Receivables	10	9,175,415,507	6,460,423,147
Current Account with Related Companies		7,049,107,061	6,970,340,553
Advances, deposits and prepayments	11	3,990,273,127	2,954,281,030
Cash and cash equivalents	12	736,125,386	524,690,721
Total Current Assets		**36,165,343,958**	**31,685,544,730**
Total Assets	**Taka**	**50,464,725,615**	**45,680,555,312**
Equity and Liabilities:			
Share Capital		3,417,750,000	3,417,750,000
Retained Earnings		7,241,249,194	6,777,298,362
Revaluation Reserve		2,610,443,041	2,613,852,170
Equity attributable to Owners of the Company		**13,269,442,235**	**12,808,900,532**
Liabilities			
Non-current Liabilities			
Long Term Borrowings- non current portion		3,298,145,542	1,777,555,668
Retirement Benefit Obligations - Gratuity		150,869,694	136,970,002
Deferred Tax Liability		1,146,867,500	1,157,754,016
Total Non-current Liabilities		**4,595,882,736**	**3,072,279,686**
Current Liabilities			
Trade Payables		6,745,102,700	5,767,311,018
Short Term Borrowings	13	21,485,753,995	19,295,024,003
Current portion of Long Term Borrowings		719,484,459	1,093,625,713
Current Account with Related Companies		1,263,229,767	1,540,077,748
Liabilities for Expenses		515,184,102	461,123,854
Current Tax Liabilities		1,116,253,018	957,113,965
Provision for WPPF and Welfare Fund		139,877,874	109,253,966
Other Liabilities	14	614,514,730	575,844,827
Total Current Liabilities		**32,599,400,645**	**29,799,375,094**
Total Liabilities		**37,195,283,381**	**32,871,654,780**
Total Equity and Liabilities	**Taka**	**50,464,725,615**	**45,680,555,312**

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

Chief Financial Officer **Company Secretary**

Saturday, November 10, 2018

BSRM Steels Limited

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BSRM STEELS LIMITED

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE PERIOD ENDED 30th September 2018

	1st July 2018 to 30th September 2018 Taka	1st July 2017 to 30th September 2017 Taka
Revenue	14,133,356,818	9,602,524,809
Cost of Goods Sold	(12,953,295,761)	(8,608,008,074)
Gross profit	**1,180,061,057**	**994,516,735**
Selling and distribution costs	(237,131,194)	(187,259,085)
Administrative costs	(109,258,366)	(97,247,544)
	(346,389,560)	(284,506,629)
	833,671,497	**710,010,106**
Other operating income	8,114,340	7,665,778
Profits from operating activities	**841,785,837**	**717,675,884**
Finance costs	(456,027,139)	(416,635,348)
Finance income	226,719,468	230,791,431
	(229,307,671)	(185,843,917)
Profit before tax and WPP&WF	**612,478,166**	**531,831,967**
Contribution to WPPF and Welfare Fund	(30,623,908)	(26,537,427)
	581,854,258	**505,294,540**
Share of profit/(loss) of Associate (Net of tax)	26,939,983	(8,991,665)
Profit before income tax	**608,794,241**	**496,302,875**
Provision for Income Tax		
Current	(159,139,053)	(142,477,893)
Deferred	9,750,140	10,256,050
	(149,388,913)	(132,221,843)
Profit after tax for the period	**459,405,328**	**364,081,032**
Other Comprehensive Income	-	-
Total Comprehensive Income for the period	**459,405,328**	**364,081,032**
Total comprehensive income attributable to:		
Owners of the Company	459,405,328	363,833,808
Non-controlling Interest	-	247,224
	459,405,328	**364,081,032**
Earnings per share:		
Basic earnings per share	**1.34**	**1.06**

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

Chief Financial Officer **Company Secretary**

Saturday, November 10, 2018

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BSRM STEELS LIMITED
STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
FOR THE PERIOD ENDED 30th September 2018

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Amount in BDT

Particulars	Share Capital	Revaluation Reserve	Retained Earnings	Total	Non-Controlling Interest	Total Equity
Balance as July 01, 2018	3,417,750,000	2,613,852,170	6,777,298,361	-	-	12,808,900,531
Total comprehensive income for the period	-	-	459,405,328	-	-	459,405,328
Transfer of difference in depreciation between cost model and revaluation model	-	(3,409,129)	4,545,505	-	-	1,136,376
Balance as at September 30, 2018	**3,417,750,000**	**2,610,443,041**	**7,241,249,194**	**-**	**-**	**13,269,442,235**
Balance as on July 01, 2017	3,417,750,000	2,601,996,609	5,503,470,464	11,523,217,073	107,081,608	11,630,298,681
Interim Cash dividend for the year 2016-17	-	-	363,833,808	363,833,808	247,224	364,081,032
Total comprehensive income						
Transfer of difference in depreciation between cost model and revaluation model	-	(3,588,557)	4,784,743	1,196,186		1,196,186
Balance as at September 30, 2017	**3,417,750,000**	**2,598,408,052**	**5,872,089,015**	**11,888,247,067**	**107,328,832**	**11,995,575,899**

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

Saturday, November 10, 2018

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BSRM STEELS LIMITED
STATEMENT OF CASH FLOWS (UN-AUDITED)
FOR THE PERIOD ENDED 30th September 2018

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	1st July 2018 to 30th September 2018 Taka	1st July 2017 to 30th September 2017 Taka
a. Cash flows from Operating Activities		
Cash receipts from customers	11,419,385,361	7,756,516,608
Cash payments to suppliers and employees	(13,512,618,964)	(10,394,185,055)
Interest paid	(229,307,671)	(137,451,374)
Net cash from operating activities	**(2,322,541,274)**	**(2,775,119,821)**
b. Cash flows from Investing Activities		
Acquisition of Property, plant and equipment	(16,050,719)	(77,295,813)
Addition to CWIP	(390,154,250)	(371,249,339)
Disposal of Property, plant and equipment	1,370,769	-
Decrease/ (increase) in investments	(42,753,983)	(208,174)
Net cash used in investing activities	**(447,588,183)**	**(448,753,326)**
c. Cash flows from Financing Activities		
(Repayment) / Receipt of Long term loans	1,146,448,620	326,060,566
(Repayment) / Receipt of short term borrowings	2,190,729,992	1,334,546,058
Loan to/from related companies	(355,614,490)	1,506,681,200
Net cash from financing activities	**2,981,564,122**	**3,167,287,824**
d. Net increase/(decrease) in cash and cash equivalent (a+b+c)	**211,434,666**	**(56,585,323)**
e. Opening Cash and Cash equivalent	524,690,721	84,506,331
f. Closing Cash and Cash equivalent (d+e)	**736,125,386**	**27,921,011**

Chairman

Director

Managing Director

Chief Financial Officer

Company Secretary

Saturday, November 10, 2018

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BSRM Steels Limited

Selected Explanatory Notes to the Financial Statements

FOR THE PERIOD ENDED 30th September 2018

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.

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 commenced commercial production on 16th June 2016.

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 yearly financial report has been prepared based on International Accounting Standard (BAS) & International Financial Reporting Standard.

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 for the period ended 30 June 2018.

5. Earnings per share (EPS)

Earnings per share has been calculated based on number of shares outstanding for the period ended 30th September 2018 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.

BSRM Steels Limited

Selected Explanatory Notes to the Financial Statements

As at and for the period ended 30th September 2018

		30th September 2018 Taka	30th June 2018 Taka
8	**Property, Plant and Equipment**		
	Land and Land development	3,387,353,992	3,384,856,477
	Plant and Machinery	4,135,012,334	4,216,803,371
	Factory Building	1,744,722,142	1,769,356,489
	Motor Vehicles	63,883,438	67,288,420
	Furniture and Fixtures	20,108,183	21,379,298
	Office Equipment	44,123,865	46,351,076
	Roads and Pavements	36,957,978	37,690,449
	Computer & IT Equipment	19,519,730	19,606,377
	Under Construction	3,231,289,893	2,841,135,643
	Total	**12,682,971,556**	**12,404,467,600**
9	**Inventories**		
	Raw Materials-Scrap	3,967,770,351	3,074,906,084
	Raw Materials-Billet	3,384,062,040	4,136,166,908
	Direct Consumable	251,893,123	236,906,708
	Work-in-progress	1,978,601	(7,961)
	Finished Goods	5,111,205,713	5,188,240,278
	Stores and Spares	2,129,705,070	1,798,616,222
	Fuel and Lubricants	28,085,359	17,072,419
	Total	**14,874,700,256**	**14,451,900,658**
10	**Trade & Other Receivables**		
	Trade Receivables	8,621,880,479	5,779,898,258
	Other Receivables	553,535,028	680,524,889
	Total	**9,175,415,507**	**6,460,423,147**
11	**Advances, deposits and prepayments**		
	Advances	3,943,180,024	2,904,859,098
	Deposits	44,534,360	43,177,610
	Prepayments	2,558,742	6,244,323
	Total	**3,990,273,127**	**2,954,281,030**
12	**Cash and cash equivalents**		
	Cash in hand	7,150,894	6,661,241
	Cash at banks	397,029,906	139,066,577
	Fixed deposit	331,944,585	378,962,904
	Total	**736,125,386**	**524,690,721**
13	**Short Term Borrowings**		
	Loan against Trust Receipt (LATR)	977,911,402	117,603,089
	Time loan	2,398,869,996	2,484,059,755
	Demand Loan	4,426,333,810	10,152,769,301
	Bank overdraft and cash credit	2,268,504,183	1,892,114,409
	Factoring Loan-United Leasing Co. Limited	221,057,394	19,975,377
	Liability for accepted bills for payment (ABP)	11,193,077,211	4,628,502,072
	Total	**21,485,753,995**	**19,295,024,003**

BSRM Steels Limited

Selected Explanatory Notes to the Financial Statements

As at and for the period ended 30th September 2018

	30th September 2018 Taka	30th June 2018 Taka
14 Other liabilities		
Advance against sales	279,256,867	286,350,304
Security Deposit	2,830,887	27,960,476
Income Tax deducted at source	20,065,777	-
VAT deducted at source	1,034,739	-
Earnest/Retention Money	79,664,401	63,789,438
Liability against fractional bonus share	1,163,929	1,163,929
Unclaimed dividend	17,273,549	17,386,033
Liability against share application money	7,581,814	7,581,814
Interest payable	202,139,558	168,321,364
Provision for bad debts	621,777	621,777
Provident fund	2,881,432	2,669,693
Total	**614,514,730**	**575,844,827**

15 Reconciliation of Net Income:	July-18 to September-18	July-17 to September-17
Profit before Interest and Tax	**608,794,241**	**496,302,875**
Share of profit/(loss) of Associate	26,939,983	(8,991,665)
Depreciation	127,403,107	129,445,100
Interest Expenses	229,307,671	185,843,917
Adjustment of unrealized profit	-	(1,083,420)
Increase in inventories	(422,799,598)	(2,353,368,980)
Increase in receivables	(2,714,992,360)	(1,727,834,721)
Increase in Advance, Deposit & Pre-payment	(1,035,992,097)	(595,668,344)
Increase in Investment in Associate	(26,939,983)	8,991,665
Increase in payables	977,791,682	951,281,412
Increase in Liability for Expenses	54,060,248	69,326,751
Increase in Other liabilities	38,669,903	222,860,852
Increase in Provision for Gratuity	13,899,692	7,081,227
Increase in Provision for WPPF & WF	30,623,908	26,537,427
Cash Generate from Operations:	**(2,093,233,603)**	**(2,589,275,904)**
Interest Paid	(229,307,671)	(185,843,917)
Income Tax Paid	-	-
Reconciled Net Income	**(2,322,541,274)**	**(2,775,119,821)**
Net cash (used in)/generated by operating activities as per Direct Method	**(2,322,541,274)**	**(2,775,119,821)**
Difference	-	-