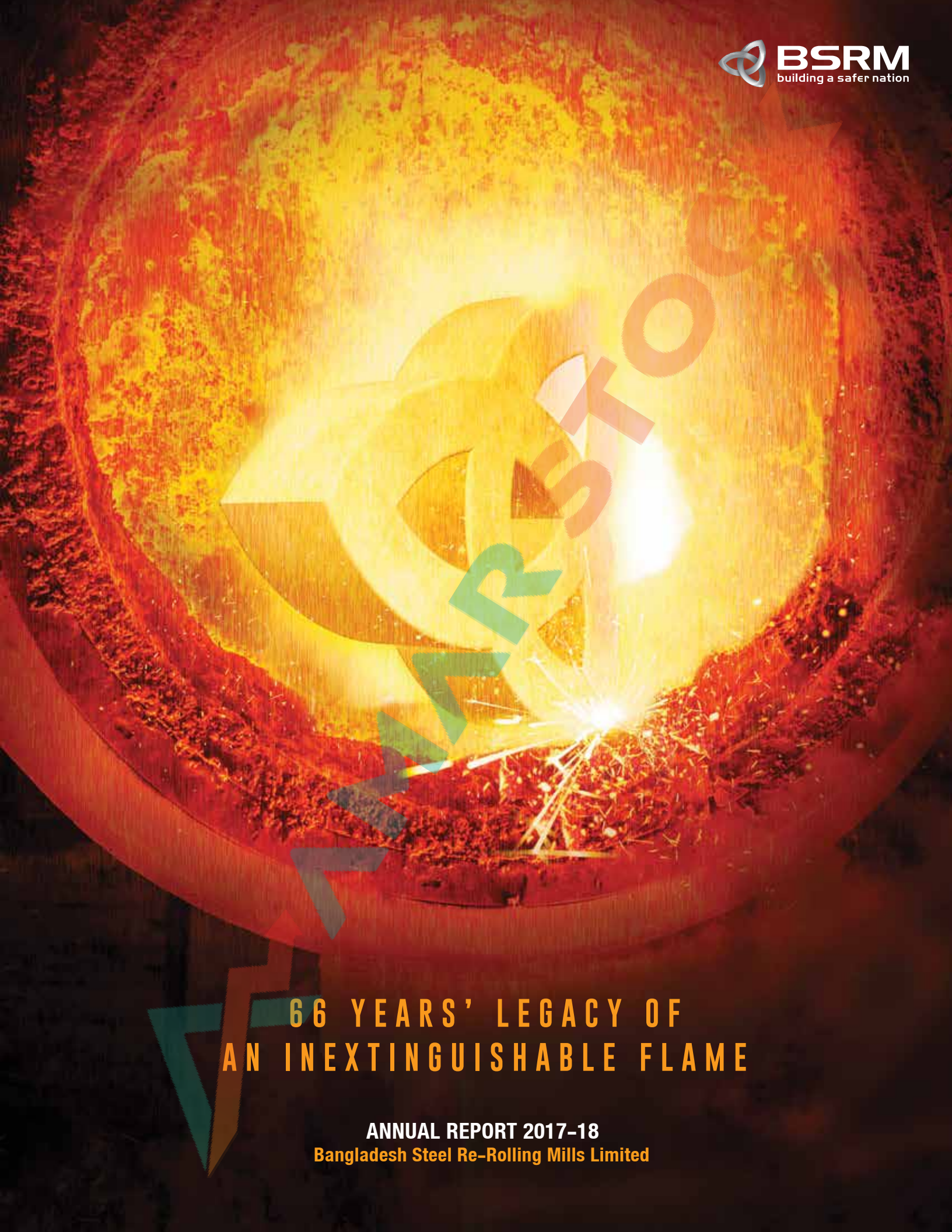


BSRM
building a safer nation

66 YEARS' LEGACY OF AN INEXTINGUISHABLE FLAME

ANNUAL REPORT 2017–18

Bangladesh Steel Re-Rolling Mills Limited

BANGLADESH STEEL
RE-ROLLING MILLS LIMITED

ANNUAL REPORT 2017-18

BSRM
building a safer nation

PREFACE

JOURNEY OF AN INEXTINGUISHABLE FLAME

Sixty-six years ago, in 1952, Bangladesh Steel Re-rolling Mills (BSRM) began its journey as the first steel re-rolling mills in the then East Bengal. We strived to change the civil construction landscape of Bangladesh through constant innovation. To be trusted, reliable, and safe, we meticulously met international standards of steel, able to compete with the global market. We introduced the first Grade 500W reinforcing steel branded as XTREME, steel for special moment resisting frames ULTIMA, the best cost-effective steel – MAXIMA and the only corrosion resistant Fusion Bonded Epoxy coated rebar CENTURA for sustainable constructions in saline areas.

The journey of these 66 years has seen many peaks and valleys, but our flame never dimmed, we were diligent in our efforts to illuminate the future of Bangladesh. We not only produced steel but preserved the environment by recycling slag and installing European standard Air Pollution Control system and Water Treatment Plants. We also embarked on CSR projects focusing on the well-being of people and environment. Over the years, we gradually became the forerunner in our field and established ourselves as a symbol of reliance.

Interwoven with your confidence, BSRM intends to preserve its legacy of being undaunted and relentless as an inextinguishable fire for many more years to come. Enabling our nation to look up to us, to thrive with us, to build safe with us remains our vision.

LETTER OF TRANSMITTAL

Date: November 07, 2018

Valued Shareholders of Bangladesh Steel Re-Rolling Mills Limited
Bangladesh Securities and Exchange Commission
Registrar of Joint Stock Companies & Firms
Dhaka Stock Exchange Ltd.
Chittagong Stock Exchange Ltd.

Annual Report for the year ended 30th June, 2018

Dear Sir (s)

We are pleased to enclose herewith a copy of the Annual Report of **Bangladesh Steel Re-Rolling Mills Limited** together with the Audited Financial Statements, Consolidated Financial Statements, Report of the Board of Directors and Auditors' Report thereon for the year ended 30th June, 2018 for your information and records.

Sincerely yours,

Shekhar Ranjan Kar FCA
GM Finance & Accounts and Company Secretary

AMARSTOCK

TABLE OF CONTENT

007 Who Are We?

009 Overall Strategic Objectives

011 Our Vision & Values

013 Code of Conduct

015 BSRM Group's Milestones

017 Accolades for BSRM Group of Companies

020 Corporate and Contact Information

022 Performance at a Glance

023 Key Financial Highlights

024 Key Performance Indicator

026 Value Added Statement

027 Products & Markets

029 Board of Directors

033 Organogram

035 Key Management

037 Notice of the 56th Annual General Meeting

039 Chairman's Review

043 Managing Director's Round Up

047 Directors' Report

071 Declaration of CEO and CFO

072 Certificate on Compliance with Conditions of Coroporate Governance Code

073 Corporate Governance Compliance Report

083 Management Discussion and Analysis

095 Corporate Social Responsibilities

098 Sustainable Growth

101 Regulatory Compliance Report

101 Report of the Audit Committee

105 Report of the Nomination and Remuneration Committee (NRC)

108 Certificate of Membership of BAPLC

111 Auditor's Report & Financials for the year ended on June 30, 2018

182 Directors' Report of BSRM Steel Mills Limited (Subsidiary)

183 Auditor's Report & Financials for the year ended on June 30, 2018 of Subsidiary

220 Events & Images

224 Shareholders' Information

227 Glossary of Terms

228 BSRM office Map

229 Notes

231 Attendance Slip & Proxy Form



BORN OUT OF FIRE IN 1952

IN THE YEAR 1952, THE THEN EAST PAKISTAN WAS ABOUT TO WITNESS A UNIQUE UPRISING— THE LANGUAGE MOVEMENT. IT WAS A VOLCANIC TIME, MOMENTS AWAY FROM AN ERUPTION OF INDEPENDENCE. MOST OF THE POPULATION ROSE TO CHALLENGE THEIR OPPRESSION AND FIGHT FOR THEIR RIGHT TO SPEAK BANGLA, STUDENTS BECAME MARTYRS AS PROTESTS ECHOED THROUGHOUT THE NATION. WITH THE SPARK OF THE TIME OF GENUINE BURNING PASSION, BSRM WAS BORN IN 1952 OUT OF FIRE WHEN THE SEED OF BANGLADESH WAS FIRST PLANTED IN THE NATION'S MIND. TODAY WE STAND TALL AS WE GROW INTO AN INEXTINGUISHABLE FLAME.

WHO ARE WE?

Bangladesh Steel Re-Rolling Mills Limited (BSRMLTD) is the oldest Steel re-rolling mill in Bangladesh. We started our journey in 1952 with four manual rolling mills. It was the first steel mill in Bangladesh.

Now Bangladesh Steel Re-Rolling Mills Limited (BSRMLTD) is the biggest merchant steel re-rolling mill in Bangladesh. This mill is capable of producing high quality Reinforcing Steel and steel sections such as Channel, Angle, square bar etc. BSRMLTD has increased it's capacity from 120,000 M. Ton to 540,000 M. Ton and started its commercial operation from December 09, 2015.

BSRMLTD has another unit called "Steel Melting Works (SMW)" which is producing Billets having capacity of 150,000 M. Ton per annum.

BSRMLTD has significant investment in the equity of BSRM Steels Limited and BSRM Steel Mills Limited. Presently, Bangladesh Steel Re-Rolling Mills Limited is holding 31.19% shares of BSRM Steels Limited and 44.97% shares of BSRM Steel Mills Limited. At present BSRMLTD has two subsidiary Companies - BSRM Steel Mills Limited and BSRM (Hong Kong) Limited.



SMART STOCK



REINFORCED WITH TOR STEEL

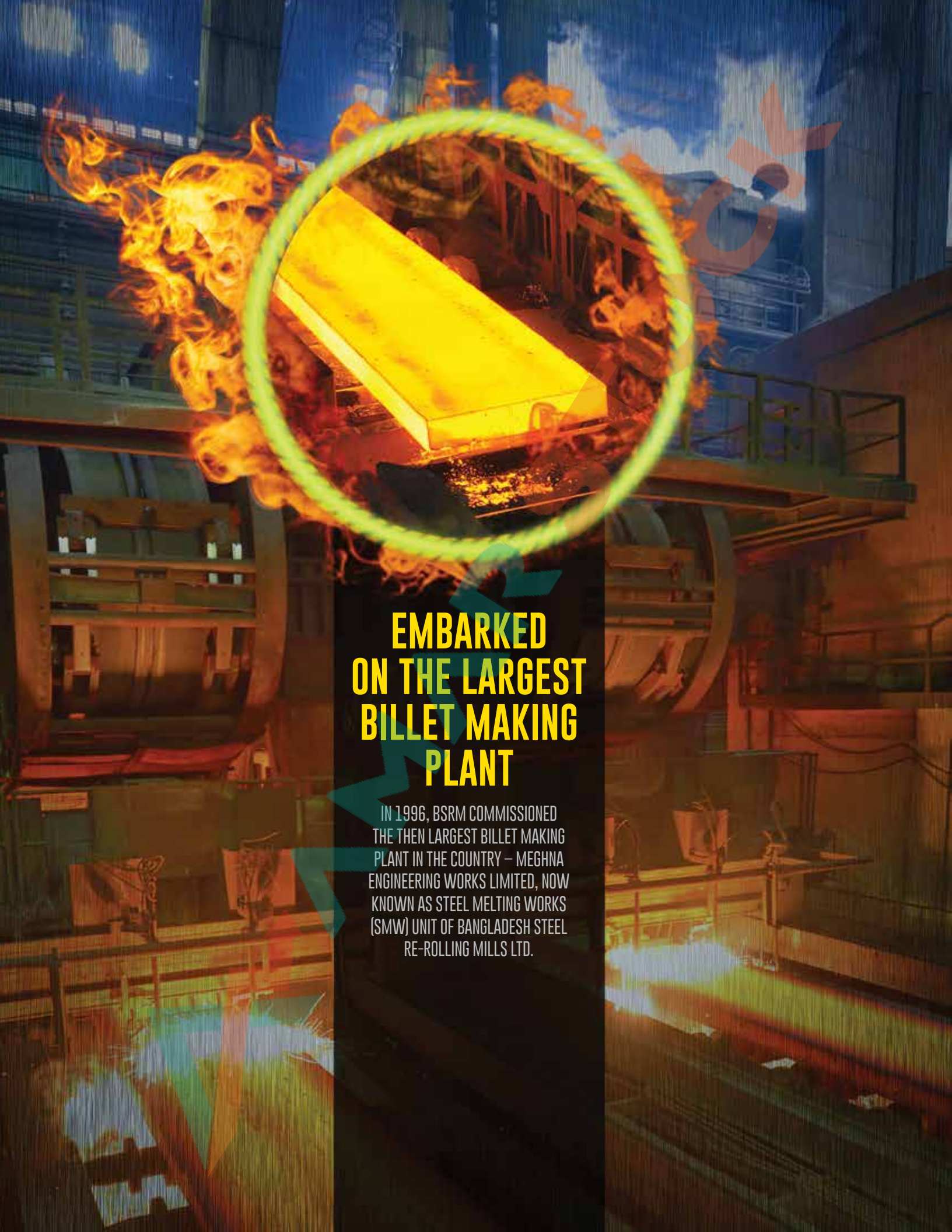
BSRM WAS THE FIRST TO INTRODUCE THE HIGH STRENGTH COLD TWISTED STEEL BARS (TOR STEEL) TO THE CONSTRUCTION INDUSTRY IN 1984. COLD ROLLING BROUGHT A NEW FRONTIER TO THE INDUSTRY, AS IT WAS BOTH LUCRATIVE AND EFFECTIVE FOR REINFORCEMENT.

OVERALL STRATEGIC OBJECTIVES

- To Produce High Quality Steel Products.
- To Reduce the Cost of Production.
- To Optimize Production Capacity.
- To Ensure Maximum Satisfaction of the Customer.
- To Recruit and Develop Workforce.
- To Ensure Adequate Corporate Governance & Compliance.



AMAR STOCK



EMBARKED ON THE LARGEST BILLET MAKING PLANT

IN 1996, BSRM COMMISSIONED THE THEN LARGEST BILLET MAKING PLANT IN THE COUNTRY – MEGHNA ENGINEERING WORKS LIMITED, NOW KNOWN AS STEEL MELTING WORKS (SMW) UNIT OF BANGLADESH STEEL RE-ROLLING MILLS LTD.

OUR VISION

WE AT BSRM GROUP ASPIRE TO...

- Maintain our leadership position in the steel industry by producing the best quality steel products, continuously enhancing customer satisfaction and becoming a reliable business partner of our customers and suppliers.
- Be an employer of choice, with focus on nurturing talent and developing future leaders of the organization.
- Protect the interest of our shareholders through sustainable growth and value creation.
- Preserve the trust of all our stakeholders by adopting ethical business practices.
- Support the society through Corporate Social Responsibility initiatives.

OUR VALUES

Sustainable Growth: Consistent improvement in the quality of products and services, efficiency of processes and profitability of business; continuously anticipating and responding to the changing business and environmental needs using innovation; sharing knowledge and experience within the organization.

Quality: Create products and services valued by our customers; constantly improving our processes through innovation and adopting best practices; reducing wastage; minimizing costs; investing in systems & technology and developing our people to build a highly capable workforce.

Reliability: Be the preferred business partner of our customers and suppliers by offering quality products; providing our best and timely service before, during and after the business transactions and honoring all our commitments despite challenges.

Trust: Preserve the faith and goodwill of all our stakeholders – Customers, shareholders, suppliers, employees, regulatory bodies and society by-adopting ethical and transparent business practices, being fair and honest in all our dealings and building robust governance and risk management processes.

Leadership: Be a role model, setting benchmarks through our products, processes and people; constantly moving ahead of competition by differentiating our products, innovating our processes, increasing our market share and nurturing talent to develop leaders within the organization.

Social Responsibility: Acknowledge and fulfill our obligations towards the society by undertaking initiatives for the general uplifting of the society, building capability and making facilities available to the underprivileged.

Customer Satisfaction: Delight our external and internal customers at every stage of our interaction with them by truly understanding their needs, offering them our best products and services, treating them with respect and actively seeking and acting on their feedback.

FAIR STOCK



BSRM Xtreme

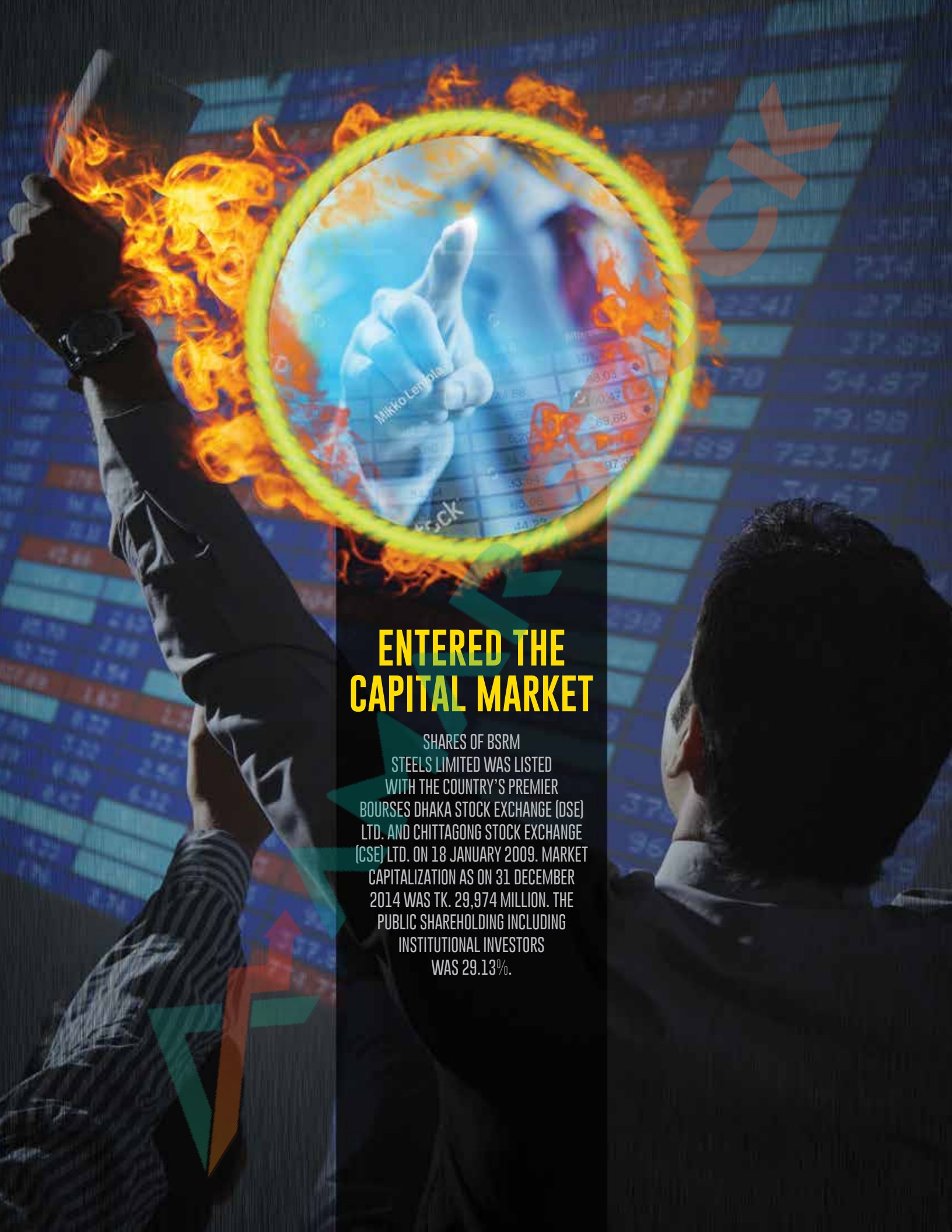
THE FIRST STEEL BRAND IN BANGLADESH

IN 2008, BSRM MADE THE EPOCHAL ANNOUNCEMENT OF A NEW TYPE OF REINFORCING STEEL FOR THE CONSTRUCTION INDUSTRY, WITH THE RIGOROUS METALLURGICAL AND PRECISELY DEFINED TENSILE SPECIFICATIONS COMPLYING TO BEST INTERNATIONAL STANDARDS. CONFORMING TO ISO 6935-2, THIS INTERNATIONALLY RECOGNIZED GRADE500 STEEL BARS WAS BRANDED AS XTREME 500W. IT HAS BEEN USED IN BUILDING MILLIONS OF HOMES AND THE INFRASTRUCTURE BACKBONE OF THE NATION. IT IS A STEEL BRAND TRUSTED BY HOMEBUILDERS AND ENGINEERS ALIKE, TO THE POINT WHERE IT HAS BECOME A HOUSEHOLD WORD.

CODE OF CONDUCT

BSRM always adopts best, ethical and transparent business practices to be fair and honest in all our dealings.

We always acknowledge and fulfill our obligations towards the Society and offer our best services to our customers and treat them with respect and honor.



ENTERED THE CAPITAL MARKET

SHARES OF BSRM STEELS LIMITED WAS LISTED WITH THE COUNTRY'S PREMIER BOURSES DHAKA STOCK EXCHANGE (DSE) LTD. AND CHITTAGONG STOCK EXCHANGE (CSE) LTD. ON 18 JANUARY 2009. MARKET CAPITALIZATION AS ON 31 DECEMBER 2014 WAS TK. 29,974 MILLION. THE PUBLIC SHAREHOLDING INCLUDING INSTITUTIONAL INVESTORS WAS 29.13%.

BSRM GROUP'S MILESTONES

1952	The BSRM saga began with the first steel re-rolling mills to emerge in the then East Bengal.
1984	Introduced high strength cold twisted steel bars (TORSTEEL) to the construction industry.
1987	Introduced High Strength Deformed reinforcing steel bars conforming to ASTM 615 Grade 60 for the construction industry.
1996	Commissioned the then largest billet making plant in the country - Meghna Engineering Works Limited, now known as Steel Melting Works (SMW) unit of Bangladesh Steel Re-Rolling Mills Ltd.
2006	Introduced micro reinforcement wires, below 8mm, for low cost rural construction.
2008	BSRM Steels Limited commenced production of internationally recognized Grade 500 steel bars branded as "**Xtreme500W**" conforming to ISO 6935-2.
2009	Shares of BSRM Steels Limited, the flagship company of BSRM Group was listed with the country's premier bourses Dhaka Stock Exchange (DSE) Ltd. and Chittagong Stock Exchange (CSE) Ltd. as on 18 January 2009. Market Capitalization as on 30th June 2018 is Tk. 23,377 million.
2010	BSRM Iron and Steel Co. Ltd. one of the biggest billet making plants in the country started commercial production on June 01, 2010. (Merged with BSRM Steels Limited in 2017)
2012	Production capacity of BSRM Steels Limited enhanced to 600,000 MT per year.
2013	A syndicated term loan of US$ 40 million and BDT 5,908 million, raised by a consortium of 25 banks and financial institutions, for **BSRM Steel Mills Limited**. It is the largest ever syndicated loan facility arranged for a private company in Bangladesh.
2014	**Oracle e-BS-12 went GO LIVE** on 1st March 2014. Oracle Financials, Costing, Purchasing, Manufacturing, EAM, Inventory & Order Management are now integrated on a single platform which ensure the accuracy, accountability and reliability of the Group.
2015	1. Capacity of BSRM Steels Limited enhanced from 600,000 MT to 700,000 MT per annum. 2. Introduced a new product - **"BSRM Maxima"** 3. Capacity of Bangladesh Steel Re-Rolling Mills increased from 120,000 MT to 540,000 MT per annum which is the first and largest merchant mill in Bangladesh. 4. Listing of Bangladesh Steel Re-Rolling Mills Limited with the stock exchanges (DSE & CSE).
2016-17	1. For first time in the history of BSRM Group, sales of MS Products has crossed **one million** M. ton in the year of 2016. 2. BSRM Steel Mills Limited, a largest billet making plant in the country started commercial production in June 2016. 3. **BSRM Ultima** - a landmark innovation of BSRM is introduced first time in Bangladesh. 4. EPOXY coated bars for corrosion free structure - **CENTURA** is introduced.
2017-18	Business Intelligence BI Analytics Tool for BSRM Group started on May 2018, which helps senior management and Board Members to take prompt and prudent decisions.
What's Next?	1 Another melting unit with capacity of 430,000 M. Ton for producing billets is under construction at Sonapahar, Mirsharai, Chattogram. 2 A state-of-the-art Galvanized Iron (GL) wire, LRPC wire, Welding Electrode and CO2 wire manufacturing plant in the name of BSRM Wires Limited is under construction.

ANNUAL STOCK



BSRM Maxima

LUCRATIVE SOLUTION FOR RC STRUCTURES

IN THE YEAR OF 2015, BSRM INTRODUCED HIGH STRENGTH RE-BAR UNDER THE BRAND NAME OF BSRM MAXIMA WHICH CONFORMS TO ASTM A706-15 GRADE 80. BSRM MAXIMA IS THE FIRST RE-BAR OF THE NATION DESIGNED SPECIFICALLY FOR MEGA STRUCTURES LIKE POWER PLANTS, BRIDGES, TUNNELS, FLYOVERS, DAMS AND SKYSCRAPERS.

ACCOLADES FOR BSRM GROUP OF COMPANIES



National Export Award
2013-14 and 2015-16



Best Brand of Bangladesh in Steel Category
for 2011, 2013, 2014, 2015, 2016 & 2017



President's Award for
Industrial Development 2014



Tax Card for "1st Highest Tax Payer" in
engineering category for the tax period 2016-2017



Bangladesh Supply Chain
Excellence Award-2018 (Excellence in Supply
Chain Relationship Management)



Bangladesh Supply Chain
Excellence Award-2018 Logistics
Management (Special Mention)

ACCOLADES FOR BSRM GROUP OF COMPANIES



ICSB National Award, Gold 2015



16th ICAB National Award for
Best Presented Annual Report 2015



Certificate of ICSB National Award 2015



Certificate of Merit from SAFA 2015



ICAB National Awards for Best Presented Annual Report 2012, 2013 & 2015

ACCOLADES FOR BSRM GROUP OF COMPANIES



Divisional Environment Award 2013



Best Electricity Consumer Award 2015



5th Standard Chartered-Financial Express CSR Award 2014



Mercantile Bank Excellence Award 2015



Best Enterprise of the year 2010



Japan Bangladesh Chamber of Commerce & Industry (JBCCI) Award 2014

CORPORATE AND CONTACT INFORMATION

COMPANY NAME
Bangladesh Steel Re-Rolling Mills Limited

DATE OF INCORPORATION
28th December, 1960

DATE OF COMMERCIAL OPERATION
1961

SHARE CAPITAL
Authorized capital
BD Tk. 500.00 Crore
Paid Up Capital
BD Tk. 214.097 Crore

BORAD OF DIRECTORS
Mr. Alihussain Akberali FCA, Chairman
Mr. Aameir Alihussain, Managing Director
Mr. Zohair Taherali, Director
Mrs. Sabeen Aameir, Director
Mr. Mono Ranjan Dey FCA, Independent Director

AUDIT COMMITTEE
Mr. Mono Ranjan Dey FCA, Chairman
Mr. Aameir Alihussain, Member
Mr. Zohair Taherali, Member
Mr. Shekhar Ranjan Kar FCA, Secretary

NOMINATION & REMUNERATION COMMITTEE (NRC)
Mr. Mono Ranjan Dey FCA, Chairman
Mr. Aameir Alihussain, Member
Mrs. Sabeen Aameir, Member
Mr. Shekhar Ranjan Kar FCA, Secretary

COMPANY SECRETARY
Mr. Shekhar Ranjan Kar FCA

MANAGEMENT COMMITTEE
Tapan Sengupta, Deputy Managing Director
Kazi Anwar Ahmed, GM Corporate Affairs & Dhaka Corporate Office
Shekhar Ranjan Kar FCA, GM Finance & Accounts and Company Secretary
Sunil Kumar Das, General Manager India Office
Jamil Ahmed, General Manager Human Resources
Mohammad Imtiaz Uddin Chowdhury, AGM Sales & Marketing
Sanjoy Kumar Ghosh, Senior Manager Supply Chain Management

AUDITOR
Rahman Rahman Huq
Chartered Accountants
MM Trade Center (13th Floor) 78, Agrabad C/A, Chattogram.

LOCATIONS
PLANT
Re-Rolling Unit: 147-149, Nasirabad I/A,
Baizid Bostami Road, Chattogram.
Tel: +88 031 683053, 683164, 683094

Steel Melting Works Unit: 78/79, Nasirabad I/A,
Baizid Bostami Road, Chattogram.
Tel: +88 031 681487, 683536

CORPORATE OFFICE
Ali Mansion, 1207/1099 Sadarghat Road,
Chattogram, Bangladesh.
Tel: +880 31 2854901-10, Web: www.bsrm.com

OVERSEAS OFFICE
Hong Kong Office:
BSRM (Hong Kong) Ltd.
Suite – 9, 29th Floor, Pacific Plaza 410, Des Voeux Road West,
Hong Kong.

Kolkata, India:
16, Lake Temple Road, 1st Floor, Kolkata-700029, India
Tel:033-65290455, Fax: 033-24633378.

Agartala, India:
Khejurbagan (New-Capital Complex)
Ward No-2, House No- 020851, PO: Kathalbagan,
PS: New Capital Complex, West Tripura, India.

AMARSTOCK

CORPORATE AND CONTACT INFORMATION

DHAKA OFFICE

Nasir Uddin Tower, 4th Floor
Bir Uttam Samsul Alam Road, 104/1 Kakrail,
Dhaka-1000. Tel: +88 02 8300591-95
Fax: +88 02 8300590, Email: dhaka@bsrm.com

UTTARA OFFICE

H-14, Road-6, Sector: 1,
Uttara Model Town, Dhaka.
Tel: 02-8957027, 8958029, Fax # 02-8956496

REGIONAL OFFICES

Sylhet

Samad Mansion, Mendibag, Upa-Shahar, Sylhet.
Tel:0821-721239, 01714080514
Fax: 0821-2832751, Email: sylhet@bsrm.com

Bogura

Tin Matha Rail Gate
(near to North Bengal Petrol Pump),Puran Bogura, Bogura.
Tel: 051-60792, 01711-795148
E-mail: bogra@bsrm.com

Cumilla

Chandrima Super Market,
Airport Road (Near to EPZ Main Gate), Cumilla.
Tel: 081-71988, 01714-080544
E-mail:comilla@bsrm.com

Khulna

Naushin Tower (3rd Floor)
11, KDA Avenue, Khulna
Tel: +88-041-733753,
E-mail: khulna@bsrm.com

Barishal

Shohid Mukhtojoddha ADC Kazi Azizul Islam Sarak,
(30 go-down road), South Alekanda, Barishal
Tel: 0431-2177518; 01755-545910

Narayangonj

Jungal, Barpara, Bandar, Narayangonj.
Tel: 044-76001557; 01730-313123

Rajshahi

235/2 Alupatti Ghoramara, Boalia, Rajshahi.
Tel: 01755-538353, 01730-087537

Rangpur

House # 71/01, Road #2,
Islambag, RK Road, Rangpur.
Tel: 01711-795148, 01730-784821

Benapole

50 Kagojpukur Benapole Port, Sharsa, Jessore.
Tel: 01730-703045.

Mymensingh

Dag No 109, Mouja-Chorkhai, Jamtali,
Charkhai Sadar, Mymensingh.

Mirsharai

Sonaphar, Zorargonj, Mirsarai, Chattogram.

Cox's Bazar

S.K Tower, 2nd floor, Taraboinarchora
Khurushkul Road, Cox's Bazar.

AMARSTOCK

PERFORMANCE AT A GLANCE

PARTICULARS	JUL'17 TO JUN'18 BDT IN MILLION	JUL'16 TO JUN'17 BDT IN MILLION
REVENUE	33,238.37	23,648.93
GROSS PROFIT	4,828.32	3,236.93
OPERATING PROFIT	3,864.96	2,571.90
PROFIT BEFORE TAX	3,021.53	1,197.26
NET PROFIT AFTER TAX	2,778.78	756.52
	BD TK/SHARE	BD TK/SHARE
EARNINGS PER SHARE	12.95	3.53
NAV PER SHARE	63.70	55.75
NOCF PER SHARE	(8.78)	(11.38)

AMARSTOCK

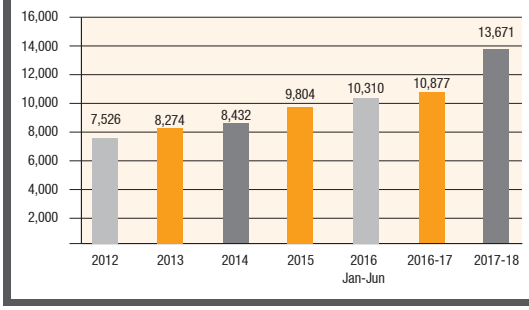
KEY FINANCIAL HIGHLIGHTS

Taka in Million

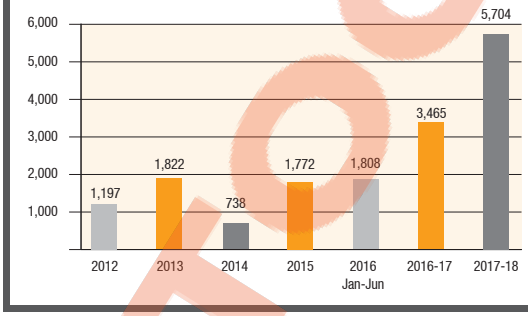
Particulars	2017-18	2016-17	2016 Jan-Jun	2015	2014	2013	2012
Assets Employed							
Non- Current Assets	19,869.20	19,451.03	18,507.25	18,165.60	12,602.28	10,874.29	9,170.19
Net Current Assets	764.53	(5,007.24)	(3,647.94)	(3,224.78)	833.99	(122.26)	466.82
Total Assets Employed	20,633.72	14,443.79	14,859.31	14,940.82	13,436.27	10,752.03	9,637.01
Financed by							
Share Capital	2,146.07	1,950.98	1,950.98	1,773.62	1,558.51	1,558.51	1,558.51
Share Premium	511.97	511.97	511.97	511.97	-	-	-
Revaluation Reserve	3,974.79	4,019.43	4,067.38	4,078.45	4,156.48	4,131.54	4,190.28
General Reserve & Others	75.83	75.83	75.83	75.83	75.83	30.17	30.17
Retained Earnings	6,962.74	4,318.59	3,703.63	3,363.80	2,640.98	2,553.64	1,747.36
Shareholder's Equity	13,671.41	10,876.80	10,309.79	9,803.67	8,431.80	8,273.86	7,526.32
Long Term Borrowings	5,442.34	2,077.99	3,272.58	4,167.99	4,056.00	1,406.18	1,228.23
Defined Benefit obligations - Gratuity	196.16	157.13	142.43	128.57	120.00	-	-
Deferred Tax Liability	1,323.81	1,331.86	1,134.51	840.59	828.47	1,071.99	882.46
Total Capital Employed	20,633.72	14,443.79	14,859.31	14,940.82	13,436.27	10,752.03	9,637.01
Operational Results							
Revenue	33,238.37	23,648.93	9,713.86	7,801.98	8,049.89	8,602.42	14,043.42
Gross Profit	4,828.32	3,236.93	1,362.03	458.01	188.25	500.09	697.52
Profit from Operation	3,864.96	2,571.90	1,057.78	207.15	(66.17)	284.99	486.18
Profit before Interset, Taxes & Depriciation Allowances	5,704.00	3,465.31	1,807.55	1,771.83	737.85	1,822.44	1,196.99
Profit before Tax	3,021.53	1,197.26	893.74	936.59	6.09	1,300.09	665.83
Profit after Tax	2,778.78	756.52	588.65	827.67	109.09	943.82	453.92
Ratios							
Gross Profit Ratio - %	14.53%	13.69%	14.02%	5.87%	2.34%	5.81%	4.97%
Net Profit Ratio - %	8.36%	3.20%	6.06%	10.61%	1.36%	10.97%	3.23%
EBITDA margin to Sales - %	17.16%	14.65%	18.61%	22.71%	9.17%	21.19%	8.52%
Return on Shareholders Equity - %	20.33%	6.96%	5.71%	8.44%	1.29%	11.41%	6.03%
Return on Capital Employed - %	13.47%	5.24%	3.96%	5.54%	0.81%	8.78%	4.71%
Current Ratio - Times	1.04	0.75	0.78	0.73	1.09	0.99	1.06
Quick/Acid test Ratio - Times	0.34	0.28	0.35	0.31	0.71	0.43	0.40
Inventory Turnover Ratio - Times	2.11	2.43	1.35	1.71	1.67	1.52	2.69
Total Assets Turnover Ratio - Times	0.83	0.68	0.31	0.29	0.35	0.40	0.83
Earning Per Share (EPS) - Taka	12.95	3.53	3.02	4.78	0.70	6.06	2.91
Price/ Earning (PE) Ratio - Times	7.57	38.13	48.94	27.53	-	-	-
Price/ Equity Ratio - Times	9.80	13.46	14.78	13.16	-	-	-
Dividend Per Share (DPS) - Taka	2.00	2.00	-	1.50	1.00	-	1.50
Dividend Pay out Ratio	0.15	0.57	-	0.31	1.43	-	0.52
Dividend Cover Ratio	6.47	1.94	-	3.11	0.70	-	1.94
Net Assetss Value Per Share (NAV) -Taka	63.75	55.75	52.84	55.28	54.10	53.09	48.29
Net Operating Cash Flow Per Share - Taka	(8.78)	(11.38)	(3.53)	(10.16)	(5.43)	0.53	3.42
Debt Equity Ratio - Times	1.92	2.18	2.08	1.75	1.70	1.57	1.24
Interest Coverage Ratio	2.47	1.64	2.48	2.36	1.42	5.92	3.39
Market Price Per Share - Taka	98.00	134.60	147.80	131.60	-	-	-
Market Capitalization at 31 December - (Taka Million)	21,031.53	26,260.15	28,835.44	23,340.78	-	-	-
Contribution to National Exchequer (Taka Million)	3,274.91	3,638.74	1,867.95	1,644.59	1,183.52	1,167.70	1,089.27
Average Number of Employees	922	887	863	816	749	718	712

KEY PERFORMANCE INDICATOR

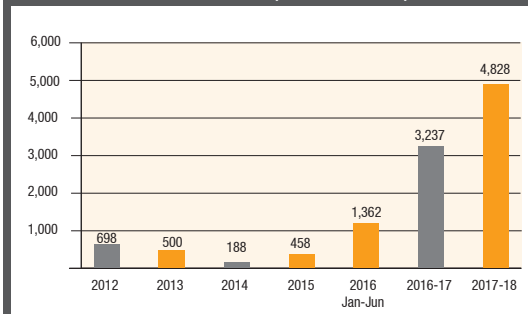
Share Holder's Equity (Million Taka)



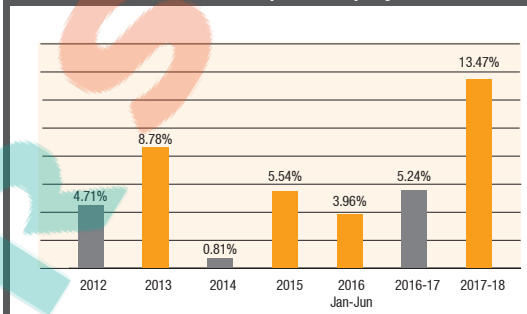
EBITDA (Million)



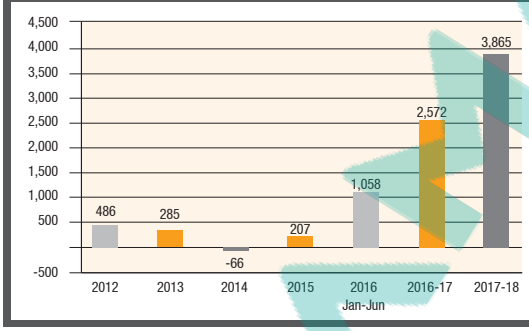
Gross Profit (Million Taka)



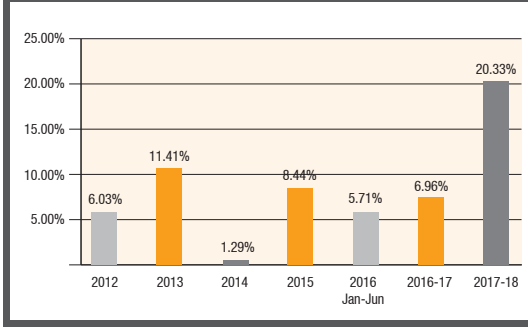
Return On Capital Employed



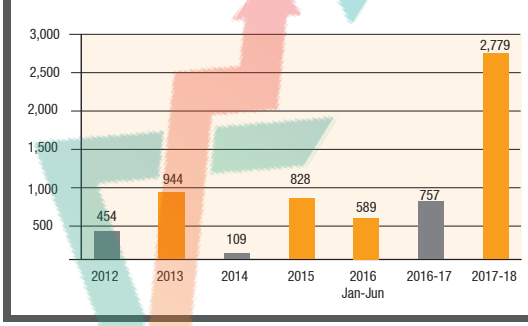
Operating Profit (Million)



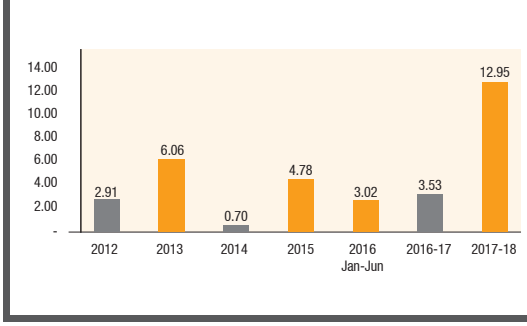
Return on Shareholders' Equity



Net Profit After Tax (Million Taka)



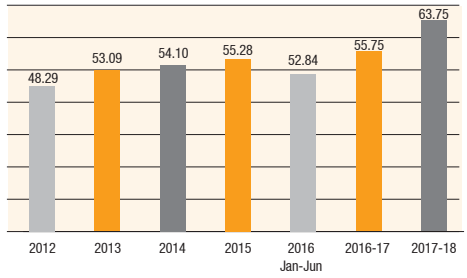
Earning Per Share (Taka)



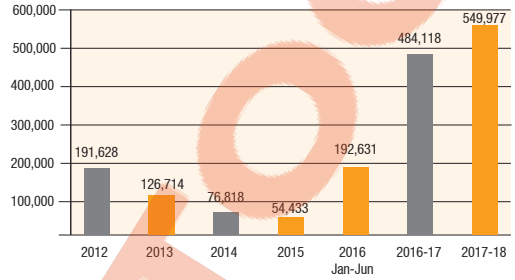
STOCK

KEY PERFORMANCE INDICATOR

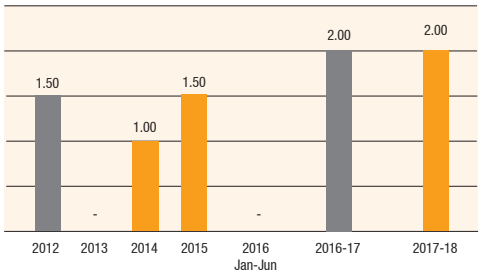
Net Assets Value Per Share (In Taka)



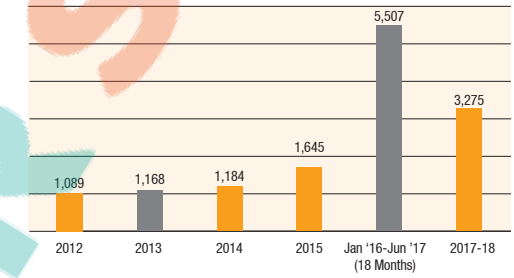
Sales (QTY in MT)



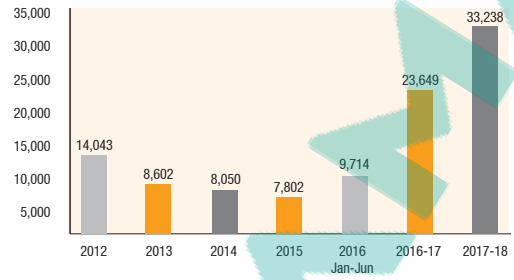
Dividend Per Share (In Taka)



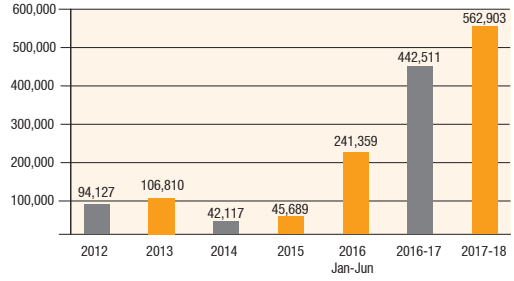
Contribution to National Exchequare



Turnover/Sales (Million)

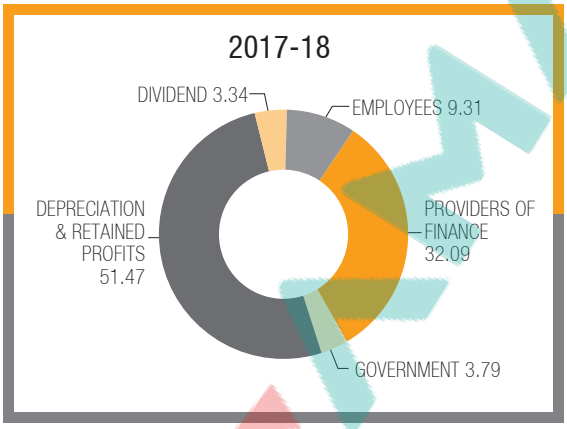


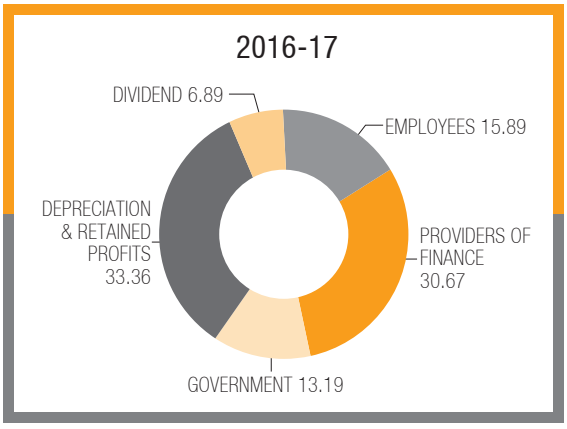
Production (QTY in MT)



VALUE ADDED STATEMENT

	Jul'17-Jun'18 12 Months TK	%	Jan'16- Jun'17 18 Months TK	%
Value Added:				
Revenue	33,238,371,404		33,171,125,871	
Other Income	257,938,369		68,085,168	
	33,496,309,773		33,239,211,039	
Less : Paid to suppliers for materials and services	27,082,865,486		27,585,884,847	
	6,413,444,287	**100**	**5,653,326,192**	**100**
Distributed as follows:				
EMPLOYESS				
Wages, Salaries, bonus, commssions, pensions and other benefits	596,932,481	9.31	898,283,297	15.89
PROVIDERS OF FINANCE	2,058,370,269	32.09	1,732,808,047	30.67
GOVERNMENT	242,754,851	3.79	745,829,461	13.19
DIVIDEND	214,607,488	3.34	390,195,434	6.89
	3,112,665,089	**48.53**	**3,767,116,239**	**66.64**
RETAINED FOR REINVESTMENT & FUTURE GROWTH				
Depreciation & Amortization	735,660,842	11.47	931,235,495	16.47
Retained Profit	2,565,118,356	40.00	954,974,458	16.89
	3,300,779,198	**51.47**	**1,886,209,953**	**33.36**
	6,413,444,287	**100**	**5,653,326,192**	**100**





ECONOMIC VALUE ADDED (EVA)

Economic value added attempts to capture the true economic profit of a company. It is also provides a measurement of a company's economic success (or failure) over a period of time.

	Amount in '000	
Calculation of EVA	Jul'17 - Jun'18	Jan'16- June'17
Net Operating profit after Tax (NOPAT)	2,898,721	2,722,259
Total Capital Employed	20,633,724	14,443,787
Cost of Capital in %	10.00%	10.00%
Cost of Capital (COC)	2,063,372	1,444,379
EVA = NOPAT - COC	**835,348**	**1,277,880**

The positive number of EVA reveals that the Company is more than covered its cost of capital.

PRODUCTS & MARKETS

BSRMLTD is the country's first and only merchant rolling mill capable of rolling construction reinforcing steel in diameters from 8mm to 50mm. The steel bars all conform to the U.K. Standard BS 4449 grade 500C and the national standard BDS ISO 6935-2 Grade 500CWR. The bars from 8mm to 20mm are used for general purpose construction of residential and commercial buildings. Higher diameters from 25mm to 50mm are used in high rise buildings and bridge piers.



It also manufactures structural steel such as Angles in sizes from 25mm x 25mm x 3mm to 100mm x 100mm x 12mm and Channels 75mm x 40mm x 5mm to 125mm x 65mm x 8mm. The Angles and Channels conform to the national standard BDS ISO 630 Grade 345 and U.S. standard ASTM 572 Grade 50. Angles are used in trusses of factory buildings, telecommunication towers and power transmission towers. Channels are used in the fabrication of truck and trailer bodies and in the construction of steel buildings.



Both the BSRM products enjoy a high degree of acceptance among customers due to the high quality of the products and excellent delivery services. The products are distributed through an elaborate chain of BSRM Dealers in divisional towns and cities of the country.

In 2016 BSRM launched a new product known as Centura, which is an Epoxy Coated Reinforcing (ECR). This coated bar is for use in the construction of infrastructures and buildings in the coastal zones of the country. It is a well known fact, saline water rapidly corrodes steel. Concrete structures designed to last 50 year rapidly deteriorate in under 10 years. ECR can easily combat this corrosion by providing an inert layer of epoxy film which is completely impervious to chloride ion penetration.







Standing from left: Mr. Aameir Alihussain & Mrs. Sabeen Aameir

Sitting from left: Mr. Zohair Taherali, , Mr. Alihussain Akberali FCA & Mr. Mono Ranjan Dey FCA



BOARD OF DIRECTORS

MR. ALIHUSSAIN AKBERALI FCA
CHAIRMAN

Mr. Alihussain Akberali, FCA is a Company Director since 1980. He was born in 1949 as 3rd son of Late Akberali Alibhai Africawala who was also one of the pioneers of the steel industry in Bangladesh.

Mr. Alihussain Akberali is an experienced industrialist and an entrepreneur and always eager to harness any unexploited opportunity in the industry. He was recognized as CIP in the large scale industry category a number of times. He is a Chartered Accountant and a fellow member of the Institute of Chartered Accountants of Bangladesh. He is a member of Audit Committee of the Company. Mr. Alihussain and his family was recognized as TAX HERO (Kar Bahadur) in 2016-2017 for highest tax payment to the national exchequer.

Mr. Alihussain is also engaged in various social activities like Rotary Club, Ma O Shishu Hospital, Chirayata Shanti Society, Patient Welfare Committee of Chittagong Medical College and Hospital and founder of a School at Nasirabad, Chattogram which imparts free education to more than 570 underprivileged students.

MR. AAMEIR ALIHUSSAIN
MANAGING DIRECTOR

Mr. Aameir Alihussain was born in 1975 and only son of Mr. Alihussain Akberali FCA and Mrs. Bilkis Alihussain. He completed his graduation in Economics from McGill University, Canada and then MBA from renowned LUMS University. He has joined the family business in 2001 and aims to set high industry standards for the performance of the Company. He is active in the day to day operation of the Company as Managing Director. He is introducing modern management practices in the Company and instilling a team spirit in the industry. He was recognized as CIP in the large scale industry category. He is also involved in various social activities.

Mr. Aameir was recognized as the highest taxpayer in Chattogram District for the year 2014-15 and 2015-16 by the National Board of Revenue.

MR. ZOHAIR TAHERALI
DIRECTOR

Mr. Zohair Taherali was born in 1963. His late father Taherali Alibhai Africawala was a founding Director of BSRM.

He is a commerce graduate and joined the Company in 1988 and since then he has been playing an important role for the Company's growth. He is responsible for the management of Financial and Administrative aspects of the Company. He is also a member of the Audit Committee of the Company. He is actively involved in various social activities. Mr Zohair Taherali and his family was recognized as Tax Hero (Kar Bahadur) for 2016-2017 for paying highest tax in national exchequer.

AMAR STOCK

BOARD OF DIRECTORS

MRS. SABEEN AAMEIR
DIRECTOR

Mrs. Sabeen Aameir is mainly involved in company's administrative & HR matters and she is also looking after the Corporate Social Responsibility (CSR) activities of the group.

As a member of the Board of Directors, she is applying her prudent thoughts to resolve the matters in the Board and she is also concentrating on the development of Human Resource Management of the Company. She did her MBA from LUMS University.

MR. MONO RANJAN DEY FCA
INDEPENDENT DIRECTOR

Mr. Mono Ranjan Dey FCA was born in 1954 and has 3 decades of experience in internal and external audit and assurance, developing internal control system, company related matters and taxation and VAT matters. He is a qualified Chartered Accountant and Fellow Member of the Institute of Chartered Accountants of Bangladesh (ICAB). Currently he is Managing Partner of reputed Chartered Accountancy firm MRH Dey & Co. Chartered Accountants. He was re-appointed as Independent Director of the Company in 2017 and he is the Chairman of the Audit Committee and Nomination & Remuneration Committee of the Company.

AMAR STOCK

Names of Companies in which Directors hold the Directorship and the membership of committees of the Board

Name of Companies	Name of the Directors				
	Mr. Alihussain Akberali FCA	Mr. Aameir Alihussain	Mr. Zohair Taherali	Mrs. Sabeen Aameir	Mr. Mono Ranjan Dey FCA
BSRM Steels Limited	Chairman	Managing Director	Director	---	Independent Director
BSRM Wires Limited	Managing Director	Director	Chairman	---	---
BSRM Recycling Industries Limited	Managing Director	Director	Chairman	---	---
Chittagong Power Company Ltd.	Chairman & Managing Director	Director	Director	---	---
Bangladesh Steels Limited	Director	Managing Director	Chairman	---	---
East Bengal Trading & Industrial Corporation Limited	Director	Managing Director	Chairman	---	---
BSRM Ispat Limited	Director	Managing Director	Chairman	---	---
BSRM Steel Mills Limited	Chairman	Managing Director	Director	---	Independent Director
BSRM Logistics Limited	Chairman	Director	Managing Director	---	---
BSRM Real Estates Limited	Chairman	Managing Director	Director	---	---
BSRM Metals Limited	Chairman	Managing Director	Director	---	---
H. Akberali & Co. Limited	Chairman & Managing Director	Director	Director	---	---
Karnafully Engineering Works Limited	Chairman	Director	Managing Director	---	---
Section Steel Industries Limited	Managing Director	Chairman	---	---	---
Arco Industries Limited	Director	Director	Managing Director	---	---

AMARSTOCK

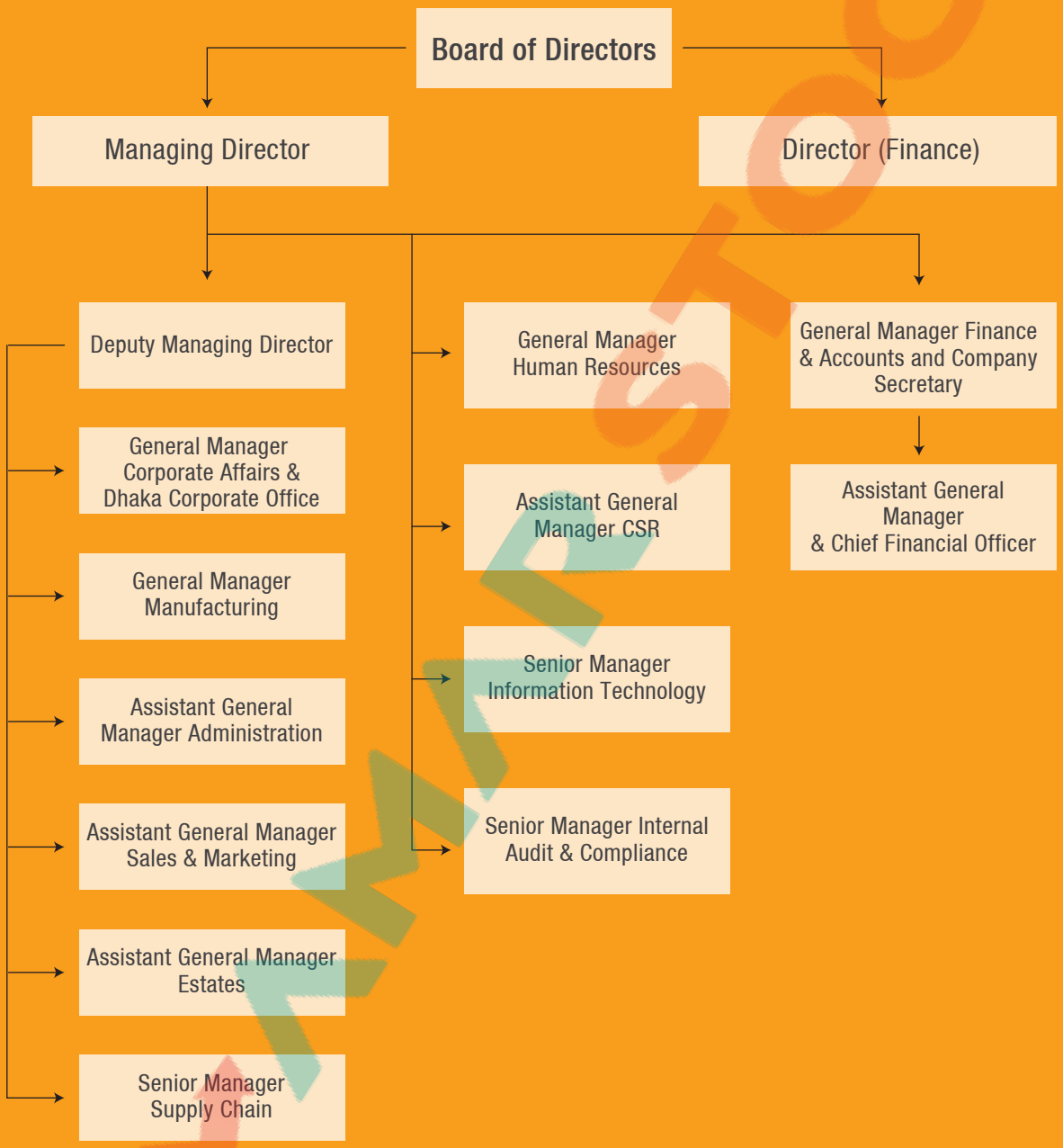


BSRM Centura

ADVENT OF THE FBE COATED REBAR

IN 2016, XTREME 500W WAS SHEATHED IN ARMOR FOR MEETING THE CHALLENGES OF THE NEW FRONTIER OF BLUE ECONOMY. AVAILABLE IN FBE COATING FOR CONSTRUCTION IN THE HARSH CORROSION SUSCEPTIBLE SALINE ENVIRONMENT OF THE COASTAL REGION OF THE COUNTRY, THIS EPOXY COATED VERSION OF ALL BSRM REINFORCING BARS HAS BEEN CHRISTENED AS BSRM CENTURA. BSRM CENTURA RESISTS CORROSION, EXTENDS LIFE OF STRUCTURE AND FULLY CONFORMS TO ASTM A775.

ORGANOGRAM



AMARSTOCK



BSRM Ultima

STEEL FOR SPECIAL MOMENT RESISTING FRAMES

AS A LANDMARK INNOVATION IN 2016, BSRM INTRODUCED BSRM ULTIMA. IT IS THE ONLY STEEL REINFORCEMENT IN THE COUNTRY TO MEET THE REQUIREMENTS OF ASTM 706 GRADE 60 AND CONFORMS TO BDS ISO 6935-2 GRADE 420DWR. MOREOVER, BSRM ULTIMA IS A SPECIALIZED STEEL FOR EARTHQUAKE RESISTANT STRUCTURES IN THE COUNTRY'S MOST ACTIVE SEISMIC ZONES.

KEY MANAGEMENT

- **Tapan Sengupta**, Deputy Managing Director
- **Hasan Zafar Chowdhury**, Chief Strategic Project Officer
- **Shekhar Ranjan Kar FCA**, General Manager Finance & Accounts and Company Secretary
- **Kazi Anwar Ahmed**, General Manager Corporate Affairs & Dhaka Corporate Office
- **Sunil Kumar Das**, General Manager India Office
- **Jamil Ahmed**, General Manager Human Resources
- **Shobhon Mahbub Shahabuddin**, General Manager Corporate Affairs
- **Md. Azizul Haque**, General Manager Manufacturing
- **Bipin Sharma**,General Manager QMCI & Risk Management
- **Mohinder Singh Hanspal**, General Manager Rolling
- **Bharat Tank**, General Manager Recycling & Melting
- **A. F. M. Mizanur Rahman**, General Manager Plant Operation BSRM Steels Limited-Rolling
- **Jasim Uddin Ahmed**, General Manager Business Projects
- **Md. Nizamul Haque**, Deputy General Manager Plant Operation Bangladesh Steel Re-Rolling Mills Ltd-Melting
- **Madan Digambar Kulkarni**, Deputy General Manager Plant Operation BSRM Steel Mills Ltd.
- **Mohammed Reazul Kabir FCA**, Assistant General Manager & Chief Financial Officer
- **Ruhi Murshid Ahmed**, Assistant General Manager CSR
- **Md. Bazal Ahmed**, Assistant General Manager Estates
- **Mohammad Imtiaz Uddin Chowdhury**, Assistant General Manager Sales & Marketing
- **A. K. M. Saifuddin Khan**, Assistant General Manager Administration
- **Mohammad Monir Hossain**, Assistant General Manager Corporate Strategy & Projects
- **Md. Moklesur Rahman Akhtar FCMA**, Senior Manager & Chief Financial Officer
- **Muhammad Ashiqur Rahman FCA**,Senior Manager Finance & Accounts
- **Md. Zahir Uddin**, Senior Manager Plant Operation-BSRM Steels Limited –Melting 1
- **Jayant M. Lakra**,Senior Manager Plant Operation-Bangladesh Steel Re-Rolling Mills Ltd-Rolling
- **Mohammed Tamim Wahid Al-Helal**, Senior Manager Information Technology
- **Murtaza Zoher Bengali**, Senior Manager Internal Audit & Compliance
- **Sanjoy Kumar Ghosh**, Senior Manager Supply Chain Management

ADVISERS

- **Moize Hussain**, Adviser
- **M. Firoze**, Adviser Marketing & Product Development
- **Tapan K. Poddar FCA, FCMA**, Financial Consultant

AMARSTOCK



INSTALLED WATER TREATMENT PLANT

CONSERVING AND RECYCLING THE USED WATER IN MANUFACTURING PROCESS WAS BSRM'S CORE ASPIRATIONAL VALUE. THE WTPS INSTALLED IN BSRM'S ROLLING MILLS ENSURE THAT 100% OF THE PROCESS WATER IS RECYCLED INDEFINITELY. IT HAS HELPED TO RECYCLE 3,73,700 CUBIC METERS OF USED WATER AND ACHIEVED ZERO WATER WASTAGE FOR A SUSTAINABLE ENVIRONMENT.

NOTICE OF THE 56TH ANNUAL GENERAL MEETING

Notice is hereby given that the 56th Annual General Meeting of shareholders of **Bangladesh Steel Re-Rolling Mills Limited** will be held on **Monday, December 03, 2018** at 12:00 PM at Shoronika Community Center, 13 Love Lane, Chattogram to transact the following business and to adopt necessary resolutions:

1. To receive, consider and adopt the Audited Financial Statements, Consolidated Financial Statements, Report of the Board of Directors and Auditors' Report on Financial Statements for the year ended 30th June, 2018.
2. To re-elect the Director(s) of the Company.
3. To approve the appointment of Independent Director.
4. To declare and approve Dividend for the year ended 30th June 2018.
5. To appoint Auditors and fix their remuneration.
6. To appoint Professional Accountant for issuing certificate regarding Compliance of Corporate Governance Code.

By order of the Board

Shekhar Ranjan Kar FCA
GM Finance & Accounts and Company Secretary

Chattogram
5th November, 2018

Notes:

- Shareholders whose name appears in the share register of the company or in the Depository Register as on the **"Record Date"** i.e. **21st October, 2018** are entitled to attend the Annual General Meeting (AGM) and receive the dividend.
- A shareholder entitled to attend and vote at the meeting may appoint a proxy or proxies in his/her stead and forms of proxy must be lodged at the Company's Share Office, Ali Mansion, 1207/1099 Sadarghat Road, Chattogram not later than 48 hours before the AGM.
- Shareholders are requested to update their 12 digit ETIN information through their respective Depository Participant (DP) before the AGM date.
- The Annual Report 2017-18 and Proxy Form are available at the Company's Website **www.bsrm.com**.
- Annual Report will also be sent to the individual email address of the shareholder's mentioned in their respective BO account.

AMARSTOCK



ALIHUSSAIN AKBERALI FCA

CHAIRMAN

CHAIRMAN'S REVIEW

Dear Shareholders,

On my behalf and on behalf of the Board of Directors and the Employees of the Company, I extend a warm welcome to each one of you to the 56th Annual General Meeting of your Company.

I am very proud of what we have achieved and as always, am grateful to all those who contributed to the success of our Company.

The year 2017-18 is significant year in the history of BSRM Group of Companies. We had to overcome many challenges that emerged from the company's operational and many other external factors. In this year, the Company as well as its subsidiary Company –BSRM Steel Mills Limited has earned significant profitability with record-breaking production.

Bangladesh economy has done very well during the past several years with consistent GDP around 7%. Now government is planning to set up 100 Bangladesh Economic Zone (BEZA) to ensure planned industrialization and to attract foreign investments. Many gigantic infrastructural projects are under way like Padma Bridge, Rooppur Nuclear Power Plants, Paira Sea Port, Coal Fired Large power projects at Matarbari and Rampal, Metro Rail etc.

Several studies show that now Bangladesh is consuming 8 million tons of steel a year which would reach 18 million by 2030. As we have a good trade prospect with seven sister states of India, our market is not limited to 170 million people of Bangladesh, but we have to serve 300 million of people in this region.

The coming years are very challenging for us. We have to focus on more modern technologies, and attainment of optimum efficiency, cost reduction etc. You will be happy to know that we are continuously trying to increase our productivity and profitability. We are setting up a number of new plants to increase production capacity of MS Billets and introduce some new products to the market. At the same time, our modernization programs for existing plants are going on.

We hope LNG will significantly reduce our acute power problem but still we are suffering from existing seaport problems. We hope proper plans will be taken to resolve this issue.

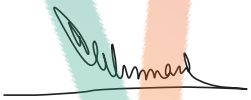
In CSR arena, we are trying to contribute in a remarkable manner. Now BSRM Burhani School in Chattogram provides free schooling to over 570 kids of slum areas. Our newly established BSRM Foundation Medical & Diagnostic Center at Mirsharai serves over 2500 patients in a year. We are also working as a co-partner of several social welfare initiatives with some NGOs.

A special appreciation is extended to our customers and shareholders for their trust and support shown to us. I am very confident that our Company's best days are ahead as we continue to build on our momentum making BSRM the clear market-leader and the choice for individuals and families.

I would like to extend my appreciation to our dedicated work forces and management team for their commitments, dedication and hard works. My sincere gratitude to all the bankers, government bodies, BSEC, RJSC, DSE, CSE, NBR, Customs for their continuous support, guidance and motivation.

Insha'Allah we shall do even better in the years to come.

Allah Hafiz



Alihussain Akberali FCA
Chairman

AMARSTOCK

চেয়ারম্যান-এর বার্তা

প্রিয় শেয়ারহোল্ডারগণ,

আস সালামু আলাইকুম

বাংলাদেশ স্টিল রি-রোলিং মিলস লিমিটেড-এর ৫৬তম বার্ষিক সাধারণ সভায় আপনাদের আমার এবং কোম্পানির বোর্ড অফ ডিরেক্টর এবং কর্মীদের পক্ষ থেকে আন্তরিক শুভেচ্ছা। আমি বরাবরের মতোই আমাদের অর্জনের জন্য গর্বিত। সেই সাথে যারা এই অর্জনের পেছনে অবদান রেখেছেন তাদের সবার প্রতি কৃতজ্ঞ।

বিএসআরএম গ্রুপ অফ কোম্পানিজ-এর জন্য ২০১৭-১৮ সালের এই বছরটি অত্যন্ত গুরুত্বপূর্ণ। কোম্পানির কার্যক্রম এবং কোম্পানির বাইরের নানা ধরনের প্রভাবের ফলে তৈরি হওয়া বেশ কিছু বাধা এই বছর আমাদের অতিক্রম করতে হয়েছে। রেকর্ড ভাঙা প্রোডাকশন এর সাথে সাথে এই বছরে আমাদের কোম্পানি এবং সাবসিডিয়ারি কোম্পানি বিএসআরএম স্টিল মিলস লিমিটেড অধিক লাভ করতে সক্ষম হয়েছে।

গত বেশ কয়েক বছরে বাংলাদেশের অর্থনীতি বেশ কিছু মাইলফলক পার করেছে, জিডিপি ধরে রেখেছে ৭% এর কাছাকাছি। নতুন করে বিদেশী অর্থায়ন আনতে এবং পরিকল্পিত শিল্পায়ন নিশ্চিত করতে প্রায় ১০০টি বাংলাদেশ ইকোনমিক জোন তৈরি করছে। বেশ কয়েকটি বড় বড় প্রজেক্টের কাজ ইতোমধ্যেই শুরু হয়েছে যেমন পদ্মা সেতু, রূপপুর নিউক্লিয়ার প্ল্যান্টস, পায়রা সমুদ্র বন্দর, কয়লাভিত্তিক বিদ্যুৎকেন্দ্র মাতারবাড়ি এবং রামপাল, মেট্রোরেল।

বেশ কয়েকটি জরিপে দেখা গেছে বাংলাদেশ বছরে প্রায় ৮ মিলিয়ন টন স্টিল ব্যবহার করছে যা ২০৩০ সালে ১৮ মিলিয়ন টনে গিয়ে দাঁড়াবে। এবং যেহেতু ভারতের সেভেন সিস্টার্স-এর সাথেও আমাদের বেশ ভালো অর্থনৈতিক সম্পর্ক রয়েছে, তার মানে আমাদের শুধু ১৭ কোটি নয় বরং এই অঞ্চলের প্রায় ৩০০ কোটি মানুষকে এই সেবা দেওয়ার সুযোগ রয়েছে।

আসছে বছরগুলোও আমাদের জন্য বেশ চ্যালেঞ্জিং হবে। আমাদের আধুনিক সব প্রযুক্তির ব্যবহার, দক্ষতার সর্বোচ্চ এবং সর্বোত্তম ব্যবহার করা এবং খরচ কমিয়ে আনার দিকে দৃষ্টি রাখতে হবে। আপনারা জেনে খুশি হবেন যে আমরা নিরবিচ্ছিন্নভাবে আমাদের উৎপাদনক্ষমতা বৃদ্ধি এবং বেশি লাভের জন্য কাজ করে যাচ্ছি। এমএস বিলেট-এর উৎপাদনক্ষমতা বৃদ্ধির লক্ষ্যে আমরা নতুন কয়েকটি প্ল্যান্ট তৈরি করছি এবং নতুন নতুন সব পণ্য বাজারে ছাড়ার চেষ্টা করে যাচ্ছি। একই সাথে আমাদের বর্তমান কারখানাগুলোর আধুনিকায়নের কাজও চলছে।

আমরা আশা করছি এলএনজি আমাদের জ্বালানি সমস্যা কমিয়ে আনবে যদিও আমরা বর্তমান সমুদ্র বন্দর নিয়ে কিছু সমস্যার মুখোমুখি হচ্ছি। আশা করছি খুব শীঘ্রই সমস্যার সমাধানে পদক্ষেপ নেওয়া হবে।

সিএসআর-এ আমরা অসাধারণভাবে যুগান্তকারী কিছু অবদান রাখার চেষ্টা করছি। চট্টগ্রামে অবস্থিত বিএসআরএম বুরহানী স্কুলে প্রায় ৫৭০ জন বাচ্চাকে শিক্ষা দেওয়া হচ্ছে। নতুন প্রতিষ্ঠিত বিএসআরএম ফাউন্ডেশন মেডিকেল এন্ড ডায়াগনস্টিক সেন্টার বছরে প্রায় ২৫০০ মানুষকে সেবা প্রদান করেছে। বেশ কিছু এনজিও'র নানা ধরনের সামাজিক কার্যক্রমে সহযোগী হিসেবে কাজ করছি।

আমাদের সকল কাস্টমার এবং শেয়ারহোল্ডারগণদের আন্তরিক ধন্যবাদ জানাচ্ছি আমাদের ওপর তাদের বিশ্বাস এবং ক্রমাগত ব্যবসায়িক সাফল্য অর্জনে সমর্থন প্রদানের জন্য। আমি নিশ্চিতভাবেই বিশ্বাস করি যদি আমরা টিবিএসআরএম, মার্কেট-লিডার হিসেবে কাজ করি এবং আমাদের প্রত্যেকের নিজস্ব, পারিবারিক এবং প্রাতিষ্ঠানিক উন্নতির জন্য সঠিক সিদ্ধান্ত নিই তবে সামনেই আমাদের কোম্পানির ভালো দিনগুলো আসার অপেক্ষায়।

আমি আমাদের সকল কর্মী এবং ম্যানেজমেন্টকে তাদের প্রতিজ্ঞা, কঠোর পরিশ্রম এবং নিরলসভাবে কোম্পানির উন্নয়নে কাজ করার জন্য ধন্যবাদ জানাচ্ছি। আমি সকল ব্যাংক, সরকারী কর্মকর্তা, বিএসইসি, আরজেএসসি, ডিএসই, সিএসই, এনবিআর এবং কাস্টমস'কে তাদের ক্রমাগত সমর্থন, পরামর্শ এবং অনুরপ্রেরণা প্রদানের জন্য কৃতজ্ঞতা জানাচ্ছি।

ইনশা আল্লাহ আসছে বছরগুলোতে আমরা অতীতের তুলনায় আরও ভালো করবো।

আল্লাহ হাফেজ।

আলিহোসাইন আকবরআলী এফসিএ
চেয়ারম্যান

AMAR STOCK



AAMEIR ALIHUSSAIN
MANAGING DIRECTOR

MANAGING DIRECTOR'S ROUND UP

Dear Fellow Shareholders,

It gives me immense pleasure to share with you the operational and financial highlights of Bangladesh Steel Re-Rolling Mills Limited for the year ended on June 2018. As per guideline of BSEC, we have posted our annual report in our web site www.bsrm.com. I think you all have seen our annual report.

The operating performance of our plants in the last year was extremely satisfactory. The plant produced 562,903 M. Ton which is 27.21% higher than last year. In case of MS Billet production we have also achieved our target.

Our sales were also impressive and we could achieve our targets. We registered 9.19% growth with 549,977 M.Ton sales. You must be happy to know that, our Group sales has crossed one million M. Ton for the consecutive second year.

We have introduced the Country's first fusion bonded epoxy coated rebar **"Centura"**. Now the customers are gradually accepting this product and its sales are consistently increasing.

In terms of revenue, our growth is 40.55%. It was Tk. 33,238.37 Million in the year 2017-18 against Tk. 23,648.93 in the year 2016-17. In this year our profit is Tk. 2,778.78 Million which is the highest in the history of the company.

BSRM Steel Mills Limited, one of the Subsidiary Company, also did very well during the last year. It has earned BD Tk. 938 Million Net profit after tax. During the last year, the company produced 860,543 M. Ton billets which was 588,536 M.Ton in 2016-17. With this production, the Group could consolidate its profit by averting threats of price turmoil in the billet market which occurred last year.

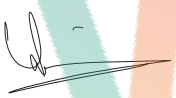
Recently we have incorporated a subsidiary company in Hong Kong, namely BSRM (Hong Kong) Limited. This company will ensure timely procurement and delivery of spares parts etc. from China and neighboring countries as well as competitive price of the goods for the group.

The coming years are very crucial for the company as well as the country. In Bangladesh, the economic growth is consistent. The GDP of Bangladesh remains around 7% for the last couple of years. To keep this momentum alive, Bangladesh needs huge investment in infrastructural developments. We are foreseeing rapid demand growth in steel products for next couple of years. To cater to this steel market, we need proper planning, consistent growth, ensure optimum efficiency, competitive prices, and provide adequate customer service. We are relentlessly working to achieve these goals. We welcome your ideas, suggestions, or advice in this regard.

I, on behalf of the Board, acknowledge the contribution of our honored customers which makes us the number one choice in steel market in Bangladesh, and I sincerely appreciate the hard work and dedicated effort of our employees without whom our success wouldn't have been possible. I would also like to express my gratitude to our valued bankers, government bodies, Bangladesh Securities and Exchange Commissions, two stock exchanges, RJSC, National Board of Revenue for their continued support and co-operation.

I am confident your support, advice and good wishes will enable us to continue with maximum efficiency and profitability.

Thank you.



Aameir Alihussain
Managing Director

AMAR STOCK

ম্যানেজিং ডিরেক্টর-এর ডেস্ক থেকে

প্রিয় শেয়ারহোল্ডারগণ,

জুন'২০১৮-তে শেষ হওয়া অর্থবছরে বাংলাদেশ স্টিল রি-রোলিং মিলস লিমিটেড-এর অপারেশনাল এবং আর্থিক প্রতিবেদনের প্রধান অংশ আপনাদের সামনে তুলে ধরতে পেরে আমি আনন্দিত। বিএসইসি-এর নিয়মানুযায়ী, আমরা ইতোমধ্যেই আমাদের ওয়েবসাইট-এ আমাদের বার্ষিক প্রতিবেদনটি তুলে ধরেছি। আশা করি আপনারা সবাই বার্ষিক প্রতিবেদনটি দেখেছেন।

আমাদের কারখানাগুলোর কর্মক্ষমতা অত্যন্ত সন্তোষজনক ছিলো। এ বছর আমরা ৫৬২,৯০৩ মেট্রিক টন স্টিল উৎপাদনে সক্ষম হই যা ছিলো আগের বছরের তুলবার প্রায় ২৭.২১% বেশি। এমএস বিলেট উৎপাদনের ক্ষেত্রেও আমরা আমাদের লক্ষ্যমাত্রা অর্জন করতে সক্ষম হয়েছি।

আমরা আমাদের বিক্রয়ের লক্ষ্যমাত্রাও অর্জন করতে সক্ষম হয়েছি। ৫৪৯,৯৭৭ মেট্রিক টন বিক্রয়ের মাধ্যমে আমরা আগের বছরের তুলনায় প্রায় ৯.৯১% বেশি বিক্রয় করতে সক্ষম হয়েছি। আপনারা এই জেনে আরও আনন্দিত হবেন যে, পর পর ২ বছর আমাদের গ্রুপ সেলস দশ লক্ষ মেট্রিক টন-এর মাইলফলক পার করেছে।

গত বছর, আমরা দেশের প্রথম ফিউশন বন্ডেড ইপোক্সি কোটেড বার সেঞ্চুরা বাজারজাত করেছি। এখন কাস্টমাররা ধীরে ধীরে পণ্যটি ক্রয় করছে এবং এটার সেলসও ক্রমান্বয়ে বাড়ছে।

মোট আয় বৃদ্ধি পেয়েছে প্রায় ৪০.৫৫%। ২০১৭-১৮ অর্থবছরে আমাদের বিক্রয় হয়েছে প্রায় ৩৩,২৩৮.৩৭ মিলিয়ন টাকা যা গত অর্থবছরে, ২০১৬-১৭ সালে ছিল ২৩,৬৪৮.৯৩ মিলিয়ন টাকা। এই বছরে আমাদের সর্বমোট ২,৭৭৮.৭৮ মিলিয়ন টাকা লাভ হয় যা কোম্পানির ইতিহাসে সর্বোচ্চ।

সাবসিডিয়ারি কোম্পানিগুলোর মধ্যে অন্যতম বিএসআরএম স্টিল মিলস লিমিটেডও অত্যন্ত ভালো করেছে। ট্যাক্স কর্তনের পর বিএসআরএম স্টিল মিলস লিমিটেড সর্বমোট ৯৩৮ মিলিয়ন টাকা মুনাফা করেছে। গত বছরে, বিএসআরএম স্টিল মিলস লিমিটেড উৎপাদন করেছে ৮৬০,৫৪৩ মেট্রিক টন বিলেট যা তার আগের বছরে অর্থাৎ ২০১৬-১৭ অর্থবছরে ছিলো ৫৮৮,৫৩৬ মেট্রিক টন। এর মাধ্যমে কোম্পানি গত বছরের বিলেট মার্কেটে পণ্যের মূল্য নিয়ে যে অস্থিরতা ছিলো এর মধ্যেও মুনাফা অর্জনে সক্ষম হয়েছে।

সম্প্রতি আমরা হংকং-এ একটি সাবসিডিয়ারি কোম্পানি অন্তর্ভুক্ত করেছি যার নাম বিএসআরএম (হংকং) লিমিটেড। এই কোম্পানিটি চীন এবং অন্যান্য পার্শ্ববর্তী দেশ থেকে কম মূল্যে নানা ধরনের যন্ত্রাংশ সরবরাহ নিশ্চিত করবে।

আগামী বছরটি কোম্পানি এবং বাংলাদেশ উভয়ের জন্যই অত্যন্ত গুরুত্বপূর্ণ। বাংলাদেশ ধারাবাহিকভাবে অর্থনৈতিক দৃঢ়তা অর্জন করছে। গত কয়েকবছরে বাংলাদেশের জিডিপি ৭% বৃদ্ধি পেয়েছে। উন্নয়নের এই ধারাকে অব্যাহত রাখতে বাংলাদেশে এই মূহুর্তে প্রয়োজন অবকাঠামোগত উন্নয়নে বিপুল পরিমাণ বিনিয়োগ। আমরা আশা করছি আগামী কয়েক বছরে অবকাঠামোগত এই অগ্রযাত্রায় অবধারিতভাবেই বিপুল পরিমাণে স্টিলের প্রয়োজন হবে। স্টিল মার্কেটের এই চাহিদা পূরণে, আমাদের প্রয়োজন সঠিক পরিকল্পনা, সুদৃঢ় ভিত্তি, দক্ষতার সর্বোত্তম এবং সুনিশ্চিত

ব্যবহার, প্রতিযোগিতামূলক মূল্য এবং পর্যাপ্ত গ্রাহক সেবা প্রদান। আমরা নিরলসভাবে এই লক্ষ্যপূরণে কাজ করে যাচ্ছি। এই লক্ষ্যপূরণে আপনাদের যেকোনো ধরনের পরামর্শকে আমরা স্বাগত জানাই।

আমি, বোর্ডের পক্ষ থেকে, বাংলাদেশের স্টিল-এর বাজারে বিএসআরএম'কে অপ্রতিদ্বন্দী হিসেবে গড়ে তোলার পথে গ্রাহকদের অবদানকে স্বাগত এবং যাদের নিরলস পরিশ্রম ছাড়া এই অর্জন অসাধ্য ছিলো সেই কর্মীবাহিনীকে শ্রদ্ধা জানাচ্ছি। একই সাথে আমাদের সম্মানিত ব্যাংকার, সরকারী কর্মকর্তা, বিএসইসি, দুইটি স্টক এক্সচেঞ্জ, আরজেএসসি এবং রাজস্ব বিভাগকে তাদের ক্রমাগত সমর্থন এবং সহযোগিতার জন্য ধন্যবাদ জানাচ্ছি।

আমি নিশ্চিত এবং দৃঢ় বিশ্বাসী, আপনাদের সাহায্য, পরামর্শ এবং শুভ কামনাই সর্বোচ্চ দক্ষতা এবং মুনাফা অর্জনে পাথেয় হিসেবে কাজ করবে।

আমীর আলিহোসাইন
ম্যানেজিং ডিরেক্টর

AMAR STOCK



ENSURED AIR POLLUTION CONTROL IN PLANTS

BSRM IS PROUD TO BE ZERO IN FACTORY EMISSIONS AND EFFECTS ON ENVIRONMENT. BSRM HAS IMPLEMENTED JAPANESE AIR POLLUTION CONTROL (APC) TECHNOLOGY THAT CAPTURES THE HARMFUL EMISSIONS AT ITS STEEL PLANTS. FURTHERMORE, BSRM IN COLLABORATION WITH PARTNER ORGANIZATIONS, CONDUCTS TREE PLANTATION PROGRAMS AROUND ITS MAIN STEEL PLANT. THIS JOINT EFFORT HAS PLAYED A SIGNIFICANT ROLE IN CONSERVING NATURE BY PLANTING MORE THAN 10,000 TREES TO MAINTAIN ZERO IMPACT.

DIRECTORS' REPORT

Dear Shareholders,

I am pleased to place the 56th Report of the Board of Directors of Bangladesh Steel Re-Rolling Mills Limited for the year ended June 30, 2018 on behalf of the Board of Directors.

Industry outlook and possible future developments in the industry:

Bangladesh has made remarkable progress in the recent years. Poverty has dropped significantly. On the other hand, per capita food production, life expectancy, literacy rate have increased over the past few years.

GDP of Bangladesh is around 7% for the last couple of years. Rapid growth enabled Bangladesh to continue its journey on the path to middle income economy status along with the sustainable development goal. One recent research shows that, Bangladesh is likely to be the biggest mover in the global gross domestic product rankings in 2030, becoming the 26th largest economy in the world from 42nd present position. This rapid economic growth has increased thrust for urbanization, building up infrastructural facilities like power plants, rail communications, roads, bridges and some industries. Both the public and private sectors are involved in this development. All these create huge demands for quality steels.

Some studies show that, Bangladesh is currently consuming 8 million tons steel a year. The demand will reach to 18 million tons by 2030. The existing capacity of all rolling mills are far behind to meet this demand.

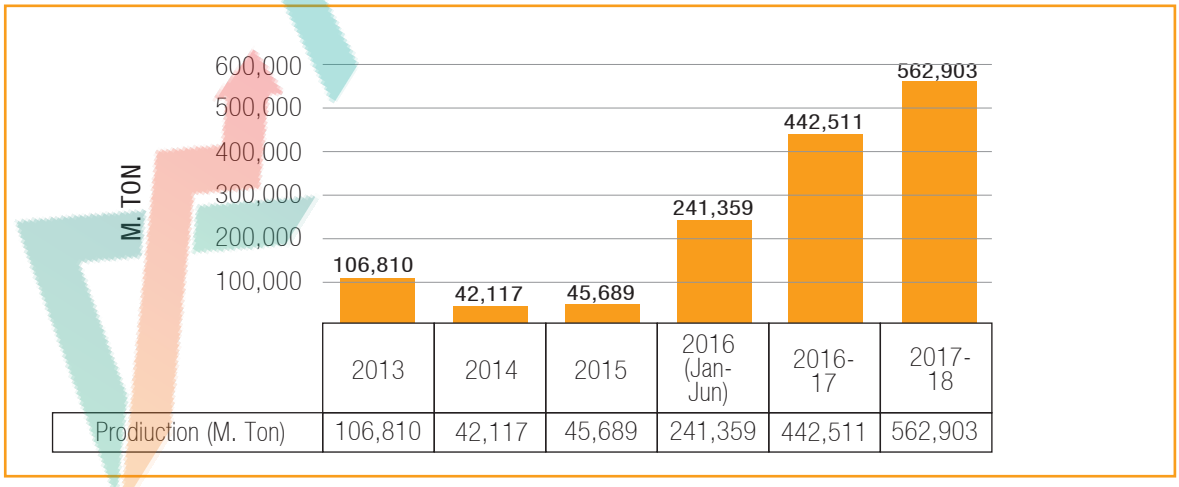
Now manual and semi manual mills are gradually being phased out by modern automated mills. Most of the big companies are in process of capacity expansion. Such as BSRM Steels Limited, the first fully automated re-rolling mill and an associated company of BSRMLTD has increased its capacity to 7 lac M. Ton and now it is setting up a billet making melting plant with capacity of 4.50 lac M. ton. GPH Ispat, another public limited company has undertaken a project to increase its capacity by 5 times. Due to efficient operation and proper planning our production has crossed its optimum limit. Now it is able to produce 540,000 M. Ton per annum.

Operating and Financial Performance of Bangladesh Steel Re-Rolling Mills Limited:

Rolling Unit:

During the year 2017-18 the Rolling plant produced 562,903 M. Ton MS product against rated capacity of 540,000 M. Ton. Proper planning, uninterrupted production and technical efficiency made it possible. It is the highest production after BMRE in 2015. Production has been increased by 27.21% compared to last year. In the last year production was 4,42,511 M.Ton

Rolling Unit production over the years



AMARSTOCK

Rolling Unit

Particulars	2017-18	2016-17	2016 (Jan-Jun)	2015	2014	2013
Installed Capacity (M. Ton)	540,000	450,000	225,000	120,000	120,000	120,000
Production (M. Ton)	562,903	442,511	241,359	45,689	42,117	106,810
Capacity Utilization (%)	104%	98%	107%	37%	35%	89%
Sales of Own Product (M. Ton)	536,864	470,937	192,631	54,433	76,818	126,714

Melting Unit

Melting unit produces billets mainly for internal consumption. The Steel Melting Works (SMW) achieved its target.

Particulars	2017-18	2016-17	2016 (Jan-Jun)	2015	2014	2013
Installed Capacity (M. Ton)	150,000	135,000	67,500	135,000	120,000	120,000
Production (M. Ton)	150,331	152,702	66,422	128,022	82,350	119,289
Capacity Utilization (%)	100%	113%	98%	95%	69%	99%
Sales & Consumed in Re-Rolling Unit (M. Ton)	150,947	152,901	66,122	127,553	86,872	120,419

The company purchased required billets mainly from its subsidiary Company BSRM Steel Mills Limited at a competitive price.

Sales:

The sales of BSRM Group of Companies crossed one million M. Ton for consecutive second year in 2017-18. The portion of BSRMLTD was 574,340 M. Ton which is 19.71% higher than that of last year. The sale of 2016-17 was 479,786 M. Ton.

Segment wise or product wise performance:

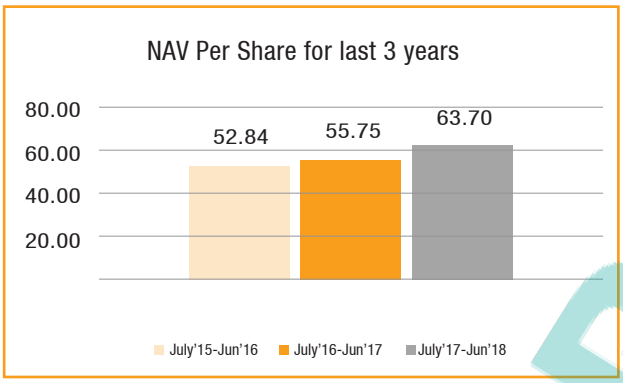
Particulars	Production & Procured (M. Ton)				Sales (M. Ton)			
	2017-18	2016-17	2016 (Jan-Jun)	2015	2017-18	2016-17	2016 (Jan-Jun)	2015
Xtreme 500W, Angle, Channel (Own Product)	562,903	442,511	241,359	45,689	536,864	470,937	183,174	38,170
Imported & Locally Procured Items	11,437	37,275	14,784	18,810	13,113	13,182	9,457	16,263
Total	574,340	479,786	256,143	64,499	549,977	484,118	192,631	54,433

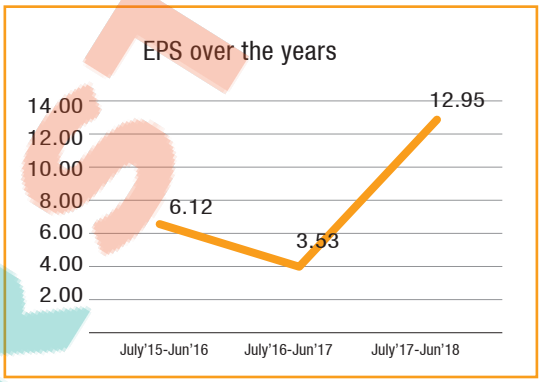
Financial performance:

The Company had Sales of Tk. 33,238.37 million in the year 2017-18, representing a 40.55% increase from the sales of last year. The Gross profit stood Tk 4,828.32 million that was 14.53% in the year 2017-18 against 13.69% in 2016-17. Sales in terms of quantity has been increased by 19.71%. Gross profit has been increased by 49%. Reasonable billet price, increased sales volume and comparatively higher selling price has increased Gross profit in this year.

If we review the statement of Profit and loss account, we note that, the shares of profit from equity accounted investees was 983.55 Million which was only Tk. 130.36 Million in the last year. This sharp increase in share of Profit has positive impact on increased Net profit of this year.

The Net Asset Value per share (NAV) and Earning Per Shares (EPS) of the Company has been increasing consistently which is a very positive sign of growth and prosperity of the Company. We have shown it by the following graphs and tables.



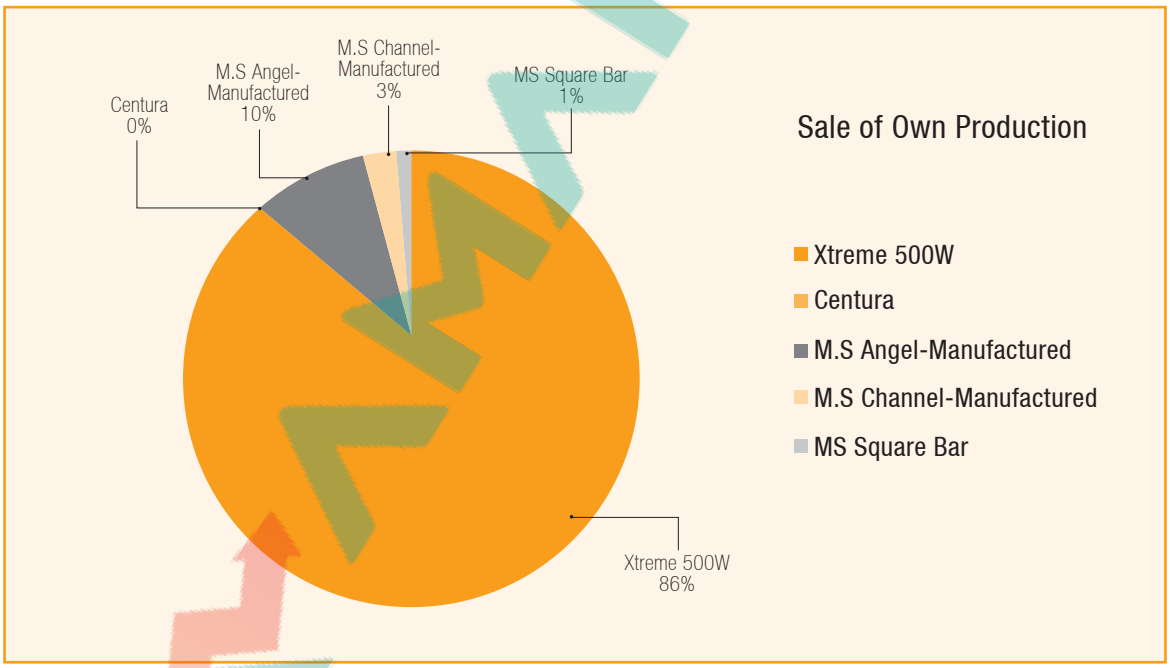


Financial Performance:	Amount in BDT in million					
Particulars	2017-18	2016-17	2016 (Jan-Jun)	2015	2014	2013
	BD Tk.	BD Tk.	BD Tk.	BD Tk.	BD Tk.	BD Tk.
Sales	33,238.37	23,648.93	9,713.86	7,801.98	8,049.89	8,602.42
Gross Profit	4,828.32	3,236.93	1,362.03	458.01	188.25	500.09
Profit before non-operating income, interest, taxes, WPP & WF	3,864.96	2,571.90	1,057.78	207.15	(66.17)	284.99
Non Operating Income	123.21	113.90	472.73	1,357.07	567.28	1,258.30
Less: Interest & WPP&WF	(1,950.19)	(1,618.89)	(636.77)	(627.63)	(495.01)	(243.20)
Add/(Less): Tax expenses & Provision for income tax	(242.75)	(440.75)	(305.08)	(108.92)	102.99	(356.27)
Net Profit	2,778.78	756.52	588.65	827.67	109.09	943.82
Earnings Per Share (EPS)	12.95	3.53	3.02	4.78	0.7	6.06
Net Asset Value Per Share	63.70	55.75	52.84	55.28	54.1	53.09
Net operating Cash Flow Per Share	(8.78)	(11.38)	(3.53)	(10.16)	(5.43)	0.53

Other Financial Performance:	Amount in BDT in million					
Particulars	2017-18	2016-17	2016 (Jan-Jun)	2015	2014	2013
	BD Tk.	BD Tk.	BD Tk.	BD Tk.	BD Tk.	BD Tk.
Paid Up Capital	2,146.07	1,950.98	1,950.98	1,773.62	1,558.51	1,558.51
Share Holders' Equity	13,671.41	10,876.80	10,309.79	9,803.66	8,431.80	8,273.86
Current Liabilities	19,310.98	20,107.12	16,865.68	11,999.23	9,329.75	10,547.22
Non-current Liabilities	6,962.32	3,566.99	4,549.52	5,137.16	5,004.46	2,478.17
Addition to fixed assets & CWIP	701.34	756.02	813.34	8,421.03	1,775.63	528.91
Operating cash flow	(1,884.73)	(2,220.57)	(688.88)	(1,801.95)	(846.76)	82.01

Product wise Performance:

Out of 536,875 M. Ton sales, Xtreme 500W was 460,794M. Ton which is 86% of own product sales. M.S Angel, Channel & Square Bar sales was 75,109 M. Ton also Centura sales was 972 M. Ton in this year. During the year, the company sold 9,857 M. Ton of imported items like H Beam, I Beam, Channel, angel, MS Plate etc. Some locally produced goods and billets were also sold during the year.



Operations of Subsidiary Companies:

- BSRM Steel Mills Limited
- BSRM (Hong Kong) Limited

BSRM Steel Mills Limited:

BSRM Steel Mills Limited has been set up to produce MS Billets to averse the risk of potential loss from volatile billet prices in the international market. Currently BSRMLTD is holding 44.97% equity shares of the Company. Annual capacity of this plant is 862,500 M.Ton. This company started commercial production in June 2016. Most of the billets produced by this company has been consumed by BSRM Steels Limited. It had very impressive performance during 2017-18. It has earned 938.28 Million Net profit after tax in this year. The total production of the Company was 860,544 M. Ton this year which means that, it could utilize 99.83% of the capacity. A summary has been given on its operational and financial performance.

Particulars	Unit	Y 2017-18	Y 2016-17	Y 2015-16
Production Qty	MT	860,543	588,536	121,871
Capacity utilization	%	99.83%	68.28%	27.95%
Net Profit/(Loss) after Tax	Taka	938,269,829	(890,929,343)	(87,467,617)
EPS	Taka	2.38	(2.26)	(0.22)
NAV	Taka	15.63	13.25	15.51

BSRM (Hong Kong) Limited:

A subsidiary company of Bangladesh Steel Re-Rolling Mills Limited has been incorporated in Hong Kong, namely "BSRM (Hong Kong) Limited. This new subsidiary will assist the parent Company in the following ways:

- Sourcing raw materials from China.
- Carrying out prompt inspection of spare parts, machineries etc to be imported from China to Bangladesh for BSRM Group.
- Trading of steel and other goods.

Mr. Aameir Alihussain and Mr. Zohair Taherali has been appointed as the Director of the Company. This Company is yet to commence its business operation. Hopefully the Company will start full operation from 2018-19.

Operations of Associated Company: - BSRM Steels Limited

BSRM Steels Limited another Public limited Company of BSRM Group of Companies which is listed with two stock exchanges in Bangladesh. Currently, BSRMLTD is holding 31.19% shares in BSRM Steels Limited. A brief operating and financial performance of the Company has been appended below:

Operational Performance of BSRM Steels Limited

Particulars	July'17 to June'18	July'16 to June'17	Jan'16 to Jun'16	2015	2014	2013
Installed Capacity (M. Ton)	700,000	700,000	700,000	700,000	600,000	600,000
Production (M. Ton)	727,034	681,061	362,254	602,832	623,918	630,305
Capacity Utilization (%)	103.90	97.30	103.50	99.50	104.00	105.00
Sales (M. Ton)	710,995	692,504	373,747	604,513	679,803	601,935

AMARSTOCK

Financial Performance

Particulars	Amount in BDT in million					
	July'17 to June'18	July'16 to June'17	Jan'16 to Jun'16	2015	2014	2013
	BD Tk.	BD Tk.	BD Tk.	BD Tk.	BD Tk.	BD Tk.
Sales	48,289.93	37,996.41	17,265.18	32,316.10	38,535.94	36,229.05
Gross Profit	4,879.17	4,557.30	3,114.69	4,368.65	2,807.32	3,250.15
Profit before interest, taxes, WPP&WF	3,180.65	3,273.60	2,379.86	3,257.93	1,892.83	2,314.39
Less: Interest & WPP&WWF	(1,120.19)	(417.23)	(246.38)	(739.29)	(378.95)	(492.82)
Add/(Less): Profit on Bargain Purchase	10.20	-	-	-	-	-
Add/(Less): Share of profit/(loss) of associate	237.88	(225.87)	(18.56)	75.31	(3.20)	497.36
Less: Tax expenses & Provision for income tax	(507.74)	(655.07)	(801.61)	(512.07)	(424.47)	(625.46)
Net Profit	1,800.80	1,705.41	1,313.32	2,081.88	1,086.21	1,693.47
Actuarial (Loss)/Gain	(3.40)	-	-	-	-	-
Total Comprehensive Income	1,797.40	1,705.41	1,313.32	2,081.88	1,086.21	1,693.47
EPS	5.27	4.98	3.84	6.09	3.18	4.95

During the year of 2017-18 the company has merged with its Subsidiary Company –BSRM Iron & Steel Co. Ltd. with effect from 1st October, 2017. BISCO is capable to produce 225,000 M. Ton billets in a year. Another, melting plant to produce 450,000 M. Ton billets annually is under construction at Sonaphar, Mirshari, Chattogram. This plant will be the unit-2 of BSRM Steels Limited. The plant is expected to start commercial production by first quarter of 2019.

10 Years of X-treme Performance:

In 2008, BSRM embarked on bold endeavor to change the civil construction landscape of the entire nation and made epochal announcement of a new type of reinforcing steel with the rigorous metallurgical and precisely defined tensile specifications complying to best international standards-the Xtreme 500W. Thus 10 years ago, we at BSRM resolved that the nation's structures should be built not just by our people, but with the steel of the nation itself. Since then, it has been used in building millions of homes and the infrastructure back bone of the nation. It is a steel brand trusted by home builders and engineers alike and has become a household word. Today, it is a matter of immense national pride that the entire quantity of steel for the country's most iconic infrastructure project, the Padma Bridge, is being built entirely with Xtreme`. It is also being used to build the state of the art Rooppur Nuclear Power Plant, in addition to the colossal bridges, flyovers, power plants and multistoried buildings built over the last 10 years. In the 10thyear of its glorious trump, Xtreme is now sheathed in armor to meet the challenges of the new frontier of the Blue Economy.

Risks & Concerns:

Risk assessment and mitigation is the integral part of any business. The Board of Directors are regularly monitoring, assessing and identifying potential risk and threats to our profitability and sustainable growth. Our Risk Management capabilities are supported by a strong management structure, information system, and regular analysis of market, economic scenario and robust policies to cope with the challenges. Recently BSRM Group has developed Enterprise Risk Management (ERM) Frame work and Guidelines. Under this policy a Risk Register has been prepared and a dedicated team is regularly monitoring potential risks, assess them, ensure precautionary and corrective measures to address them.

A summary of the significant risks and the way of managing risks adopted by our company is included in Annexure-1 and Note -50 of the Financial Statements.

Risk Management & Control Environment:

Detail discussed in Annexure-1A.

A Discussion on Cost of Goods sold, GP Margin and NP Margin:

It has been discussed in Annexure-2.

Extra-ordinary gain or loss:

There is no extra ordinary gain or loss during the year.

Related Party Transactions:

All transactions with related parties have been made on a commercial basis. Details of the related party transactions have been disclosed under note 42 of the financial statements as per IFRS/BFRS.

Significant variance in the Quarterly and Annual Financial Statements:

As per previous practice BSRM Steel Mills Limited has been considered as Associated Company as BSRMLTD is holding 44.97% shares of the Company. This treatment continued up to third quarter of 2017-18. With discussion with the External Auditors & Board, this company has been treated as the Subsidiary Company instead of Associated Company to ensure better presentation of the Financial statements. The Financial Statements of this Subsidiary Company is included in the Consolidated Financial Statements as per BFRS-10 "Consolidated Financial Statements". Further branch office activities also rearranged & disclosed in the Financial Statements.

Remuneration of Directors including Independent Director:

Directors were remunerated as per the decision of the Board and a detailed report of the Directors' Remuneration is included in Annexure-3 and Note 7.02 of Financial Statements.

Board of Directors:

i. **Composition and size of the Board:**
On 30th June 2018, there were 5 members on the Board, The Board comprises Chairman, Managing Director, two Directors and one Independent Director.

ii. **Board Meeting and attendance:**
The Board met 8 times during the period from July 1, 2017 to June 30, 2018. Following table shows the attendance of directors in the meeting.

AMAR STOCK

Name of the Directors	Position	No. of meeting held during the Period	No. of Meeting Attended
Mr. Alihussain Akberali, FCA	Chairman	8	8
Mr. Aameir Alihussain	Managing Director	8	8
Mr. Zohair Taherali	Director (Nominated Director of H. Akberali & Co. Limited)	8	7
Mrs. Sabeen Aameir	Director	8	7
Mr. Mono Ranjan Dey FCA	Independent Director	8	8

The member who could not attend the meeting was granted leave or was outside the country.

iii. **Details of Directors being re-appointed:**

a. Mr. Alihussain Akberali, FCA and Mr. Aameir Alihussain will retire by rotation at the conclusion of this AGM as per Articles of Association of the Company and being eligible they offer themselves for re-appointment.

b. Mr. Mono Ranjan Dey FCA Independent Director of the Company retired on December 23, 2017 and being eligible for re-appointment for another one term of next three years as per Corporate Governance Code of Bangladesh Securities and Exchange Commission, the Board recommended to re-appoint him for another one term.

iv. A brief resume of Directors and name of Companies in which Directors holds the directorship and membership have been disclosed in Board of Directors segment.

Significant deviations in operating results compared to last year:

There is no such deviation in operating results.

Management Discussion and Analysis:

A management discussion and analysis signed by Managing Director regarding he Companies operation and position along with a brief discussion of changes in the financial statements has been attached in Annexure-D.

Certification by the CEO & the CFO:

Declaration of certificate by the CEO & the CFO to the Board as required under condition no. 3(3) is included in Annexure-A.

Credit Rating:

Credit Rating information and Services Limited (CRISL) assigned rating as below:

Long Term	Short Term
AA	ST-3

The entities rated "AA" are adjudged to be of high quality, offer higher safety and have high credit quality, offer higher safety and have high credit quality. This level of rating indicates the corporate entity has a sound credit profile and without significant problem. Risks are modest and may vary slightly from time to time because of economic conditions.

"ST-3" indicates high certainty of timely payment. Liquidity factors are strong and supported by good fundamental protection factors. Risk factors are very small.

Our Company in the evaluation of Credit Rating Company was also placed with "Stable Outlook".

Internal Control system:

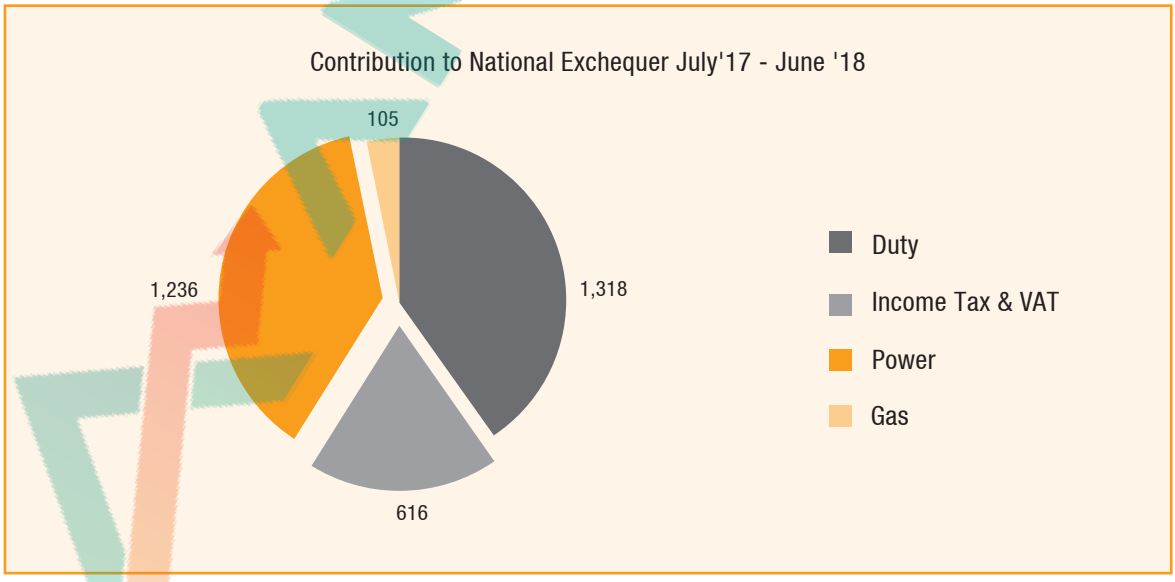
The Board of Directors ensures that the Group has an effective internal control system which ensures that the assets of the Company are safeguarded and appropriate systems are in place to minimize and detect fraud, errors and other irregularities. The Company has adopted Standard Operating Procedures (SOP) for the betterment of internal control system. To generate accurate data and information within reasonable time frame, we have already commissioned most modern software called Enterprise Resource Planning (ERP). The Company has established a separate internal audit department to ensure internal control and compliance in place. On the other hand, Audit Committee regularly monitors and review the reports generated by the internal audit department and takes corrective measures.

Dividend:

- The Directors of your Company recommended 10% stock dividend and 10% cash dividend per share for the year ended June 30, 2018. In the previous year the Company declared 10% Stock dividend for the year ended June 30,2017 and 10 % interim Cash dividend.
- The retained fund will be utilized to pay off high rated loans and we also need some new machines for smooth production.

Contribution to National Exchequer:

BSRM is paying and facilitating collection of Government's revenue. During the period of July 2017 to June 2018, we have paid, collected & deposited a significant amount of Income Tax, VAT and Duties in time. During this period, **Bangladesh Steel Re-Rolling Mills Limited** collected and contributed Tk. 3,274.91 million to the government exchequer along with utility bill which is appended below:



AMAR STOCK

Corporate Social Responsibilities:

BSRM's commitment to connect business decisions to ethical, social and environmental concerns remains to be one of the strongest value of the Company. During 2017-18, your company has been contributing to the welfare of the community, research & development and for protection of environment. Details of CSR have been described in the chapter of Corporate Social Responsibilities in page 95 of Annual Report.

Award and Recognition:

It is our great pleasure to let you know that, we have achieved some prestigious award during last few years. A few of them are mentioned below:

1. Certificate of admiration from Ministry of Expatriates Welfare and Overseas Employment of Government Republic of Bangladesh at 4th National Development Fair 2018.

2. President's Award for Industrial Development 2014 in the category of Large Scale Industry.

3. National Export Trophy – (BSRM Steels Limited) for 2013-14.

4. Prestigious award for "Excellence in Supply Chain Relationship Management & Logistic Management" from Bangladesh Supply Chain Management Society.

5. ICAB National Awards for Best Presented Annual Reports for the year 2012, 2013, 2015 & Certificate of Merit for the year 2014, 2015.

6. Certificate of Merit from South Asian Federation of Accountants (SAFA) in 2012, 2013 & 2015 – (BSRM Steels Limited)

7. ICSB National Gold Award for Best Corporate Governance Excellence 2015 – (Bangladesh Steel Re-Rolling Mills Limited).

8. Awarded Tax Card from NBR for highest tax payment in 2015 – (BSRM Steels Limited)

9. Best Brand of Bangladesh in Steel Category in 2011, 2013, 2014, 2015, 2016 & 2017 – (BSRM Group)

10. Best Enterprise of the year 2010 - (BSRM Group)

11. D & B Corporate Awards 2010 & 2012 – (BSRM Steels Limited)

12. Pride of Chittagong (Chattagramer Ahonkar) 2012. (Mr. Alihussain Akberali FCA)

13. Divisional Environment Award 2013 – (BISCO Ltd.)

14. 5th Standard Chartered-Financial Express CSR Award – (BSRM Group)

15. Japan Bangladesh Chamber of Commerce & Industry (JBCCI) Awards in 2014. – (Bangladesh Steel Re-Rolling Mills Limited)

16. ICSB National Award (Silver Award) for Corporate Governance Excellence 2014. – (BSRM Steels Limited)

17. Best Electricity Consumer (Industry) award for the year 2015 (Bangladesh Steel Re-Rolling Mills Limited)

18. Mercantile Bank Awards (Industry & Commerce) for the year 2015. (BSRM Group).

Information Technology:

BSRM Limited is a customer oriented company since inception. Your Company has taken a group of IT initiative to support its sales and support staff in considering client needs and satisfaction. To responding promptly and respectfully to consumer complaints and queries we have automated their complaint system. To mitigate business risk, enhance business performance and to provide required information to the respective stakeholder we are continuously updating the ERP System. Details of Information Technology are set out in the Chapter "Sustainable Growth" in Page no. 98 in this report.

Human Resource Management:

The Human Resource strategies applied and practiced by the Company have translated into the creation of a dynamic and competent human resource team with sound succession planning and a remarkable low attrition rate. "Be an employer of choice, with focus on nurturing talent and developing future leaders of the organization" is one vision of BSRM Group. Details of Human Resource are set out in the Chapter "Sustainable Growth" in Page no. 98 in this report.

Code of Conduct:

The Nomination & Remuneration Committee (NRC) determined the code of conducts for Board of Directors of the Company which have been posted on the web site of the company. All the Directors have signed as acceptance to its compliance.

Auditors:

Present auditor Rahman RahmanHuq, Chartered Accountants, MM Trade Centre (13th Floor), 78 Agrabad C/A, Chattogram will retire in 56th AGM and being eligible to conduct audit for the year 2018-19 they have conveyed their willingness to accept for re-appointment for this period. The Board has recommended Rahman RahmanHuq, Chartered Accountants, MM Trade Centre (13th Floor), 78 Agrabad C/A, Chittagongas the Statutory Auditor for the year ended on June 30, 2019 subject to the approval of shareholders in the next Annual General Meeting.

Professional Accountant for Compliance of Corporate Governance:

Pursuant to the BSEC's directive, Board has recommended Mr. Sidhartha Barua FCA, Managing Partner of M/s M.A. Mallik& Co., Chartered Accountants, Aziz Chamber (2nd Floor), 6 Jubilee Road, Chittagong to appoint as a Professional Accountant to issue Certificate on Compliance of Corporate Governance Codeenacted by Bangladesh Securities and Exchange Commission for the year ended on June 30, 2019 subject to approval of the shareholders in the next Annual General Meeting.

Reporting and Compliance of Corporate Governance:

Status of compliance with the requirements / conditions of Bangladesh Securities and Exchange Commission (BSEC) Notification No: BSEC/CMRRCD/2006-158/207/Admin/80 dated 03 June, 2018 on corporate governance has been included in the Report in Annexure-C.

Subsequent Events:

There is no reportable subsequent event after the date of Financial Position and till the date of this report which could affect the ability of the users of these financial statements to make an appropriate evaluation.

Directors' Responsibilities Statements:

Pursuant to the BSEC notification No. BSEC/CMRRCD/2006-158/207/Admin/80, dated: 03 June, 2018 the Directors confirm that:

a) The Financial Statements prepared by the management of BSRMLTD fairly present its state of affairs, the result of its operations, cash flows and changes in equity.

b) Proper Books of Account of the Company have been maintained.

c) Appropriate accounting policies have been consistently applied in preparation of the Financial Statements and that the accounting estimates are based on reasonable and prudent judgment.

d) International Accounting Standard (IAS)/Bangladesh Accounting Standards (BAS)/International Financial Reporting Standards (IFRS) / Bangladesh Financial Reporting Standards (BFRS), as applicable in Bangladesh, have been followed in preparation of the financial statements and any departure there from has been adequately disclosed.

e) The system of internal controls sounds in design and has been effectively implemented and monitored.

f) Minority shareholders have been protected from abusive actions by, or in the interest of, controlling shareholders acting either directly or indirectly and have effective means of redress;

g) There are no doubts upon the company's ability to continue as a going concern and the annual accounts have been prepared as a going concern basis.

h) The key operating and financial date for the last five years is disclosed in Annexure-4.

i) The pattern of shareholding is disclosed in Annexure-5.

j) A compliance status report with requirements of corporate governance as required by BSEC has been disclosed in Annexure-C.

k) Directors' profile and their directorship and business interest in other organizations have been disclosed in Board of Directors segment.

l) There was no declaration of bonus share or stock dividend as interim dividend.

Acknowledgements:

I, on behalf of Board, express my sincere gratitude to all honorable shareholders, bankers, RJSC, National Board of Revenue and other government bodies for their support and co-operation. I am very much thankful to our management team and workforces for their dedication and hard working. We welcome your good suggestion and advice.

We are trying our best to achieve maximum efficiency and profitability. We always value your support. Please be with us in our journey to the excellence.

Stay safe,

Aameir Alihussain
Managing Director

AMAR STOCK

পরিচালকবৃন্দের প্রতিবেদন

প্রিয় শেয়ারহোল্ডারবৃন্দ,

পরিচালনা পর্ষদের পক্ষ থেকে ৩০শে জুন, ২০১৮ সালে বছর শেষে বাংলাদেশ স্টিল রি-রোলিং মিল্‌স লিমিটেড-এর ৫৬তম পরিচালনা পর্ষদ প্রতিবেদন আপনাদের সামনে উপস্থাপন করতে পেরে আমি গর্বিত।

শিল্পখাতের বিদ্যমান পরিস্থিতি ও ভবিষ্যৎ উন্নয়ন সম্ভাবনা:

সাম্প্রতিক বছরগুলোতে বাংলাদেশে উল্লেখযোগ্য উন্নয়ন হয়েছে। দারিদ্র্য কমে এসেছে লক্ষণীয়ভাবে। অন্যদিকে মাথাপিছু খাদ্য উৎপাদন, গড় আয়ু, শিক্ষার হার গত কয়েক বছরে বৃদ্ধি পেয়েছে।

গত কয়েক বছর ধরে বাংলাদেশের মোট দেশজ উৎপাদন (জিডিপি) ৭% বার্ষিক হারে বৃদ্ধি পেয়েছে। দ্রুতগতি উন্নয়নে বাংলাদেশ টেকসই উন্নয়ন লক্ষ্যমাত্রা অর্জনের সাথে সাথে মধ্য আয়ের দেশে উন্নীত হবার পথে এগিয়ে চলেছে। এক সাম্প্রতিক গবেষণায় দেখা গেছে যে, বাংলাদেশ জিডিপি র‍্যাংকিংয়ের হিসেবে ২০৩০ সালের মধ্যে সবচেয়ে বেশি উন্নতি করা দেশ হবে এবং বর্তমান ৪২তম থেকে ২৬তম বৃহৎ অর্থনীতির দেশে পরিণত হবে। বেগবান অর্থনৈতিক উন্নয়নের ফলে নগরায়ন, বিদ্যুৎ কেন্দ্র, রেল যোগাযোগ, রাস্তা, ব্রিজ ইত্যাদি অবকাঠামোগত নির্মাণ ও শিল্পায়নের গতি বৃদ্ধি পেয়েছে। সরকারি ও বেসরকারি উভয় খাতেরই এই উন্নয়নে ভূমিকা রয়েছে। এর ফলে দেশে সৃষ্টি হচ্ছে স্টিল-এর বিপুল চাহিদা।

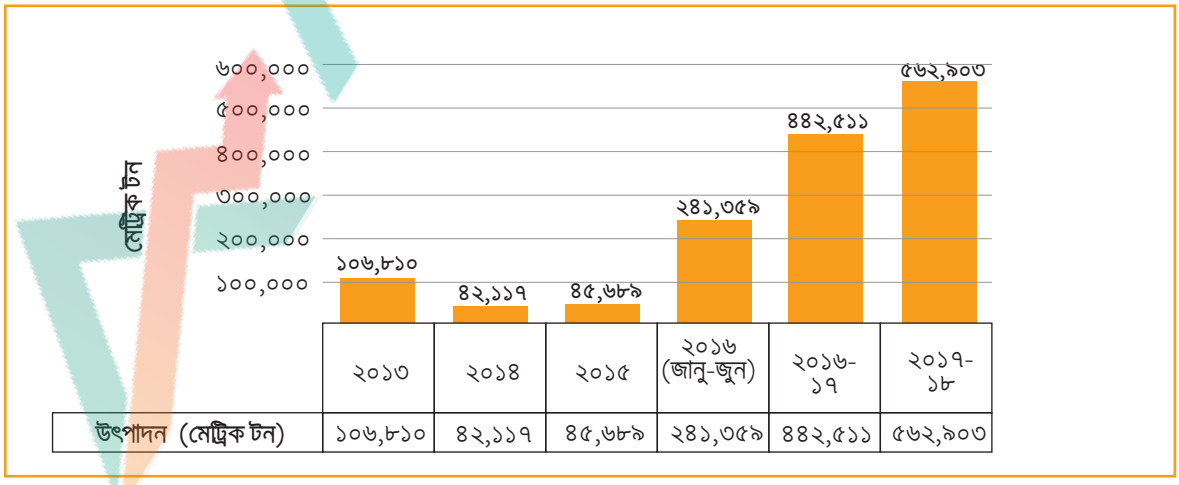
বর্তমানে পুরনো শ্রমনির্ভর ম্যানুয়াল বা সেমি-ম্যানুয়াল মিলের স্থান নিয়ে নিচ্ছে আধুনিক স্বয়ংক্রিয় মিল। বড় বড় স্টিল উৎপাদনকারী প্রতিষ্ঠানগুলো উৎপাদনক্ষমতা বাড়িয়ে চলেছে। বাংলাদেশের প্রথম সম্পূর্ণ স্বয়ংক্রিয় রি-রোলিং মিল এবং বিএসআরএম-এর সহযোগী কোম্পানি বিএসআরএম স্টিলস লিমিটেড উৎপাদনক্ষমতা বাড়িয়ে বর্তমানে ৭ লাখ মেট্রিক টনে উন্নীত করেছে এবং ৪.৫০ লক্ষ মেট্রিক টন উৎপাদনক্ষমতাসম্পন্ন একটি বিলেট মেকিং মেল্টিং প্ল্যান্ট স্থাপন করছে। আরেকটি পাবলিক লিমিটেড কোম্পানি জিপিএইচ ইস্পাত উৎপাদনক্ষমতা পাঁচ গুণ বাড়ানোর পরিকল্পনা হাতে নিয়েছে। দক্ষ পরিচালনা ও সুষ্ঠু পরিকল্পনার ফলে আমরা এখন সর্বোচ্চ উৎপাদনক্ষমতার সর্বোচ্চ প্রযোজ্য সীমায় রয়েছি। আমাদের বর্তমান বার্ষিক উৎপাদন ৫৪০,০০০ মেট্রিক টন।

বাংলাদেশ স্টিল রি-রোলিং মিল্‌স লিমিটেড-এর উৎপাদন ও আর্থিক ফলাফল পর্যালোচনা:

রোলিং ইউনিট:

আমাদের রোলিং প্ল্যান্টে প্রযোজ্য উৎপাদনক্ষমতা ৫৪০,০০০ মেট্রিক টন-এর স্থলে ২০১৭-১৮ সালে ৫৬২,৯০৩ মেট্রিক টন স্টিল পণ্য উৎপাদন হয়েছে। সুষ্ঠু পরিকল্পনা, নিরবচ্ছিন্ন উৎপাদন আর কারিগরি দক্ষতার ফলেই এটা সম্ভব হয়েছে। ২০১৫ সালে বিএমআরই'র পর এটাই সর্বোচ্চ উৎপাদন। গত বছরের তুলনায় এ বছর উৎপাদন বেড়েছে ২৭.২১%। গত বছরের উৎপাদন ছিলো ৪৪২,৫১১ মেট্রিক টন।

রোলিং ইউনিটের বার্ষিক উৎপাদন চিত্র



রোলিং ইউনিট

বিবরণ	২০১৭-১৮	২০১৬-১৭	২০১৬ (জানু-জুন)	২০১৫	২০১৪	২০১৩
উৎপাদনক্ষমতা (মেট্রিক টন)	৫৪০,০০০	৪৫০,০০০	২২৫,০০০	১২০,০০০	১২০,০০০	১২০,০০০
উৎপাদন (মেট্রিক টন)	৫৬২,৯০৩	৪৪২,৫১১	২৪১,৩৫৯	৪৫,৬৮৯	৪২,১১৭	১০৬,৮১০
উৎপাদনক্ষমতার ব্যবহার (%)	১০৪%	৯৮%	১০৭%	৩৭%	৩৫%	৮৯%
উৎপাদিত পণ্যের বিক্রয় (মেট্রিক টন)	৫৩৬,৮৬৪	৪৭০,৯৩৭	১৯২,৬৩১	৫৪,৪৩৩	৭৬,৮১৮	১২৬,৭১৪

মেল্টিং ইউনিট

মেল্টিং ইউনিটে মূলত অভ্যন্তরীণ ব্যবহারের জন্য বিলেট প্রস্তুত করা হয়। স্টিল মেল্টিং ওয়ার্কস (এসএমডব্লিউ) নির্দিষ্ট লক্ষ্যমাত্রা পূরণে সফল।

বিবরণ	২০১৭-১৮	২০১৬-১৭	২০১৬ (জানু-জুন)	২০১৫	২০১৪	২০১৩
উৎপাদনক্ষমতা (মেট্রিক টন)	১৫০,০০০	১৩৫,০০০	৬৭,৫০০	১৩৫,০০০	১২০,০০০	১২০,০০০
উৎপাদন (মেট্রিক টন)	১৫০,৩৩১	১৫২,৭০২	৬৬,৪২২	১২৮,০২২	৮২,৩৫০	১১৯,২৮৯
উৎপাদনক্ষমতার ব্যবহার (%)	১০০%	১১৩%	৯৮%	৯৫%	৬৯%	৯৯%
বিক্রয় ও রি-রোলিং ইউনিটে ব্যবহার (মেট্রিক টন)	১৫০,৯৪৭	১৫২,৯০১	৬৬,১২২	১২৭,৫৫৩	৮৬,৮৭২	১২০,৪১৯

কোম্পানি প্রয়োজনীয় বিলেট মূলতঃ অঙ্গপ্রতিষ্ঠান বিএসআরএম- স্টিল মিলসএর নিকট হতে সুলভ মূল্যে ক্রয় করেছে।

বিক্রয়

২০১৭-১৮ সালে ধারাবাহিকভাবে দ্বিতীয়বার বিএসআরএম গ্রুপ অব কোম্পানিজ-এর বিক্রয় দশ লক্ষ মেট্রিক টন ছাড়িয়ে গেছে। এর মধ্যে বিএসআরএম লিমিটেড-এর বিক্রয় ৫৭৪,৩৪০ মেট্রিক টন, যা গত বছরের তুলনায় ১৯.৭১% বেশি। ২০১৬-১৭ সালে বিক্রয় ছিলো ৪৭৯,৭৮৬ মেট্রিক টন।

বিভাগ বা পণ্য অনুযায়ী উৎপাদন ও বিক্রয়:

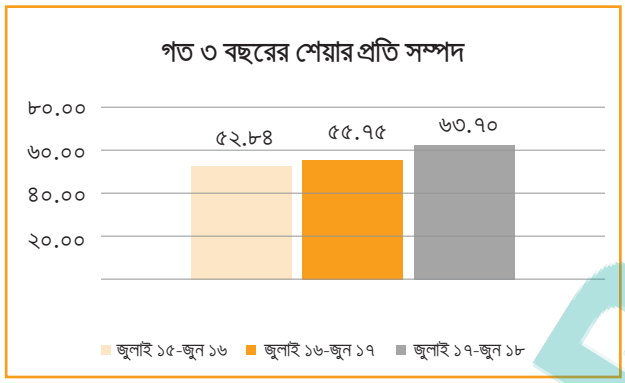
বিবরণ	উৎপাদন ও ক্রয় (মেট্রিক টন)				বিক্রয় (মেট্রিক টন)			
	২০১৭-১৮	২০১৬-১৭	২০১৬ (জানু-জুন)	২০১৫	২০১৭-১৮	২০১৬-১৭	২০১৬ (জানু-জুন)	২০১৫
এক্সট্রিম ৫০০ডব্লিউ, অ্যাঙ্গেল, চ্যানেল (নিজস্ব উৎপাদিত)	৫৬২,৯০৩	৪৪২,৫১১	২৪১,৩৫৯	৪৫,৬৮৯	৫৩৬,৮৬৪	৪৭০,৯৩৭	১৮৩,১৭৪	৩৮,১৭০
আমদানীকৃত ও দেশ থেকে সংগৃহীত পণ্য	১১,৪৩৭	৩৭,২৭৫	১৪,৭৮৪	১৮,৮১০	১৩,১১৩	১৩,১৮২	৯,৪৫৭	১৬,২৬৩
সর্বমোট	৫৭৪,৩৪০	৪৭৯,৭৮৬	২৫৬,১৪৩	৬৪,৪৯৯	৫৪৯,৯৭৭	৪৮৪,১১৮	১৯২,৬৩১	৫৪,৪৩৩

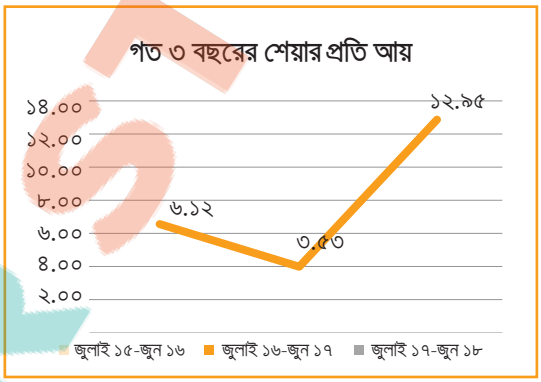
আর্থিক পর্যালোচনা:

২০১৭-১৮ সালে কোম্পানির মোট বিক্রয়ের পরিমাণ ৩৩,২৩৮.৩৭ মিলিয়ন টাকা, যা গত বছরের বিক্রয় থেকে ৪০.৫৫% বেশি। ২০১৭-১৮ সালে মোট মুনাফা ৪,৮২৮.৩২ মিলিয়ন টাকা, অর্থাৎ ১৪.৫৩% যা ২০১৬-১৭ সালে ছিলো ১৩.৬৯%। পরিমাণের হিসেবে বিক্রয় বৃদ্ধি পেয়েছে ১৯.৭১%. মোট লাভ বেড়েছে ৪৯%। বিলেটের সুলভ মূল্য, বর্ধিত বিক্রয় এবং বিক্রিত পণ্যের তুলনামূলক মূল্যবৃদ্ধির ফলে এ বছর মোট মুনাফার পরিমাণ বৃদ্ধি পেয়েছে।

লাভ-ক্ষতির বিবরণী পর্যালোচনা করলে দেখা যায়, ইক্যুইটি শেয়ারে বিনিয়োগকারীদের লাভ ৯৮৩.৫৫ মিলিয়ন টাকা, যা গত বছর ছিলো মাত্র ১৩০.৩৬ মিলিয়ন টাকা। লভ্যাংশের এই ব্যাপক বৃদ্ধি এ বছরের নিট মুনাফার ইতিবাচক প্রভাব ফেলেছে।

কোম্পানির শেয়ার প্রতি সম্পদ (এনএভি) এবং শেয়ার প্রতি আয় (ইপিএস) ধারাবাহিকভাবে বেড়ে চলেছে যা কোম্পানির প্রবৃদ্ধি ও উন্নয়নের জন্য ইতিবাচক লক্ষণ। নিম্নের গ্রাফ ও টেবিলের সাহায্যে এই প্রবৃদ্ধির চিত্র দেখা যায়:





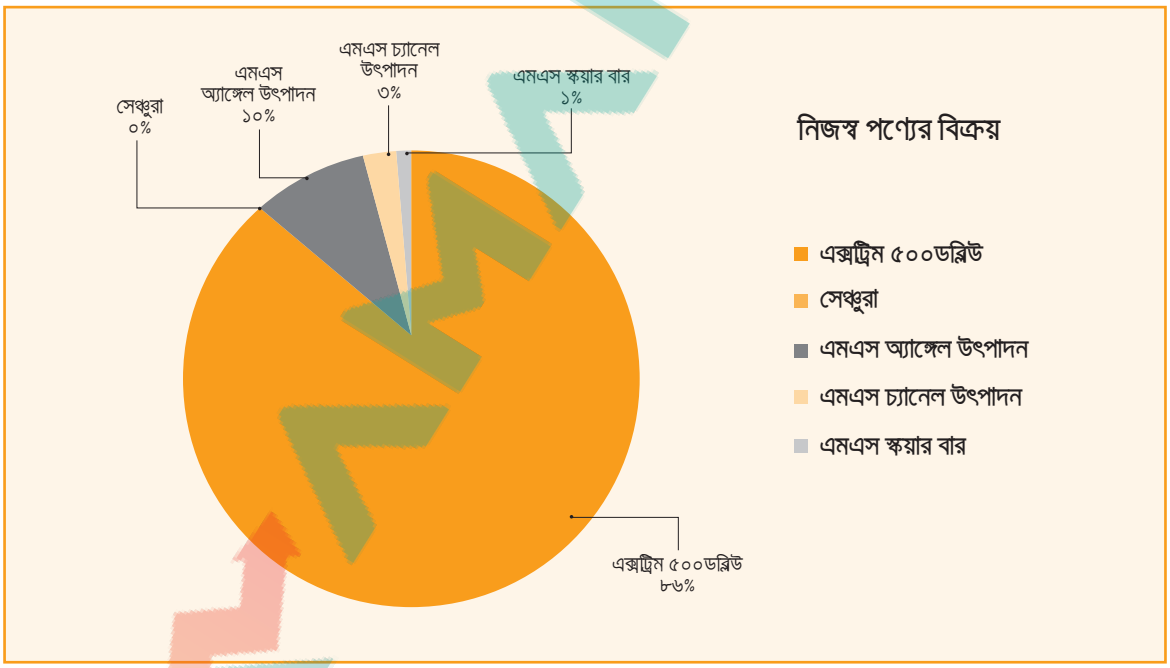
আর্থিক পর্যালোচনা	মিলিয়ন টাকা					
বিবরণ	২০১৭-১৮	২০১৬-১৭	২০১৬ (জানু-জুন)	২০১৫	২০১৪	২০১৩
	টাকা	টাকা	টাকা	টাকা	টাকা	টাকা
বিক্রয়	৩৩,২৩৮.৩৭	২৩,৬৪৮.৯৩	৯,৭১৩.৮৬	৭,৮০১.৯৮	৮,০৪৯.৮৯	৮,৬০২.৪২
মোট মুনাফা	৪,৮২৮.৩২	৩,২৩৬.৯৩	১,৩৬২.০৩	৪৫৮.০১	১৮৮.২৫	৫০০.০৯
নন-অপারেটিং ইনকাম, সুদ, কর, ডব্লিউপিপি ও ডব্লিউএফ বাদে লাভ	৩,৮৬৪.৯৬	২,৫৭১.৯০	১,০৫৭.৭৮	২০৭.১৫	(৬৬.১৭)	২৮৪.৯৯
নন-অপারেটিং ইনকাম	১২৩.২১	১১৩.৯০	৪৭২.৭৩	১,৩৫৭.০৭	৫৬৭.২৮	১,২৫৮.৩০
বাদ: সুদ, ডব্লিউপিপি ও ডব্লিউএফ	(১,৯৫০.১৯)	(১,৬১৮.৮৯)	(৬৩৬.৭৭)	(৬২৭.৬৩)	(৪৯৫.০১)	(২৪৩.২০)
যোগ/(বাদ): আয়কর ও আয়কর সঞ্চিতি	(২৪২.৭৫)	(৪৪০.৭৫)	(৩০৫.০৮)	(১০৮.৯২)	১০২.৯৯	(৩৫৬.২৭)
নিট মুনাফা	২,৭৭৮.৭৮	৭৫৬.৫২	৫৮৮.৬৫	৮২৭.৬৭	১০৯.০৯	৯৪৩.৮২
শেয়ার প্রতি আয়	১২.৯৫	৩.৫৩	৩.০২	৪.৭৮	০.৭	৬.০৬
শেয়ার প্রতি সম্পদ	৬৩.৭০	৫৫.৭৫	৫২.৮৪	৫৫.২৮	৫৪.১	৫৩.০৯
শেয়ার প্রতি নিট নগদ অর্থপ্রবাহ	(৮.৭৮)	(১১.৩৮)	(৩.৫৩)	(১০.১৬)	(৫.৪৩)	০.৫৩

AMARSTOCK

অন্যান্য আর্থিক পর্যালোচনা	মিলিয়ন টাকা					
বিবরণ	২০১৭-১৮	২০১৬-১৭	২০১৬ (জানু-জুন)	২০১৫	২০১৪	২০১৩
	টাকা	টাকা	টাকা	টাকা	টাকা	টাকা
পরিশোধিত মূলধন	২,১৪৬.০৭	১,৯৫০.৯৮	১,৯৫০.৯৮	১,৭৭৩.৬২	১,৫৫৮.৫১	১,৫৫৮.৫১
শেয়ারহোল্ডারের ইক্যুইটি	১৩,৬৭১.৪১	১০,৮৭৬.৮০	১০,৩০৯.৭৯	৯,৮০৩.৬৬	৮,৪৩১.৮০	৮,২৭৩.৮৬
চলতি দায়	১৯,৩১০.৯৮	২০,১০৭.১২	১৬,৮৬৫.৬৮	১১,৯৯৯.২৩	৯,৩২৯.৭৫	১০,৫৪৭.২২
দীর্ঘমেয়াদী দায়সমূহ	৬,৯৬২.৩২	৩,৫৬৬.৯৯	৪,৫৪৯.৫২	৫,১৩৭.১৬	৫,০০৪.৪৬	২,৪৭৮.১৭
স্থায়ী সম্পদ ও সিডব্লিউওয়াইপি-তে সংযোজন	৭০১.৩৪	৭৫৬.০২	৮১৩.৩৪	৮,৪২১.০৩	১,৭৭৫.৬৩	৫২৮.৯১
পরিরচালন নগদ প্রবাহ	(১,৮৮৪.৭৩)	(২,২২০.৫৭)	(৬৮৮.৮৮)	(১,৮০১.৯৫)	(৮৪৬.৭৬)	৮২.০১

পণ্যভিত্তিক বিবরণী:

মোট ৫৩৬,৮৭৫ মেট্রিক টন বিক্রয়ের মধ্যে এক্সট্রিম ৫০০ডব্লিউ-এর বিক্রয় ৪৬০,৭৯৪ মেট্রিক টন, যা নিজস্ব পণ্য বিক্রয়ের ৮৬%। এছাড়া এ বছর এমএস অ্যাঙ্গেল, চ্যানেল ও স্কয়ার বার-এর বিক্রয় ছিলো ৭৫,১০৯ মেট্রিক টন এবং সেঞ্চুরা বিক্রয় ছিলো ৯৭২ মেট্রিক টন। এ বছরে এইচ বিম, আই বিম, চ্যানেল অ্যাঙ্গেল, এমএস প্লেট ইত্যাদি আমদানিকৃত পণ্যের বিক্রয় ছিলো ৯,৮৫৭ মেট্রিক টন। এছাড়া দেশে প্রস্তুত কিছু অন্যান্য পণ্য এবং বিলেটও বিক্রয় হয়েছে।



সহযোগী কোম্পানির কার্য বিবরণী:

- বিএসআরএম স্টিল মিল্‌স লিমিটেড
- বিএসআরএম (হংকং) লিমিটেড

বিএসআরএম স্টিল মিল্‌স লিমিটেড

বিশ্ববাজারে অস্থিতিশীল বিলেট মূল্যের কারণে সম্ভাব্য ক্ষতি থেকে রক্ষা পেতে দেশেই এমএস বিলেট প্রস্তুতের উদ্দেশ্যে বিএসআরএম স্টিল মিল্‌স লিমিটেড প্রতিষ্ঠিত হয়েছে। বিএসআরএম লিমিটেড এই কোম্পানির ৪৪.৯৭% ইক্যুইটি শেয়ার নিয়ন্ত্রণ করে। এই প্ল্যান্টের বার্ষিক উৎপাদনক্ষমতা ৮৬২,৫০০ মেট্রিক টন। ২০১৬ সালের জুন মাসে এই প্ল্যান্টের উৎপাদন শুরু হয়। এখানে উৎপাদিত বিলেটের সিংহভাগ বিএসআরএম স্টিল্‌স লিমিটেড ক্রয় করে। কোম্পানির ২০১৭-১৮ সালের সাফল্য সন্তোষজনক। এ বছরে কোম্পানির করপরবর্তী আয় ৯৩৮.২৮ মিলিয়ন টাকা। এ বছরের উৎপাদন ৮৬০,৫৪৪ মেট্রিক টন, অর্থাৎ উৎপাদনক্ষমতার ৯৯.৮৩%। নিম্নে কোম্পানির কার্যক্রম ও আর্থিক বিবরণী দেয়া হলো:

বিবরণ	একক	২০১৭-১৮	২০১৬-১৭	২০১৫-১৬
উৎপাদন পরিমাণ	মেট্রিক টন	৮৬০,৫৪৩	৫৮৮,৫৩৬	১২১,৮৭১
উৎপাদনক্ষমতার ব্যবহার	%	৯৯.৮৩%	৬৮.২৮%	২৭.৯৫%
করপরবর্তী নিট লাভ (ক্ষতি)	টাকা	৯৩৮,২৬৯,৮২৯	(৮৯০,৯২৯,৩৪৩)	(৮৭,৪৬৭,৬১৭)
শেয়ার প্রতি আয়	টাকা	২.৩৮	(২.২৬)	(০.২২)
শেয়ার প্রতি সম্পত্তি	টাকা	১৫.৬৩	১৩.২৫	১৫.৫১

বিএসআরএম (হংকং) লিমিটেড:

হংকং-এ বাংলাদেশ স্টিল রি-রোলিং মিল্‌স লিমিটেড-এর সহায়ক কোম্পানি হিসেবে বিএসআরএম (হংকং) লিমিটেড প্রতিষ্ঠা করা হয়। এই নতুন সহায়ক কোম্পানি নিম্নোল্লিখিত উপায়ে মূল কোম্পানিকে সহায়তা করবে:

- চায়না থেকে কাঁচামাল সংগ্রহ
- চায়না থেকে আমদানিকৃত বিএসআরএম গ্রুপ-এর খুচরা যন্ত্রাংশ, মেশিনারি ইত্যাদির দ্রুত পরিদর্শন কার্যক্রম সম্পাদন
- স্টিল ও অন্যান্য পণ্যের বাণিজ্য সম্পাদন

কোম্পানির নিয়োগপ্রাপ্ত পরিচালক হলেন জনাব আমির আলীহোসাইন এবং জনাব জোহাইর তাহেরআলী। এই কোম্পানির কার্যক্রম এখনও শুরু হয়নি। কার্যক্রম শুরুর সম্ভাব্য সময় ২০১৮-১৯ সাল।

সহযোগী কোম্পানির কার্যক্রম: বিএসআরএম স্টিলস লিমিটেড

বিএসআরএম স্টিলস লিমিটেড বিএসআরএম গ্রুপের আরেকটি পাবলিক লিমিটেড কোম্পানি যা দেশের দুটি স্টক এক্সচেঞ্জ-এ তালিকাভূক্ত। বিএসআরএম লিমিটেড বিএসআরএম স্টিলস লিমিটেড এর ৩১.১৯% শেয়ার নিয়ন্ত্রণ করে। নিচে কোম্পানির কার্যক্রম ও আর্থিক বিবরণী দেওয়া হলো:

উৎপাদন পর্যালোচনা

বিবরণ	জুলাই ১৭ থেকে জুন ১৮	জুলাই ১৬ থেকে জুন ১৭	জানু ১৬ থেকে জুন ১৬	২০১৫	২০১৪	২০১৩
উৎপাদনক্ষমতা (মেট্রিক টন)	৭০০,০০০	৭০০,০০০	৭০০,০০০	৭০০,০০০	৬০০,০০০	৬০০,০০০
উৎপাদন (মেট্রিক টন)	৭২৭,০৩৪	৬৮১,০৬১	৩৬২,২৫৪	৬০২,৮৩২	৬২৩,৯১৮	৬৩০,৩০৫
ব্যবহৃত উৎপাদনক্ষমতা (%)	১০৩.৯০	৯৭.৩০	১০৩.৫০	৯৯.৫০	১০৪.০০	১০৫.০০
বিক্রয় (মেট্রিক টন)	৭১০,৯৯৫	৬৯২,৫০৪	৩৭৩,৭৪৭	৬০৪,৫১৩	৬৭৯,৮০৩	৬০১,৯৩৫

আর্থিক পর্যালোচনা

বিবরণ	মিলিয়ন টাকায়					
	জুলাই ১৭ থেকে জুন ১৮	জুলাই ১৬ থেকে জুন ১৭	জানু ১৬ থেকে জুন ১৬	২০১৫	২০১৪	২০১৩
	টাকা	টাকা	টাকা	টাকা	টাকা	টাকা
বিক্রয়	৪৮,২৮৯.৯৩	৩৭,৯৯৬.৪১	১৭,২৬৫.১৮	৩২,৩১৬.১০	৩৮,৫৩৫.৯৪	৩৬,২২৯.০৫
মোট মুনাফা	৪,৮৭৯.১৭	৪,৫৫৭.৩০	৩,১১৪.৬৯	৪,৩৬৮.৬৫	২,৮০৭.৩২	৩,২৫০.১৫
লাভ (সুদ, কর, ডব্লিউপিপি ও ডব্লিউএফ এর পূর্বে)	৩,১৮০.৬৫	৩,২৭৩.৬০	২,৩৭৯.৮৬	৩,২৫৭.৯৩	১,৮৯২.৮৩	২,৩১৪.৩৯
বাদ: সুদ, ডব্লিউপিপি ও ডব্লিউএফ	(১,১২০.১৯)	(৪১৭.২৩)	(২৪৬.৩৮)	(৭৩৯.২৯)	(৩৭৮.৯৫)	(৪৯২.৮২)
যোগ/(বাদ) : বারগেইন পারচেজ-এ মুনাফা	১০.২০	-	-	-	-	-
যোগ/(বাদ): সহযোগি কো. লাভ বা ক্ষতির অংশ	২৩৭.৮৮	(২২৫.৮৭)	(১৮.৫৬)	৭৫.৩১	(৩.২০)	৪৯৭.৩৬
বাদ: আয়কর ও আয়কর সঞ্চিতি	(৫০৭.৭৪)	(৬৫৫.০৭)	(৮০১.৬১)	(৫১২.০৭)	(৪২৪.৪৭)	(৬২৫.৪৬)
নিট মুনাফা	১,৮০০.৮০	১,৭০৫.৪১	১,৩১৩.৩২	২,০৮১.৮৮	১,০৮৬.২১	১,৬৯৩.৪৭
একচুরিয়াল (ক্ষতি)/লাভ	(৩.৪০)	-	-	-	-	-
মোট সমন্বিত আয়	১,৭৯৭.৪০	১,৭০৫.৪১	১,৩১৩.৩২	২,০৮১.৮৮	১,০৮৬.২১	১,৬৯৩.৪৭
শেয়ার প্রতি আয়	৫.২৭	৪.৯৮	৩.৮৪	৬.০৯	৩.১৮	৪.৯৫

২০১৭-১৮ সালে কোম্পানি সহায়ক প্রতিষ্ঠান বিএসআরএম আয়রন এন্ড স্টিল কো. লি.-এর সাথে একীভূত হয়েছে যা ১ অক্টোবর ২০১৭ সালে কার্যকর হয়। কোম্পানির বর্তমান উৎপাদনক্ষমতা বছরে ২২৫,০০০ মেট্রিক টন বিলেট। বার্ষিক ৪৫০,০০০ মেট্রিক টন বিলেট উৎপাদনে সক্ষম আরেকটি মেল্টিং প্ল্যান্ট প্রতিষ্ঠার কাজ চলছে চট্টগ্রামের মিরসরাইয়ের সোনাপুরে। এটি হবে বিএসআরএম স্টিল্স লিমিটেড-এর ইউনিট-২। আশা করা যায়, ২০১৯ সালের প্রথম ভাগেই এই প্ল্যান্টে বাণিজ্যিক উৎপাদন শুরু হবে।

'এক্সট্রিম' কর্মযজ্ঞের ১০ বছর

২০০৮ সালে বাংলাদেশের নির্মাণশিল্পের রূপরেখা বদলে দেয়ার সাহসী সংকল্প নিয়ে যাত্রা শুরু করে বিএসআরএম এবং শুরুতেই সর্বোচ্চ আন্তর্জাতিক মানের শক্তিশালী ও সুনির্দিষ্ট মাত্রায় নমনীয় নতুন ধরণের রিইনফোর্সিং স্টিল, এক্সট্রিম ৫০০ডব্লিউ উৎপাদনের ঘোষণা দেয়। এভাবেই ১০ বছর আগে বিএসআরএম এই সিদ্ধান্ত নেয় যে, আগামীর বাংলাদেশ কেবলমাত্র আমাদের শ্রম দিয়ে নয়, দেশে উৎপাদিত স্টিল দিয়েই নির্মিত হবে। তখন থেকেই লক্ষ-কোটি গৃহ নির্মাণে এবং দেশের অবকাঠামোর মেরুদণ্ড নির্মাণে ব্যবহৃত হয়ে আসছে এই স্টিল। এই স্টিল ব্র্যান্ডের উপরে গৃহ নির্মাতা এবং ইঞ্জিনিয়ার ভরসা করেন নির্দ্বিধায় এবং গৃহস্থালির সাধারণ ব্যবহৃত শব্দে পরিণত হয়েছে এই নাম। আমাদের অপরিমেয় জাতীয় গর্বের বিষয় এই যে, দেশের সর্ববৃহৎ এবং উন্নয়নের অগ্রদূত পদ্মাসেতু নির্মাণ প্রকল্পের সম্পূর্ণটাতেই ব্যবহৃত হচ্ছে কেবলমাত্র এক্সট্রিম। এছাড়া গুরুত্বপূর্ণ ও জটিল রূপপুর পাওয়ার প্ল্যান্টসহ ব্রিজ, ফ্লাইওভার, পাওয়ার প্ল্যান্ট ও বহুতল ভবন নির্মাণে গত ১০ বছরে সর্বোচ্চ ব্যবহৃত হয়ে আসছে এই স্টিল। ব্লু ইকোনমির নতুন দিগন্তে পা রাখতে এক্সট্রিম এখন সম্পূর্ণ প্রস্তুত।

ঝুঁকি ও উদ্বেগ:

ঝুঁকি মূল্যায়ন ও প্রশমন কার্যক্রম যেকোন ব্যবসার অন্তর্গত বিষয়। মুনাফা বৃদ্ধি আর টেকসই প্রবৃদ্ধির লক্ষ্যে আমাদের পরিচালনা পর্ষদ নিয়মিত ঝুঁকি ও হুমকির সম্ভাবনা নির্ণয়, পর্যবেক্ষণ ও মূল্যায়ন করে থাকেন। নতুন সময়ের দাবি অনুযায়ী শক্তিশালী ব্যবস্থাপনা কাঠামো, তথ্য ব্যবস্থাপনা আর বাজার, অর্থনৈতিক পরিস্থিতি ও নতুন পলিসির নিয়মিত বিশ্লেষণের মাধ্যমে আমাদের ঝুঁকি ব্যবস্থাপনার সক্ষমতা নিশ্চিত করা হয়। সম্প্রতি বিএসআরএম গ্রুপ সার্বিকভাবে এন্টারপ্রাইজ রিস্ক ম্যানেজমেন্ট (ইআরএম) ফ্রেমওয়ার্ক ও গাইডলাইন প্রস্তুত করেছে। এর নীতিমালা অনুযায়ী ঝুঁকি নিবন্ধন ব্যবস্থা প্রস্তুত করা হয়েছে এবং একদল লোক নিয়মিত নিবিড়ভাবে সম্ভাব্য ঝুঁকি পর্যবেক্ষণ ও মূল্যায়ন করছে এবং পূর্ব সতর্কতা ও প্রশমনের উপায় বের করার কাজ করছে।

উল্লেখযোগ্য ঝুঁকিসমূহ এবং সেগুলো প্রশমনের বিষয় কোম্পানি নির্ধারিত পদ্ধতিসমূহ আর্থিক প্রতিবেদনের অ্যানেক্সার-১ এবং নোট-৫০-এ বর্ণিত আছে।

ঝুঁকি ব্যবস্থাপনা ও নিয়ন্ত্রণ

বিস্তারিত বিবরণ অ্যানেক্সার-১এ।

বিক্রিত পণ্যের মূল্য, মোট লাভ মার্জিন ও নিট লাভ মার্জিন:

বিস্তারিত বিবরণ অ্যানেক্সার-২।

অপ্রত্যাশিত/আশাতীত লাভ বা ক্ষতি

এ বছর কোন আশাতীত লাভ বা ক্ষতি নেই।

সংশ্লিষ্ট পক্ষের সাথে লেনদেন সমূহ

সংশ্লিষ্ট সকল পক্ষের সাথে বাণিজ্যিক ভিত্তিতে লেনদেন সম্পন্ন হয়েছে। সংশ্লিষ্ট পক্ষের সাথে লেনদেন-এর আইএফআরএস/ বিএফআরএস মোতাবেক বিস্তারিত বিবরণ আর্থিক প্রতিবেদনের নোট ৪২-এ প্রকাশ করা হয়েছে।

ত্রৈমাসিক ও বার্ষিক প্রতিবেদনের মধ্যে উল্লেখযোগ্য পার্থক্য:

পূর্বের হিসাব অনুযায়ী বিএসআরএম স্টিল মিল্‌সকে সহযোগী কোম্পানি হিসেবে ধরা হয়েছে, যার ৪৪.৯৭% শেয়ার বিএসআরএম লিমিটেড-এর। এই হিসাব ২০১৭-১৮ সালের তৃতীয় ত্রৈমাসিক প্রতিবেদন পর্যন্ত চালু ছিলো। সুনির্দিষ্ট আর্থিক প্রতিবেদনের উদ্দেশ্যে এক্সটার্নাল অডিটর এবং পরিচালনা পর্ষদের আলোচনা অনুযায়ী সহযোগী কোম্পানীর পরিবর্তে সহায়ক কোম্পানি হিসেবে চিহ্নিত করা হয়। সহায়ক কোম্পানির আর্থিক প্রতিবেদন বিএফআরএস মোতবেক তৈরি সমন্বিত আর্থিক প্রতিবেদনের মধ্যে অন্তর্ভূক্ত আছে। আর্থিক প্রতিবেদনে শাখা অফিস কার্যক্রম বিন্যাস ও প্রকাশ করা হয়েছে।

স্বতন্ত্র পরিচালকসহ সকল পরিচালকের বেতন:

পরিচালকবৃন্দের বেতন পর্ষদ-এর সিদ্ধান্ত মোতবেক প্রদান করা হয়েছে এবং পরিচালকবৃন্দের বেতন সংক্রান্ত বিস্তারিত আর্থিক প্রতিবেদনের অ্যানেক্সার-৩ ও নোট ৭.০২ এ লিপিবদ্ধ আছে।

পরিচালনা পর্ষদ:

১. **পর্ষদের গঠন ও আয়তন**

৩০শে জুন ২০১৮ সালে পর্ষদের সদস্য সংখ্যা ছিলো ৫ জন। পর্ষদ-এ ছিলেন চেয়ারম্যান, ব্যবস্থাপনা পরিচালক, দুজন পরিচালক এবং একজন স্বতন্ত্র পরিচালক।

২. **পর্ষদের সভা ও উপস্থিতি**

১ জুলাই ২০১৭ থেকে ৩০ জুন ২০১৮ এর মধ্যে পরিচালনা পর্ষদের মোট ৮টি সভা অনুষ্ঠিত হয়। নিচের টেবিলে সভায় পরিচালকবৃন্দের উপস্থিতির বিবরণ দেয়া হলো:

পর্ষদ সদস্যের নাম	পদবী	উল্লেখিত সময়ে অনুষ্ঠিত সভার সংখ্যা	সভায় উপস্থিতির সংখ্যা
আলীহোসাইন আকবরআলী এফসিএ	চেয়ারম্যান	৮	৮
আমির আলীহোসাইন	ব্যবস্থাপনা পরিচালক	৮	৮
জোহাইর তাহেরআলী	পরিচালক (এইচ আকবরআলী এন্ড কো. লি.-এর মনোনীত পরিচালক)	৮	৭
মিসেস সাবীন আমির	পরিচালক	৮	৭
জনাব মনোরঞ্জন দে, এফসিএ	স্বতন্ত্র পরিচালক	৮	৮

মিটিং-এ অনুপস্থিত সদস্য ছুটিতে ছিলেন অথবা দেশের বাইরে ছিলেন।

৩. **পরিচালক পুনঃনিয়োগের বিস্তারিত বিবরণ:**

ক. কোম্পানি গঠনতন্ত্র অনুসারে আলীহোসাইন আকবরআলী, এফসিএ এবং আমির আলীহোসাইন এই বার্ষিক সাধারণ সভার শেষে পর্যায়ক্রমিকভাবে পদত্যাগ করবেন এবং যোগ্যতার ভিত্তিতে পুনঃনিয়োগের জন্য নিজেদেরকে মনোনীত করবেন।

খ. স্বতন্ত্র পরিচালক মনোরঞ্জন দে, এফসিএ ২৩ ডিসেম্বর ২০১৭ তারিখে পদত্যাগ করেন এবং বাংলাদেশ সিকিউরিটিজ অ্যান্ড এক্সচেঞ্জ কমিশনের কর্পোরেট গভর্ন্যান্স কোড অনুযায়ী আরো তিন বছরের জন্য যোগ্য হওয়ায় পর্ষদ তাকে আরেক মেয়াদে স্বতন্ত্র পরিচালক হিসেবে নিয়োগের সুপারিশ করে।

৪. **পরিচালনা পর্ষদ অংশে পরিচালকদের বৃত্তান্ত এবং তাঁরা যে সমস্ত কোম্পানির পরিচালক বা সদস্য হিসেবে নিয়োজিত আছেন সেগুলোর নাম লিপিবদ্ধ আছে।**

আগের বছরের তুলনায় কার্যক্রমের ফলাফলে উল্লেখযোগ্য বিচ্যুতি

কার্যক্রমের ফলাফলে এ ধরণের কোন বিচ্যুতি নেই।

ব্যবস্থাপনা আলোচনা ও বিশ্লেষণ

কোম্পানির কার্যক্রম ও পরিস্থিতি নিয়ে ব্যবস্থাপনা পরিচালক স্বাক্ষরিত একটি ব্যবস্থাপনা আলোচনা ও পর্যালোচনা এবং আর্থিক প্রতিবেদনের পরিবর্তন বিষয়ে কিছু আলোচনা অ্যানেক্সার-ডি এ তে সংযুক্ত করা হলো।

সিইও এবং সিএফও কর্তৃক প্রত্যায়ন

প্রধান নির্বাহী কর্মকর্তা ও প্রধান অর্থ কর্মকর্তা দ্বারা পরিচালনা পর্ষদকে প্রদত্ত ৩(৩) শর্তানুযায়ী প্রয়োজনীয় ঘোষণা বা প্রত্যয়ন অ্যানেক্সার-এ তে সযুক্ত করা হলো।

ক্রেডিট রেটিং

ক্রেডিট রেটিং ইনফরমেশন সার্ভিসেস লিমিটেড কর্তৃক কোম্পানির মূল্যায়ন নিম্নরুপ:

দীর্ঘমেয়াদী	স্বল্পমেয়াদী
এএ	এসটি-৩

এএ রেটিংকৃত কোম্পানিগুলো উন্নত পর্যায়ের অন্তর্ভূক্ত এবং অধিক নিরাপত্তা ও উন্নত ঋণ ব্যবস্থাপনার নিশ্চয়তা দেয়। এই মানের রেটিং-এর অর্থ হলো কোম্পানির ক্রেডিট প্রোফাইল সন্তোষজনক এবং গুরুতর সমস্যা নেই। ঝুঁকির পরিমান সামান্য এবং অর্থনৈতিক পরিস্থিতির সাথে সামান্য হ্রাস-বৃদ্ধি ঘটে থাকে।

"এসটি-৩" সঠিক সময়ে ঋণ পরিশোধের নিশ্চয়তা বোঝায়। তারল্য উৎপাদকসমূহ শক্তিশালী এবং উন্নত মৌলিক প্রতিরক্ষা উৎপাদক দ্বারা সমর্থিত। ঝুঁকির উপাদান সামান্য।

ক্রেডিট রেটিং কোম্পানির মূল্যায়নে আমাদের কোম্পানি "স্থিতিশীল পরিস্থিতি"র কোম্পানির মধ্যে অন্তর্ভুক্ত।

অভ্যন্তরীণ নিয়ন্ত্রণ ব্যবস্থা

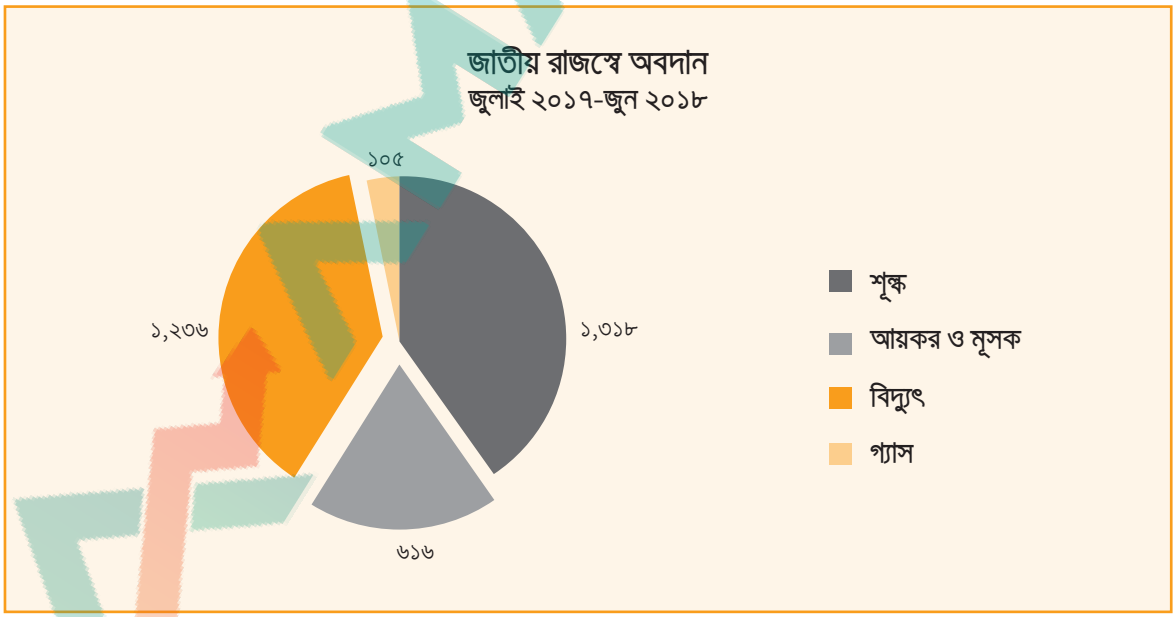
পরিচালনা পর্ষদ গ্রুপের একটি কার্যকর অভ্যন্তরীণ নিয়ন্ত্রণ ব্যবস্থা নিশ্চিত করে যা কোম্পানির সম্পত্তির সুরক্ষা দেয় এবং ধোঁকাবাজি, ভুল ও অন্যান্য অনিয়ম চিহ্নিত ও নিরসনের উপযুক্ত ব্যবস্থা বজায় রাখে। অভ্যন্তরীণ নিয়ন্ত্রণ ব্যবস্থার উন্নয়নে কোম্পানি স্ট্যান্ডার্ড অপারেটিং প্রসিডিউর (এসওপি) চালু করেছে। গ্রহণযোগ্য সময়ে সঠিক তথ্য ও উপাত্ত সংগ্রহে আমরা ইতোমধ্যে সর্বাধুনিক এন্টারপ্রাইজ রিসোর্স প্ল্যানিং (ইআরপি) চালু করেছি। অভ্যন্তরীণ নিয়ন্ত্রণ ও স্বচ্ছতা নিশ্চিত করার লক্ষ্যে কোম্পানি একটি আলাদা অভ্যন্তরীণ অডিট বিভাগ সৃষ্টি করেছে। অডিট কমিটি নিয়মিত ভাবে অভ্যন্তরীণ অডিট বিভাগের প্রতিবেদন বিশ্লেষণ করে এবং সংশোধনমূলক ব্যবস্থা গ্রহণ করে।

লভ্যাংশ

- আপনার কোম্পানির পরিচালকগণ জুন ৩০, ২০১৮ তে শেষ হওয়া বছরের জন্য শেয়ারপ্রতি ১০% স্টক ডিভিডেন্ড ও ১০% ক্যাশ ডিভিডেন্ড সুপারিশ করেছে। জুন ৩০, ২০১৭ তে শেষ হওয়া বছরের জন্য কোম্পানি শেয়ারপ্রতি ১০% স্টক ডিভিডেন্ড ও ১০% অন্তর্বর্তীকালীন ক্যাশ ডিভিডেন্ড ঘোষণা করেছিলো।
- বাকি সঞ্চিত লভ্যাংশ উচ্চ সুদের ঋণ পরিশোধে ও নিরবচ্ছিন্ন উৎপাদনের নিমিত্তে নতুন যন্ত্র ক্রয়ে ব্যবহৃত হবে।

জাতীয় রাজস্বে অবদান

বিএসআরএম কর প্রদান করে এবং কর সংগ্রহে অবদান রাখে। জুলাই ২০১৭ থেকে জুন ২০১৭ পর্যন্ত আমরা উল্লেখযোগ্য পরিমাণে কর, মূসক ও শুল্ক প্রদান করেছি ও সংগ্রহ করে জমা দিয়েছি। এ সময়ে বিএসআরএম মোট ৩,২৭৪.৯১ মিলিয়ন টাকা সরকারি কোষাগারে প্রদান করেছে, যার চিত্র নিচে তুলে ধরা হলো।



কর্পোরেট সামাজিক দায়িত্ব

ব্যবসায়িক সিদ্ধান্তের সাথে নৈতিক, সামাজিক এবং পরিবেশগত উন্নয়নমূলক চিন্তার সমন্বয় বিএসআরএম-এর অঙ্গীকার এবং কোম্পানি এই মূল্যবোধের প্রতি দায়িত্বশীল ও একনিষ্ঠ। ২০১৭-১৮ সালব্যাপী আপনাদের কোম্পানি নানাবিধ সামাজিক কল্যাণমূলক কাজ, গবেষণা-উন্নয়ন এবং পরিবেশ রক্ষায় কাজ করেছে। সামাজিক দায়িত্ব সংক্রান্ত কাজের বিবরণ বার্ষিক প্রতিবেদনের ৯৫ পৃষ্ঠায় কর্পোরেট সামাজিক দায়িত্ব নামক অধ্যায়ে বর্ণিত হয়েছে।

পুরস্কার ও স্বীকৃতি

আমরা আপনাদেরকে জানাতে পেরে অত্যন্ত গর্বিত যে, গত কয়েক বছরে আমরা বেশ কিছু সম্মানজনক পুরস্কারে ভূষিত হয়েছি। এখানে তার কয়েকটি:

১. ৪র্থ জাতীয় উন্নয়ন মেলা, ২০১৮ সালে গণপ্রজাতন্ত্রী বাংলাদেশ সরকারের প্রবাসী কল্যাণ ও বৈদেশিক কর্মসংস্থান মন্ত্রণালয় প্রদত্ত প্রশংসা সনদ অর্জন।

২. ২০১৪ সালে শিল্পোন্নয়নে বিশেষ অবদান রাখায় ভারি শিল্প বিভাগে রাষ্ট্রপতি পুরস্কার অর্জন

৩. ২০১৩-১৪ সালে জাতীয় রপ্তানী ট্রফি অর্জন

৪. বাংলাদেশ সাপ্লাই চেইন ম্যানেজমেন্ট সোসাইটির পক্ষ থেকে সম্মানজনক "এক্সিলেন্স ইন সাপ্লাই চেইন রিলেশনশিপ ম্যানেজমেন্ট এন্ড লজিস্টিক ম্যানেজমেন্ট" পুরস্কার অর্জন।

৫. সেরা প্রদর্শিত বার্ষিক প্রতিবেদন হিসেবে ২০১২, ২০১৩ ও ২০১৫ সালে আইসিএবি জাতীয় পুরস্কার ও ২০১৪ ও ২০১৫ সালে মেধাসনদ অর্জন।

৬. ২০১২, ২০১৩ ও ২০১৫ সালে সাউথ এশিয়া অ্যাকাউন্টেন্টস ফেডারেশন (সাফা)-এর মেধাসনদ অর্জন (বিএসএরএম স্টিলস লি.)।

৭. ২০১৫ সালে সেরা কর্পোরেট গভর্ন্যান্স এক্সিলেন্স এর জন্য আইসিএসবি ন্যাশনাল গোল্ড অ্যাওয়ার্ড অর্জন।

৮. ২০১৫ সালে সর্বোচ্চ করদাতা হিসেবে জাতীয় রাজস্ব বোর্ড-এর ট্যাক্স কার্ড অর্জন (বিএসএরএম স্টিলস লি.)।

৯. স্টিল ক্যাটাগরিতে ২০১১, ২০১৩, ২০১৪, ২০১৫, ২০১৬, এবং ২০১৭ সালের সেরা ব্র্যান্ড হিসেবে পুরস্কৃত (বিএসআরএম গ্রুপ)।

১০. ২০১০ সালের বেস্ট এন্টারপ্রাইজ অব দ্য ইয়ার (বিএসআরএম গ্রুপ)।

১১. ডি এন্ড বি কর্পোরেট অ্যাওয়ার্ড ২০১০ ও ২০১২ (বিএসএরএম স্টিলস লি.)

১২. ২০১২ সালে আলী হোসেন আকবর আলী "চট্টগ্রামের গর্ব" উপাধিতে ভূষিত।

১৩. বিভাগীয় পরিবেশ পুরস্কার ২০১৩ (বিসকো লি.)

১৪. ৫ম স্ট্যান্ডার্ড চার্টার্ড-ফাইন্যান্সিয়াল এক্সপ্রেস সিএসআর পুরস্কার (বিএসআরএম গ্রুপ)

১৫. ২০১৪ সালে জাপান-বাংলাদেশ চেম্বার অব কমার্স এন্ড ইন্ডাস্ট্রি (জেবিসিসিআই) পুরস্কার (বিএসআরএম লি.)

১৬. ২০১৪ সালে সেরা কর্পোরেট গভর্ন্যান্স এক্সিলেন্স-এর জন্য আইসিএসবি ন্যাশনাল সিলভার অ্যাওয়ার্ড অর্জন।

১৭. ২০১৫ সালে সর্বোচ্চ বিদ্যুৎ ভোক্তা (শিল্পখাত) পুরস্কার (বিএসআরএম লি.)।

১৮. ২০১৫ সালে মার্কেন্টাইল ব্যাংক পুরস্কার (শিল্প ও বাণিজ্য) অর্জন (বিএসআরএম গ্রুপ)।

তথ্য প্রযুক্তি

শুরু থেকেই বিএসআরএম একটি গ্রাহকমুখী কোম্পানি। গ্রাহকের চাহিদা ও সন্তুষ্টি মাথায় রেখে সেলস ও সাপোর্ট কর্মীদের সহযোগিতায় আপনাদের কোম্পানি বেশ কিছু তথ্যপ্রযুক্তি সংক্রান্ত পদক্ষেপ নিয়েছে। গ্রাহকের অভিযোগ ও অনুসন্ধানে দ্রুত সাড়া দিতে আমরা স্বয়ংক্রিয় অভিযোগ ও সমাধান পদ্ধতি চালু করেছি। ব্যবসায়িক ঝুঁকি প্রশমন, কার্যক্ষমতা বৃদ্ধি ও স্টেকহোল্ডারদের প্রয়োজনীয় তথ্য সরবরাহ করে দিতে আমরা নিয়মিত আমাদের ইআরপি সিস্টেম আধুনিকায়ন করে থাকি। প্রতিবেদনের ৯৮ পৃষ্ঠায় "টেকসই প্রবৃদ্ধি" অধ্যায়ে তথ্য প্রযুক্তির বিস্তারিত বিবরণ লিপিবদ্ধ রয়েছে।

জনসম্পদ ব্যবস্থাপনা

কোম্পানি গৃহীত ও বাস্তবায়িত জনসম্পদ ব্যবস্থাপনা নীতির কার্যকারিতার ফলে কোম্পানির একটি ধারাবাহিক পরিকল্পনা গ্রহণে সক্ষম, উন্নয়নশীল এবং বৈচিত্র্যপূর্ণ ও কর্মদক্ষ জনশক্তি গড়ে উঠেছে। বিএসআরএম গ্রুপের দর্শন হলো "মেধার প্রতিপালন ও প্রতিষ্ঠানের ভবিষ্যৎ নেতৃত্ব গঠনে গুরুত্ব দেওয়ার মাধ্যমে পছন্দের চাকরিদাতা প্রতিষ্ঠানে পরিণত হওয়া"। প্রতিবেদনের ৯৮ পৃষ্ঠায় "টেকসই প্রবৃদ্ধি" অধ্যায়ে জনসম্পদের বিস্তারিত বিবরণ লিপিবদ্ধ রয়েছে।

আচরণ বিধি

মনোনয়ন ও পারিশ্রমিক কমিটি (এনআরসি) কোম্পানির পরিচালনা পর্ষদের জন্য নির্দিষ্ট আচরণ বিধি প্রণয়ন করেছে যা কোম্পানির ওয়েবসাইটে দেওয়া আছে। সকল পরিচালক এই আচরণ বিধির অনুকূলে স্বাক্ষর করেছেন।

অডিটর

বর্তমান অডিটর রহমান রহমান হক, চার্টার্ড অ্যাকাউন্ট্যান্ট, এমএম ট্রেড সেন্টার (১৪ তলা), ৭৮, আগ্রাবাদ বা/এ, চট্টগ্রাম, ৫৬তম বার্ষিক সাধারণ সভা শেষে অবসরে যাবেন এবং উপযুক্ততার ভিত্তিতে ২০১৮-১৯ বছরের অডিট পরিচালনার জন্য পূনঃনিয়োগের ইচ্ছা ব্যক্ত করেছেন। পরিচালনা পর্ষদ রহমান রহমান হক, চার্টার্ড অ্যাকাউন্ট্যান্ট, এমএম ট্রেড সেন্টার (১৪ তলা), ৭৮, আগ্রাবাদ বা/এ, চট্টগ্রামকে আগামী ৩০ শে জুন ২০১৯ সালে বছর শেষে সংবিধিবদ্ধ অডিটর হিসেবে নিয়োগের সুপারিশ করেছে, যা আগামী বার্ষিক সাধারণ সভায় অনুমোদনের জন্য অপেক্ষমান।

কর্পোরেট গভর্ন্যান্স-এর কমপ্লায়েন্স-এর জন্য পেশাদার অ্যাকাউন্ট্যান্ট

বিএসইসির নির্দেশনা অনুযায়ী পর্ষদ জনাব সিদ্ধার্থ বড়ুয়া, এফসিএ, ম্যানেজিং পার্টনার মেসার্স এম.এ. মালিক এন্ড কো., চার্টার্ড অ্যাকাউন্ট্যান্ট, আজিজ চেম্বার (৩য় তলা), ৬ জুবিলি রোড, চট্টগ্রাম, কে আগামী ৩০ শে জুন ২০১৯ সালে শেষ হওয়া বছরের জন্য বাংলাদেশ সিকিউরিটিজ অ্যান্ড এক্সচেঞ্জ কমিশনের সাথে সমন্বয় করে কর্পোরেট গভর্ন্যান্স কমপ্লায়েন্স-এর সনদ প্রদানকারী পেশাদার অ্যাকাউন্ট্যান্ট হিসেবে নিয়োগের সুপারিশ করেছেন, যা আগামী বার্ষিক সাধারণ সভায় অনুমোদনের জন্য অপেক্ষমান।

প্রতিবেদন ও কর্পোরেট গভর্ন্যান্স-এর কমপ্লায়েন্স

বাংলাদেশ সিকিউরিটিজ অ্যান্ড এক্সচেঞ্জ কমিশনের ৩০শে জুন ২০১৮ কর্পোরেট গভর্ন্যান্স-এর ওপর জারিকৃত নোটিশ বিএসইসি/সিএমআরআরসিডি/২০০৬-১৫৮/২০৭/অ্যাডমিন/৮০ এর চাহিদা/নির্দেশনা অনুযায়ী কমপ্লায়েন্সের পরিস্থিতি প্রতিবেদনের অ্যানেক্সার-সি-এ বর্ণিত।

পরবর্তী কার্যক্রম

ফাইন্যান্সিয়াল পজিশনের পরবর্তী কোন উল্লেখযোগ্য কার্যক্রম নেই যা এই প্রতিবেদনের ব্যবহারকারীদের সঠিক মূল্যায়নে প্রভাব ফেলতে পারে।

পরিচালকদের দায় প্রতিবেদন

বিএসইসি'র ৩ জুন ২০১৮ জারীকৃত নোটিশ বিএসইসি/সিএমআরআরসিডি-২০০৬-১৫৮/২০৭/অ্যাডমিন/৮০ অনুযায়ী পরিচালকবৃন্দ নিশ্চিত করেন যে,

- বিএসআরএম ব্যবস্থাপনা পর্ষদ কর্তৃক প্রস্তুতকৃত আর্থিক প্রতিবেদন কোম্পানির কার্যক্রম, ফলাফল, অর্থপ্রবাহ এবং ইক্যুইটির পরিবর্তন সঠিক ও নির্ভুলভাবে উপস্থাপন করে।
- কোম্পানি সুনির্দিষ্ট বুক অব অ্যাকাউন্ট মেনে পরিচালিত।
- এই আর্থিক প্রতিবেদনের সকল অংশে উপযুক্ত অ্যাকাউন্টিং নীতিমালা সঠিকভাবে প্রয়োগ করা হয়েছে এবং হিসাব সংক্রান্ত অনুমান যৌক্তিক ও বিচক্ষণ সিদ্ধান্তের মাধ্যমে গৃহীত।
- এই আর্থিক প্রতিবেদন প্রস্তুতে বাংলাদেশে প্রযোজ্য ইন্টারন্যাশনাল অ্যাকাউন্টিং স্ট্যান্ডার্ড (আইএস)/বাংলাদেশ অ্যাকাউন্টিং স্ট্যান্ডার্ড (বিএএস)/ইন্টারন্যাশনাল ফাইন্যান্সিয়াল রিপোর্টিং স্ট্যান্ডার্ড (আইএফআরএস)/ বাংলাদেশ ফাইন্যান্সিয়াল রিপোর্টিং স্ট্যান্ডার্ড (বিএফআরএস)-এর নীতিমালা অনুসরণ করা হয়েছে এবং এই নীতিমালার ব্যাঘাত সৃষ্টিকারী সকল উপাদান দূরীভূত করা হয়েছে।
- অভ্যন্তরীণ নিয়ন্ত্রণ ব্যবস্থা সুষমভাবে প্রস্তুত এবং কার্যকরভাবে বাস্তবায়ন ও পর্যবেক্ষণ করা হয়েছে।
- প্রত্যক্ষ বা পরোক্ষভাবে শেয়ারহোল্ডারদের কার্যক্রম নিয়ন্ত্রণের উপায় বের করার মাধ্যমে সাফল্যের সাথে ক্ষুদ্র শেয়ার হোল্ডারদের স্বার্থ সংরক্ষণ করা হয়েছে।
- কোম্পানির পরিচালনা এবং ক্রমাগত এগিয়ে যাওয়ার সক্ষমতা নিয়ে বিন্দুমাত্র সন্দেহ নেই এবং বার্ষিক হিসাব চলমান হিসেবে প্রস্তুত করা হয়েছে।
- গত পাঁচ বছরের মুখ্য কার্যক্রম ও আর্থিক তারিখ অ্যানেক্সার-৪ এ প্রকাশ করা হয়েছে।
- শেয়ারহোল্ডিং-এর বিন্যাস অ্যানেক্সার-৫ এ প্রকাশ করা হয়েছে।
- বিএসইসি নির্দেশিত কর্পোরেট গভর্ন্যান্স প্রতিবেদন রেগুলেটরি কম্প্লায়েন্স রিপোর্ট অ্যানেক্সার-সি এ প্রকাশিত।
- পরিচালকবৃন্দের প্রোফাইল এবং অন্যান্য প্রতিষ্ঠানের সাথে সম্পৃক্ততা পরিচালনা পর্ষদ অংশে প্রকাশিত।
- অন্তঃবর্তীকালীন ডিভিডেন্ড হিসেবে কোন বোনাস শেয়ার বা স্টক ডিভিডেন্ড-এর ঘোষনা দেওয়া হয়নি।

কৃতজ্ঞতা স্বীকার

পরিচালনা পর্ষদের পক্ষ থেকে আমি সকল সম্মানিত শেয়ারহোল্ডার, ব্যাংকার, আরজেএসসি, জাতীয় রাজস্ব বোর্ড এবং অনান্য সরকারী প্রতিষ্ঠানকে অশেষ সহযোগিতা ও সমর্থনের জন্য কৃতজ্ঞতা ও ধন্যবাদ জানাচ্ছি। আমি আমাদের ব্যবস্থাপনা দল এবং পুরো বিএসআরএম পরিবারকে তাদের পরিশ্রম ও নিষ্ঠার জন্য ধন্যবাদ জানাই। আপনাদের পরামর্শ ও উপদেশ আমার একান্ত কাম্য।

আমরা সর্বোচ্চ দক্ষতা ও মুনাফা নিশ্চিত করার লক্ষ্যে সর্বাত্মক প্রচেষ্টা চালিয়ে যাচ্ছি। আপনাদের সহযোগিতা আমাদের পাথেয়। উৎকর্ষের দিকে আমাদের যাত্রায় সাথে থাকার আহ্বান রইলো।

সবার জীবন হোক নিরাপদ।

আমীর আলিহোসাইন
ব্যবস্থাপনা পরিচালক

ANNEXURE-A
[As per condition no.1(5)(xxvi)]

BANGLADESH STEEL RE-ROLLING MILLS LIMITED
DECLARATION OF CEO AND CFO

Date: September 25, 2018

The Board of Directors
Bangladesh Steel Re-Rolling Mills Limited
Ali Mansion, 1207/1099 Sadarghat Road,
Chattogram.

Subject: Declaration on Financial Statements for the year ended on 30th June 2018.

Dear Sirs,
Pursuant to the condition No. 1(5)(xxvi) imposed vide the commission's notification No. BSEC/CMRRCD/2006-158/207/Admin/80, Dated 03 June, 2018 under section 2CC of the Securities and Exchange Ordinance 1969, we do hereby declare that:

1. The Financial Statements of **Bangladesh Steel Re-Rolling Mills Limited** for the year ended on **30th June 2018** have been prepared in compliance with International Accounting Standards (IAS) or International Financial Reporting Standards (IFRS), as applicable in Bangladesh and any departure there from has been adequately disclosed;
2. The estimates and judgments related to financial statements were made on a prudent and reasonable basis, in order for the financial statements to reveal a true and fair view;
3. The form and substance of transactions and the company's state of affairs have been reasonably and fairly presented in its financial statements;
4. To ensure above, the Company has taken proper and adequate care in installing a system of Internal control and maintenance of accounting records;
5. Our internal auditors have conducted periodic audits to provide reasonable assurance that the established policies and procedures of the Company were consistently followed;
   and
6. The management's use of the going concern basis of accounting in preparing the financial statements is appropriate and there exists no materials uncertainty related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern.

In this regard, we also certify that:-

(i) We have reviewed financial statements for the year ended **30th June 2018** and that to the best of our knowledge and belief:
   a) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
   b) These financial statements collectively present true and fair view of the company's affairs and are in compliance with existing accounting standards and applicable laws.

(ii) There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or in violation of the code of conduct for the company's Board of Directors or its members.

Sincerely yours,

Aameir Alihussain
Managing Director

Mohammed Reazul Kabir FCA
AGM & Chief Financial Officer

AMARSTOCK

ANNEXURE-B
[As per condition no.1(5)(xxvii)]

CERTIFICATE ON COMPLIANCE WITH CONDITIONS OF COROPORATE GOVERNANCE CODE

M.A.MALLIK & Co.
CHARTERED ACCOUNTANTS

Head Office :
Aziz Chamber (2nd Floor)
6, Jubilee Road, Chittagong.
Phone: 613331, 2853523

Branch Office :
Room No. 6, First Floor
Dost Building, H.S.Surhwardy Road,
Chittagong. Phone No.: 622176

Date:.....

[Certificate as per condition No. 1(5)(xxvii)]

Report to the Shareholders of Bangladesh Steel Re-Rolling Mills Limited on compliance on the Corporate Governance Code

We have examined the compliance status to the Corporate Governance Code by **Bangladesh Steel Re-Rolling Mills Limited** for the year ended on **30th June, 2018**. This Code relates to the Notification No. BSEC/CMRRCD/2006-158/207/Admin/80, dated: 3rd June, 2018 of the Bangladesh Securities and Exchange Commission.

Such compliance with the Corporate Governance Code is the responsibility of the Company. Our examination was limited to the procedures and implementation thereof as adopted by the Management in ensuring compliance to the conditions of the Corporate Governance Code.

This is a scrutiny and verification and an independent audit on compliance of the conditions of the Corporate Governance Code as well as the provisions of relevant Bangladesh Secretarial Standards (BSS) as adopted by Institute of Chartered Secretaries of Bangladesh (ICSB) in so far as those standards are not inconsistent with any condition of this Corporate Governance Code.

We state that we have obtained all the information and explanations, which we have required, and after due scrutiny and verification thereof, we report that, in our opinion:

a) The Company has complied with the conditions of the Corporate Governance Code as stipulated in the above mentioned Corporate Governance Code issued by the Commission;

b) The Company has complied with the provisions of the relevant Bangladesh Secretarial Standards (BSS) as adopted by the Institute of Chartered Secretaries of Bangladesh (ICSB) as required by this Code;

c) Proper books and records have been kept by the company as required under the Companies Act, 1994, the securities laws and other relevant laws; and

d) The governance of the company is highly satisfactory.

(Shidhartha Barua FCA)
Managing Partner
M.A. Mallik & Co.
Chartered Accountants

Place: Chattogram
Dated: October 04, 2018

FIRSTSTOCK

ANNEXURE-C
[As per condition no.1(5)(xxvii)]

CORPORATE GOVERNANCE COMPLIANCE REPORT

Status of compliance with the condition imposed by the Commission's Notification No. BSEC/CMRRCD/2006-158/207/Admin/80, dated 03 June, 2018 issued under section 2CC of the Securities and Exchange Ordinance,1969:

(Report under condition No: 9)

Condition No.	Title	Compliance Status (Put √ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
1	BOARD OF DIRECTORS			
1(1)	**Size of the Board of Directors** The total number of members of a company's Board of Directors (hereinafter referred to as "Board") shall not be less than 5 (five) and more than 20 (twenty).	√		
1(2)	**Independent Directors** All companies shall have effective representation of independent directors on their Boards, so that the Board, as a group, includes core competencies considered relevant in the context of each company; for this purpose, the companies shall comply with the following: -			
1(2)(a)	At least one-fifth (1/5) of the total number of directors in the company's Board shall be independent directors; any fraction shall be considered to the next integer or whole number for calculating number of independent director(s);	√		
1(2)(b)	For the purpose of this clause 'Independent directors' means a director-			
1(2)(b)(i)	Who either does not hold any share in the company or holds less than one percent (1%) shares of the total paid-up shares of the company;	√		
1(2)(b)(ii)	who is not a sponsor of the company or is not connected with the company's any sponsor or director or nominated director or shareholder of the company or any of its associates, sister concerns, subsidiaries and parents or holding entities who holds one percent (1%) or more shares of the total paid-up shares of the company on the basis of family relationship and his or her family members also shall not hold above mentioned shares in the company:	√		
1(2)(b)(iii)	who has not been an executive of the company in immediately preceding 2 (two) financial years;	√		
1(2)(b)(iv)	Who does not have any other relationship, whether pecuniary or otherwise, with the company or its subsidiary or associated companies;	√		
1(2)(b)(v)	Who is not a member or TREC (Trading Right Entitlement Certificate) holder, director or officer of any stock exchange;	√		
1(2)(b)(vi)	who is not a shareholder, director excepting independent director or officer of any member or TREC holder of stock exchange or an intermediary of the capital market;	√		
1(2)(b)(vii)	Who is not a partner or an executive or was not a Partner or an executive during the preceding 3 (three) years of the concerned company's statutory audit firm;	√		
1(2)(b)(viii)	Who shall not be an independent director in more than 5 (five) listed companies;	√		
1(2)(b)(ix)	Who has not been convicted by a court of competent jurisdiction as a defaulter in payment of any loan or any advance to a bank or a Non-Bank Financial Institution (NBFI);	√		
1(2)(b)(x)	Who has not been convicted for a criminal offence involving moral turpitude.	√		
1(2)(c)	The independent director(s) shall be appointed by the board of directors and approved by the shareholders in the Annual General Meeting (AGM).	√		
1(2)(d)	The post of independent director(s) can not remain vacant for more than 90 (ninety) days.	√		
1(2)(e)	The tenure of office of an independent director shall be for a period of 3(three) years, which may be extended for 1(one) tenure only.	√		

TRANSTOCK

Condition No.	Title	Compliance Status (Put √ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
1(3)	**Qualification of Independent Director (ID)**			
1(3)(a)	Independent director shall be a knowledgeable individual with integrity who is able to ensure compliance with financial laws, regulatory rewuirment and corporate laws and can make meaningful contribution to business.	√		
1(3)(b)	Independent director shall have following qualifications:			
1(3)(b)(i)	Business Leader who is or was a promoter or director of an unlisted company having minimum paid-up capital of Tk. 100.00 million or any listed company or a member of any national or international chamber of commerce or business association; or			N/A
1(3)(b)(ii)	Corporate Leader who is or was a top level executive not lower than Chief Executive Officer or Managing Director or Deputy Managing Director or Chief Financial Officer or Head of Finance or Accounts or Company Secretary or Head of Internal Audit and Compliance or Head of Legal Service or a candidate with equivalent position of an unlisted company having minimum paid up capital of k. 100.00 million or of a listed company; or			N/A
1(3)(b)(iii)	Former official of government or statutory or autonomous or regulatory body in the position not below 5th Grade of the national pay scale, who has at least educational background of bachelor degree in economics or commerce or business or law; or			N/A
1(3)(b)(iv)	University Teacher who has educational background in Economics or Commerce or Business Studies or Law; or			N/A
1(3)(b)(v)	Professional who is or was an advocate practicing at least in the High Court Division of Bangladesh Supreme Court or a Chartered Accountant or Cost and Management Accountant or Chartered Financial Analyst or Chartered Certified Accountant or Certified Public Accountant or Chartered Management Accountant or Chartered Secretary or equivalent qualification;	√		
1(3)(c)	The independent director shall have at least 10 (ten) years of experiences in any field mentioned in clause (b)	√		
1(3)(d)	In special cases the above qualifications may be relaxed subject to prior approval of the Commission.			N/A
1(4)	**Duality of Chairperson of the Board of Directors and Managing Director or Chief Executive Officer:-**			
1(4)(a)	The positions of the Chairperson of the Board and the Managing Director (MD) and/or Chief Executive Officer (CEO) of the company shall be filled by different individuals.	√		
1(4)(b)	The Managing Director (MD) and/or Chief Executive Officer (CEO) of a listed company shall not hold the same position in another listed company			N/A
1(4)(c)	The Chairperson of the Board shall be elected from among the non-executive directors of the company;	√		
1(4)(d)	The Board shall clearly define respective roles and responsibilities of the Chairperson and the Managing Director and/or Chief Executive Officer;	√		
1(4)(e)	In the absence of the Chairperson of the Board, the remaining members may elect one of themselves from non-executive directors as Chairperson for that particular Board's meeting; the reason of absence of the regular Chairperson shall be duly recorded in the minutes.	√		
1(5)	**The Directors' Report to Shareholders**			
	The Board of the company shall include the following additional statements or disclosures in the Directors' Report prepared under section 184 of the Companies Act, 1994 (Act No. XVIII of 1994):-			
1(5)(i)	An industry outlook and possible future developments in the industry	√		
1(5)(ii)	The segment-wise or product-wise performance	√		

Condition No.	Title	Compliance Status (Put √ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
1(5)(iii)	Risks and concerns including internal and external risk factors, threat to sustainability and negative impact on environment, if any;	√		
1(5)(iv)	A discussion on Cost of Goods sold, Gross Profit Margin and Net Profit Margin, where applicable;	√		
1(5)(v)	A discussion on continuity of any extraordinary activities and their implications (gain or loss);	√		
1(5)(vi)	A detailed discussion on related party transactions along with a statement showing amount, nature of related party, nature of transactions and basis of transactions of all related party transactions;	√		
1(5)(vii)	A statement of utilization of proceeds raised through public issues, rights issues and/or any other instruments			N/A
1(5)(viii)	An explanation if the financial results deteriorate after the company goes for Initial Public Offering (IPO), Repeat Public Offering (RPO), Rights Share Offer, Direct Listing, etc.;			N/A
1(5)(ix)	An explanation on any significant variance that occurs between Quarterly Financial performances and Annual Financial Statements;	√		
1(5)(x)	A statement of remuneration paid to the directors including independent directors;	√		
1(5)(xi)	A statement that the financial statements prepared by the management of the issuer company present fairly its state of affairs, the result of its operations, cash flows and changes in equity;	√		
1(5)(xii)	A statement that proper books of account of the issuer company have been maintained;	√		
1(5)(xiii)	A statement that appropriate accounting policies have been consistently applied in preparation of the financial statements and that the accounting estimates are based on reasonable and prudent judgment	√		
1(5)(xiv)	A statement that International Accounting Standards (IAS) or International Financial Reporting Standards (IFRS), as applicable in Bangladesh, have been followed in preparation of the financial statements and any departure there from has been adequately disclosed;	√		
1(5)(xv)	A statement that the system of internal control is sound in design and has been effectively implemented and monitored;	√		
1(5)(xvi)	A statement that minority shareholders have been protected from abusive actions by, or in the interest of, controlling shareholders acting either directly or indirectly and have effective means of redress;	√		
1(5)(xvii)	A statement that there is no significant doubt upon the issuer company's ability to continue as a going concern, if the issuer company is not considered to be a going concern, the fact along with reasons there of shall be disclosed;	√		
1(5)(xviii)	An explanation that significant deviations from the last year's operating results of the issuer company shall be highlighted and the reasons thereof shall be explained;	√		
1(5)(xix)	A statement where key operating and financial data of at least preceding 5 (five) years shall be summarized	√		
1(5)(xx)	An explanation on the reasons if the issuer company has not declared dividend (cash or stock) for the year;			N/A
1(5)(xxi)	Board's statement to the effect that no bonus share or stock dividend has been or shall be declared as interim dividend;			N/A
1(5)(xxii)	The total number of Board meetings held during the year and attendance by each director;	√		
1(5)(xxiii)	A report on the pattern of shareholding disclosing the aggregate number of shares (along with name-wise details where stated below) held by:-			

AMARSTOCK

Condition No.	Title	Compliance Status (Put √ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
1(5)(xxiii)(a)	Parent or Subsidiary or Associated Companies and other related parties (name-wise details);	√		
1(5)(xxiii)(b)	Directors, Chief Executive Officer, Company Secretary, Chief Financial Officer, Head of Internal Audit and Compliance and their spouses and minor children (name-wise details);	√		
1(5)(xxiii)(c)	Executives; and	√		
1(5)(xxiii)(d)	Shareholders holding ten percent (10%) or more voting interest in the company (name-wise details);	√		
1(5)(xxiv)	In case of the appointment/re-appointment of a director the company shall disclose the following information to the shareholders:			
1(5)(xxiv)(a)	A brief resume of the director	√		
1(5)(xxiv)(b)	Nature of his/her expertise in specific functional areas;	√		
1(5)(xxiv)(c)	Names of companies in which the person also holds the directorship and the membership of committees of the board.	√		
1(5)(xxv)	A Management's Discussion and Analysis signed by CEO or MD presenting detailed analysis of the company's position and operations along with a brief discussion of changes in the financial statements, among others, focusing on:			
1(5)(xxv)(a)	Accounting policies and estimation for preparation of financial statements;	√		
1(5)(xxv)(b)	Changes in accounting policies and estimation, if any, clearly describing the effect on financial performance or results and financial position as well as cash flows in absolute figure for such changes;	√		
1(5)(xxv)(c)	Comparative analysis (including effects of inflation) of financial performance or results and financial position as well as cash flows for current financial year with immediate preceding five years explaining reasons thereof;	√		
1(5)(xxv)(d)	Compare such financial performance or results and financial position as well as cash flows with the peer industry scenario;	√		
1(5)(xxv)(e)	Briefly explain the financial and economic scenario of the country and the globe;	√		
1(5)(xxv)(f)	Risks and concerns issues related to the financial statements, explaining such risk and concerns mitigation plan of the company; and	√		
1(5)(xxv)(g)	future plan or projection or forecast for company's operation, performance and financial position, with justification thereof, i.e., actual position shall be explained to the shareholders in the next AGM;	√		
1(5)(xxvi)	Declaration or certification by the CEO and the CFO to the Board as required under condition No. 3(3) shall be disclosed as per **Annexure-A** and	√		
1(5)(xxvii)	The report as well as certificate regarding compliance of conditions of this Code as required under condition No. 9 shall be disclosed as per **Annexure-B** and **Annexure-C**	√		
1(6)	**Meetings of the Board of Directors**			
	The company shall conduct its Board meetings and record the minutes of the meetings as well as keep required books and records in line with the provisions of the relevant Bangladesh Secretarial Standards (BSS) as adopted by the Institute of Chartered Secretaries of Bangladesh (ICSB) in so far as those standards are not inconsistent with any condition of this Code	√		
1(7)	**Code of Conduct for the Chairperson, other Board members and Chief Executive Officer**			
1(7)(a)	The Board shall lay down a code of conduct, based on the recommendation of the Nomination and Remuneration Committee (NRC) at condition No. 6, for the Chairperson of the Board, other board members and Chief Executive Officer of the company;	√		

Condition No.	Title	Compliance Status (Put √ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
1(7)(b)	The code of conduct as determined by the NRC shall be posted on the website of the company including, among others, prudent conduct and behavior; confidentiality; conflict of interest; compliance with laws, rules and regulations; prohibition of insider trading; relationship with environment, employees, customers and suppliers; and independency.	√		
2	GOVERNANCE OF BOARD OF DIRECTORS OF SUBSIDIARY COMPANY			
2(a)	Provisions relating to the composition of the Board of the holding company shall be made applicable to the composition of the Board of the subsidiary company;	√		
2(b)	At least 1 (one) independent director on the Board of the holding company shall be a director on the Board of the subsidiary company;	√		
2(c)	The minutes of the Board meeting of the subsidiary company shall be placed for review at the following Board meeting of the holding company	√		
2(d)	The minutes of the respective Board meeting of the holding company shall state that they have reviewed the affairs of the subsidiary company also;	√		
2(e)	The Audit Committee of the holding company shall also review the financial statements, in particular the investments made by the subsidiary company	√		
3	MANAGING DIRECTOR (MD) OR CHIEF EXECUTIVE OFFICER (CEO), CHIEF FINANCIAL OFFICER (CFO), HEAD OF INTERNAL AUDIT AND COMPLIANCE (HIAC) AND COMPANY SECRETARY (CS)			
3(1)	Appointment			
3(1)(a)	The Board shall appoint a Managing Director (MD) or Chief Executive Officer (CEO), a Company Secretary (CS), a Chief Financial Officer (CFO) and a Head of Internal Audit and Compliance (HIAC);	√		
3(1)(b)	The positions of the Managing Director (MD) or Chief Executive Officer (CEO), Company Secretary (CS), Chief Financial Officer (CFO) and Head of Internal Audit and Compliance (HIAC) shall be filled by different individuals;	√		
3(1)(c)	The MD or CEO, CS, CFO and HIAC of a listed company shall not hold any executive position in any other company at the same time;	√		
3(1)(d)	The Board shall clearly define respective roles, responsibilities and duties of the CFO, the HIAC and the CS;	√		
3(1)(e)	The MD or CEO, CS, CFO and HIAC shall not be removed from their position without approval of the Board as well as immediate dissemination to the Commission and stock exchange(s).	√		
3(2)	Requirement to attend Board of Directors' Meetings			
	The MD or CEO, CS, CFO and HIAC of the company shall attend the meetings of the Board:	√		
3(3)	Duties of Managing Director (MD) or Chief Executive Officer (CEO) and Chief Financial Officer (CFO)			
3(3)(a)	The MD or CEO and CFO shall certify to the Board that they have reviewed financial statements for the year and that to the best of their knowledge and belief:			
3(3)(a)(i)	these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading; and	√		
3(3)(a)(ii)	these statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards and applicable laws;	√		
3(3)(b)	The MD or CEO and CFO shall also certify that there are, to the best of knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or in violation of the code of conduct for the company's Board or its members;	√		
3(3)(c)	The certification of the MD or CEO and CFO shall be disclosed in the Annual Report.	√		

TRUE RSTOCK

Condition No.	Title	Compliance Status (Put √ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
4	BOARD OF DIRECTORS' COMMITTEE			
	For ensuring good governance in the company, the Board shall have at least following sub-committees:			
4(i)	Audit Committee; and	√		
4(ii)	Nomination and Remuneration Committee.	√		
5	AUDIT COMMITTEE			
5(1)	Responsibility to the Board of Directors.			
5(1)(a)	The company shall have an Audit Committee as a subcommittee of the Board;	√		
5(1)(b)	The Audit Committee shall assist the Board in ensuring that the financial statements reflect true and fair view of the state of affairs of the company and in ensuring a good monitoring system within the business;	√		
5(1)(c)	The Audit Committee shall be responsible to the Board; the duties of the Audit Committee shall be clearly set forth in writing.	√		
5(2)	Constitution of the Audit Committee.			
5(2)(a)	The Audit Committee shall be composed of at least 3 (three) members;	√		
5(2)(b)	The Board shall appoint members of the Audit Committee who shall be non-executive directors of the company excepting Chairperson of the Board and shall include at least 1 (one) independent director;	√		
5(2)(c)	All members of the audit committee should be "financially literate" and at least 1 (one) member shall have accounting or related financial management background and 10 (ten) years of such experience;	√		
5(2)(d)	When the term of service of any Committee member expires or there is any circumstance causing any Committee member to be unable to hold office before expiration of the term of service, thus making the number of the Committee members to be lower than the prescribed number of 3 (three) persons, the Board shall appoint the new Committee member to fill up the vacancy immediately or not later than 1 (one) month from the date of vacancy in the Committee to ensure continuity of the performance of work of the Audit Committee;	√		
5(2)(e)	The company secretary shall act as the secretary of the Committee;	√		
5(2)(f)	The quorum of the Audit Committee meeting shall not constitute without at least 1 (one) independent director.	√		
5(3)	Chairperson of the Audit Committee			
5(3)(a)	The Board shall select 1 (one) member of the Audit Committee to be Chairperson of the Audit Committee, who shall be an independent director;	√		
5(3)(b)	In the absence of the Chairperson of the Audit Committee, the remaining members may elect one of themselves as Chairperson for that particular meeting, in that case there shall be no problem of constituting a quorum as required under condition No. 5(4)(b) and the reason of absence of the regular Chairperson shall be duly recorded in the minutes.	√		
5(3)(c)	Chairperson of the Audit Committee shall remain present in the Annual General Meeting (AGM).	√		
5(4)	Meeting of the Audit Committee			
5(4)(a)	The Audit Committee shall conduct at least its four meetings in a financial year.	√		
5(4)(b)	The quorum of the meeting of the Audit Committee shall be constituted in presence of either two members or two-third of the members of the Audit Committee, whichever is higher, where presence of an independent director is a must.	√		

Condition No.	Title	Compliance Status (Put √ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
5(5)	**Role of Audit Committee**			
	The Audit Committee shall:-	√		
5(5)(a)	oversee the financial reporting process;	√		
5(5)(b)	monitor choice of accounting policies and principles;	√		
5(5)(c)	monitor Internal Audit and Compliance process to ensure that it is adequately resourced, including approval of the Internal Audit and Compliance Plan and review of the Internal Audit and Compliance Report;	√		
5(5)(d)	oversee hiring and performance of external auditors;	√		
5(5)(e)	hold meeting with the external or statutory auditors for review of the annual financial statements before submission to the Board for approval or adoption;	√		
5(5)(f)	review along with the management, the annual financial statements before submission to the Board for approval;	√		
5(5)(g)	review along with the management, the quarterly and half yearly financial statements before submission to the Board for approval;	√		
5(5)(h)	review the adequacy of internal audit function;	√		
5(5)(i)	review the Management's Discussion and Analysis before disclosing in the Annual Report;	√		
5(5)(j)	review statement of all related party transactions submitted by the management;	√		
5(5)(k)	review Management Letters or Letter of Internal Control weakness issued by statutory auditors;	√		
5(5)(l)	oversee the determination of audit fees based on scope and magnitude, level of expertise deployed and time required for effective audit and evaluate the performance of external auditors; and	√		
5(5)(m)	oversee whether the proceeds raised through Initial Public Offering (IPO) or Repeat Public Offering (RPO) or Rights Share Offer have been utilized as per the purposes stated in relevant offer document or prospectus approved by the Commission.			N/A
5(6)	**Reporting of the Audit Committee**			
5(6)(a)	**Reporting to the Board of Directors**			
5(6)(a)(i)	The Audit Committee shall report on its activities to the Board.	√		
5(6)(a)(ii)	The Audit Committee shall immediately report to the Board on the following findings, if any:			
5(6)(a)(ii)(a)	report on conflicts of interests;			N/A
5(6)(a)(ii)(b)	suspected or presumed fraud or irregularity or material defect identified in the internal audit and compliance process or in the financial statements;			N/A
5(6)(a)(ii)(c)	suspected infringement of laws, regulatory compliances including securities related laws, rules and regulations; and			N/A
5(6)(a)(ii)(d)	any other matter which the Audit Committee deems necessary shall be disclosed to the Board immediately;			N/A
5(6)(b)	**Reporting to the Authorities**			
	If the Audit Committee has reported to the Board about anything which has material impact on the financial condition and results of operation and has discussed with the Board and the management that any rectification is necessary and if the Audit Committee finds that such rectification has been unreasonably ignored, the Audit Committee shall report such finding to the Commission, upon reporting of such matters to the Board for three times or completion of a period of 6 (six) months from the date of first reporting to the Board, whichever is earlier.			N/A

FIRST STOCK

Condition No.	Title	Compliance Status (Put √ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
5(7)	**Reporting to the Shareholders and General Investors**			
	Report on activities carried out by the Audit Committee, including any report made to the Board under condition No. 5(6)(a)(ii) above during the year, shall be signed by the Chairperson of the Audit Committee and disclosed in the annual report of the issuer company.	√		
6	**NOMINATION AND REMUNERATION COMMITTEE (NRC)**			
6(1)	**Responsibility to the Board of Directors**			
6(1)(a)	The company shall have a Nomination and Remuneration Committee (NRC) as a sub-committee of the Board;	√		
6(1)(b)	The NRC shall assist the Board in formulation of the nomination criteria or policy for determining qualifications, positive attributes, experiences and independence of directors and top level executive as well as a policy for formal process of considering remuneration of directors, top level executive;	√		
6(1)(c)	The Terms of Reference (ToR) of the NRC shall be clearly set forth in writing covering the areas stated at the condition No.6(5)(b).	√		
6(2)	**Constitution of the NRC**			
6(2)(a)	The Committee shall comprise of at least three members including an independent director;	√		
6(2)(b)	All members of the Committee shall be non-executive directors;	√		
6(2)(c)	Members of the Committee shall be nominated and appointed by the Board;	√		
6(2)(d)	The Board shall have authority to remove and appoint any member of the Committee;	√		
6(2)(e)	In case of death, resignation, disqualification, or removal of any member of the Committee or in any other cases of vacancies, the board shall fill the vacancy within 180 (one hundred eighty) days of occurring such vacancy in the Committee;	√		
6(2)(f)	The Chairperson of the Committee may appoint or co-opt any external expert and/or member(s) of staff to the Committee as advisor who shall be non-voting member, if the Chairperson feels that advice or suggestion from such external expert and/or member(s) of staff shall be required or valuable for the Committee;	√		
6(2)(g)	The company secretary shall act as the secretary of the Committee;	√		
6(2)(h)	The quorum of the NRC meeting shall not constitute without attendance of at least an independent director;	√		
6(2)(i)	No member of the NRC shall receive, either directly or indirectly, any remuneration for any advisory or consultancy role or otherwise, other than Director's fees or honorarium from the company.	√		
6(3)	**Chairperson of the NRC**			
6(3)(a)	The Board shall select 1 (one) member of the NRC to be Chairperson of the Committee, who shall be an independent director;	√		
6(3)(b)	In the absence of the Chairperson of the NRC, the remaining members may elect one of themselves as Chairperson for that particular meeting, the reason of absence of the regular Chairperson shall be duly recorded in the minutes;	√		
6(3)(c)	The Chairperson of the NRC shall attend the annual general meeting (AGM) to answer the queries of the shareholders.	√		
6(4)	**Meeting of the NRC**			
6(4)(a)	The NRC shall conduct at least one meeting in a financial year;	√		
6(4)(b)	The Chairperson of the NRC may convene any emergency meeting upon request by any member of the NRC;	√		

Condition No.	Title	Compliance Status (Put √ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
6(4)(c)	The quorum of the meeting of the NRC shall be constituted in presence of either two members or two third of the members of the Committee, whichever is higher, where presence of an independent director is must as required under condition No. 6(2)(h);	√		
6(4)(d)	The proceedings of each meeting of the NRC shall duly be recorded in the minutes and such minutes shall be confirmed in the next meeting of the NRC	√		
6(5)	**Role of the NRC**			
6(5)(a)	NRC shall be independent and responsible or accountable to the Board and to the shareholders;	√		
6(5)(b)	NRC shall oversee, among others, the following matters and make report with recommendation to the Board:			
6(5)(b)(i)	formulating the criteria for determining qualifications, positive attributes and independence of a director and recommend a policy to the Board, relating to the remuneration of the directors, top level executive, considering the following:			
6(5)(b)(i)(a)	the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate suitable directors to run the company successfully;	√		
6(5)(b)(i)(b)	the relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and	√		
6(5)(b)(i)(c)	remuneration to directors, top level executive involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals;	√		
6(5)(b)(ii)	devising a policy on Board's diversity taking into consideration age, gender, experience, ethnicity, educational background and nationality;	√		
6(5)(b)(iii)	identifying persons who are qualified to become directors and who may be appointed in top level executive position in accordance with the criteria laid down, and recommend their appointment and removal to the Board;	√		
6(5)(b)(iv)	formulating the criteria for evaluation of performance of independent directors and the Board;	√		
6(5)(b)(v)	identifying the company's needs for employees at different levels and determine their selection, transfer or replacement and promotion criteria; and	√		
6(5)(b)(vi)	developing, recommending and reviewing annually the company's human resources and training policies;	√		
6(5)(c)	The company shall disclose the nomination and remuneration policy and the evaluation criteria and activities of NRC during the year at a glance in its annual report.	√		
7	**EXTERNAL OR STATUTORY AUDITORS**			
7(1)	The issuer company shall not engage its external or statutory auditors to perform the following services of the company, namely:-	√		
7(1)(i)	appraisal or valuation services or fairness opinions;	√		
7(1)(ii)	financial information systems design and implementation;	√		
7(1)(iii)	book-keeping or other services related to the accounting records or financial statements;	√		
7(1)(iv)	broker-dealer services;	√		
7(1)(v)	actuarial services;	√		
7(1)(vi)	internal audit services or special audit services;	√		
7(1)(vii)	any service that the Audit Committee determines;	√		
7(1)(viii)	audit or certification services on compliance of corporate governance as required under condition No. 9(1); and	√		

JAMUNA STOCK

Condition No.	Title	Compliance Status (Put √ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
7(1)(ix)	any other service that creates conflict of interest.	√		
7(2)	No partner or employees of the external audit firms shall possess any share of the company they audit at least during the tenure of their audit assignment of that company; his or her family members also shall not hold any shares in the said company:	√		
7(3)	Representative of external or statutory auditors shall remain present in the Shareholders' Meeting (Annual General Meeting or Extraordinary General Meeting) to answer the queries of the shareholders.	√		
8	MAINTAINING A WEBSITE BY THE COMPANY			
8(1)	The company shall have an official website linked with the website of the stock exchange.	√		
8(2)	The company shall keep the website functional from the date of listing.	√		
8(3)	The company shall make available the detailed disclosures on its website as required under the listing regulations of the concerned stock exchange(s).	√		
9	REPORTING AND COMPLIANCE OF CORPORATE GOVERNANCE			
9(1)	The company shall obtain a certificate from a practicing Professional Accountant or Secretary (Chartered Accountant or Cost and Management Accountant or Chartered Secretary) other than its statutory auditors or audit firm on yearly basis regarding compliance of conditions of Corporate Governance Code of the Commission and shall such certificate shall be disclosed in the Annual Report.	√		
9(2)	The professional who will provide the certificate on compliance of this Corporate Governance Code shall be appointed by the shareholders in the annual general meeting.	√		
9(3)	The directors of the company shall state, in accordance with the **Annexure-C** attached, in the directors' report whether the company has complied with these conditions or not.	√		

AMARSTOCK

MANAGEMENT DISCUSSION AND ANALYSIS ON COMPANY'S POSITION AND OPERATION

The financial and operating results of the Company are very impressive during the year 2017-18. The profitability, performance, liquidity of the Company are gradually improving. We are focusing on sustainability and efficiency. The Company's overall position has been reflected in the Financial Statements which has been prepared following all generally accepted accounting principles. The overall company's position and future planning, methods of financial statement preparation have been summarized below:

a. Preparation of Financial Statements:

These financial statements have been prepared on a going concern basis following accrual basis of accounting except for Cash Flow Statement in accordance with the applicable International Accounting Standards and International Financial Reporting Standards.

The estimates and underlying assumptions are based on past experience and various other factors that are believed to be reasonable under the circumstances.

b. Changes in Accounting policies and Estimations:

The Company is holding 44.97% of ordinary shares of BSRM Steel Mills Limited. This company was treated as Associated Company in the past years. In the audited financial statements of 2017-18, this company has been treated as Subsidiary Company and included in the Consolidated Financial Statements according to BFRS-10: "Consolidated Financial Statements" to ensure better presentation as per BFRS.

c. Financial performance and position of the Company:

After BMRE in 2015, the Company has started commercial production in December 2015. Now its production has crossed 5 lacs M. Ton annually. It has earned record profit in 2017-18 which is the highest in the history of the Company. Cash flow position is also improving. Now the negative operating cash flow stood Tk. 8.78 per share which was Tk. (11.38) per share in 2016-17.

Financial performance:

In the year 2017-18, Sales stood Tk. 33,238.37 million which is 40.55% higher last year. In this year average selling price has increased. The Gross profit stood Tk. 4,828.32 million in the current year which was Tk. 3,236.93 million in the last year. The Gross profit ratio is 14.53% in the year 2017-18 which was 13.69% in 2016-17. 549,977 M. Ton finished goods has been sold in this year. Reasonable billet price, increased sales volume and comparatively higher selling price has increased Gross profit margin in this year.

Shares of profit from associate company were 983.55 Million which was only Tk. 130.36 Million in the last year. This sharp increase in share of Profit has positive impact on Net profit increase in this year. It is increased because our Subsidiary Company –BSRM Steel Mills Limited has attained its maximum efficiency.

AMARSTOCK

Financial Performance:

Amount in BDT in million

Particulars	2017-18	2016-17	2016 (Jan-Jun)	2015	2014	2013	2012
	BD Tk.	BD Tk.	BD Tk.	BD Tk.	BD Tk.	BD Tk.	BD Tk.
Sales	33,238.37	23,648.93	9,713.86	7,801.98	8,049.89	8,602.42	14,043.42
Gross Profit	4,828.32	3,236.93	1,362.03	458.01	188.25	500.09	697.52
Net Profit	2,778.78	756.52	588.65	827.67	109.09	943.82	453.92
Earnings Per Share (EPS)	12.95	3.53	3.02	4.78	0.7	6.06	2.91
Net Asset Value Per Share	63.70	55.75	52.84	55.28	54.1	53.09	48.29
Net operating Cash Flow Per Share	(8.78)	(11.38)	(3.53)	(10.16)	(5.43)	0.53	3.42

Operational Performance:

Total production was 562,903 M. Ton (including Epoxy coated bar) in this year. Total sales was 549,977 M. Ton. The rate of capacity utilization was 104.03%. In this year billet production was 150,331 M. Ton against rated capacity of 150,000 M. Ton.

d. Financial performance and position with peer industries:

Now the annual steel market demand is 8 Million M. Ton which may be reached to 18 Million by 2030. Most of the local Companies in this industry are increasing their capacity. These Companies are also increasing their capacity for billet productions.

Bangladesh Steel Re-Rolling Mills Limited (BSRM)

Taka in Million

Operational Results:	July'17-June'18	July'16-June'17	Jan'16-June'16	2015	2014	2013
Revenue	33,238	23,457	9,713	7,801	8,049	8,602
Gross Profit	4828	3,215	1,362	458	188	500
Profit after Tax	2778	756	588	827	109	943
EPS	12.95	3.88	3.02	4.78	0.07	6.06
Net Assets Value (NAV)	63.7	55.75	52.84	55.28	54.1	53.09
Net Operating Cash Flow	(8.78)	(11.38)	(3.53)	(10.16)	(5.43)	0.53

GPH Ispat Limited (GPH)

Taka in Million

Operational Results:	2017-18*	2016-17	2015-16	2014-15	2013-14	2012-13
Revenue	7018	7,839	5,743	5,988	4,687	5,387
Gross Profit	1226	1,373	960	901	867	866
Profit after Tax	517	571	289	292	269	207
EPS	1.58	1.83	2.65	2.34	2.35	2.32
Net Assets Value (NAV)	16.49	16.15	15.45	16.4	16.25	16.8
Net Operating Cash Flow	0.34	3.83	0.41	4.67	2.77	10.21

AMARSTOCK

BSRM Steels Limtied

Taka in Million

Operational Results:	July'17-June'18	July'16-June'17	Jan'16-June'16	2015	2014	2013
Revenue	48,289.93	37,996.41	17,265.18	32,316.10	38,535.94	36,229.05
Gross Profit	4,879.17	4,557.30	3,114.69	4,368.65	2,807.32	3,250.15
Profit after Tax	1,800.80	1,705.41	1,313.32	2,081.88	1,086.21	1,693.47
EPS	5.27	4.98	3.84	6.09	3.18	4.95
Net Assets Value (NAV)	37.48	34.03	27.42	26.57	21.93	20.23
Net Operating Cash Flow	2.90	1.07	9.05	16.87	(8.76)	13.45

Ratanpur Steel Re-Rolling Mills Limited (RSRM)

Taka in Million

Operational Results:	2017-18*	2016-17	2015-16	2014-15	2013-14	2012-13
Revenue	5,889	7,489	5,377	5,503	4,766	5,253
Gross Profit	1,001	1,257	650	549	465	515
Profit after Tax	564	7,077	271	272	154	166
EPS	5.58	8.18	3.45	4.36	5.24	5.36
Net Assets Value (NAV)	43.27	44.6	41.06	45.63	58.93	53.69
Net Operating Cash Flow	0.18	1.45	(15.17)	2.89	(6.54)	

e. Global and Local Economic Scenario:

Based on recent survey by HSBC predicts that, GDP growth of Bangladesh would be 7.1% per year up to 2030, the highest among the 75 countries. Bangladesh will have $700 billion economy in 2030 from its present 300 billion in the current year. According to this report, China will continue as the single biggest contributor to global growth over the next decade and by 2030, will have become the world's largest economy. This huge potential of Bangladesh creates an excellent opportunity for steel industry in Bangladesh because all these developments will be followed by massive infrastructural constructions and economic boom will be followed by rapid urbanization.

f. Risk and mitigation:

Though the economy in Bangladesh is growing very fast and it creates an opportunity for steel industries, there are also some risks. Global warming and green house effects, makes Bangladesh cyclone prone area. Moreover, acute energy crisis, port congestion, poor infrastructure etc creates obstacles for prospect of steel industry. However, now some positive steps have been taken by the Government. LNG supply, Rooppur N. Plants will hopefully reduce power crisis. Now construction of deep sea ports are in government agenda. Number of roads and bridges have been constructed. Government is going to set up some Exclusive Economic zones. Industry favorable policies and rules have been enacted. We have set up a separate department to identify and assess the internal potential risks and to find a way out how to mitigate those risks. The enterprise risk management policy has been enforced. A dedicated team is regularly monitoring the Enterprise Risk and take corrective measures.

g. Future planning:

BSRM Group is planning to sell 14 lac M. Ton in the coming year. Out of this, around 6.50 lac M. Ton will be supplied by BSRM Ltd. Moreover, we are trying to explore markets in the eastern parts of India. To ensure imports of raw materials and spares at competitive price and to reduce lead time, we have set up a Subsidiary Company in Hong Kong.

Aameir Alihussain
Managing Director

RISK FACTORS AND CONCERNS

1. Business Risks

a) Risks associated with sourcing of Raw Materials

Bangladesh Steel Re-Rolling Mills Limited (BSRMLTD) was heavily dependent for its basic raw materials-MS Billets on international market up to June 2016. In case of billet price fluctuation in the international market, the company suffers and its profitability is also affected.

To meet the challenge, a separate company "BSRM Steel Mills Limited" has commissioned in June 2016 to produce 862,000 M. Ton MS billet per year which significantly reduces outside dependency. Steel Melting Unit of BSRMLTD can also supply 150,000 M. Ton Billet per year. Now BSRMLTD also procuring billets from BSRM Steels Limited (unit BISCO). Moreover, a new billet producing unit under BSRM Steels Limited with capacity of 430,000 M. Ton per annum is under construction.

b) Risks associated with Power Supply

Presently the primary constraint on the economic development of Bangladesh is the shortage of power for which new industrial investments proposal from home and aboard have failed to materialize.

For ensuring uninterrupted power supply BSRM Group has made a deal with PGCB and installed a substation for tapping power from the 230 KV national grids. Moreover, now more than 10,000 MW power can be produced in Bangladesh. The government is also planning for setting up some big power stations. There is another regular risk of having an adequate and regular supply of gas. The Company is also aware of such risks and its mitigation through the alternative supply of fuel.

2. Market Risks

Like other industry, trade, and commerce, we are also exposed to market risks arising from adverse changes in:

- Interest Rate;
- Currency Rate (foreign exchange rates);
- Competition, and
- Economic conditions

To manage these risks, we undertake various risks specific measures and strategies on regular basis.

Interest Rates

Interest rate risk refers to the risk that increases cost of capital which will have an adverse impact on consolidated net financial income.

The business of BSRMLTD requires huge working capital. Although the company closely monitors and manages requirement of capital investment, the actual capital requirement may deviate from the projected one due to factors beyond its control, thus potentially affecting the borrowing costs. Interest rate on working capital and term loan has increased during last six months of this year which also impact the net income of the company.

Prudent financial management and active negotiation with the lenders and timely collection from customers are few of significant steps towards reducing funding cost.

Foreign Exchange Fluctuations

Foreign currency risk is the risk of changes in exchange rates that adversely affect the company's earnings, equity, and competitiveness.

We are hugely involved with Foreign Trade i.e. Import & Export and thus we are also exposed to Foreign Currency Risks. Exchange rate gains or losses related to foreign currency transactions are recognized as transaction gains and losses in our income statement as incurred. We also maintain foreign currency account in which export collection is directly deposited and we can meet foreign currency payment requirements. In the year 2017-18 company has not been affected due to Foreign Currency fluctuation. Further, as a mitigation plan we plan to purchase USD in advance based on the market situation.

Competition and Economic conditions

Competition refers to the risks of decreasing present market share by new entrants. We try to mitigate this risk through active brand management and customer relationship and by ensuring timely supply of quality product.

As we continuously explore any untapped opportunity and also to adopt customer's needs, we believe we would be able to cope with any situation in the industry we are working.

3. Technology Related Risks

Highly automated and competitive types of machinery are available with the Company for the manufacture of various steel products. The Company has so far been one of the pioneers in Bangladesh in setting up mills with State of the Art European Technology for further processing of the input materials. The Company also implemented Oracle e-Business Suite to integrate the operation of basic functions namely, Finance and Accounts, Sales and Marketing, Supply Chain, Inventory, Maintenance, and Manufacturing. Business Intelligence (BI) Analytics Tool for BSRM Group started in May 2018 which help senior management and Board members to have information from one central place.

4. Environmental Risks

BSRM is proud to be ZERO in factory emissions and effects on environment. To reduce pollution in our plants and protect human and nature alike, BSRM Has undertaken environment friendly initiatives which are as follows:

i. BSRM Cleans 31,584,000 Cubic Meters of air every day. We are using Japanese air pollution control technology for this purpose.

ii. BSRM Recycles 373,700 Cubic Meters of water every day. We have invested in technologically superior European Water Treatment Plant in its steel plants which has helped BSRM to recycle every drop of used water and achieve zero water wastage.

iii. BSRM has planted 10,000 trees in its factories. We have undertaken a plan for reforestation effort in collaboration with partner organizations, to conduct tree plantation programs around main steel plants.

We firmly believe that-ZERO can save life.

AMAR STOCK

ENTERPRISE RISK MANAGEMENT AND CONTROL ENVIRONMENT

Enterprise Risk Management framework

The Enterprise Risk Management framework (ERM framework) refers to a set of components that provide the foundation for designing, implementing, monitoring, reviewing and continually improving risk management throughout BSRM Group of Companies. The ERM framework for the Group has been developed keeping in mind the needs of internal and external stakeholders. The BSRM Group's ERM framework is based on the 'Risk Management - Principles and Guidelines' developed by the International Organization for Standardization (ISO 31000:2009 - Risk Management Principles and Guidelines).

In addition, several good practices recommended by the Committee of Sponsoring Organizations (COSO) for ERM have incorporated in BSRM Group's endeavor to build world class ERM framework and processes.

BSRM Enterprise Risk Management ("ERM") Framework provides guidance to implement a consistent, efficient, and economical approach to identify, evaluate and respond to key risks that may impact business objectives.

BSRM's enterprise risk management framework is directed to enable management to effectively deal with uncertainty and associated risks and opportunities, enhancing the capacity to build value. The Steps are:

- Promoting risk awareness throughout the BSRMLTD as well as BSRM Group of Companies.
- Defining risk appetite
- Identifying and managing multiple and cross-enterprise risks
- Identifying risk management team with clearly defined roles and responsibilities
- Formalizing risk response decisions
- Reducing operational surprises and losses
- Formalising a process for identifying opportunities arising out of risk situations
- Improving deployment or more efficient use of capital and resources

ERM helps BSRMLTD in managing risks in a proactive manner towards achieving its business objectives, performance & profitability targets and prevent loss of resources. BSRM's ERM is directed to help ensure effective reporting and compliance with laws and regulations, avoid damage to the entity's reputation and its consequences.

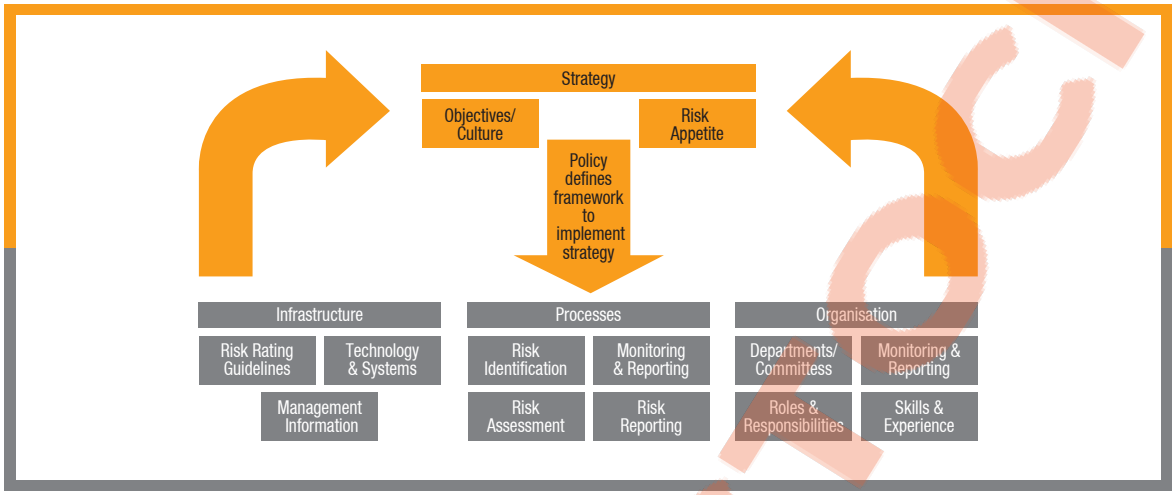
Key principles of ERM Framework

The guiding principles of BSRM's Risk Management Framework are as follows:

- Risk Management should be a continuous process.
- Risk Management principles should be kept in mind during the strategy and objective setting processes as well as the day-to-day activities and decision-making
- Risks should be understood and prioritized based on the event frequency and impact to one or more objectives
- The same metrics used to measure objectives e.g., revenue, customer satisfaction metrics, are to be preferably leveraged during risk management activities
- Risk response strategies are to be evaluated for those risks deemed to be high or medium priority
- Key risk management information (e.g., key events, results of risk assessments, risk responses) is to be documented in a timely and structured manner
- Policies, procedures and practices should be in synchronisation with risks
- A portfolio view of risks is to be reviewed by the Board, Audit Committee, Management Team and Chief Risk Officer on a regular basis

ARSTOCK

BSRM's Risk Management Framework comprises of:



Risk Management Methodology of BSRM:

Risk

Simply stated risk is the possibility that an event will occur and adversely affect the achievement of objectives. Risks can be thought of as threats, uncertainty or lost opportunity.

Risk Management as a process

The process of Risk Management deals with how the organization

- Identifies risks that affect achievement of goals & objectives
- Measures the significance of each identified risk
- Determines the most appropriate business response to each risk
- Evaluates and reports on how well the chosen responses are being implemented

Risk Management Guidelines

The ERM guidelines provide supporting information to assist Management in the execution of the ERM processes.

ERM process is the systematic application of management policies, procedures and practices to the activity of communicating, consulting and establishing the context for ERM in BSRM Group of Companies. The ERM process comprising of risk identification & assessment, risk treatment and risk monitoring applies across the organizational lifecycle.

Against the given background, the key process constituents of ERM are:



SHARE STOCK

Disclosure of Risk Reporting:

We are following the below process for risk reporting in BSRM Group of Companies:

Documentation	Description	Monitored by
Risk Register and Profile	Record identified Risks and detailed description of risk which needs to be prioritized	Designated Risk Manager.
Risk response and mitigation	Detailed current risk response and details of Management actions with timelines	Designated Mitigation owner and Risk Manager.
Risk Report at Business unit and corporate level	A report/form of communication intended to inform particular stakeholders by providing information regarding the current state of key risks and its management. It is represented by a "Heat Map" where key risks are plotted and is supported by the detailed risk profiles	Risk Managers, Chief Risk Officer and Risk Steering Committee.
Risk report at group level	Executive Summary Report with the selected top risks and responses at group level	Chief Risk Officer.

AMARSTOCK

DISCUSSION ON COST OF GOODS SOLD, GP MARGIN AND NP MARGIN

COST OF GOODS SOLD COGS

Cost of goods sold (COGS) is the expense a company incurs in order to manufacture, create, and sell a product. It includes the purchase price of the raw material as well as the expenses of turning it into a finished product.

COGS vary directly with sales and production, the more items we sell or make, the more stock or components we need to buy.

During the year 2017-2018 Cost of goods sold (COGS) was Tk. 28,410 million against Tk. 20,411 million of 2016-2017

GROSS PROFIT MARGIN RATIO

Gross profit is the difference between sales and the cost of goods sold.

Gross Profit=Sales–Cost of Goods Sold

The gross profit margin is one indicator of the financial health of a business. Larger gross profit margins are better for business – the higher the percentage, the more the business retains of each Taka of sales for other expenses and net profit.

Gross Profit Margin %= (Gross Profit ÷ Sales) x 100

During the year 2017-18 Gross Profit Margin was 14.53% which was 13.69% in 2016-17. Gross profit has increased as the company had cheaper billets and as we are selling various types of steel products.

NET PROFIT MARGIN RATIO

Net Profit is calculated by subtracting expenses including Tax and WPP & WF from the gross profit, showing what the business has earned (or lost) in a given period of time.

Net Profit=Gross Profit–Expenses with Tax & WPP & WWF

Net profit has stood Tk. 2,778.77 Million which was Tk. 756.51 Million in 2016-17. The sharp increase in Net profit was due to increase in shares of investees profit. It was Tk. 983.55 Million in the current year which was only Tk. 130.36 million in the last year.

AMARSTOCK

ANNEXURE-3

REMUNERATION PAID TO DIRECTORS IN 2017–18

Members of the Board of Directors were entitled and paid as follows:

Name	2017-18			2016-17		
	Attendance Fee	Gross Remuneration	Total Paid	Attendance Fee	Gross Remuneration	Total Paid
Mr. Alihussain Akberali FCA	34,500	22,800,000	22,834,500	34,500	15,600,000	15,634,500
Mr. Aameir Alihussain	34,500	16,800,000	16,834,500	34,500	10,800,000	10,834,500
Mr. Zohair Taherali	25,875	13,200,000	13,225,875	34,500	13,200,000	13,234,500
Mrs. Sabeen Aameir	8,625	6,000,000	6,008,625	25,875	2,400,000	2,425,875
Mr. Mono Ranjan Dey FCA	143,750	-	143,750	115,000	-	115,000
Total	**247,250**	**58,800,000**	**59,047,250**	**244,375**	**42,000,000**	**42,244,375**

ANNEXURE-4

KEY OPERATING AND FINANCIAL DATA OF PRECEDING 6 YEARS

		2017-18	2016-17	2016 Jan-Jun	2015	2014	2013	2012
Production (Qty)	MT	562,903	442,511	241,359	45,689	42,116	106,810	94,127
% of Production Growth	%	27.21%	83.34%	-	8.48%	(60.57%)	13.47%	(9.60%)
Sales (Qty)	MT	549,977	503,705	192,631	54,433	76,818	126,714	191,628
% of Sales Growth (Qty)	%	9.19%	161.49%	-	(29.14%)	(39.38%)	(33.88%)	4.73%
Turnover	MLN Tk	33,238.37	23,648.93	9,713.86	7,801.98	8,049.89	8,602.42	14,043.42
Gross Profit	MLN Tk	4,828.32	3,236.93	1,362.03	458.01	188.25	500.09	697.52
Gross Profit %	%	14.53%	13.69%	14.02%	5.87%	2.34%	5.81%	4.97%
Earnings before Non Operating Income, interest, WPP&WF and Tax	MLN Tk	3,864.96	2,571.90	1,057.78	207.15	(66.17)	284.99	514.21
	%	11.63%	10.88%	10.89%	2.66%	(0.82%)	3.31%	3.66%
Non-Operating Income	MLN Tk	123.21	113.90	359.36	1,357.07	567.28	1,258.31	463.02
Net Profit after tax	MLN Tk	2,778.78	756.52	588.65	827.67	109.09	943.82	453.92
	%	8.36%	3.20%	6.06%	10.61%	1.36%	10.97%	3.23%
Earnings Per Share (EPS)	TK	12.95	3.53	3.02	4.78	0.70	6.06	2.91
Current Ratio (Times)		1.04	0.75	0.78	0.73	1.09	0.99	1.06
Net Asset Value	MLN Tk	13,671.41	10,876.80	10,309.79	9,803.67	8,431.80	8,273.86	7,526.32
Net Asset Value Per Share	Tk	63.70	55.75	52.84	55.28	54.10	53.09	48.29
Net operating Cash Flow Per Share	Tk	(8.78)	(11.38)	(3.53)	(10.16)	(5.43)	0.53	3.42
Paid -up Capital (In Crore)	Crore Tk	214.60	195.09	195.09	177.36	155.851	155.851	155.851

THE PATTERN OF SHAREHOLDINGS

a) Parent/Subsidiary/Associated companies and other related parties

Name	No of Shares Held	
	As on 30th June 2018	As on 30th June 2017
H. Akberali & Co. Ltd.	28,897,127	26,270,116
Karnafully Engineering Works Ltd.	4,841,028	4,400,935
Total	**33,738,155**	**30,671,051**

b) Directors /CEO/CS/CFO/Head of Internal Audit and their spouses and minor children.

Name	Relation	No of Shares Held	
		As on 30th June 2018	As on 30th June 2017
Mr. Alihussain Akberali FCA	Chairman	26,580,227	24,163,843
Mr. Aameir Alihussain	Managing Director	20,654,645	18,776,950
Mr. Zohair Taherali (Nominated Director of H.Akberali & Co. Ltd)	Director	28,897,127	26,270,116
Mrs. Sabeen Aameir	Director	4,845,566	4,405,060
Mrs. Tehseen Zohair Taherali	Wife of Mr. Zohair Taherali	7,438,864	6,762,604
Mrs. Bilkis Alihussain	Wife of Mr. Alihussain Akberali FCA	19,539,782	17,763,439
Mr. Abdul Qadir Zohair	Son of Mr. Zohair Taherali	5,566	5,060
Mr. Shekhar Ranjan Kar FCA	GM F&A and Company Secretary	12,100	11,000
Mr. Mohammed Reazul Kabir FCA	AGM and CFO	2,220	1,800

c) Shareholding status of top 5 salaried employees other than CEO, CS, CFO& HIAC

Name	Relation	No of Shares Held	
		As on 30th June 2018	As on 30th June 2017
Mr. Tapan Sengupta	Deputy Managing Director	15,100	11,000
Mr. Kazi Anwar Ahmed	General Manager- Corporate Affairs & Dhaka Corporate Office	12,100	11,000
Mr. Mohindar Singh Hanspal	General Manager Rolling	Nill	Nill
Mr. Anil Kumar Chhabra	Senior Manager Production	Nill	Nill
Mr. Md. Nizamul Haque	Deputy General Manager Plant Operation	Nill	Nill

d) Shareholders holding 10% or more voting interest in the company.

Name	Relation	No of Shares Held	
		As on 30th June 2018	As on 30th June 2017
Mr. Alihussain Akberali	Chairman	26,580,227	24,163,843
H. Akberali & Co. Limited	Affiliated Company	28,897,127	26,270,116



STARTED MAKING ROAD DIVIDERS WITH SLAG

OVER THE LAST DECADE, BSRM HAS PLACED ROAD DIVIDERS THAT HAVE PLAYED A LARGE ROLE IN ASSISTING THE TRAFFIC DEPARTMENT AND THE CITY CORPORATION TO PROMOTE AWARENESS REGARDING TRAFFIC RULES AND ENSURING THE SAFETY OF PEOPLE. BSRM ROAD DIVIDERS ARE MADE OUT OF STEEL BY-PRODUCT CALLED SLAG. THUS, THESE ROAD DIVIDERS ARE NOT ONLY KEEPING CITIZENS SAFE ON ROADS BUT ALSO KEEPING THE ENVIRONMENT SAFE BY RECYCLING AND REUSING SLAG.

CORPORATE SOCIAL RESPONSIBILITIES

BSRM GROUP CSR VISION

To integrate social responsibility into BSRM core businesses the company has invested in quality benevolent social projects. We envision CSR strategy that demonstrates BSRM intent for Caring, Supporting, and Returning to society where we anchored our business decades ago – this is how we define CSR.

BSRM GROUP CSR PRINCIPLES

BSRM commits resources to the extent that it can reasonably afford, not in one-off philanthropic project, rather in a set of strategically planned efforts consistent with BSRM's own corporate strengths and complementary to programs offered by the Government, to sustain and improve a healthy and prosperous environment, and improve the quality of life of the people living in poverty.

BSRM GROUP CSR PLAN

Keeping BSRM Group CSR vision and principles in mind, BSRM strives to fulfill all legal and ethical issues of doing business. Corporate Social Responsibility (CSR) is a set of values that guide BSRM business process ranging from procuring materials from genuine suppliers to serving social causes. As a responsible business house, BSRM takes care of the interest of all stakeholders: government, investors, employees, environment, consumers and community –BSRM philanthropic initiatives are one of them. Most of the 'interventions' are long term in nature. It started small, scaled up or replicated itself whenever feasible. The Focus areas are: Education, Health, Water, Livelihood programmes for the physically challenged & marginalized people & Conservation of Nature.

2017-2018 –BSRM CSR PHILANTHROPIC INITIATIVES ARE

Education



BSRM Burhani School in Chattogram provides free schooling to over 570 kids of slump areas.

BSRM HR department has started a training institute in the premise of Burhani School in 2018.

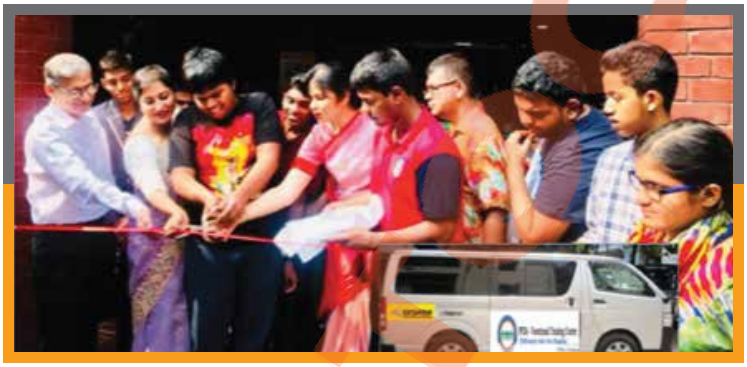
BSRM supports educational programms in partnership with British Council, Bangladesh Military Academy and other private partners.

Health Care

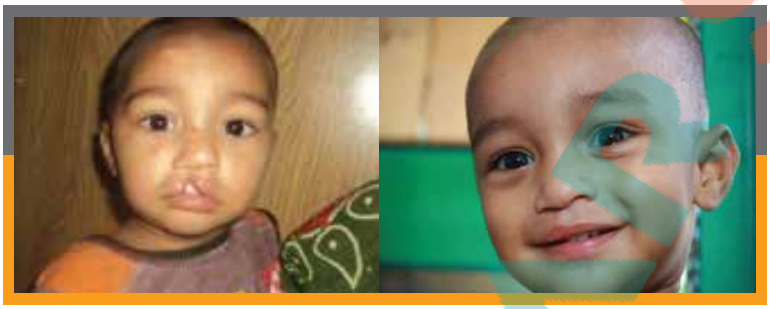
BSRM supports a number of projects in Health care. From BSRM Foundation Medical & Diagnostic Center at Mirsherai, the group has been serving over 2,500 patients a year offering OPD (Out Patient Department) services at fair price.

Autistic children of PFDA-Vocational Training Centrewere very happy and excited to receive a vehicle from BSRM. This has reduced their pain to go to the learning centre and prepare to face challenges of life.

BSRM plans to support a few kids of PFDA, help get training and provide assets so that they can make their livelihood with the help of their parents.



BSRM has transformed lives of 55 kids in Sylhet, additional 85 kids will received this support this year.



BSRM has transformed Lives of many kids born with physical deformity. She is "Nirob" born with cleft lip and palate abnormality, BSRM partnership with Smile Train International gave her a whole new life, joy for the family.



Under Zero Club-Foot programmes, in partnership with Lions Mokhlesur Rahman Foundation (LMRP), 137 kids have been operated. This boy in Chattogram would have never seen the day light by walking on his own feet – now he runs all over the house by himself.

With advanced and modern treatments, autism can improve significantly with proper education and training, early diagnosis and early intervention give promising results and the impact on an autistic child and their family members is enormous.

BSRM supports Autism Welfare Foundation (AWF) by sponsoring education and assets transfer. These kids have special quality, which are identified, helped and turn into skills at AWF. They received snacks making equipment from BSRM, abled to overcome some of the pains and could live a normal and meaningful life.



Lutfa-Panchgachi union, Kurigram: Lutfa has a post fracture complication in right lower extremity, she recovered through surgery using risk fund amount.



BSRM has partnered with Handicap International Bangladesh (HI) in 2016, in the 1st phase supported 1,200 House Hold (HH) providing for 5,044 family members in Kurigram and Sitakunda. In the 2nd phase additional 4,237 targeted beneficiary households including the people with disabilities (total 19,066 individuals) expecting to graduate from poverty and live a dignified life, standing on their own feet.

Livelihood Programmes

SWAPNO (Strengthening Women's Ability for Productive New Opportunities) is a public works based graduation model project targeting distressed and vulnerable rural women. Implementing agency is Local Government Division of Mo LGRD&C. Development partners are: SDG-F, UNDP, ILO & BSRM - supporting primary 65,000 ultra poor women in Kurigram, Shatkhira.

Women building the Dam on Teesta River to protect houses/crops from flood in Kurigram. All these women are destitute, either widow or divorcees or without identity flood victims.





Partnered with Voluntary Service Overseas Bangladesh (VSOB), created and developed 358 crab farmers over the past 4 years, giving training and assets in Khulna Mongla area where salt water does not allow to do any other crops.

BSRM supports a few more programmes in partnership with NGOs serving over 2,000 households.

Prevent women trafficking in Jashore Border Areas

BSRM Foundation Training Center in Jashore is run by BSRM CSR desk with the help of ADORE, NGO based in Khulna. BSRM Head Office HR department supports this programme by placing orders for safety dress of BSRM manufacturing/service units, which helps some of the 200 women earn livelihood and are not lured by the traffickers.



SUSTAINABLE GROWTH

Green Environment, Human Resource and Information Technology Development

To keep our human resources safe and sound and the environment clean, we have taken number of measures. We always give priority to keep the working environment safe, secure and ensure the green surroundings for all of our employees as well as for our country.

Green Environment….

In BSRM Group we are using world class Water Treatment Plant (WTP) for recycling the water to keep the environment free from pollution.

The Company has also commissioned Air Pollution Control (APC) system in melting factory to keep the air free from Pollution. In the same way, we are going to implement a rain water harvesting project for our new billet casting plant at Mirsarai. It will have positive impact on the environment.

As recognition of your effort to keep the environment clean and greener, we were awarded the "Divisional Environmental Award" by Poribesh Odhidaptar.

Human Resources Function….

Our people, our asset

Success isn't possible without a great team. At BSRM Group of Companies, nurturing and supporting human talent is of utmost priority to us. We believe sustainable growth is only possible if we foster teamwork, develop talent, enhance leadership capability, and maximize the potential of our human capital.

We focus on our valued people to optimize their creativity and performance by ensuring a safe and congenial working environment, cohesive corporate culture, appropriate training, reward and recognition, and various employee benefits schemes. Hiring the right person for the right job is the first step in our efforts to maintain a strong, capable, and independent workforce.

Being an **Employer of choice**, we aspire to align our people with our Vision and Values and make them a key factor for success in business transformation and change process. We are committed to achieve excellence in every step of our operation through different functions, projects, and initiatives. We work strategically with all stakeholders to provide leadership and guidance in the development, implementation, and equitable administration of policies and procedures, thus fostering a positive working environment.

Talent Acquisition is a stringent process of recruitment, selection, and strategy to attract qualified potential candidates who are committed to achieve the organizational goals. A well-designed competency based questionnaire is used to conduct Interviews and we make maximum effort to ensure a bias free, independent, and fair hiring process.

In order to nurture talents, we, at BSRM, believe that institutionalizing a learning culture positively helps safety, sustainability, quality, and productivity of the organization. Our **Training and Development** activities are systematic, organized, and ensure that individual training needs are well defined, understood, and catered to. Frequent trainings, local and abroad, are provided to ensure adequate developmental opportunities to all our people.

The safety of our people is of paramount importance, and our **Health, Safety, and Environment (HSE)** policies are created and implemented to maintain a safe working environment for every stakeholder. We are committed to establish a culture of HSE excellence in our organization.

VAMAR STOCK

A well-designed Succession Planning policy is used to assess, develop, and retain a talent pool in order to ensure a continuity of leadership for all critical/significant positions. A robust succession planning process helps skilled talent to gain experience and competencies so that they can move upward into vacant positions.

Our people deserve the best of us, and hence we focus on our Benefit Policy to ensure that our talent receives benefits and allowances such as Festival Bonuses, Provident Fund, Gratuity, Salary Advance, Interest free Company Loan for Car Scheme, Children Education Scheme, Employee Education Scheme, Employee Children Education Achievement Award for distinct academic results, Domiciliary Scheme, Executive Health Check-up Scheme, Hospitalization Scheme, Maternity Benefits Scheme, Wedding Gifts, WPPF, Pilgrimage Leave, etc.

Rewards and Recognitions are given to recognize employees for their excellence in service, loyalty, ideas, dedication to the vision and values of the group, and their contribution to change management. Our achievements are communicated through "Xtreme Talk", our corporate newsletter, so that we can all rejoice in the success of our people.

We pride on being an Equal Opportunity Employer and our Code of Conduct provides clear guidelines that allow us to build a working environment that is productive, enjoyable, safe, and free from harassment and discrimination. People who work for us belong to our family and are an integral contributing factor in the determination of our policies and procedures.

We work together, and we achieve together.

Information Technology….

BSRM Group was founded more than 60 years before and continuing its rapid growth more so in the past decade. In such complex rapid growing scenario IT based business friendly solution is the only way to handle all the data.

BSRM IT through Management foresight managed to keep up with this fast & complex growth as an organized entity and began to systematically address the challenges. Today IT as a strategic partner in business enables plans, controls, and manages all IT based business issues in a very constructive, productive & controlled manner with periodic reporting & monitoring.

BSRM IT is managing the total network of BSRM Group including server management, managing and upgrading Oracle eBS, developing in-house software integrating with Oracle eBS and providing several levels of supports to end user.

Last year BSRM IT has focused on ERP upgradation by modifying and creating various customization, personalization, reports etc. Last year BSRM IT also provided almost in-house maintenance of ERP, took several initiatives to expand technology, enabled services for the external and internal customers, sales promoter and provide business solution to internal department. The key objective behind these initiatives was to make the information more available, fast & easily accessible to the stakeholders.

Business Intelligence (BI) Analytics Tool for BSRM Group went live in May 2018. BI will help senior management and Board members to make informed decision by giving visibility from one central place on an aggregate level for analysis and to support the Corporate Goals of sustainability.

BSRM IT also planned to increase employee efficiency by developing various Android Apps and Software System.

AMARSTOCK



BSRM FOUNDATION TRAINING CENTER JASHORE

COUNTLESS LIVES OF WOMEN ACROSS ALL AGE GROUPS HAVE BEEN CHANGED BY THE BSRM FOUNDATION TRAINING CENTER AT THE SHARSHA UPAZILA OF LAXMIPUR UNION IN JASHORE. MANY WOMEN OF DURGAPUR AND NEARBY VILLAGES HAVE BECOME SELF-DEPENDENT WITH TRAINING FROM THE BSRM TRAINING CENTER WITH THREADED EMBROIDERY, HAND STITCH, SEWING, TAILORING, BLOCK AND BATIK PRINTS ALIKE; BSRM IS SLOWLY CHANGING THE ENTIRE SCENE OF THIS REMOTE VILLAGE AND BRINGING SMILES BACK IN THE FACES OF THESE WOMEN.

REGULATORY COMPLIANCE REPORT

Corporate Governance Report

Corporate governance refers to the structures and processes for the direction and control of companies. Sound corporate governance is a fundamental part of the culture of the Company and ensures long-term success. Corporate governance concerns the relationships among the management, Board of Directors, controlling shareholders, minority shareholders and other stakeholders. Good corporate governance contributes to sustainable economic development by enhancing the performance of companies. The Board of Directors of Bangladesh Steel Re-Rolling Mills Limited is firmly committed to upholding principles of sound corporate governance. The main objective of corporate governance is a creation of lasting value for stakeholders. Transparency in the business transaction and disclosure of information to regulatory bodies as part of its legal obligations and constitute sound corporate governance. Good corporate governance also means conformity to sound ethical principles and a code of conduct in business dealings.

Board of Directors

Board of Directors is the representative and trustee of the shareholders of the Company. The Board of Directors of Bangladesh Steel Re-Rolling Mills Limited comprises of five members including Chairman, Managing Director and one Independent Director in compliance with the Corporate Governance Guidelines of BSEC. Board of Directors is performing the responsibilities, among others, setting the company's strategic objectives, providing leadership, supervision and safeguarding shareholders' interest.

Audit Committee

Bangladesh Steel Re-Rolling Mills Limited has an Audit Committee as a sub-committee of the Board of Directors. This committee assists the Board of Directors in ensuring that the Financial Statements reflect the true and fair view of the state of affairs of the Company and in ensuring a good monitoring system within the business. The Committee reports to the Board of Directors. It's duties and responsibilities are clearly outlined in writing.

Audit Committee holds regular meetings on the following major issues:

- To review the financial statements (consolidated and separate) and reporting process and monitor the choice of accounting policies and principles;
- To review the business risk management;
- To review the internal audit assessment;
- To oversee the good corporate practices;
- To review the adequacy of internal control system/ audit function etc.

A separate report of the audit committee is included in this annual report.

Nomination and Remuneration Committee (NRC):

Bangladesh Steel Re-Rolling Mills Limited has a Nomination and Remuneration Committee (NRC) as a sub-committee of the Board of Directors. This committee will assist the Board of Directors in formulation of the nomination criteria or policy to determine qualifications, experiences, remuneration and independence of directors and top level of executives. The NRC is comprising of three members including one Independent Director.

Chairman of the Board and Managing Director

In Bangladesh Steel Re-Rolling Mills Limited, Chairman and Managing Director are two separate individuals selected from the Board of Directors. Both are performing defined responsibilities and focusing on the strategic value addition of the company. Managing director is performing the role of Chief Executive.

AMARSTOCK

Directors' Report to Shareholders

Board of Directors report the performance, annual achievements and status of the company's activities to the shareholders. They also convey the plan and outlook of the industry and company in their report.

Chief Financial Officer, Company Secretary and Head of Internal Audit & Compliance

Company has appointed qualified Professional Accountants designated as Chief Financial Officer, Company Secretary and HIAC. The CFO & Company Secretary regularly advise and assist the Board on financial strategy and compliance issues of the regulatory bodies. Chief Financial Officer, Company Secretary and HIAC attend Board Meetings as per Corporate Governance notification of the BSEC. Company's internal audit department is headed by a Head of Internal Audit & Compliance having professional expertise and long experiences in the field of internal audit and also holding a degree in Information System Audit. Board of Directors has clearly defined respective roles, responsibilities and duties of the CFO, Company Secretary and Head of Internal Audit & Compliance.

Internal Audit and Control

Bangladesh Steel Re-Rolling Mills Limited established an Internal Audit Department consisting of professional and knowledgeable employees headed by Head of Internal audit & Compliance. Internal Audit Department directly reports to the Board of Directors.

Internal Audit department regularly conducts their audit based on a yearly Internal Audit Plan and checks, verifies and reviews the compliance of Internal Control Procedure, area of risk and other regulatory requirements.

External Auditors

External Auditors of Bangladesh Steel Re-Rolling Mills Limited is appointed in every Annual General Meeting (AGM) by the Shareholders of the company as per Companies Act 1994. The company also conforms to the requirement of Bangladesh Securities and Exchange Commission (BSEC) in appointing external auditors. External Auditors are not engaged to perform any of the tasks other than external /statutory audit.

Subsidiary Company

Board of Directors of BSRM Steel Mills Limited- Subsidiary of Bangladesh Steel Re-Rolling Mills is also constituted in the line with the guidelines of BSEC as per Corporate Governance Code. Independent Director of holding company is also Director of subsidiary company. Minutes of the Board of Directors' meeting of subsidiary company are reviewed by the Board of holding company. The Audit Committee of Bangladesh Steel Re-Rolling Mills Limited (holding company) also reviews the financial statements of subsidiary company.

Key Management Committee

There are other sub-committees to the Board of Directors to assist the Board of Directors in making and formulating company's strategic objectives and policies namely Management Committee. The committee members regularly sit for discussing and reviewing the activities of the company.

Certification on Compliance on the Corporate Governance Code of BSEC:

A certificate regarding compliance of conditions of Corporate Governance Code of the Bangladesh Securities and Exchange Commission issued by M.A. Mallik & Co., Chartered Accountants is included in **Annexure-B** in this Annual Report.

REPORT OF THE AUDIT COMMITTEE

An Audit Committee has been formed as a sub-committee of the Board of Directors of the Company as per Corporate Governance Code issued by the Bangladesh Securities and Exchange Commission (BSEC). This Audit Committee assists the Board of Directors for ensuring that the financial statements reflect the faithful and fair view of the state of affairs of the Company and in providing a sound monitoring system.

The following persons are in the Audit Committee:

Mr. Mono Ranjan Dey, FCA	Chairman
Mr. Aameir Alihussain	Member
Mr. Zohair Taherali	Member
Mr. Shekhar Ranjan Kar, FCA	Secretary

Terms of Reference:

The terms of reference of the audit committee have been determined by the Board as per BSEC notification. The Committee is responsible to the Board of Directors and reports on its activities regularly. The Committee assists the Board of Directors in its general oversight of financial reporting, internal controls and functions relating to internal audit as well as ensures compliance with the Corporate Governance Code promulgated by the BSEC.

Number of Meetings:

The Committee formally met four times during the period covering from July'17 to June'18 under review.

Role of the Audit Committee:

- Exercising oversight responsibilities relating to the quality and integrity of the Company's financial statements and financial reporting process, including the preparation, presentation and adequacy of disclosures in the financial statements of the Company.
- Review any significant changes in accounting policies and practices in preparation of Financial Statements.
- Ensure compliance with applicable Financial Reporting Standards.
- Review the Quarterly and Annual financial statements and recommend the Board of Directors to approve those.
- Review the Quarterly and Annual financial statements of Subsidiary Company – BSRM Steel Mills Limited.
- Review the management discussion and analysis before disclosing in the annual report & statement of related party transactions.
- Review statement of related parties transaction submitted by the management.
- Check whether adequate internal control systems are in place and their effectiveness.
- If it appears that internal control is not sufficient or effective, then to recommend the Board to review and adopt new internal control mechanism to avert possible non-compliance.
- Review the Internal Audit Plan for the Company and monitoring the performance of the internal auditors.

AMAR STOCK

- Ensure appropriate actions have been taken against reports of internal audit.
- Recommendation regarding appointment of external Auditors to the Board of Directors.
- Ensure taking proper action according to the Report of the External/ internal Auditors.

Re-appointment of Auditors:

The audit committee has recommended the Board to re-appoint existing external auditor of the company - Rahman Rahman Huq, Chartered Accountants, MM Trade Centre (13th Floor), 78 Agrabad C/A, Chattogram, the representative firm of KPMG in Bangladesh for the position of the statutory auditors to hold the office for the year 2018-2019.

Reporting:

On discharging its responsibilities, the audit committee has ensured the followings:

- Financial Statements have been prepared and presented in compliance with all laws, regulations & standards as applicable.
- Adequate controls and procedures are in place to provide reasonable assurance that the Company's assets are safeguarded and that the financial position of the Company is adequately managed.

Audit Committee expressed their sincere thanks to the members of the Board of Directors, internal audit team, management of the Company for their outstanding support and Co-operation.

Mono Ranjan Dey FCA
Chairman of the Audit Committee and Independent Director
Dated: 25th September, 2018

AMARSTOCK

REPORT OF THE NOMINATION AND REMUNERATION COMMITTEE (NRC)

This Nomination and Remuneration Policy is being formulated in compliance with Notification No. BSEC/CMRRCD/2006-158/207/Admin/80, Date: June 03, 2018 on Corporate Governance Code of Bangladesh Securities & Exchange Commission (BSEC). This policy on nomination and remuneration of Directors and top level executives of the company has been formulated by the Nomination and Remuneration Committee (NRC) and has been approved by the Board of Directors. This is a sub- committee of the Board.

The Nomination and Remuneration Committee (NRC) of Bangladesh Steel Re-Rolling Mills Limited is comprised of the following members:

Mr. Mono Ranjan Dey FCA	Chairman
Mr. Aameir Alihussain	Member
Mrs. Sabeen Aameir	Member
Mr. Shekhar Ranjan Kar FCA	Secretary

Terms of Reference:

The terms of reference of the Nomination and Remuneration Committee (NRC) have been determined by the Board as per BSEC notification. The NRC assist the Board in formulation of the nomination criteria or policy for determining qualifications, positive attributes, experiences and independence of directors and top level executive as well as a policy for formal process of considering remuneration of directors, top level executives.

Role of the NRC:

- NRC Shall be independent and responsible or accountable to the Board and to the shareholders;
- To oversee, among others, the following matters and make report with recommendation to the Board:

(i) formulating the criteria for determining qualifications, positive attributes and independence of a director and recommend a policy to the Board, relating to the remuneration of the directors, top level executive, considering the following:

  (a) The level and composition of remuneration is reasonable and sufficient to attract, retain and motivate suitable directors to run the company successfully;

  (b) The relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and

  (c) Remuneration to directors, top level executive involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals;

(ii) Devising a policy on Board's diversity taking into consideration age, gender, experience, ethnicity, educational background.

(iii) Identifying persons who are qualified to become directors and who may be appointed in top level executive position in accordance with the criteria laid down, and recommend their appointment and removal to the Board;

(iv) Formulating the criteria for evaluation of performance of independent director(s) and the Board;

(v) Identifying the company's needs for employees at different levels and determine their selection, transfer or replacement and promotion criteria; and

(vi) Developing, recommending and reviewing annually the company's human resources and training policies;

VIVAR STOCK

Meeting of NRC:

The Committee formally met for the first time in June, 2018 after constitution of the NRC. The NRC of Bangladesh Steel Re-Rolling Mills Limited ensured/ observed the following activities:

1. Set up organization Structure where reporting line is clearly defined for the directors and top management team along with standard manpower planning exercise for each and every position for identifying the total requirement.
2. Set up a standard pay structure for each job level based on education, experience, and competency.
3. A target based on-line Performance Management System to evaluate performance of employees. This KPI based PMS leads to yearly Increment, Promotion of individual.
4. Employee Benefit Policy to attract the job seekers and retain internal talents.Succession planning of the company to have our future leaders ready according to the, requirements. Ensuring extensive training and development plan for the individual or group of people.
5. A transparent recruitment and selection policy where competent candidates get hired.
6. Practicing a clear career path system for employees which reflect in Organization Structure.

Objective and Policy of the NRC:

Objective:

The objective of the policy is to ensure that

- The level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors /top management team required to run the company successfully;
- Relationship of remuneration to performance is clear and meets appropriate performance

  benchmarks; and
- Remuneration to directors, top level executives reflecting short and long-term performance objectives appropriate to the working of the company and its goals.

Appointment and Removal of Director, Top Level Executives and Senior Management

a) The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director, top level executives or at Senior Management level and recommend his / her appointment, as per Company's Policy.

b) A person should possess adequate qualification, expertise and experience for the position he /she is considered for appointment. The Committee has authority to decide whether qualification, expertise and experience possessed by a person is sufficient / satisfactory for the position.

Term/Tenure of Independent Director

All companies shall have effective representation of independent directors on their Boards. At least one-fifth (1/5) of the total number of directors in the company's Board shall be independent directors. Qualifications, experience and position of Independent Director shall be as per notification on Corporate Governance Code of Bangladesh Securities & Exchange Commission.

The independent director(s) shall be appointed by the Board and approved by the shareholders in the Annual General Meeting (AGM). The post of independent director(s) cannot remain vacant for more than 90 (ninety) days and the tenure of office of an independent director shall be for a period of 3 (three) years, which may be extended for 1 (one) tenure only. Provided that a former independent director may be considered for reappointment for another tenure after a time gap of one tenure, i.e., three years from his or her completion of consecutive two tenures [i.e. six years]:

Provided further that the Independent Director shall not be subject to retirement byrotation as per the Companies Act, 1994.

AMAR STOCK

Evaluation

The Committee shall carry out evaluation of performance of Director and top level executives yearly or at such intervals as may be considered necessary.

Removal

The MD or CEO, CS, CFO and HIAC shall not be removed from their position without approval of the Board as well as immediate dissemination to the Commission and stock exchange(s).

Retirement

The Director or top level executives shall retire as per policy of the Company. The Board will have the discretion to retain the Director or any top level executive even after attaining the retirement age, for the benefit of the Company.

Policy for Remuneration to Directors/Top Level Executives:

a) The Remuneration to be paid to Managing Director / Other directors as approved by the NRC committee.

b) The Nomination and Remuneration Committee shall make such recommendations to the Board of Directors, as it may consider appropriate with regard to remuneration to Managing Director and other Directors.

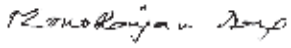
c) The Non-Executive / Independent Director may receive meeting fees and such other remuneration as recommended by the Nomination and Remuneration Committee and approved by the Board of Directors.

d) The remuneration to top level executives shall be fixed considering their performances and in accordance with the Company's Policy.

Implementation

- The Committee may issue guidelines, procedures, formats, reporting mechanism and manuals in supplement and for better implementation of this policy as considered appropriate.

Nomination and Remuneration Committee (NRC) expressed their sincere thanks to the members of the Board of Directors, management of the Company for their outstanding support and Co-operation.



Mono Ranjan Dey FCA
Chairman of Nomination and Remuneration Committee (NRC)
and Independent Director
Dated: 25th September, 2018

AMARSTOCK

BANGLADESH ASSOCIATION OF PUBLICLY LISTED COMPANIES

Ref. No: CM-2018/065

BAPLC

Date of issue :February 20, 2018

Renewed Certificate

This is to certify that

BANGLADESH STEEL RE-ROLLING MILLS LIMITED

is an Ordinary Member of Bangladesh Association of Publicly Listed Companies *and is entitled to all the rights and privileges appertaining thereto.*

This certificate remains current until 31st December 2018.

Bangladesh Association of Publicly Listed Companies ★ BAPLC

Secretary-General
(Acting)

AMARSTOCK

BSRM
building a safer nation

www.bsrm.com



THE WHOLE WORLD IS RISING WITH THE BLUE ECONOMY

SO ARE WE

The economies of some of the most advanced nations of the world rely on coastal manufacturing and trading hubs. Singapore is a prime example, as it is geographically placed in an advantageous position to benefit from trade between Europe and Asia. Shanghai is China's economic powerhouse and its engine of growth and prosperity. New York on the east coast and Los Angeles on the west coast drive American trade and manufacturing with the rest of the world.

Amsterdam is Europe's economic hub and Mumbai is India's most prosperous city for its port and unique coastal development projects.

A Blue Economy can be built to serve two prime purposes: Japan and Norway being the best examples, with their reliance on offshore fishing for their dietary requirements, as well as offshore oil and gas extraction for energy production.

A more cogent and relevant case for Bangladesh, is the second option, which is building vast coastal manufacturing hubs to employ its huge underemployed and unemployed manpower. Such hubs will have huge port facilities for the import of raw materials and export of finished products. A coastal manufacturing hub will have its own supporting townships, power generation and other utilities, as well as social and business amenities.

A country's coastal environment is unique and very different from the inland environment. The saline environment is a great challenge, as seawater is highly corrosive to steel reinforced concrete structures. Corrosion of Civil infrastructures renders conventional construction materials and techniques inadequate for a marine environment.

The use of Fusion Bonded Epoxy Coated Rebar (FBECR) prevents corrosion in concrete. FBECR enhances the life of concrete structures to 100 years. This is the reason BSRM's FBECR has been aptly named 'Centura'.

The use of FBECR in marine environments is a proven concept, borne out by over 40 years' use in North America, and for the last 25 years in India.

FORBITOPV/18

BSRM Centura



BSRM SAFE DRINKING WATER PROJECT, SYLHET

ASAMPARA – A VILLAGE ON THE BRINK OF THE INDIAN BORDERLINE IN JAINTIAPUR, SYLHET IS AN ABODE FOR SOME EXTREMELY POOR FAMILIES. THERE WAS NO FACILITY OF SAFE POTABLE WATER IN THEIR HOMES EVEN A COUPLE OF YEARS AGO. THEY HAD TO WALK LONG DISTANCES THROUGH STEEP HILLY AREAS TO COLLECT WATER FOR DOMESTIC USE FROM THE PERIPHERAL SPRINGS AND STREAMS EVERY SINGLE DAY. BSRM STEPPED AHEAD TO CURTAIL THESE WOES, MAKING THE IMPOSSIBLE POSSIBLE VIA THE ESTABLISHMENT OF SOLAR POWERED WATER PUMP IN THE MOUNTAINOUS LAND WITH THE SUPPORT OF LOCAL NGO TMSS AND FUNDING FROM BSRM. POOR PEOPLE OF THE VILLAGE ON TOP OF THE MOUNTAINS ARE NOW GETTING THE REQUIRED POTABLE WATER RIGHT BESIDE THEIR HOMES DEVOID OF THE DAILY DISTRESS.

AUDITOR'S REPORT & FINANCIALS FOR THE YEAR ENDED ON JUNE 30, 2018

BANGLADESH STEEL RE-ROLLING MILLS LIMITED AND ITS SUBSIDIARY

AUDITOR'S REPORT AND CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 30 JUNE 2018

AMAR STOCK

KPMG

Rahman Rahman Huq
Chartered Accountants
MM Trade Center (13th floor)
78, Agrabad C/A
Chittagong, Bangladesh.

Telephone +880 (31) 710704
+880 (31) 2520795
E-mail chittagong@kpmg.com
Internet www.kpmg.com/bd

Independent auditor's report to the shareholders of Bangladesh Steel Re-Rolling Mills Limited

Report on the Financial Statements

We have audited the accompanying consolidated financial statements of Bangladesh Steel Re-Rolling Mills Limited and its subsidiary and associate ("the Group") as well as the separate financial statements of Bangladesh Steel Re-Rolling Mills Limited ("the Company") which comprise the consolidated statement of financial position and separate statement of financial position as at 30 June 2018, and the consolidated statement of profit or loss and other comprehensive income, separate statement of profit or loss and other comprehensive income, consolidated statement of changes in equity, separate statement of changes in equity, consolidated statement of cash flows and separate statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these consolidated and separate financial statements that give a true and fair view in accordance with Bangladesh Financial Reporting Standards, the Companies Act 1994, the Securities and Exchange Rules 1987 and for such internal control as management determines is necessary to enable the preparation of consolidated and separate financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated and separate financial statements based on our audit. We conducted our audit in accordance with Bangladesh Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated and separate financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated and separate financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation of consolidated and separate financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated and separate financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

The financial statements of the Company's subsidiary, BSRM Steel Mills Limited. (BSML), was not audited by us. The financial statements of BSML shows total assets of Taka 40,084,506,840 as on 30 June 2018 and total revenue of Taka 45,888,262,116 for the year then ended. Hussain Farhad & Co., Chartered Accountants has audited the Financial Statements of BSML and expressed an unqualified opinion. Our opinion, in so far as it relates to the amounts included in respect of the company's subsidiary, is based on the audited financial statements and reports issued by the subsidiary's auditor.

Opinion

In our opinion, the consolidated financial statements of the Group and the separate financial statements of the company give true and fair view of the consolidated financial position of the Group and the separate financial position of the Company as at 30 June 2018, and of their consolidated and separate financial performance and cash flows for the year then ended in accordance with Bangladesh Financial Reporting Standards.



Rahman Rahman Huq, a partnership firm registered in Bangladesh and a member firm of the KPMG network of independent member firms affiliated with KPMG international Cooperative ("KPMG International"), a Swiss entity.

Dhaka office address :
Rahman Rahman Huq
Chartered Accountants
9, Mohakhali C/A (11th & 12th floors)
Dhaka 1212, Bangladesh.

Telephone +880 (2) 988 6450-2
Fax +880 (2) 988 6449
E-mail dhaka@kpmg.com
Internet www.kpmg.com/bd

KPMG

Rahman Rahman Huq
Chartered Accountants

Other Matter

The financial statements of **Bangladesh Steel Re-Rolling Mills Limited** for the year ended 30 June 2017 were audited by A. Qasem & Co., Chartered Accountants, who expressed an unmodified opinion on those financial statements on 12 August 2017. The consolidated financial statements of the group was not prepared and audited for the year ended 30 June 2017.

Report on Other Legal and Regulatory Requirements

In accordance with the Companies Act 1994 and the Securities and Exchange Rules 1987, we also report the following:

(a) we have obtained all the information and explanations' which to the best of our knowledge and belief were necessary for the purposes of our audit and made due verification thereof;

(b) in our opinion, proper books of account as required by law have been kept by the Company so far as it appeared from our examination of those books;

(c) the statement of financial position, and the statement of profit or loss and other comprehensive income dealt with by the report are in agreement with the books of account and returns; and

(d) the expenditure incurred was for the purposes of the Company's business.

Rahman Rahman Huq
Chartered Accountants
Chattogram, 25 September 2018

AMARSTOCK

Bangladesh Steel Re-Rolling Mills Limited and its subsidiary
Consolidated statement of financial position

In Taka	Note	30 June 2018	30 June* 2017
ASSETS			
Non-current assets			
Property, plant and equipment	17.a	**31,736,877,702**	32,304,935,197
Intangible assets	19.a	**39,762,082**	45,945,167
Investment in associate	20.a	**3,994,597,901**	3,593,907,671
Other investments	21.a	**122,190,354**	110,740,333
Non-current assets		**35,893,428,038**	36,055,528,368
Short term investment	22.a	**1,367,141,161**	404,602,494
Inventories	23.a	**23,438,884,798**	16,981,949,811
Trade and other receivables	24.a	**8,193,143,601**	2,348,794,127
Current account with related companies	25.a	**2,576,514,730**	1,361,656,210
Advances and deposits	26.a	**4,348,160,534**	2,933,328,438
Cash and cash equivalents	27.a	**779,433,146**	523,654,626
Assets held for sale	28.a	**-**	-
Current assets		**40,703,277,970**	24,553,985,706
Total Assets		**76,596,706,008**	60,609,514,074
Equity			
Share capital	29	**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		**3,974,789,370**	4,019,434,561
Retained earnings		**6,962,742,079**	4,318,587,024
12% Convertible coupon bond-equity component		**45,661,142**	45,661,142
Equity attributable to owners of the company		**13,671,408,539**	10,876,800,965
Non- controlling interests		**3,392,628,051**	2,876,267,242
Total equity		**17,064,036,591**	13,753,068,208
Liabilities			
Long term borrowings- non current portion	31.a	**8,305,438,361**	6,598,696,556
Defined benefit obligations - Gratuity	32.a	**226,378,396**	176,251,233
Deferred tax liability	34.a	**2,965,622,218**	2,182,708,416
Non-current liabilities		**11,497,438,975**	8,957,656,205
Trade payables	35.a	**1,216,553,373**	1,388,718,194
Short term borrowings	36.a	**39,794,968,536**	26,547,656,785
Current account with related companies	37.a	**4,919,172,515**	8,221,761,843
Advance against sales	38.a	**320,121,941**	253,184,437
Liabilities for expenses	39.a	**958,520,190**	747,329,297
Current tax liability	33.a	**349,888,115**	167,710,168
Provision for WPPF and Welfare Fund	40.a	**209,125,156**	67,373,325
Other liabilities	41.a	**266,880,612**	505,055,612
Current liabilities		**48,035,230,441**	37,898,789,661
Total liabilities		**59,532,669,416**	46,856,445,866
Total equity and liabilities		**76,596,706,008**	60,609,514,074

* Please refer to Note- 2.12

The annexed notes 1 to 51 are an integral part of these consolidated financial statements.

Managing Director | Director | Company Secretary

As per our annexed report of same date.

Chattogram, 25 September 2018

Rahman Rahman Huq
Chartered Accountants

Bangladesh Steel Re-Rolling Mills Limited and its subsidiary

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the year ended 30 June

In Taka	Note	2018	2017*
Revenue	4.a	**68,924,014,794**	42,182,532,928
Cost of sales	5.a	**(60,776,859,390)**	(37,486,002,375)
Gross profit		**8,147,155,404**	4,696,530,554
Selling and distribution costs	6.a	**(642,538,845)**	(437,268,226)
Administrative costs	7.a	**(453,954,329)**	(293,425,480)
Other operating income	8.a	**41,622,424**	(22,555,881)
Operating profit		**7,092,284,654**	3,943,280,966
Finance costs	9.a	**(3,784,269,909)**	(3,423,014,941)
Finance income	10.a	**567,603,149**	333,740,735
Net finance costs		**(3,216,666,760)**	(3,089,274,206)
Non-operating Income	11.a	**146,993,971**	125,401,482
Profit before WPPF and Welfare Fund		**4,022,611,865**	979,408,242
Contribution to WPPF and Welfare Fund	40.a.i	**(209,125,156)**	(67,373,325)
Share of (loss)/profit of equity accounted investee, net of tax	12.02	**561,639,421**	530,979,966
Profit before tax		**4,375,126,130**	1,443,014,882
Income tax expense:			
Current year		**(352,186,805)**	(167,710,168)
Previous year		**72,155,315**	(76,614,443)
Deferred tax		**(799,954,269)**	(932,482,978)
Total income tax expense		**(1,079,985,759)**	(1,176,807,589)
Profit after tax		**3,295,140,371**	266,207,293
Other comprehensive income			
Items that are or may be reclassified subsequently to profit or loss			
Share of other comprehensive income of associate		**(1,057,931)**	-
Exchange differences on translation of foreign operations		**(154,523)**	(16,351,219)
Net other comprehensive income/(loss) to be reclassified to profit or loss		**(1,212,454)**	(16,351,219)
Items that will not be reclassified to profit or loss			
Deferred tax on interest - 12% Convertible bond		**2,158,736**	3,221,003
Net other comprehensive income/(loss) not to be reclassified to profit or loss		**2,158,736**	3,221,003
Other comprehensive income/(loss) for the year, net of tax		**946,282**	(13,130,216)
Total comprehensive income		**3,296,086,653**	253,077,077
Profit attributable to:			
Owners of the company		**2,778,779,562**	756,515,074
Non-controlling interests		**516,360,809**	(490,307,781)
		3,295,140,371	266,207,293
Total comprehensive income attributable to:			
Owners of the company		**2,779,725,843**	743,384,858
Non-controlling interests		**516,360,809**	(490,307,781)
		3,296,086,653	253,077,077
Earnings per share			
Basic earnings per share (Taka)	13.a	**12.95**	3.53

* Please refer to Note- 2.12

The annexed notes 1 to 51 are an integral part of these consolidated financial statements.

Managing Director | Director | Company Secretary

As per our annexed report of same date.

Chattogram, 25 September 2018

Rahman Rahman Huq
Chartered Accountants

Bangladesh Steel Re-Rolling Mills Limited and its subsidiary
Consolidated statement of changes in equity
For the year ended 30 June 2018

	Attributable to owners of the company								
In Taka	Share capital	Share premium	General reserve	Revaluation surplus	Retained earnings	12% convertible coupon bond equity component	Total	Non-controlling interests	Total
Balance as on 1 July 2016 *	1,950,977,170	511,970,250	30,170,818	4,067,381,989	3,703,625,286	45,661,142	10,309,786,656	3,366,575,023	13,676,361,679
Transfer against difference in depreciation between cost and revalued amount	-	-	-	(48,548,824)	64,731,766	-	16,182,941	-	16,182,941
Transfer of revaluation surplus on sale of revalued assets	-	-	-	(1,457,124)	1,942,832	-	485,708	-	485,708
Effect of revaluation and deferred tax on retained earnings of associates	-	-	-	2,058,520	-	-	2,058,520	-	2,058,520
Interim cash dividend paid	-	-	-	-	(195,097,717)	-	(195,097,717)	-	(195,097,717)
Deferred tax to interest on 12% Convertible coupon bond	-	-	-	-	3,221,003	-	3,221,003	-	3,221,003
Exchange differences on translation of foreign operations	-	-	-	-	(16,351,219)	-	(16,351,219)	-	(16,351,219)
Net profit after tax for the year ended 30 Jun 2017	-	-	-	-	756,515,074	-	756,515,074	(490,307,781)	266,207,293
Balance as at 30 June 2017	1,950,977,170	511,970,250	30,170,818	4,019,434,561	4,318,587,024	45,661,142	10,876,800,966	2,876,267,242	13,753,068,209
Balance as on 1 July 2017	**1,950,977,170**	**511,970,250**	**30,170,818**	**4,019,434,561**	**4,318,587,024**	**45,661,142**	**10,876,800,966**	**2,876,267,242**	**13,753,068,208**
10% stock dividend paid for 2017	**195,097,710**				**(195,097,710)**	-	-	-	-
Transfer against difference in depreciation between cost and revalued amount	-	-	-	**(44,435,847)**	**59,247,796**	-	**14,811,949**	-	**14,811,949**
Share of other comprehensive income of associate	-	-	-	-	**(1,057,931)**	-	**(1,057,931)**	-	**(1,057,931)**
Exchange differences on translation of foreign operations	-	-	-	-	**(154,523)**	-	**(154,523)**	-	**(154,523)**
Deferred tax to interest on 12% Convertible coupon bond	-	-	-	-	**2,158,736**	-	**2,158,736**	-	**2,158,736**
Transfer of revaluation surplus on sale of revalued assets	-	-	-	**(209,344)**	**279,126**	-	**69,781**	-	**69,781**
Net profit after tax for the year ended 30 Jun 2018	-	-	-	-	**2,778,779,562**	-	**2,778,779,562**	**516,360,809**	**3,295,140,371**
Balance as at 30 June 2018	**2,146,074,880**	**511,970,250**	**30,170,818**	**3,974,789,370**	**6,962,742,079**	**45,661,142**	**13,671,408,539**	**3,392,628,051**	**17,064,036,590**

* Please refer to Note- 2.12

The annexed notes 1 to 51 are an integral part of these consolidated financial statements.

RAHMAN RAHMAN HUQ CHITTAGONG

AMARSTOCK

Bangladesh Steel Re-Rolling Mills Limited and its subsidiary
Consolidated statement of cash flows
For the year ended 30 June

In Taka	Note	2018	2017*
a. Cash flows from operating activities			
Cash receipts from customers		**63,757,454,865**	39,814,567,653
Cash payments to suppliers and employees		**(67,266,313,323)**	(42,149,632,821)
Income tax paid		**(1,180,299,067)**	(2,124,124,179)
Interest paid		**(3,335,408,458)**	(1,876,952,279)
Net cash from operating activities		**(8,024,565,983)**	(6,336,141,626)
b. Cash flows from investing activities			
Acquisition of Property, plant and equipment		**(571,022,662)**	(906,865,534)
Addition to CWIP		**(723,862,772)**	(738,474,807)
Addition to intangibles		**-**	(455,413)
Disposal of Property, plant and equipment		**7,133,483**	2,697,315
Increase/ (Decrease) in short term investments		**(973,988,689)**	(202,438,399)
Advance against purchase of PPE		**(12,256,414)**	(43,696,452)
Dividend income		**159,891,260**	213,188,346
Net cash used in investing activities		**(2,114,105,795)**	(1,676,044,944)
c. Cash flows from financing activities			
(Repayments) / Receipts of long term Loans		**2,489,812,304**	(2,813,159,853)
Dividend Paid		**(545,563)**	(193,991,194)
Short Term Borrowings/repayment		**12,422,631,404**	9,328,877,397
Loan to/ from Related Companies		**(4,517,447,847)**	1,908,705,091
Net cash from financing activities		**10,394,450,298**	8,230,431,442
d. Net (decrease)/ increase in cash and cash equivalents (a+b+c)		**255,778,521**	218,244,872
e. Opening cash and cash equivalents		**523,654,626**	305,409,754
f. Closing cash and cash equivalents (d+e)		**779,433,146**	523,654,626

* Please refer to Note- 2.12

The annexed notes 1 to 51 are an integral part of these consolidated financial statements.

RAHMAN RAHMAN HUQ CHITTAGONG

AMARSTOCK

Bangladesh Steel Re-Rolling Mills Limited
Separate statement of financial position

In Taka	Note	30 June 2018	30 June 2017
ASSETS			
Property, plant and equipment	17.00	**12,958,556,023**	13,371,055,310
Intangible assets	19.00	**21,797,061**	25,180,402
Investment in subsidiary and associate	20.00	**6,766,652,548**	5,944,053,289
Other investments	21.00	**122,190,354**	110,740,333
Non-current assets		**19,869,195,986**	19,451,029,333
Short term investment	22.00	**50,220,680**	39,272,419
Inventories	23.00	**13,442,320,054**	9,430,433,270
Trade and other receivables	24.00	**2,356,392,380**	2,198,369,357
Current account with related companies	25.00	**1,537,959,598**	1,246,229,284
Advances and deposits	26.00	**1,983,627,504**	1,673,961,831
Cash and cash equivalents	27.00	**704,983,780**	511,608,459
Assets held for sale	28.00	**-**	-
Current assets		**20,075,503,997**	15,099,874,620
Total Assets		**39,944,699,984**	34,550,903,953
Equity			
Share capital	29.00	**2,146,074,880**	1,950,977,170
Share premium		**511,970,250**	511,970,250
General reserve	30.01	**30,170,818**	30,170,818
Revaluation reserve	30.02	**3,974,789,368**	4,019,434,561
Retained earnings		**6,962,742,081**	4,318,587,024
12% Convertible coupon bond-equity component		**45,661,142**	45,661,142
Total equity		**13,671,408,539**	10,876,800,966
Liabilities			
Long term borrowings- non current portion	31.00	**5,442,343,709**	2,077,988,167
Defined benefit obligations - Gratuity	32.00	**196,162,000**	157,134,335
Deferred tax liability	34.00	**1,323,809,318**	1,331,863,088
Non-current liabilities		**6,962,315,027**	3,566,985,590
Trade payables	35.00	**1,116,279,307**	1,431,802,110
Short term borrowings	36.00	**9,742,889,798**	9,179,595,390
Current portion of long term borrowings	36.08	**2,210,092,751**	1,395,954,000
Current account with related companies	37.00	**4,919,172,515**	7,093,024,328
Advance against sales	38.00	**290,873,624**	246,549,982
Liabilities for expenses	39.00	**409,572,284**	312,907,723
Current tax liability	33.00	**303,624,779**	146,892,259
Provision for WPPF and Welfare Fund	40.00	**115,677,749**	67,373,325
Other liabilities	41.00	**202,793,610**	233,018,280
Current liabilities		**19,310,976,417**	20,107,117,397
Total liabilities		**26,273,291,444**	23,674,102,987
Total equity and liabilities		**39,944,699,984**	34,550,903,953

The annexed notes 1 to 51 are an integral part of these separate financial statements.

Managing Director | Director | Company Secretary

As per our annexed report of same date.

Chattogram, 25 September 2018

Rahman Rahman Huq
Chartered Accountants

Bangladesh Steel Re-Rolling Mills Limited
Separate Statement of Profit or Loss and Other Comprehensive Income
For the year ended 30 June

In Taka	Note	2018	2017
Revenue	4	**33,238,371,404**	23,648,933,383
Cost of sales	5	**(28,410,052,631)**	(20,411,999,681)
Gross profit		**4,828,318,773**	3,236,933,703
Selling and distribution costs	6	**(638,538,849)**	(434,749,660)
Administrative costs	7	**(358,897,564)**	(242,076,477)
Other operating income	8	**34,078,718**	11,788,855
Operating profit		**3,864,961,078**	2,571,896,420
Finance costs	9	**(2,058,370,269)**	(1,859,672,894)
Finance income	10	**223,859,651**	308,155,154
Net finance costs		**(1,834,510,618)**	(1,551,517,740)
Non-operating Income	11	**123,213,261**	113,899,482
Profit before WPPF and Welfare Fund		**2,153,663,721**	1,134,278,162
Contribution to WPPF and Welfare Fund	40	**(115,677,749)**	(67,373,325)
Share of profit of equity accounted investees, net of tax	12	**983,548,441**	130,358,403
Profit before tax		**3,021,534,413**	1,197,263,239
Income tax expenses			
Current tax:			
Current year	33	**(305,923,469)**	(146,892,259)
Previous year		**72,155,315**	(76,614,443)
Deferred tax	34	**(8,986,697)**	(217,241,464)
Total income tax expense		**(242,754,851)**	(440,748,166)
Profit after tax		**2,778,779,562**	756,515,074
Other comprehensive income		**-**	-
Items that are or may be reclassified subsequently to profit or loss			
Share of other comprehensive income of associate	12.03	**(1,057,931)**	-
Exchange differences on translation of foreign operations		**(154,523)**	(16,351,219)
Net other comprehensive loss to be reclassified to profit or loss		**(1,212,454)**	(16,351,219)
Items that will not be reclassified to profit or loss			
Deferred tax on interest - 12% Convertible bond		**2,158,736**	3,221,003
Deferred tax on revaluation surplus of assets			-
Net other comprehensive income/(loss) not to be reclassified to profit or loss		**2,158,736**	3,221,003
Other comprehensive income/(loss) for the year, net of tax		**946,282**	(13,130,216)
Total comprehensive income		**2,779,725,844**	743,384,858
Earnings per share			
Basic earnings per share (Taka)	13	**12.95**	3.53

The annexed notes 1 to 51 are an integral part of these separate financial statements.

Managing Director | Director | Company Secretary

As per our annexed report of same date.

Chattogram, 25 September 2018

Rahman Rahman Huq
Chartered Accountants

Bangladesh Steel Re-Rolling Mills Limited
Separate statement of changes in equity
For the year ended 30 June 2018

In Taka	Share capital	Share premium	General reserve	Revaluation reserve	Retained earnings	12% Convertible coupon bond-equity component	Total
Balance as on 1 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	-	-	-	(48,548,824)	64,731,766	-	16,182,941
Transfer of revaluation surplus on sale of revalued assets	-	-	-	(1,457,124)	1,942,832	-	485,709
Effect of revaluation and deferred tax on retained earnings of associates	-	-	-	2,058,520	-	-	2,058,520
Interim cash dividend paid	-	-	-	-	(195,097,717)	-	(195,097,717)
Deferred tax to interest on 12% Convertible coupon bond	-	-	-	-	3,221,003	-	3,221,003
Exchange differences on translation of foreign operations	-	-	-	-	(16,351,219)	-	(16,351,219)
Net profit after tax for the year ended 30 June 2017	-	-	-	-	756,515,074	-	756,515,074
Balance as at 30 June 2017	1,950,977,170	511,970,250	30,170,818	4,019,434,561	4,318,587,024	45,661,142	10,876,800,966
Balance as on 1 July 2017	**1,950,977,170**	**511,970,250**	**30,170,818**	**4,019,434,561**	**4,318,587,024**	**45,661,142**	**10,876,800,966**
10% stock dividend paid for 2017	**195,097,710**	-	-	-	**(195,097,710)**	-	-
Transfer against difference in depreciation between cost and revalued amount	-	-	-	**(44,435,847)**	**59,247,796**	-	**14,811,947**
Share of other comprehensive income of associate					**(1,057,931)**		**(1,057,931)**
Exchange differences on translation of foreign operations	-	-	-	-	**(154,523)**	-	**(154,523)**
Deferred tax to interest on 12% Convertible coupon bond	-	-	-	-	**2,158,736**	-	**2,158,736**
Transfer of revaluation surplus on sale of revalued assets	-	-	-	**(209,346)**	**279,128**	-	**69,782**
Net profit after tax for the year ended 30 June 2018	-	-	-	-	**2,778,779,562**	-	**2,778,779,562**
Balance as at 30 June 2018	**2,146,074,880**	**511,970,250**	**30,170,818**	**3,974,789,368**	**6,962,742,081**	**45,661,142**	**13,671,408,539**

The annexed notes 1 to 51 are an integral part of these separate financial statements.

RAHMAN RAHMAN HUQ CHITTAGONG

AMARSTOCK

Bangladesh Steel Re-Rolling Mills Limited
Separate statement of cash flows

In Taka	For the year ended 30 June 2018	2017
a. Cash flows from operating activities		
Cash receipts from customers	**33,058,844,622**	21,429,841,877
Receipt against other income	**154,978,348**	163,539,852
Cash payments to suppliers, employees and advance tax	**(33,200,548,759)**	(23,334,444,466)
Income tax paid	**(74,736,944)**	(90,651,572)
Interest paid	**(1,823,265,815)**	(388,858,835)
Net cash from operating activities	**(1,884,728,548)**	(2,220,573,144)
b. Cash flows from investing activities		
Acquisition of Property, plant and equipment	**(210,008,725)**	(311,079,516)
Costs increased against Capital work-in-progress	**(117,699,958)**	(214,376,657)
Acquisition of Intangibles	**-**	(455,413)
Advance for capital expenditures	**(12,256,414)**	(43,696,452)
Disposal of Property, plant and equipment	**4,914,980**	2,354,043
Increase in short term investment	**(22,398,283)**	31,680,227
Dividend income	**159,891,260**	213,188,346
Net cash used in investing activities	**(197,557,141)**	(322,385,422)
c. Cash flows from financing activities		
(Repayment) / Receipt of Long term loans	**4,178,494,292**	(1,142,447,129)
Dividend paid	**(545,563)**	(193,991,194)
Receipt/(Repayment) of short term borrowings	**563,294,407**	164,976,895
Loan to/from related companies	**(2,465,582,127)**	3,932,024,086
Net cash from financing activities	**2,275,661,009**	2,760,562,659
d. Net increase/(decrease) in cash and cash	**193,375,321**	217,604,092
e. Opening cash and cash equivalents	**511,608,459**	294,004,367
f. Closing cash and cash equivalents (d+e)	**704,983,780**	511,608,459

The annexed notes 1 to 51 are an integral part of these separate financial statements.

AMARSTOCK

1.00 Reporting entity

1.01 Legal form of the entity

Bangladesh Steel Re-Rolling Mills Limited is a public company limited by shares is domiciled in Bangladesh. The Company was formed and incorporated with the Registrar of Joint Stock Companies and Firms in Bangladesh on 28 December 1960 vide the certificate C/186-No. 1491/92 E.P. of 1960-1961 under Companies Act 1913 (since repealed and substituted by the Companies Act 1994) as a private company limited by share. The company was converted into a public limited company on 03 November 2009 under the Companies Act 1994. The Company is listed with Dhaka Stock Exchange Limited (DSE) and Chittagong Stock Exchange Limited (CSE) as a publicly quoted company. Trading of the shares of the company started in two stock exchanges from 27 April 2015.

The company has set up its Re-Rolling mill and Steel Melting Workshop (SMW previously known as Meghna Engineering Works Limited) at 147/148/149 and 78/79 Baizid Bostami Road, Nasirabad Industrial Area, Chittagong, Bangladesh respectively and commenced commercial production from 1987 after first BMRE. The principal place of business is located at Ali Mansion, 1207/1099, Sadarghat Road, Chittagong, Bangladesh.

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.

M.S. billets are 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.

1.03 BMRE and Suspension of Production

The company has gone under expansion and modernization (BMRE) of its capacity and process of Re-rolling unit since June 2014 that was completed on 8 December 2015. Because of BMRE works, production of Re-rolling unit ceased from 28 May 2014 to 8 December 2015 and started commercial production from 9 December 2015 after the completion of BMRE.

1.04 Branch office of the company

The company is maintaining branch offices at Kolkata & Agartala, India with approval from Reserve Bank of India vide letter no Ref: FC.CO.FID/455/10.83.493/2014 Dated 28 October 2014 and FE.CO.FID/1707/10.83.493/2014-15 Dated April 24, 2015 respectively. The branch office is allowed to enjoy a short term against SBDC as approved by Bangladesh Bank vide letter Ref No-FEPD(Import policy)/117/2015-11287 Dated December 30,2015 which was renewed on December 14,2016 vide their letter Ref: FEPD (Import policy)/117/2016/10636. Kolkata Branch office is now doing business of export/Import.

1.05 BSRM Steel Mills Limited- subsidiary

BSRM Steel Mills Limited, was incorporated as a private limited company on 16 April 2008 vide registration # CH-6561(267)/2008 under the Companies Act, 1994 to set up one of the largest production plant in the steel industries in Bangladesh. The company was converted into public limited company on 12 November 2013. Bangladesh Steel Re-Rolling Mills Limited holds 44.97% of ordinary shares directly and 7.91% of ordinary shares indirectly in BSRM Steel Mills Limited. The Financial Statements of this subsidiary company is included in the Consolidated Financial Statements according to BFRS 10 - "Consolidated Financial Statements".

The principal activities and nature of business of the company are:
i) To set up an automatic steel melting plant for making M.S billet of different qualities and sell the same to steel rolling mills.

ii) To set up an automatic steel rolling and re-rolling mills for manufacturing of iron products and steel materials of all types including other activities as mentioned in the Memorandum and Articles of Association.

The company has set up an induction furnace based scrap melting plant at Sonapahar, Mirsarai, Chattogram to produce M.S. billets and commenced commercial production from 16 June 2016.

RAHMAN RAHMAN HUQ KPMG CHITTAGONG

1.06 BSRM (Hong Kong) Limited- subsidiary

BSRM (Hong Kong) Limited was incorporated on 30 May 2018 in Hong Kong as a private company limited by shares. Registered office of the company is in Hong Kong. The company has share capital of HKD 1 (1 share) which is owned by Bangladesh Steel Re-Rolling Mills Limited. The company is yet to commence its business operation.

1.07 BSRM Steels Limited- associate

BSRM Steels Limited was incorporated on 20 July 2002, vide the certificate C-No. 4392 of 2002 as a private limited company 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 Limited and Chittagong Stock Exchange Limited as a publicly quoted company. Trading of the shares of the company started in two stock exchanges from 18 January 2009. Bangladesh Steel Re-Rolling Mills Limited directly holds 31.19% of ordinary shares in BSRM Steels Limited.

The main objectives of BSRM Steels Limited is to manufacture M.S. products by setting up rolling and re-rolling mills. The company has set up its Rolling mill at 4, Fouzderhat Industrial Estate, Latifpur, Sitakunda, Chittagong and commenced commercial production from 01 April 2008.

The Honorable High Court Division of Supreme Court of Bangladesh has approved the amalgamation of BSRM Iron & Steel Co. Ltd. (BISCO) with BSRM Steels Limited on 03 August 2017 and after receiving the approval from the Honorable High Court Division of Supreme Court of Bangladesh and order from the Registrar of Joint Stock Companies and Firms, the board of Directors of BSRM Steels limited has taken decision to effect the amalgamation from 01 October 2017 and accordingly as per provision of section 228 and 229 of the Companies Act 1994 by transferring all assets and liabilities of BSRM Iron & Co. Ltd. to BSRM Steels limited.

2.00 Basis of accounting

2.01 Statement of compliance

These Financial Statements have been prepared on a going concern basis following accrual basis of accounting except for Cash Flow Statement in accordance with the International Accounting Standards (IASs) and International Financial Reporting Standards (IFRSs) as adopted in Bangladesh by the Institute of Chartered Accountants of Bangladesh (ICAB) as Bangladesh Accounting Standards (BASs) and Bangladesh Financial Reporting Standards (BFRSs), the Companies Act 1994, the Securities and Exchange Rules 1987.

2.02 Basis of reporting

These financial statements are prepared and presented for external users by the company in accordance with identified financial reporting framework. Presentation has been made in compliance with the requirements of BAS 1: "Presentation of Financial Statements".

2.03 Other regulatory compliances

The group entities are also required to comply with the following major laws and regulations along with the Companies Act 1994:

i) The Income Tax Ordinance, 1984
ii) The Income Tax Rules, 1984
iii) The Value Added Tax Act, 1991
iv) The Value Added Tax Rules, 1991
v) The Customs Act, 1969
vi) Bangladesh Labour Law, 2006
vii) The Securities and Exchange Ordinance, 1969
viii) The Securities and Exchange Rules, 1987

2.04 Basis of measurement

These Financial Statements have been prepared on going concern basis under the historical cost convention except for some classes of Property, Plant and Equipment which are measured at revalued amount.

RAHMAN RAHMAN HUQ CHITTAGONG

2.05 Going concern

The group entities have adequate resources to continue its operation in foreseeable future. For this reason the directors continue to adopt going concern basis in preparing the Financial Statements. The current revenue generations and resources of the group provide sufficient fund to meet the present requirements of its existing business and operations.

2.06 Reporting period

The financial statements of the company and the consolidated financial statements of the group cover twelve months from 01 July 2017 to 30 June 2018 which is followed consistently since 2016.

2.07 Authorization for issue

These financial statements have been authorized for issue by the Board of Directors on 25 September 2018.

2.08 Consistency

Unless otherwise stated, the accounting policies and methods of computation used in preparation of the financial statements as at and for the year ended 30 June 2018 are consistent with those policies and methods adopted in preparing the financial statements for the year ended 30 June 2017.

2.09 Comparative information

Comparative information has been disclosed in respect of 2017 in accordance with BAS-1: Presentation of financial statements, for all numeric information in the financial statements and also the narrative and descriptive information where it is relevant for understanding of the current period's financial statements. Prior year's figures have been rearranged wherever considered necessary to ensure comparability with the current period.

2.10 Functional and presentation currency

These Financial Statements are prepared in Bangladesh Taka, which is the company's functional currency. All financial information presented in Taka has been rounded off to the nearest integer except when otherwise indicated.

2.11 Current versus non-current classification

The Company presents assets and liabilities in the statement of financial position based on current/non-current classification.

An asset is current when it is:

a. Expected to be realized or intended to sold or consumed in the normal operating cycle
b. Held primarily for the purpose of trading
c. Expected to be realized within twelve months after the reporting period and
d. Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

The company classifies all other assets as non-current.

A liability is current when:

a. It is expected to be settled in the normal operating cycle
b. It is held primarily for the purpose of trading
c. It is due to be settled within twelve months after the reporting period and
d. There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The company classifies all other liabilities as non-current. Deferred tax assets and liabilities are classified as noncurrent assets and liabilities.

2.12 Restatement of financial statements

The consolidated financial statements have been restated to give effect of the consolidation as consolidated financial statements were not prepared previously.

RAHMAN RAHMAN HUQ CHITTAGONG

3.00 Use of estimates and judgements

The preparation of the Financial Statements in conformity with BAS and BFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

Judgements, Assumptions and estimation uncertainties

Information about judgements made in applying accounting policies and assumptions and estimation uncertainties that have the most significant effects on the amounts recognised in the financial statements is included in the following notes:

- Note 17.00 Property, plant and equipment
- Note 19.00 Intangible assets
- Note 23.00 Inventories
- Note 24.00 Trade and other receivables
- Note 32.00 Provision for gratuity
- Note 33.00 Current tax liability
- Note 34.00 Deferred tax liability
- Note 41.00 Other liabilities
- Note 43.00 Contingent liabilities

Measurement of fair values

A number of the Group's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

The Group has an established control framework with respect to the measurement of fair values. This includes a valuation team that has overall responsibility for overseeing all significant fair value measurements, including Level 3 fair values, and reports directly to the chief financial officer. The valuation team regularly reviews significant unobservable inputs and valuation adjustments.

Significant valuation issues are reported to the Group's Audit Committee.

When measuring the fair value of an asset or liability, the entity uses market observable data as far as possible. Fair values are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows.

Level 1: Quoted prices (unadjusted) in active markets for identical assets and liabilities.

Level 2: Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: Inputs for the assets or liabilities that are not based on observable market data.

If the inputs used to measure the fair value of an asset or liability might be categorized in different levels of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

RAHMAN RAHMAN HUQ CHITTAGONG

4.00 Revenue

See accounting policy in note 51.18.

In Taka	Note	2018	2017
Bangladesh Steel Re-Rolling Mills Limited-HO	4.01	**32,765,853,550**	23,457,263,508
Bangladesh Steel Re-Rolling Mills Limited-Kolkata Branch		**546,702,882**	258,431,014
Less: Intracompany sales		**(74,185,028)**	(66,761,138)
		33,238,371,404	23,648,933,383

4.01 Bangladesh Steel Re-Rolling Mills Limited-HO

In Taka	Note	2018	2017
Local sales	4.02	**31,579,566,377**	22,766,309,957
Export sales	4.03	**964,133,541**	470,397,029
Sales of Scrap and By-product		**222,153,631**	203,834,522
Sales of imported miscellaneous		**-**	16,721,999
		32,765,853,550	23,457,263,508

4.02 Local sales

In Taka	2018	2017
MS Billet	**332,265,090**	35,541,469
MS Rod	**31,247,301,287**	22,730,768,488
	31,579,566,377	22,766,309,957

4.03 Export sales

In Taka	2018	2017
Finished Products	**862,457,836**	354,977,111
By Products	**101,675,705**	115,419,918
	964,133,541	470,397,029

Export sales of finished products during 01 July 2017 to 30 June 2018 was USD 10,489,909.71 against exporting of 16,347.38 Metric Ton and it was USD 5,836,128.19 against exporting of 7,816.870 Metric Ton of goods during 01 July 2016 to 30 June 2017.

4.a Consolidated revenue

In Taka	Note	2018	2017
Bangladesh Steel Re-Rolling Mills Limited	4.00	**33,238,371,404**	23,648,933,383
BSRM Steel Mills Limited		**45,888,262,116**	20,780,821,877
Less: Intra group sales		**(10,202,618,726)**	(2,247,222,332)
		68,924,014,794	42,182,532,928

5.00 Cost of sales

In taka	Note	2018	2017
Bangladesh Steel Re-Rolling Mills Limited-HO	5.01	**27,989,442,643**	20,241,647,242
Bangladesh Steel Re-Rolling Mills Limited-Kolkata Branch		**494,795,016**	237,113,577
Less: Intracompany sales		**(74,185,028)**	(66,761,138)
		28,410,052,631	20,411,999,681

5.01 Bangladesh Steel Re-Rolling Mills Limited-HO

In Taka	Note	2018	2017
Cost of sales- own production	5.02	**26,868,402,945**	19,444,383,801
Cost of sales-finished goods procured and sold	5.03	**767,311,350**	688,274,368
Cost of sales-scrap and others		**50,126,966**	76,719,072
Cost of sales-billet		**303,601,382**	32,270,001
		27,989,442,643	20,241,647,242

RAHMAN RAHMAN HUQ CHITTAGONG

5.02 Cost of sales-own production

In Taka	Note	2018	2017
Opening stock of raw materials-scrap		**1,007,910,921**	620,847,903
Add: Purchase during the year		**5,132,536,631**	4,455,536,295
		6,140,447,552	5,076,384,198
Less: Cost of scrap and others sales		**(50,126,966)**	(73,237,319)
Less: Closing stock of raw materials-scrap		**(1,045,893,575)**	(1,007,910,921)
Raw materials consumed-scrap		**5,044,427,011**	3,995,235,958
Add: Factory overhead- Melting Unit	5.05.01	**1,475,225,562**	1,375,519,492
Cost of Billet Manufactured		**6,519,652,573**	5,370,755,450
Add: Opening stock of billet		**53,290,332**	50,747,722
Stock of billet available		**6,572,942,905**	5,421,503,172
Less: Cost of billet sale		**(303,601,382)**	(32,270,001)
Less: Closing stock of billet		**(32,111,528)**	(53,290,332)
Billet Transferred to re-rolling unit		**6,237,229,995**	5,335,942,839
Add: Opening stock of billet		**3,774,442,338**	1,866,633,159
Add: Purchase during the year		**22,357,268,169**	13,277,124,510
Less: Closing stock of billet		**(5,439,107,713)**	(3,774,442,338)
Billet consumed		**26,929,832,789**	16,705,258,171
Add: Cost of packing materials		**68,304,680**	53,515,968
Add: Factory overhead- Rolling Unit	5.05.02	**1,930,251,690**	1,843,419,684
Cost of Production of finished goods		**28,928,389,159**	18,602,193,823
Add: Opening stock of finished goods		**2,812,080,104**	3,654,270,082
Less: Closing stock of finished goods		**(4,871,552,108)**	(2,812,080,104)
Goods available for sale		**26,868,917,155**	19,444,383,801
Less: Own use		**(514,210)**	-
Cost of sales - own production		**26,868,402,945**	19,444,383,801

5.03 Cost of sales-finished goods procured and sold

In Taka	Note	2018	2017
Opening stock of finished goods		**391,870,646**	198,283,000
Add: Finished goods imported		**377,136,858**	594,336,343
Add: Finished goods purchased locally		**272,180,165**	296,528,641
Available for sale/consumption		**1,041,187,669**	1,089,147,984
Less: Closing stock of finished goods	23.01	**(269,293,231)**	(391,870,646)
Less: Goods used by the company		**(4,583,088)**	(9,002,970)
Cost of sales-finished goods procured and sold		**767,311,350**	688,274,368

RAHMAN RAHMAN HUQ CHITTAGONG

5.04 Quantitative movement of inventories

In Metric ton	2018	2017
Raw Materials		
Opening stock	**139,044**	84,106
Add: Purchased/ imported during the year	**602,874**	527,382
Add: Produced by SMW	**150,331**	152,702
Available for consumption	**892,249**	764,190
Less: Consumed / sold/ returned during the year	**748,426**	625,146
Closing stock	**143,823**	139,044
Finished Goods		
Opening stock	**71,441**	95,691
Add: Produced during the year	**562,903**	442,511
Add: Imported/ purchased from related companies & other companies	**11,437**	37,275
Stock available for sale	**645,781**	575,477
Less: Sold during the year	**549,977**	503,705
Less: Used by the entity	**106**	331
Closing stock	**95,698**	71,441

5.05 Factory overhead

In Taka	Note	2018	2017
Factory overheads- Melting Unit	5.05.01	**1,475,225,562**	1,375,519,492
Factory overheads- Rolling Unit	5.05.02	**1,930,251,690**	1,843,419,684
		3,405,477,252	3,218,939,176

5.05.01 Factory overheads- Melting Unit

In Taka	Note	2018	2017
Salaries and allowances		**145,983,488**	145,706,958
Carrying charges-raw materials		**327,535**	934,032
Consumption electrical stores		**8,732,687**	7,450,517
Consumption general stores		**1,929,555**	3,772,317
Consumption of mechanical stores		**30,656,733**	31,909,807
Conveyance expenses		**2,805,393**	3,240,404
Depreciation	17.01	**153,185,276**	123,312,004
Direct expenses		**81,047,869**	64,401,248
Direct materials consumed		**167,158,438**	123,011,379
Electricity expenses		**875,509**	968,874
Entertainment		**1,931,669**	2,195,565
Factory office expenses		**3,790**	74,124
Fees and renewals		**463,540**	2,113
Fuel and lubricants		**6,312,507**	5,647,630
Gas		**6,219,290**	6,253,702
Guest house expenses		**118,541**	113,395
Guest house rent		**75,075**	103,600
Insurance expenses		**884,566**	300,332
Materials and finished goods handling charges		**26,448,957**	37,315,219
Medical expenses		**472,515**	776,015
Motor vehicle expenses		**1,883,370**	1,588,266
Postage and telegram		**692**	1,418
Power (factory)		**813,439,178**	794,547,704
Printing and stationery		**2,598,066**	2,486,050
Rent		**7,934,000**	7,770,000
Repairs and maintenance		**13,010,018**	11,358,321
Travelling expenses		**586,443**	180,105
Water bill-WASA		**140,862**	97,036
Paper and periodical		**-**	1,357
		1,475,225,562	1,375,519,492

RAHMAN RAHMAN HUQ CHITTAGONG

5.05.02 Factory overheads- Rolling Unit

In Taka	Note	2018	2017
Salaries and allowances		**181,028,885**	163,529,039
Carrying charges-raw materials		**118,690**	280,507
Consumption electrical stores		**23,226,055**	24,573,000
Consumption general stores		**2,321,975**	4,526,283
Consumption of mechanical Stores		**142,786,113**	150,905,586
Consumption of MS Roll		**10,706,082**	19,395,966
Conveyance expenses		**4,741,555**	5,192,321
Depreciation	17.01	**533,526,867**	497,187,526
Other materials consumed		**17,626,008**	27,961,737
Electricity expenses		**7,608,975**	9,346,153
Entertainment		**3,856,350**	4,058,100
Factory office expenses		**580**	16,985
Fees and renewals		**2,182,307**	1,161,783
Fuel and lubricants		**258,933,319**	380,417,636
Gas		**98,862,209**	33,404,230
Guest house expenses		**325,105**	107,504
Guest house rent		**2,635,410**	2,153,900
Insurance expenses		**5,593,819**	1,978,104
Materials and finished goods handling charges		**198,766,676**	172,117,546
Medical expenses		**1,266,591**	2,005,852
Motor vehicle expenses		**1,136,176**	1,182,409
Paper and periodical		**17,603**	15,444
Postage and telegram		**8,267**	7,269
Power (factory)		**403,935,640**	314,769,137
Printing and stationery		**3,269,336**	3,063,883
Rent		**10,788,072**	8,786,172
Repairs and Maintenance		**13,604,413**	11,641,803
Travelling expenses		**1,314,374**	3,633,809
Water bill-WASA		**64,238**	-
		1,930,251,690	1,843,419,684

5.a Consolidated cost of sales

In Taka	Note	2018	2017
Bangladesh Steel Re-Rolling Mills Limited	5.00	**28,410,052,631**	20,411,999,681
BSRM Steel Mills Limited		**42,569,425,485**	19,321,225,026
Less: Intra group sales		**(10,202,618,726)**	(2,247,222,332)
		60,776,859,390	37,486,002,375

AMARSTOCK

6.00 Selling and distribution costs

In Taka	Note	2018	2017
Bangladesh Steel Re-Rolling Mills Limited-HO	6.01	638,538,849	434,749,660
Bangladesh Steel Re-Rolling Mills Limited-Kolkata Branch		-	-
		638,538,849	434,749,660

6.01 Bangladesh Steel Re-Rolling Mills Limited-HO

In Taka	Note	2018	2017
Salary and allowances		91,239,807	72,380,608
Advertisement		1,620,490	16,633,235
Sales promotion expenses		530,041	105,967
Bad debts		358,759	840,766
Brokerage and commission		74,406,629	81,684,697
Marketing expenses		4,861,530	3,587,771
Carriage on sales		305,385,563	154,507,744
Communication expenses		1,854	9,623
Conveyance expenses		115,380	60,990
Depreciation	17.01	36,942,442	17,110,623
Electricity expenses		8,270,056	1,922,008
Entertainment		15,515	1,090,363
Finished goods handling charges		26,392,160	8,576,342
Export charges		4,278,152	5,315,418
Gratuity expenses		3,417,141	3,083,211
Repair & Maintenance		1,078,213	197,474
Fees and renewals		71,662	102,230
Godown rent		3,805,857	3,714,992
Medical expenses		324,750	474,828
Motor cycle expenses		4,989,064	2,304,313
Printing and stationeries expenses		372,926	1,093,872
Royalty expenses		69,130,359	59,443,281
Testing charges		36,657	33,065
Travelling expenses		893,842	467,129
Office expenses		-	9,111
		638,538,849	434,749,660

6.02 The trademark 'Xtreme 500W' has been registered in the name of 'H. Akberali & Co. Limited' (HACL) from the department of Patents, Designs and Trademark of Government of Bangladesh under section 20(2) of the Trademark Act 2009. The company is paying royalty to HACL @ Tk. 150 per MT on its sold quantity from 01 January 2016 according to Trademark License Agreement between the Company and HACL effective from the aforesaid date.

6.a Consolidated selling and distribution cost

In Taka	Note	2018	2017
Bangladesh Steel Re-Rolling Mills Limited	6.00	638,538,849	434,749,660
BSRM Steel Mills Limited		3,999,996	2,518,566
		642,538,845	437,268,226

7.00 Administrative costs

In Taka	Note	2018	2017
Bangladesh Steel Re-Rolling Mills Limited-HO	7.01	**325,564,635**	230,341,140
Bangladesh Steel Re-Rolling Mills Limited-Kolkata Branch		**33,332,929**	11,735,337
		358,897,564	242,076,477

7.01 Bangladesh Steel Re-Rolling Mills Limited-HO

In Taka	Note	2018	2017
Salaries and allowances		**145,108,913**	114,369,375
Directors' remuneration	7.02	**58,800,000**	42,000,000
Advertisement Expenses		**480,372**	636,116
Audit fees		**595,700**	713,000
Board meeting expenses		**273,125**	244,375
Conveyance expenses		**507,529**	553,979
Insurance expenses		**23,288**	5,750
CSR expenses		**21,385,074**	9,327,032
Depreciation	17.01	**8,622,915**	11,085,319
Amortization	19.02	**3,383,341**	3,368,161
Donation and subscriptions		**145,800**	195,950
Entertainment		**4,781,628**	4,213,276
Fees and renewals		**9,977,974**	3,613,625
General expenses		**254,179**	138,509
Generator and fuel expenses		**200,963**	498,284
Gratuity expenses		**30,154,247**	7,647,134
Guest house expenses		**569,383**	802,936
Land revenue, Municipal tax		**955,612**	807,508
Legal expenses		**754,144**	945,190
Medical expenses		**1,620,028**	2,169,012
Motor vehicle expenses		**7,850,105**	6,392,095
Office expenses		**18,407**	269,775
Paper and Periodicals		**6,528**	12,280
Postage expenses		**355,915**	325,466
Printing expenses		**786,487**	28,428
Professional expenses		**9,328,578**	4,538,257
Rent (Office, depot and others)		**6,224,296**	5,957,716
Repair and maintenance		**1,081,560**	364,636
Stationery expenses		**41,193**	109,477
Telephone and internet expenses		**3,516,585**	3,428,578
Training expenses		**2,011,245**	853,534
Travelling expenses		**3,978,798**	2,627,875
Utility expenses		**1,770,724**	2,098,491
		325,564,635	230,341,140

7.02 Directors' remuneration

Details of directors' remuneration paid during the year are as follows:

In Taka	2018		
Name	Gross Remuneration	Income Tax Deducted	Net Paid
Mr. Alihussain Akberali-Chairman	**22,800,000**	**6,840,000**	**15,960,000**
Mr. Aameir Alihussain-Managing Director	**16,800,000**	**5,040,000**	**11,760,000**
Mr. Zohair Taherali-Director	**13,200,000**	**3,960,000**	**9,240,000**
Mrs. Sabeen Aameir- Director	**6,000,000**	**1,500,000**	**4,500,000**
	58,800,000	**17,340,000**	**41,460,000**

In addition to remuneration, directors avail company vehicles for transportation purposes. These key management personnel are not entitled to any other benefits. No amount is lying as receivable from the directors.

AMAR STOCK

7.a Consolidated administrative cost

In Taka	Note	2018	2017
Bangladesh Steel Re-Rolling Mills Limited	7.00	**358,897,564**	242,076,477
BSRM Steel Mills Limited		**95,056,765**	51,349,003
		453,954,329	293,425,480

8.00 Other operating income

See accounting policy in note 51.20.

In Taka	Note	2018	2017
Bangladesh Steel Re-Rolling Mills Limited-HO	8.01	**34,078,718**	11,788,855
Bangladesh Steel Re-Rolling Mills Limited-Kolkata Branch		-	-
		34,078,718	11,788,855

8.01 Bangladesh Steel Re-Rolling Mills Limited-HO

In Taka	2018	2017
Late payment charge	**6,229,977**	3,181,777
Other item sales	**25,535,110**	8,614,663
Gain/(loss) on sale of PPE	**2,313,631**	(7,585)
	34,078,718	11,788,855

8.a Consolidated other operating income

In Taka	Note	2018	2017
Bangladesh Steel Re-Rolling Mills Limited	8.00	**34,078,718**	11,788,855
BSRM Steel Mills Limited		**7,543,706**	(34,344,736)
		41,622,424	(22,555,881)

9.00 Finance costs

See accounting policy in note 51.19.

In Taka	Note	2018	2017
Bangladesh Steel Re-Rolling Mills Limited-HO	9.01	**2,056,115,400**	1,858,584,314
Bangladesh Steel Re-Rolling Mills Limited-Kolkata Branch		**2,254,870**	1,088,581
		2,058,370,269	**1,859,672,894**

9.01 Bangladesh Steel Re-Rolling Mills Limited-HO

In Taka	Note	2018	2017
Interest on LTR		**21,405,572**	21,816,664
Interest on Demand and Time loan		**382,218,973**	419,511,408
Interest on Overdraft		**212,240,676**	192,052,028
Interest on Term loan		**539,790,425**	333,168,335
Interest on Convertible bond		**86,787,032**	132,024,564
Bank charges		**36,077,803**	17,951,909
Bank Guarantee Commission		**114,096**	71,018
Agency fee		**3,964,034**	2,438,170
Interest on balance due to inter companies		**753,672,187**	668,202,250
Foreign currency exchange rate fluctuation (gain)/loss	9.02	**19,844,602**	71,347,968
		2,056,115,400	1,858,584,314

9.02 Foreign currency exchange gain/(loss)

In Taka	2018	2017
Realized foreign currency transaction loss	**18,901,345**	71,347,968
Unrealized foreign currency translation loss	**943,257**	-
	19,844,602	71,347,968

Foreign currency transaction gain/ loss

This represents net gain on transaction in foreign currency during the year.

Foreign currency translation gain/loss

This represents net gain on translation of foreign currencies into Bangladeshi Taka at the rate prevailing on reporting date.

RAHMAN RAHMAN & CO. CHITTAGONG

9.a Consolidated finance costs

In Taka	Note	2018	2017
Bangladesh Steel Re-Rolling Mills Limited	9.00	**2,058,370,269**	1,859,672,894
BSRM Steel Mills Limited		**1,725,899,640**	1,563,342,047
Less: Intra group interest Income		**-**	-
		3,784,269,909	3,423,014,941

10.00 Finance income

See accounting policy in note 51.19.

In Taka	Note	2018	2017
Bangladesh Steel Re-Rolling Mills Limited-HO	10.01	**223,859,651**	308,155,154
Bangladesh Steel Re-Rolling Mills Limited-Kolkata Branch		**-**	-
		223,859,651	308,155,154

10.01 Bangladesh Steel Re-Rolling Mills Limited-HO

In Taka	2018	2017
Interest Income on STD	**33,086**	1,109,340
Interest income from FDR	**17,629,863**	18,335,139
Interest on balance due from inter companies	**206,196,702**	288,152,412
Rebate on bank interest	**-**	558,263
	223,859,651	308,155,154

10.a Consolidated finance income

In Taka	Note	2018	2017
Bangladesh Steel Re-Rolling Mills Limited	10.00	**223,859,651**	308,155,154
BSRM Steel Mills Limited		**343,743,498**	25,585,581
Less: Intra group interest income		**-**	-
		567,603,149	333,740,735

11.00 Non- operating income

In Taka	Note	2018	2017
Bangladesh Steel Re-Rolling Mills Limited-HO	11.01	**123,213,261**	113,899,482
Bangladesh Steel Re-Rolling Mills Limited-Kolkata Branch		**-**	-
		123,213,261	113,899,482

11.01 Bangladesh Steel Re-Rolling Mills Limited-HO

In Taka	2018	2017
Management fees	**109,055,533**	102,159,679
Changes in fair value of tradable securities	**(44,272)**	18,803
Rental income	**14,202,000**	11,721,000
	123,213,261	113,899,482

11.a Consolidated non- operating income

In Taka	Note	2018	2017
Bangladesh Steel Re-Rolling Mills Limited	11.00	**123,213,261**	113,899,482
BSRM Steel Mills Limited		**23,780,710**	11,502,000
		146,993,971	125,401,482

12.00 Share of (loss)/profit of equity accounted investees (Net of tax)

In Taka	Note	2018	2017
Share of profit of subsidiary (BSML)	12.01	**421,909,020**	(400,621,563)
Share of profit of associate (BSL)	12.02	**561,639,421**	530,979,966
		983,548,441	130,358,403

RAHMAN RAHMAN HUQ CHITTAGONG

12.01 Share of profit of subsidiary (BSML)

In Taka	2018	2017
Net profit/ (loss) attributable to the shareholders' of BSML	**938,269,829**	(890,929,343)
Percentage of holding	**44.97%**	44.97%
Net profit/ (loss) attributable to BSRM Ltd.	**421,909,020**	(400,621,563)
	421,909,020	(400,621,563)

12.02 Share of profit of associate (BSL)

In Taka	2018	2017
Net profit/ (loss) attributable to the shareholders' of BSL	**1,800,795,558**	1,702,491,540
Percentage of holding	**31.19%**	31.19%
Net profit attributable to BSRM Ltd.	**561,639,421**	530,979,966
	561,639,421	530,979,966

12.03 Share of other comprehensive income of equity accounted investees (Net of tax)

In Taka	2018	2017
Other comprehensive income attributable to the shareholders' of BSL	**(3,392,066)**	-
Percentage of holding	**31.19%**	31.19%
Other comprehensive income attributable to BSRM Ltd.	**(1,057,931)**	-
	(1,057,931)	-

13.00 Earnings per share (EPS)

See accounting policy in note 51.21.

13.01 Basic EPS

In Taka	2018	2017
Profit attributable to the ordinary shareholders (Taka)	**2,778,779,562**	756,515,074
Number of ordinary shares at the year end	**214,607,488**	195,097,717
Weighted Average no. of shares outstanding during the year (Nos.)	**214,607,488**	214,607,488
Basic EPS (Taka)	**12.95**	3.53

Earnings per share (EPS) has been computed by dividing the net profit after tax (NPAT) by the weighted average number of ordinary shares outstanding on the reporting date as per BAS-33: Earnings Per Share. No diluted EPS was required to be calculated for the year since there was no scope for dilution.

13.a Consolidated earnings per share (CEPS)

In Taka	2018	2017
Net profit after tax attributable to owners of the company (Taka)	**2,778,779,562**	756,515,074
Number of ordinary shares at the period end	**214,607,488**	195,097,717
Weighted Average number of ordinary shares outstanding during the year (Nos.)	**214,607,488**	214,607,488
Consolidated earnings per share (CEPS) (Taka)	**12.95**	3.53

EPS for the year 2017 has been restated based on the new weighted average number of ordinary shares in accordance with para 64 of BAS 33.

RAHMAN RAHMAN HUQ CHITTAGONG

14.00 Net Asset Value Per Share (NAV)

In Taka	2018	2017
Total assets	**39,944,699,984**	34,550,903,953
Total liabilities	**26,273,291,444**	23,674,102,987
Net asset value (NAV)	**13,671,408,540**	10,876,800,966
Number of ordinary shares outstanding during the year	**214,607,488**	195,097,717
Net asset value per share (NAV) per share	**63.70**	55.75

14.a Consolidated net asset value per share (CNAV)

In Taka	2018	2017
Total assets	**76,596,706,008**	60,609,514,074
Total liabilities	**59,532,669,416**	46,856,445,866
Consolidated net asset value (CNAV)	**17,064,036,592**	13,753,068,208
Less: Non-controlling interest	**(3,392,628,051)**	(2,876,267,242)
Assets attributable to owners of the company	**13,671,408,541**	10,876,800,966
Number of ordinary shares outstanding during the year	**214,607,488**	195,097,717
Consolidated net asset value per share (CNAV) per share	**63.70**	55.75

15.00 Net operating cash flow per share

In Taka	2018	2017
Net operating cash flow	**(1,884,728,548)**	(2,220,573,144)
Number of ordinary shares outstanding during the year	**214,607,488**	195,097,717
Net operating cash flow per share	**(8.78)**	(11.38)

15.a Consolidated net operating cash flow per share

In Taka	2018	2017
Net operating cash flow	**(8,024,565,983)**	(6,336,141,626)
Number of ordinary shares outstanding during the year	**214,607,488**	195,097,717
Net operating cash flow per share	**(37.39)**	(32.48)

16.00 Reconciliation of net income with cash flows from operating activities:

In Taka	2018	2017
Net profit before tax	**3,021,534,413**	1,197,263,239
Adjustments to reconcile net income with cash flows from operating activities:		
Amortization	**3,383,341**	3,368,161
Gain/(loss) on sale of PPE	**(2,313,631)**	7,585
Depreciation	**732,277,500**	649,157,614
Provision for gratuity	**46,835,170**	22,382,387
Share of (loss)/profit of equity accounted investee, net of tax	**(983,548,441)**	(130,358,403)
	(203,366,061)	544,557,344
(Increase)/Decrease in Current Assets:		
Inventories	**(4,011,886,784)**	(2,082,203,606)
Trade and other receivables	**(220,800,787)**	(1,057,950,817)
Advances and deposits	**(269,525,758)**	(402,674,423)
Increase/(Decrease) in Current Liabilities:		
Trade payables	**(315,522,802)**	444,841,629
Other Liabilities	**(30,936,610)**	117,002,897
Defined benefit obligations - Gratuity	**39,027,665**	14,704,989
Advance against sales	**44,323,642**	(968,630,049)
Liabilities for expenses	**96,664,561**	44,409,735
Provision for WPPF and Welfare Fund	**48,304,424**	26,434,886
	(4,620,352,450)	(3,864,064,758)
Gratuity paid during the year	**(7,807,505)**	(7,677,398)
Income tax paid	**(74,736,944)**	(90,651,572)
Net cash flow from operating activities	**(82,544,449)**	(98,328,970)
	(1,884,728,547)	(2,220,573,144)

RAHMAN RAHMAN HUQ CHITTAGONG

16.a Consolidated reconciliation of net income with cash flows from operating activities:

In Taka	2018	2017
Net profit before tax	**4,375,126,130**	1,443,014,882
Reconciliation of net income with cash flows from operating activities		
Amortization	**6,183,085**	6,167,201
Amortization of preliminary expenses	**-**	492,925
Gain/(loss) on sale of PPE	**(2,307,321)**	34,352,321
Depreciation	**1,510,277,222**	1,593,484,930
Share of (loss)/profit of equity accounted investee, net	**(561,639,421)**	(530,979,966)
	952,513,565	1,103,517,411
(Increase)/Decrease in Current Assets:		
Inventories	**(6,456,934,987)**	(6,484,818,120)
Trade and other receivables	**(5,196,308,784)**	(1,161,068,256)
Advances and deposits	**(250,920,302)**	(63,007,781)
Increase/(Decrease) in Current Liabilities:		
Trade payables	**(500,670,194)**	565,790,776
Other Liabilities	**(215,448,659)**	(63,937,929)
Defined benefit obligations - Gratuity	**28,120,984**	23,181,721
Advance against sales	**65,680,010**	(962,812,293)
Liabilities for expenses	**211,656,875**	179,410,502
Provision for WPPF and Welfare Fund	**142,918,448**	26,434,886
	(12,171,906,611)	(7,940,826,493)
Income tax paid	**(1,180,299,067)**	(941,847,426)
Net cash flow from operating activities	**(8,024,565,983)**	(6,336,141,626)

RAHMAN RAHMAN HUQ CHITTAGONG

17.00 Property, plant and equipment (PPE) - revalued model

See accounting policy in note 51.03.

In Taka	Note	2018	2017
Bangladesh Steel Re-Rolling Mills Limited-HO	17.01	**12,957,871,954**	13,370,097,646
Bangladesh Steel Re-Rolling Mills Limited-Kolkata Branch		**684,069**	957,664
		12,958,556,023	13,371,055,310

17.01 Bangladesh Steel Re-Rolling Mills Limited-HO

In Taka	Land and Land development	Plant and Machinery	Motor Vehicles	Factory Building & Shed	Boundary wall,Road & pavements	Furniture and Fixtures	Office Equipment	Computer & IT Equipment	Under construction	Total
At revaluation										
Balance as at 01 July 2016	3,921,169,369	5,727,731,672	47,902,739	2,848,514,814	136,413,252	29,215,956	33,146,119	17,456,890	403,857,592	13,165,408,403
Additions	17,332,132	389,311,000	3,221,545	110,454,829	5,736,624	7,634,802	5,438,547	2,368,082	214,376,657	755,874,219
Reclassification of held for sale to asset	-	1,184,359,433	-	-	-	-	-	-	-	1,184,359,433
Disposal/ transfer	-	-	(4,296,823)	-	-	(55,387)	(1,896,437)	(139,473)	(230,566,859)	(236,954,979)
Balance as at 30 June 2017	3,938,501,502	7,301,402,105	46,827,461	2,958,969,643	142,149,876	36,795,371	36,688,229	19,685,499	387,667,390	14,868,687,076
Balance as at 01 July 2017	**3,938,501,502**	**7,301,402,105**	**46,827,461**	**2,958,969,643**	**142,149,876**	**36,795,371**	**36,688,229**	**19,685,499**	**387,667,390**	**14,868,687,076**
Additions	**16,662,327**	**189,032,934**	**13,170,862**	**296,192,001**	**62,026,932**	**637,607**	**2,597,918**	**3,317,842**	**117,699,958**	**701,338,379**
Disposal/ transfer	**-**	**-**	**(6,129,655)**	**-**	**-**	**(392,451)**	**(119,671)**	**(58,309)**	**(379,642,886)**	**(386,342,971)**
Balance as at 30 June 2018	**3,955,163,829**	**7,490,435,039**	**53,868,668**	**3,255,161,644**	**204,176,808**	**37,040,527**	**39,166,476**	**22,945,032**	**125,724,462**	**15,183,682,484**
Accumulated depreciation										
Balance as at 01 July 2016	-	552,883,114	23,594,752	199,132,786	46,153,993	10,602,668	13,531,716	8,067,221	-	853,966,250
Charged for the year	-	448,994,313	8,016,828	157,385,130	14,042,215	8,722,847	7,131,776	4,402,365	-	648,695,472
Adjustment for disposal	-	-	(2,857,376)	-	-	(30,865)	(1,141,731)	(42,319)	-	(4,072,291)
Balance as at 30 June 2017	-	1,001,877,427	28,754,203	356,517,916	60,196,208	19,294,649	19,521,760	12,427,267	-	1,498,589,430
Balance as at 01 July 2017	**-**	**1,001,877,427**	**28,754,203**	**356,517,916**	**60,196,208**	**19,294,649**	**19,521,760**	**12,427,267**	**-**	**1,498,589,430**
Charged for the year	**-**	**495,544,571**	**8,266,538**	**193,171,018**	**17,236,920**	**6,766,594**	**7,292,483**	**3,999,376**	**-**	**732,277,500**
Adjustment for disposal	**-**		**(4,796,277)**			**(107,546)**	**(82,817)**	**(69,762)**	**-**	**(5,056,401)**
Balance as at 30 June 2018	**-**	**1,497,421,997**	**32,224,465**	**549,688,934**	**77,433,128**	**25,953,697**	**26,731,426**	**16,356,881**	**-**	**2,225,810,529**
Carrying amount										
As at 30 June 2017	3,938,501,502	6,299,524,678	18,073,258	2,602,451,727	81,953,668	17,500,722	17,166,469	7,258,232	387,667,390	13,370,097,646
As at 30 June 2018	**3,955,163,829**	**5,993,013,041**	**21,644,203**	**2,705,472,709**	**126,743,680**	**11,086,830**	**12,435,050**	**6,588,150**	**125,724,462**	**12,957,871,954**

Depreciation allocation:

In Taka	2018	2017
Cost of sales	**686,712,144**	620,499,530
Selling & distribution costs	**36,942,442**	17,110,623
Administrative costs	**8,622,915**	11,547,461
Total	**732,277,501**	649,157,614

RAHMAN RAHMAN HUQ CHITTAGONG

17.02 Property, plant and equipment (PPE) - cost model

In Taka	Note	2018	2017
Bangladesh Steel Re-Rolling Mills Limited-HO	17.03	**10,958,567,690**	11,310,916,788
Bangladesh Steel Re-Rolling Mills Limited-Kolkata Branch		**684,069**	957,664
		10,959,251,759	11,311,874,451

17.03 Bangladesh Steel Re-Rolling Mills Limited-HO

In Taka	Land and land development	Plant and Machinery	Motor Vehicles	Factory Building and shed	Boundary wall, Road & pavements	Furniture and Fixtures	Office Equipment	Computer & IT Equipment	Under construction	Total
At cost										
Balance as at 01 July 2016	1,938,552,337	6,576,179,462	75,639,952	2,978,224,128	136,413,252	43,446,548	49,672,515	17,456,890	403,857,592	12,219,442,675
Additions	17,332,132	389,311,000	3,221,545	110,454,829	5,736,624	7,634,802	5,438,547	2,368,082	214,376,657	755,874,219
Reclassification of held for sale to asset	-	1,184,359,433	-	-	-	-	-	-	-	1,184,359,433
Disposal/ transfer	-	-	(2,831,885)	-	-	(49,594)	(1,424,337)	(139,473)	(230,566,859)	(235,012,148)
Balance as at 30 June 2017	1,955,884,469	8,149,849,895	76,029,612	3,088,678,957	142,149,876	51,031,756	53,686,725	19,685,499	387,667,390	13,924,664,179
Balance as at 01 July 2017	**1,955,884,469**	**8,149,849,895**	**76,029,612**	**3,088,678,957**	**142,149,876**	**51,031,756**	**53,686,725**	**19,685,499**	**387,667,390**	**13,924,664,179**
Additions	**16,662,327**	**189,032,934**	**13,170,862**	**296,192,001**	**62,026,932**	**637,607**	**2,597,918**	**3,317,842**	**117,699,958**	**701,338,379**
Disposal/ transfer	-	-	**(5,500,858)**	-	-	**(392,451)**	**(119,671)**	**(58,309)**	**(379,642,886)**	**(385,714,174)**
Balance as at 30 June 2018	**1,972,546,796**	**8,338,882,829**	**83,699,616**	**3,384,870,958**	**204,176,808**	**51,276,912**	**56,164,972**	**22,945,032**	**125,724,462**	**14,240,288,384**
Accumulated depreciation										
Balance as at 01 July 2016	-	1,438,904,385	49,704,293	435,046,700	46,153,993	26,461,461	29,517,931	8,067,221	-	2,033,855,983
Charge during the year	-	411,364,124	2,000,288	140,115,819	14,042,215	7,484,020	4,554,878	4,402,365	-	583,963,708
Disposals	-	-	(2,857,376)	-	-	(30,856)	(1,141,737)	(42,331)	-	(4,072,300)
Balance as at 30 June 2017	-	1,850,268,509	48,847,205	575,162,519	60,196,208	33,914,624	32,931,071	12,427,255	-	2,613,747,391
Balance as at 01 July 2017	-	**1,850,268,509**	**48,847,205**	**575,162,519**	**60,196,208**	**33,914,624**	**32,931,071**	**12,427,255**	-	**2,613,747,391**
Charged for the year	-	**470,636,363**	**5,640,704**	**163,154,359**	**17,236,920**	**6,402,950**	**5,959,032**	**3,999,376**	-	**673,029,704**
Adjustment for disposal	-	-	**(4,796,277)**			**(107,546)**	**(82,817)**	**(69,762)**	-	**(5,056,401)**
Balance as at 30 June 2018	-	**2,320,904,872**	**49,691,632**	**738,316,878**	**77,433,128**	**40,210,028**	**38,807,287**	**16,356,869**	-	**3,281,720,694**
Carrying amount										
As at 30 June 2017	1,955,884,469	6,299,581,386	27,182,408	2,513,516,439	81,953,668	17,117,132	20,755,654	7,258,244	387,667,390	11,310,916,788
As at 30 June 2018	**1,972,546,796**	**6,017,977,957**	**34,007,985**	**2,646,554,080**	**126,743,680**	**11,066,884**	**17,357,685**	**6,588,162**	**125,724,462**	**10,958,567,690**



17.a Consolidated Property, plant and equipment (PPE) - revalued model

In Taka	Land and Land development	Plant and Machinery	Motor Vehicles	Factory Building & Shed	Boundary wall,Road & pavements	Furniture and Fixtures	Office Equipment	Computer & IT Equipment	Under construction	Total
At revaluation										
Balance as on 01 July 2016	7,493,917,433	16,856,906,104	81,756,843	6,227,304,768	1,136,112,924	58,760,208	82,342,283	25,411,308	607,011,352	32,569,523,223
Additions	65,655,003	749,076,360	3,221,545	229,369,577	63,666,569	10,934,877	13,748,878	5,286,727	598,087,146	1,739,046,683
Reclassification of held for sale to asset	-	1,184,359,433	-	-	-	-	-	-	-	1,184,359,433
Disposal/ transfer	-	(199,760,400)	(4,851,178)	-	-	(55,387)	(3,207,057)	(172,944)	(234,094,002)	(442,140,968)
Balance as at 30 June 2017	7,559,572,437	18,590,581,497	80,127,210	6,456,674,345	1,199,779,493	69,639,698	92,884,104	30,525,091	971,004,496	35,050,788,371
Balance as at 01 July 2017	**7,559,572,437**	**18,590,581,497**	**80,127,210**	**6,456,674,345**	**1,199,779,493**	**69,639,698**	**92,884,104**	**30,525,091**	**971,004,496**	**35,050,788,371**
Additions	**68,893,584**	**600,039,981**	**13,170,862**	**855,309,079**	**68,299,416**	**40,106,695**	**52,069,600**	**7,558,947**	**381,352,345**	**2,086,800,507**
Disposal/ transfer	-	**(2,030,000)**	**(10,604,655)**	-	-	**(736,589)**	**(119,671)**	**(58,309)**	**(1,140,359,953)**	**(1,153,909,177)**
Balance as at 30 June 2018	**7,628,466,021**	**19,188,591,478**	**82,693,417**	**7,311,983,424**	**1,268,078,909**	**109,009,804**	**144,834,033**	**38,025,728**	**211,996,888**	**35,983,679,701**
Accumulated depreciation										
Balance as on 01 July 2016	-	763,864,913	38,629,072	245,203,932	73,389,548	16,780,883	24,790,725	10,524,836	-	1,173,183,909
Charged for the year	-	1,156,195,816	12,210,527	303,707,190	82,486,959	15,351,362	17,155,456	6,377,621	-	1,593,484,931
Adjustment for disposal	-	(15,234,000)	(3,383,273)	-	-	(30,865)	(2,109,079)	(58,449)	-	(20,815,666)
Balance as at 30 June 2017	-	1,904,826,729	47,456,326	548,911,122	155,876,507	32,101,380	39,837,102	16,844,008	-	2,745,853,174
Balance as at 01 July 2017	-	**1,904,826,729**	**47,456,326**	**548,911,122**	**155,876,507**	**32,101,380**	**39,837,102**	**16,844,008**	-	**2,745,853,174**
Charged for the year	-	**1,073,751,001**	**11,489,450**	**328,296,671**	**52,664,039**	**15,807,332**	**21,977,337**	**6,646,228**	-	**1,510,632,058**
Adjustment for disposal	-	**(1,161,497)**	**(7,914,968)**			**(454,188)**	**(82,817)**	**(69,762)**	-	**(9,683,232)**
Balance as at 30 June 2018	-	**2,977,416,232**	**51,030,808**	**877,207,793**	**208,540,546**	**47,454,524**	**61,731,622**	**23,420,474**	-	**4,246,801,999**
Carrying amount										
As at 30 June 2017	7,559,572,437	16,685,754,768	32,670,884	5,907,763,223	1,043,902,986	37,538,318	53,047,002	13,681,083	971,004,496	32,304,935,197
As at 30 June 2018	**7,628,466,021**	**16,211,175,245**	**31,662,609**	**6,434,775,630**	**1,059,538,363**	**61,555,280**	**83,102,411**	**14,605,254**	**211,996,888**	**31,736,877,702**

RAHMAN RAHMAN HUQ CHITTAGONG

ALAMY STOCK

17.a.ii Consolidated Property, plant and equipment (PPE) - cost model

In Taka	Note	2018	2017
Bangladesh Steel Re-Rolling Mills Limited-HO	17.03	**10,958,567,690**	11,310,916,788
BSRM Steel Mills Limited		**16,485,442,007**	16,641,000,217
	17.a.iii	**27,444,009,697**	27,951,917,005
Bangladesh Steel Re-Rolling Mills Limited-Kolkata Branch		**684,069**	-
		27,444,693,766	27,951,917,005

17.a.iii Bangladesh Steel Re-Rolling Mills Limited-HO and BSRM Steel Mills Limited

In Taka	Land and land development	Plant and Machinery	Motor Vehicles	Factory Building and shed	Boundary wall, Road & pavements	Furniture and Fixtures	Office Equipment	Computer & IT Equipment	Under construction	Total
At cost										
Balance as on 01 July 2016	3,218,420,729	17,705,353,894	109,494,056	6,357,014,082	1,136,112,924	72,990,800	98,868,679	25,411,308	607,011,352	29,330,677,824
Additions	65,655,003	749,076,360	3,221,545	229,369,577	63,666,569	10,934,877	13,748,878	5,286,727	598,087,146	1,739,046,682
Reclassification of held for sale to asset		1,184,359,433								1,184,359,433
Disposal/ transfer	-	(199,760,400)	(3,386,240)	-	-	(49,594)	(2,734,957)	(172,944)	(234,094,002)	(440,198,137)
Balance as at 30 June 2017	3,284,075,732	19,439,029,287	109,329,361	6,586,383,659	1,199,779,493	83,876,083	109,882,600	30,525,091	971,004,496	31,813,885,802
Balance as at 01 July 2017	**3,284,075,732**	**19,439,029,287**	**109,329,361**	**6,586,383,659**	**1,199,779,493**	**83,876,083**	**109,882,600**	**30,525,091**	**971,004,496**	**31,813,885,802**
Additions	**68,893,584**	**600,039,981**	**13,170,862**	**855,309,079**	**68,299,416**	**40,106,695**	**52,069,600**	**7,558,947**	**381,352,345**	**2,086,800,508**
Disposal	-	**(2,030,000)**	**(9,975,858)**	-	-	**(736,589)**	**(119,671)**	**(58,309)**	**(1,140,359,953)**	**(1,153,280,380)**
Balance as at 30 June 2018	**3,352,969,316**	**20,037,039,268**	**112,524,365**	**7,441,692,738**	**1,268,078,909**	**123,246,189**	**161,832,529**	**38,025,729**	**211,996,888**	**32,747,405,930**
Accumulated depreciation										
Balance as on 01 July 2016	-	1,649,886,184	64,738,613	481,117,846	73,389,548	32,639,676	40,776,940	10,524,836	-	2,353,073,643
Charged for the year	-	1,118,565,627	6,193,987	286,437,879	82,486,959	14,112,535	14,578,558	6,377,621	-	1,528,753,166
Adjustment for disposal	-	(15,234,000)	(3,383,273)	-	-	(30,856)	(2,109,085)	(58,461)	-	(20,815,675)
Balance as at 30 June 2017	-	2,753,217,811	67,549,327	767,555,725	155,876,507	46,721,355	53,246,413	16,843,996	-	3,861,011,134
Balance as at 01 July 2017	**-**	**2,753,217,811**	**67,549,327**	**767,555,725**	**155,876,507**	**46,721,355**	**53,246,413**	**16,843,996**	**-**	**3,861,011,134**
Charged for the year	**-**	**1,048,842,793**	**8,863,616**	**298,280,012**	**52,664,039**	**15,443,688**	**20,643,886**	**6,646,228**	**-**	**1,451,384,262**
Adjustment for disposal	-	**(1,161,497)**	**(7,914,968)**	-	-	**(454,188)**	**(82,817)**	**(69,762)**	-	**(9,683,232)**
Balance as at 30 June 2018	-	**3,800,899,107**	**68,497,975**	**1,065,835,737**	**208,540,546**	**61,710,855**	**73,807,482**	**23,420,462**	-	**5,302,712,164**
Carrying amount										
As at 30 June 2017	3,284,075,732	16,685,811,476	41,780,034	5,818,827,935	1,043,902,986	37,154,728	56,636,187	13,681,095	971,004,496	27,952,874,668
As at 30 June 2018	**3,352,969,316**	**16,236,140,161**	**44,026,390**	**6,375,857,001**	**1,059,538,363**	**61,535,334**	**88,025,047**	**14,605,267**	**211,996,888**	**27,444,693,766**



17.04 Revaluation of property, plant and equipment

All property, plant and equipment of the company were revalued by Hoda Vasi Chowdhury & Co., Chartered Accountants, in 2008 and 2012 considering the book value of such assets on 31 December 2006 and 31 December 2011 respectively. As per report of revaluation, net revaluation gain stands at Tk.1,673,400,176 and Tk. 2,004,256,895 in 2008 and 2012 respectively. These revaluations have been recognized in the financial statements at the beginning of the year 2008 and 2012 respectively.

Replacement cost and net realizable value method, as applicable, have been used by the independent valuer in re-valuation of property, plant and equipment.

Difference of depreciation between revalued carrying amount and depreciation based on carrying amount as per assets' original cost has been transferred from Revaluation Reserve to Retained Earnings as shown in Statement of Changes in Equity.

18.00 Details of under construction assets (Capital work in progress)

See accounting policy in note 51.04.

				30 June 2018
In Taka	Opening balance	Incurred during the year	Capitalized	Closing balance
Factory building and shed	**269,408,551**	**49,771,774**	**(290,324,256)**	**28,856,069**
Plant and machineries	**58,430,315**	**23,463,713**	**(27,165,024)**	**54,729,004**
Boundary wall, drainage System, roads and pavement	**59,314,830**	**42,101,889**	**(59,314,830)**	**42,101,889**
Furniture and fixtures	**200,034**	**-**	**(200,034)**	**-**
Motor vehicles	**-**	**2,362,582**	**(2,325,082)**	**37,500**
Office Equipment	**61,160**	**-**	**(61,160)**	**-**
IT Equipment	**252,500**	**-**	**(252,500)**	**-**
	387,667,390	**117,699,958**	**(379,642,886)**	**125,724,462**

				30 June 2017
In Taka	Opening balance	Incurred during the year	Capitalized	Closing balance
Factory building and shed	168,795,810	117,944,873	(17,332,132)	269,408,551
Plant and machineries	215,754,966	50,489,479	(207,814,130)	58,430,315
Boundary wall, drainage System, roads and pavement	17,775,628	45,106,660	(3,567,458)	59,314,830
Furniture and fixtures	784,153	131,430	(715,549)	200,034
Office Equipment	392,600	61,160	(392,600)	61,160
IT Equipment	94,300	252,500	(94,300)	252,500
Software	260,135	390,555	(650,690)	-
	403,857,592	214,376,657	(230,566,859)	387,667,390

These costs include costs incurred initially to construct/install property, plant and equipment (PPE). Construction/installation costs are transferred to PPE when the construction is completed and ready for intended use.

18.a Consolidated under construction assets (capital work in progress)

In Taka	Note	30 June 2018	30 June 2017
Bangladesh Steel Re-Rolling Mills Limited	18.00	**125,724,462**	387,667,390
BSRM Steel Mills Limited		**86,272,426**	583,337,106
		211,996,888	971,004,496

19.00 Intangible assets

See accounting policy in note 51.05.

In Taka	Note	30 June 2018	30 June 2017
Bangladesh Steel Re-Rolling Mills Limited-HO	19.01	**21,797,061**	25,180,402
Bangladesh Steel Re-Rolling Mills Limited-Kolkata Branch		**-**	-
		21,797,061	25,180,402

19.01 Bangladesh Steel Re-Rolling Mills Limited-HO

In Taka	Note	30 June 2018	30 June 2017
Computer Software (Oracle ERP)	19.02	**21,797,061**	25,180,402
		21,797,061	25,180,402

19.02 Intangible assets schedule

In Taka	Computer Software (Oracle ERP)
Cost	
Opening balance on 1 July 2016	33,378,000
Additions	455,413
Closing balance on 30 June 2017	33,833,413
Opening balance on 1 July 2017	**33,833,413**
Additions	-
Closing balance on 30 June 2018	**33,833,413**
Accumulated amortization	
Opening balance on 1 July 2016	5,284,850
Add: Amortized during the year	3,368,161
Closing balance on 30 June 2017	8,653,011
Opening balance on 1 July 2017	**8,653,011**
Add: Amortized during the year	**3,383,341**
Closing balance on 30 June 2018	**12,036,352**
Carrying amount on 30 June 2017	25,180,402
Carrying amount on 30 June 2018	**21,797,061**

19.a Consolidated intangible assets

In Taka	Note	30 June 2018	30 June 2017
Bangladesh Steel Re-Rolling Mills Limited	19.00	**21,797,061**	25,180,402
BSRM Steel Mills Limited		**17,965,021**	20,764,765
		39,762,082	45,945,167

20.00 Investment in subsidiary and associate

In Taka	Note	30 June 2018	30 June 2017
Subsidiary company			
BSRM Steel Mills Limited (BSML)	20.01	**2,772,054,637**	2,350,145,618
BSRM (Hong Kong) Limited	20.04	**10**	-
Associate company			
In associate company-BSRM Steels Limited (BSL)	20.01	**3,994,597,901**	3,593,907,671
		6,766,652,548	5,944,053,289

20.01 Movement of Investment in Associate and Subsidiary

	30 June 2018		30 June 2017	
In Taka	BSL	BSML	BSL	BSML
Opening balance	**3,593,907,671**	**2,350,145,618**	3,274,057,531	2,750,767,181
Addition/ adjustments during the year				
Share of profit / (loss) of equity accounted Investees	**561,639,421**	**421,909,020**	530,979,966	(400,621,563)
Share of other comprehensive income	**(1,057,931)**	-	-	-
Effect of revaluation and deferred tax on retained earnings of associates	-	-	2,058,520	-
Cash dividend received	**(159,891,260)**		(213,188,346)	-
Closing balance	**3,994,597,901**	**2,772,054,637**	3,593,907,671	2,350,145,618

20.02 Investment in subsidiary company- BSRM Steel Mills Limited (BSML)

BSRM Limited holds 52.88% equity interest in BSRM Steel Mills Limited since 2015 that consists of 44.97% direct holding (177,364,600 Ordinary shares of Tk. 10 each) and 7.91% indirect investment through investment in associate (BSL) at the reporting date. BSRM Limited and BSRM Steel Mills Limited are being operated under common control.

Although the company directly holds less than 50% voting share of BSRM Steel Mills Limited, but taking the indirect holding and common control into consideration management has determined that the company controls BSML and considered it as a subsidiary.

Summary of financial information of subsidiary:

In Taka	**30 June 2018**	**30 June 2017**
Non-current assets	**18,796,286,699**	18,954,644,653
Current assets	**21,288,220,141**	9,795,470,875
Total assets	**40,084,506,840**	28,750,115,528
Share capital	**3,944,354,000**	3,944,354,000
Retained earnings	**(72,550,981)**	(1,010,820,810)
Revaluation reserve	**2,292,879,671**	2,292,879,671
Total equity	**6,164,682,690**	5,226,412,861
Non-current liabilities	**4,535,123,950**	5,390,670,615
Current liabilities	**29,384,700,200**	18,133,032,052
Total liabilities	**33,919,824,150**	23,523,702,667
Total Equity & Liabilities	**40,084,506,840**	28,750,115,528
Net Assets Value (NAV) per share	**15.63**	13.25
Revenue	**45,888,262,116**	20,780,821,877
Other operating and non-operating income/(Loss)	**375,067,914**	2,742,845
Expenses	**(45,325,060,201)**	(21,674,494,065)
Profit for the year	**938,269,829**	(890,929,343)

20.03 Investment in associate company- BSRM Steels Limited (BSL)

BSRM Limited has 31.19% equity interest in BSRM Steels Limited (BSL) i.e. 106,594,173 Ordinary Shares of Tk. 10 each. BSRM Steels Limited has been considered as an equity accounted investee of the company and has been accounted for according to BAS 28: Investments in Associates and Joint Ventures. Reporting date of BSML is 30 June.

Summary of financial information of associate:

In Taka	**30 June 2018**	**30 June 2017**
Non-current assets	**13,995,010,582**	12,104,110,773
Current assets	**31,685,544,730**	25,503,664,368
Total assets	**45,680,555,312**	37,607,775,141
Share capital	**3,417,750,000**	3,417,750,000
Retained earnings	**6,777,298,362**	5,503,470,464
Revaluation reserve	**2,613,852,170**	2,601,996,609
Equity attributable to owners of the company	**12,808,900,532**	11,523,217,073
Non- controlling interest	**-**	107,081,608
Shareholders' equity	**12,808,900,532**	11,630,298,681
Non-current liabilities	**3,072,279,686**	2,427,749,618
Current liabilities	**29,799,375,094**	23,549,726,842
Total liabilities	**32,871,654,780**	25,977,476,460
Total Equity & Liabilities	**45,680,555,312**	37,607,775,141
Net Assets Value (NAV) per share	**37.48**	34.03

	30 June 2018	30 June 2017
Revenue	**48,289,925,736**	37,996,410,539
Other income	**1,290,257,134**	51,780,490
Expenses	**(47,782,779,378)**	(36,342,776,370)
Profit for the year	**1,797,403,492**	1,705,414,659
Non-controlling interest	**-**	(2,923,119)
Profit attributable to the owners of the company	**1,797,403,492**	1,702,491,540
Total Comprehensive income attributable to owners of the company	**1,797,403,492**	1,702,491,540

The market price of the Ordinary shares of BSRM Steels Limited (BSL) was Tk. 72.20 per share on 30 June 2018. Fair value of investments in BSL for 106,594,173 numbers of share has been estimated at Tk. 7,696,099,291.

Out of 106,594,173 nos. ordinary shares of BSL, 3,000,000 nos., 2,200,000 nos.,388,890 nos., 8,000,000 nos., 2,562,112 nos., 10,000,000 nos. of ordinary shares are pledged against bridge finance and term loans from IPDC Limited, International Leasing and Financial Services Limited, United Finance Limited, South Bangla Agriculture and Commerce Bank Limited, One Bank Limited, Prime Bank Limited respectively.

20.04 Investment in subsidiary company- BSRM (Hong Kong) Limited

The company has incorporated a fully owned new subsidiary company in Hong Kong on 30 May 2018. The paid up capital of this subsidiary company was 1 Hong Kong Dollar i.e. Tk. 10 on the reporting date.

20.a Consolidated investment

In Taka	Note	30 June 2018	30 June 2017
BSRM Steel Limited (BSL)	20.03	**3,994,597,901**	3,593,907,671
		3,994,597,901	3,593,907,671

21.00 Other investments

In Taka	Note	30 June 2018	30 June 2017
Bangladesh Steel Re-Rolling Mills Limited-HO	21.01	**122,190,354**	110,740,333
Bangladesh Steel Re-Rolling Mills Limited-Kolkata Branch		**-**	-
		122,190,354	110,740,333

21.01 Bangladesh Steel Re-Rolling Mills Limited-HO

In Taka	Note	30 June 2018	30 June 2017
Investment in non-tradable shares at cost	21.02	**1,000,300**	1,000,300
Investments in fixed deposits receipts	21.03	**121,190,054**	109,740,033
		122,190,354	110,740,333

21.02 Investment in non-tradable shares at cost

In Taka	30 June 2018	30 June 2017
Islamic Steamship Co. Limited	**300**	300
STS Holdings Limited	**1,000,000**	1,000,000
	1,000,300	1,000,300

AMARSTOCK

21.03 Investments in fixed deposits receipts

In Taka	Tenure	Purpose	Rate of Interest	30 June 2018	30 June 2017
Mercantile Bank Ltd.	1 year	Guarantee	5.5% - 9.00%	**3,902,725**	2,564,918
Standard Chartered Bank Ltd.	1 year	L/C Margin	7.00%	**51,777,310**	51,777,310
State Bank of India	1 year	L/C Margin	4.04%	**2,009,070**	1,931,101
IFIC Bank Ltd.	1 year	L/C Margin	7% - 8.75%	**5,068,718**	65,477
International Leasing and Financial Services Limited	5 years	Security deposit	9.5%-10.00%	**29,961,232**	27,577,476
Fareast Finance and Investment Limited	5 years	Security deposit	7.00%	**28,471,000**	25,823,750
				121,190,054	109,740,033

21.a Consolidated other investments

In Taka	Note	30 June 2018	30 June 2017
Bangladesh Steel Re-Rolling Mills Limited	21.00	**122,190,354**	110,740,333
BSRM Steel Mills Limited		**-**	-
		122,190,354	110,740,333

22.00 Short term investment

See accounting policy in note 51.09.

In Taka	Note	30 June 2018	30 June 2017
Bangladesh Steel Re-Rolling Mills Limited-HO	22.01	**50,220,680**	39,272,419
Bangladesh Steel Re-Rolling Mills Limited-Kolkata Branch		**-**	-
		50,220,680	39,272,419

22.01 Bangladesh Steel Re-Rolling Mills Limited-HO

In Taka	Note	30 June 2018	30 June 2017
Investment in tradeable securities at fair value	22.02	**363,523**	407,795
Investments in fixed deposit receipts	22.04	**49,857,158**	38,864,624
		50,220,680	39,272,419

22.02 Investment in tradeable securities at fair value

In Taka	Note	30 June 2018	30 June 2017
Opening balance		**407,795**	388,992
Sold during the year		**-**	-
Change in fair value of tradable securities	22.03	**(44,272)**	18,803
Closing balance		**363,523**	407,795

22.03 Fair Value of Tradable Securities

In Taka	Cost	Fair Value as at 30 June 2017	Fair Value as at 30 June 2018	Increase/ (Decrease)
Eastern Insurance Co. Limited	**179,550**	**60,060**	**56,490**	**(3,570)**
Pragati Life Insurance Limited	**497,480**	**189,749**	**151,810**	**(37,939)**
Progressive Life Insurance Limited	**319,605**	**157,986**	**155,223**	**(2,763)**
	996,635	**407,795**	**363,523**	**(44,272)**

AMARSTOCK

22.04 Investments in fixed deposit receipts

In Taka	Tenure	Purpose	Rate of Interest	30 June 2018	30 June 2017
Al-Arafah Islami Bank Ltd.	6 months	L/C Margin	6.23% to 6.7%	**12,978,529**	14,500,000
Commercial Bank of Ceylon PLC	6 months	L/C Margin	5% - 5.50%	**21,225,454**	20,552,725
Habib Bank Ltd.	6 months	L/C Margin	6.39%	**1,782,382**	1,700,000
Pubali Bank Ltd.	6 months	L/C Margin	5% - 5.50%	**7,711,265**	860,837
State Bank of India	6 months	L/C Margin	3.69%	**1,308,727**	-
The City Bank Limited	6 months	Investment	3.38% - 7.75%	**1,350,801**	1,251,062
Lanka Bangla Finance Ltd.	6 months	Security deposit	8.5% - 9.00%	**3,500,000**	-
				49,857,158	38,864,624

22.a Consolidated short term investment

In Taka	Note	30 June 2018	30 June 2017
Bangladesh Steel Re-Rolling Mills Limited	22.00	**50,220,680**	39,272,419
BSRM Steel Mills Limited		**1,316,920,481**	365,330,075
		1,367,141,161	404,602,494

23.00 Inventories

See accounting policy in note 51.06.

In Taka	Note	30 June 2018	30 June 2017
Bangladesh Steel Re-Rolling Mills Limited-HO	23.01	**13,413,810,986**	9,428,770,010
Bangladesh Steel Re-Rolling Mills Limited-Kolkata Branch		**28,509,068**	1,663,260
		13,442,320,054	9,430,433,270

23.01 Bangladesh Steel Re-Rolling Mills Limited-HO

In Taka		30 June 2018	30 June 2017
Raw Material	Qty. Metric Ton	Amount Taka	Amount Taka
Raw Materials-Billets	**109,498**	**5,471,219,241**	3,827,727,551
Raw Materials-Scraps	**34,325**	**1,300,710,930**	1,007,604,567
	143,823	**6,771,930,172**	4,835,332,118
Work-in-process		**-**	-
Finished Goods			
Finished Goods-Own production	**90,647**	**4,871,752,108**	2,812,080,104
Finished Goods-Procured	**5,052**	**269,293,231**	391,870,646
	95,698	**5,141,045,339**	3,203,950,750
Stores and Spares			
Mechanical stores		**816,334,488**	625,351,058
M.S. Roll		**165,793,081**	132,138,863
Electrical stores		**338,353,155**	300,220,191
General stores		**5,870,807**	5,938,498
Consumable stores		**157,457,641**	308,934,317
		1,483,809,171	1,372,582,927
Fuel and lubricants		**17,026,304**	16,904,215
		13,413,810,986	9,428,770,010

23.a Consolidated inventories

In Taka	Note	30 June 2018	30 June 2017
Bangladesh Steel Re-Rolling Mills Limited	23.00	**13,442,320,054**	9,430,433,270
BSRM Steel Mills Limited		**9,996,564,744**	7,551,516,541
Unrealized profit elimination		**-**	-
		23,438,884,798	16,981,949,811

24.00 Trade and Other Receivables

See accounting policy in note 51.09.

In Taka	Note	30 June 2018	30 June 2017
Bangladesh Steel Re-Rolling Mills Limited-HO	24.01	**2,275,689,106**	2,148,852,385
Bangladesh Steel Re-Rolling Mills Limited-Kolkata Branch		**80,703,274**	49,516,972
		2,356,392,380	2,198,369,357

24.01 Bangladesh Steel Re-Rolling Mills Limited-HO

In Taka	Note	30 June 2018	30 June 2017
Trade Receivables	24.02	**2,081,633,455**	2,035,053,002
Other Receivables	24.04	**194,055,651**	113,799,383
		2,275,689,106	2,148,852,385

The directors believe that the above receivables are good and realizable.

24.02 Trade Receivables

In Taka	Note	30 June 2018	30 June 2017
BSRM Steels Limited		**323,190**	-
BSRM Logistics Limited		**-**	291,059
BSRM Steel Mills Limited		**-**	1,984,678
H. Akberali & Co. Limited		**-**	2,794,705
Other Parties	24.03	**2,082,401,267**	2,030,731,149
		2,082,724,457	2,035,801,591
Less: Provision for doubtful debt		**(1,091,002)**	(748,589)
		2,081,633,455	2,035,053,002

24.03 Out of these receivables, there are pending litigations against 26 parties having receivables of Tk. 20,976,250. These receivables are secured by Post dated cheques. The Company's exposure to customers is diversified and no single customer contributes more than 3% of the outstanding receivables as on 30 June 2018.

24.04 Other Receivables

In Taka	30 June 2018	30 June 2017
Interest Receivables	**69,625,880**	49,229,482
DEDO and Others Receivables	**124,429,771**	64,569,901
	194,055,651	113,799,383

24.05 Ageing of trade receivables is as follows

In Taka	30 June 2018	30 June 2017
Not yet due	**899,811,797**	1,023,670,238
Less than 3 months	**908,438,860**	444,071,724
Over 3 months but less than 6 months	**147,040,570**	312,808,333
Over 6 months	**127,433,230**	255,251,296
	2,082,724,457	2,035,801,591

24.a Consolidated trade and other receivables

In Taka	Note	30 June 2018	30 June 2017
Bangladesh Steel Re-Rolling Mills Limited	24.00	**2,356,392,380**	2,198,369,357
BSRM Steel Mills Limited		**5,837,890,746**	480,069,669
Less: Intra group receivables		**(1,139,525)**	(329,644,899)
		8,193,143,601	2,348,794,127

IMAR STOCK

25.00 Current account with related companies

In Taka	30 June 2018	30 June 2017
BSRM Ispat Limited	**328,365,077**	316,952,750
BSRM Logistics Limited	**155,419,888**	115,589,282
BSRM Real Estates Limited	**8,143,000**	1,055,000
BSRM Wires Limited	**70,388,950**	142,755,316
Chittagong Power Company Limited	**24,485,176**	22,227,106
East Bengal Trading & Industries Corporation Limited	**2,600,000**	2,600,000
H. Akberali & Co. Limited	**289,250,865**	644,599,830
BSRM Steel Mills Limited	**659,306,643**	-
Section Steel Industries Limited	**-**	450,000
	1,537,959,598	1,246,229,284

All transactions among the related companies have been made through account payee cheques or bank transfers and interests were charged on all related companies' balances.

25.a Consolidated current account with related companies

In Taka	Note	30 June 2018	30 June 2017
Bangladesh Steel Re-Rolling Mills Limited	25.00	**1,537,959,598**	1,246,229,284
BSRM Steel Mills Limited		**1,697,861,774**	127,141,816
Less: Inter-company elimination		**(659,306,643)**	(11,714,890)
		2,576,514,730	1,361,656,210

26.00 Advances and deposits

See accounting policy in note 51.09.

In Taka	Note	30 June 2018	30 June 2017
Bangladesh Steel Re-Rolling Mills Limited-HO	26.01	**1,964,252,622**	1,670,966,244
Bangladesh Steel Re-Rolling Mills Limited-Kolkata Branch		**19,374,882**	2,995,588
		1,983,627,504	1,673,961,831

26.01 Bangladesh Steel Re-Rolling Mills Limited-HO

In Taka	Note	30 June 2018	30 June 2017
Advances	26.02	**1,916,648,428**	1,624,514,562
Deposits	26.03	**47,604,194**	46,451,682
		1,964,252,622	1,670,966,244

26.02 Advances

In Taka	30 June 2018	30 June 2017
Against L/C	**70,919,218**	11,364,567
For capital expenditure	**75,959,496**	66,901,988
For revenue expenses	**28,180,130**	51,797,158
For scrap purchase and others	**12,346,684**	2,454,038
For store and spares	**80,689,344**	74,004,389
Godown rent	**1,047,645**	1,126,733
Income tax	**1,158,206,639**	931,716,391
L/C margin	**32,855,498**	46,628,123
Land	**326,937,906**	323,739,000
Staff loan against salary	**6,059,325**	6,728,648
VAT current account	**102,891,447**	88,053,527
Western Marine Shipyard Limited	**20,000,000**	20,000,000
Preliminary expenses	**555,096**	-
	1,916,648,428	1,624,514,562

AMAR STOCK

RAHMAN RAHMAN HUQ CHITTAGONG

26.03 Deposits

In Taka	30 June 2018	30 June 2017
Bangladesh Ansar and VDP	**373,993**	373,993
Bank guarantee to Customs authority	**1,997,161**	1,702,394
Bank guarantee to Karnaphuli Gas Distribution Co. Limited	**2,498,406**	2,498,406
Bureau of Indian Standard	**2,418,000**	788,000
Central Depository Bangladesh Limited	**500,000**	500,000
Customs Authority against claim	**552,890**	552,890
Karnaphuli Gas Distribution Co. Limited (KGDCL)	**21,932,805**	21,932,805
Linde Bangladesh Limited	**879,900**	879,900
Meghna Petroleum Limited	**40,000**	40,000
Others	**1,786,227**	1,766,227
Power Development Board	**13,933,368**	13,933,368
T & T and others	**191,444**	191,444
WASA	**500,000**	300,000
Regulatory Authority	**-**	992,255
	47,604,194	46,451,682

26.04 The directors consider that all the above advances, deposits and prepayments are either adjustable or recoverable in cash or in kind and that no provision for these are required at this stage.

26.a Consolidated advances and deposits

In Taka	Note	30 June 2018	30 June 2017
Bangladesh Steel Re-Rolling Mills Limited	26.00	**1,983,627,504**	1,673,961,831
BSRM Steel Mills Limited		**2,364,533,030**	1,259,366,607
Less: Intra group elimination		**-**	-
		4,348,160,534	2,933,328,438

27.00 Cash and cash equivalents

See accounting policy in note 51.09.

In Taka	Note	30 June 2018	30 June 2017
Bangladesh Steel Re-Rolling Mills Limited-HO	27.01	**691,932,771**	506,776,389
Bangladesh Steel Re-Rolling Mills Limited-Kolkata Branch		**13,051,010**	4,832,070
		704,983,780	511,608,459

27.01 Bangladesh Steel Re-Rolling Mills Limited-HO

In Taka	Note	30 June 2018	30 June 2017
Cash in hand	27.02	**1,414,855**	3,277,151
Cash at banks	27.03	**240,083,659**	370,469,139
Fixed deposit	27.05	**450,434,257**	133,030,099
		691,932,771	506,776,389

27.02 Cash In hand

In Taka	30 June 2018	30 June 2017
Corporate office	**228,757**	359,529
Factory office	**859,570**	2,721,510
Dhaka office	**226,528**	196,112
Mirsarai office (Warehouse)	**100,000**	-
	1,414,855	3,277,151

RAHMAN RAHMAN HUQ CHITTAGONG

27.03 Cash at Banks

In Taka	Branch	Account type	Currency		30 June 2018	30 June 2017
AB Bank Limited	Agrabad	CD	BDT		**25,673**	1,433,802
Agrani Bank Limited	Laldighi East	CD	BDT		**17,055**	23,861
Agrani Bank Limited	Laldighi East	CD	USD		**119,006,401**	78,580,529
Al-Arafah Islami Bank Limited	Agrabad	CD	BDT		**931,328**	11,743
Bank Alfalah Limited	Agrabad	CD	BDT		**330,744**	144,626
Bank Asia Limited	Agrabad	CD	BDT		**41,352**	2,804
BASIC Bank Limited	Dewanhat	CD	BDT		**960,014**	244,304
Commercial Bank of Ceylon PL	Agrabad	CD	BDT		**79,812**	18,951
Dhaka Bank Limited	Jubilee Road	CD	BDT		**688,594**	1,557,184
Dutch Bangla Bank Limited	Jubilee Road	CD	BDT		**1,150,911**	13,148,127
Eastern Bank Limited	Agrabad	Escrow	BDT		**9,702**	35,542
Eastern Bank Limited	Agrabad	CD	BDT		**410,240**	836,266
EXIM Bank Limited	CDA Avenue	CD	BDT		**1,752,230**	1,383,476
HSBC	Agrabad	CD	BDT	*	**(8,467,718)**	(19,424,272)
HSBC	Agrabad	FCY CD	USD		**33,431**	31,434
IFIC Bank Limited	Agrabad	CD	BDT		**29,931**	65,767
Islami Bank Bangladesh Limited	Jubilee Road	CD	BDT		**14,215,455**	60,359
Jamuna Bank Limited	Khatunjonj	CD	BDT		**10,949**	21,482
Janata Bank Limited	Laldighi East	CD	BDT		**5,329,430**	1,305,425
Mercantile Bank Limited	Jubilee Road	CD	BDT		**-**	2,294
Mercantile Bank Limited	Jubilee Road	CD	BDT		**-**	(361)
Midland Bank Limited	Agrabad	CD	BDT		**88,256**	134,626
Mutual Trust Bank Limited	Jubilee Road	CD	BDT		**1,071,265**	30,276
National Bank Limited	Jubilee Road	CD	BDT		**86,778**	500,370
NCC Bank Limited	Agrabad	CD	BDT	*	**(864,227)**	184,013,889
NRB Commercial Bank Limited	Agrabad	CD	BDT		**1,363,612**	926,213
NCC Bank Limited	Agrabad	ERQ	USD		**23,778,627**	127,245,665
NCC Bank Limited	Agrabad	FCY CD	USD		**30,932,025**	-
One Bank Limited	Agrabad	CD	BDT		**384,860**	(35,124,716)
One Bank Limited	Agrabad	Escrow	BDT		**483,008**	245,535
Premier Bank Limited	O.R Nizam Road	CD	BDT		**2,400,589**	760,354
Prime Bank Limited	O.R Nizam Road	CD	BDT		**1,299,394**	320,902
Prime Bank Limited	Agrabad	Escrow	BDT		**194,141**	-
Shahjalal Islami Bank Limited	Jubilee Road	CD	BDT		**29,429**	39,350
Social Islami Bank Limited	Jubilee Road	CD	BDT		**17,840,307**	146,015
Sonali Bank Limited	Kalibari	CD	BDT		**82,004**	131,154
Southeast Bank Limited	CDA Avenue	CD	BDT		**4,604,054**	49,708
Southeast Bank Limited	Pahartali	CD	BDT		**3,903,370**	85,284
Standard Bank Limited	Sadarghat Road	CD	BDT		**3,223**	4,907
Standard Chartered Bank	Dhaka	CD	BDT		**61,666**	330,010
State Bank of India	Agrabad	CD	BDT		**24,000**	117,563
The City Bank Limited	Agrabad	CD	BDT		**2,411,422**	88,455
Trust Bank Limited	CDA Avenue	CD	BDT		**452,581**	2,688
Uttara Bank Limited	Agrabad	CD	BDT		**99,425**	-
United Commercial Bank Limited	Jubilee Road	CD	BDT		**11,324,771**	37,112
United Commercial Bank Limited	Jubilee Road	Escrow	BDT		**634**	394,558
Sub total					**238,610,744**	359,963,259

In Taka	Branch	Account type	Currency	Note	30 June 2018	30 June 2017
Mutual Trust Bank Limited	Dilkusha	CD	USD	27.04	**692,529**	780,159
Mutual Trust Bank Limited	Dilkusha	CD	Pound	27.04	**47,296**	42,915
Mutual Trust Bank Limited	Dilkusha	Escrow	BDT	27.04	**455,261**	7,035,423
Mutual Trust Bank Limited	Dilkusha	CD	EURO	27.04	**15,952**	14,414
Standard Chartered Bank	Agrabad	CD	BDT	27.04	**261,877**	2,632,969
Sub total					**1,472,915**	10,505,880
Grand Total					**240,083,659**	370,469,139

* Book overdrafts only.

RAHMAN RAHMAN HUQ CHITTAGONG

27.04 These accounts were opened for deposit of Share Money (IPO) and payment of dividend. Balances in these accounts represent amount refundable to the applicants to whom shares were not allotted and unclaimed dividend.

27.05 Fixed Deposits

In Taka	Tenure	Purpose	Rate of Interest	30 June 2018	30 June 2017
AB Bank Limited	3 months	L/C Margin	5.5% to 6.75%	-	14,160,102
Al-Arafah Islami Bank Ltd.	3 months	L/C Margin	7.56%	1,335,891	-
Bank Asia Limited	3 months	L/C Margin	6.25%	4,430,756	4,241,767
Commercial Bank of Ceylon PLC	3 months	L/C Margin	5.00%	2,171,568	2,094,292
Dutch Bangla Bank Limited	3 months	L/C Margin	3.0% to 4.25%	13,548,288	11,353,841
Dhaka Bank Limited	3 months	Investment	4.50% to 5.50%	29,234,511	5,018,718
IFIC Bank Limited	3 months	L/C Margin	10.00%	31,203,934	20,846,597
Islami Bank Bangladesh Ltd	3 months	L/C Margin	6.00%	11,895,000	-
Habib Bank Limited	3 Months	L/C Margin	6.13%	4,249,820	4,100,489
Mercantile Bank Limited	3 months	L/C Margin	6% - 8%	17,306,577	10,434,140
National Bank Limited	3 Months	L/C Margin	9.00%	13,081,500	1,625,353
NCC Bank Limited	3 Months	L/C Margin	7.50%	260,970,676	7,825,195
Pubali Bank Limited	3 Months	L/C Margin	5.50%	-	2,217,858
Prime Bank Limited	3 Months	L/C Margin	4.00% to 4.5%	-	3,965,917
The City Bank Limited	3 Months	L/C Margin	4.00% to 4.95%	37,262,562	22,202,041
Shahjalal Islami Bank Ltd.	3 Months	Security Deposit	5.50%	-	3,000,423
United Commercial Bank Ltd.	3 Months	L/C Margin	4.00%	23,743,175	19,943,368
				450,434,257	133,030,099

27.a Consolidated cash and cash equivalents

In Taka	Note	30 June 2018	30 June 2017
Bangladesh Steel Re-Rolling Mills Limited	27.00	704,983,780	511,608,459
BSRM Steel Mills Limited		74,449,366	12,046,167
		779,433,146	523,654,626

28.00 Assets held for Sale- plant and machinery

See accounting policy in note 51.03.

In Taka	Note	30 June 2018	30 June 2017
Bangladesh Steel Re-Rolling Mills Limited-HO	28.01	-	-
Bangladesh Steel Re-Rolling Mills Limited-Kolkata Branch		-	-
		-	-

28.01 Bangladesh Steel Re-Rolling Mills Limited-HO

In Taka	30 June 2018	30 June 2017
Opening Balance	-	1,184,359,433
Reclassification to Assets	-	(1,184,359,433)
Disposal	-	-
	-	-

28.a Consolidated assets held for sale- plant and machinery

In Taka	Note	30 June 2018	30 June 2017
Bangladesh Steel Re-Rolling Mills Limited	28.00	-	-
BSRM Steel Mills Limited		-	-
		-	-

RAHMAN RAHMAN HUQ CHITTAGONG

29.00 Share capital

See accounting policy in note 51.16.

In Taka	30 June 2018	30 June 2017
Authorized capital		
500,000,000 Ordinary shares @ Tk. 10 each	**5,000,000,000**	5,000,000,000
	5,000,000,000	5,000,000,000
Issued, Subscribed and Paid-up capital		
64,345,491 Ordinary shares @ Tk. 10 each issued in cash	**643,454,910**	643,454,910
64,345,491 Ordinary shares @ Tk. 10 each fully paid-up as Bonus Shares	**643,454,910**	643,454,910
27,160,056 Ordinary shares @ Tk. 10 each fully paid up (other than cash)	**271,600,560**	271,600,560
17,500,000 Ordinary shares @ Tk. 10 each issued through Initial Public Offering (IPO)	**175,000,000**	175,000,000
4,010,523 Ordinary shares @ Tk. 10 each issued against 12% Convertible coupon bond	**40,105,230**	40,105,230
17,736,156 Ordinary shares @ Tk. 10 each fully paid-up as Bonus Shares	**177,361,560**	177,361,560
19,509,771 Ordinary shares @ Tk. 10 each fully paid-up as Bonus Shares	**195,097,710**	-
	2,146,074,880	1,950,977,170

29.01 Classification of shares by holding at 30 June 2018

Class by number of shares	No. of holders	No. of shares	Holding (%)
Less than 500	**5,296**	**1,056,485**	**0.49%**
From 500 to 5,000	**3,695**	**6,429,893**	**3.00%**
From 5,001 to 10,000	**425**	**3,126,020**	**1.46%**
From 10,001 to 20,000	**205**	**2,914,316**	**1.36%**
From 20,001 to 30,000	**67**	**1,675,264**	**0.78%**
From 30,001 to 40,000	**31**	**1,093,290**	**0.51%**
From 40,001 to 50,000	**18**	**819,992**	**0.38%**
From 50,001 to 100,000	**42**	**3,083,524**	**1.44%**
From 100,001 to 1,000,000	**39**	**8,545,889**	**3.98%**
From 1,000,001 and above	**15**	**185,862,815**	**86.61%**
	9,833	**214,607,488**	**100%**

29.02 Composition of Shareholders at 30 June 2018

Name of shareholders	No. of shares	Holding (%)
Directors:		
Mr. Alihussain Akberali	**26,580,227**	**12.39%**
Mr. Aameir Alihussain	**20,654,645**	**9.62%**
Mr. Zohair Taherali	**6,875,466**	**3.20%**
Mrs. Sabeen Aameir	**4,845,566**	**2.26%**
Shareholders other than Directors	**155,651,584**	**72.53%**
	214,607,488	**100%**

29.03 Composition of Shareholders at 30 June 2018

Name of shareholders	No. of holders	No. of shares	Holding (%)
Sponsor Shareholders	**5**	**87,853,031**	**40.94%**
Foreign Shareholders	**11**	**45,686,719**	**21.29%**
Other Shareholders	**9,817**	**81,067,738**	**37.77%**
	9,833	**214,607,488**	**100%**

RAHMAN RAHMAN HUQ CHITTAGONG

29.04 Dividends

In Taka	30 June 2018	30 June 2017
The following dividends were declared and paid/ payable by the company for the year:		
10% Final stock dividend (For Jan'16-Jun'17)	**195,097,710**	-
10% Interim cash dividend (Tk. 1) per qualifying ordinary share (For Jan'16-Jun'17)	-	195,097,717

During the year ended on 30 June 2018, no amount was remitted in foreign currencies to non-resident shareholders as dividend.

Proposed dividends

After the reporting date, the following dividends were proposed by the Board of directors.

In Taka	Date of Board Meeting	30 June 2018	30 June 2017
10% Final stock dividend (For Jul'17-Jun'18)	25 September 2018	214,607,488	-
10% Final cash dividend (Tk. 1) per qualifying ordinary share (For Jul'17-Jun'18)		214,607,488	-
10% Final stock dividend (For Jan'16-Jun'17)	12 August 2017	-	195,097,710
10% Interim cash dividend (Tk. 1) per qualifying ordinary share (For Jan'16-Jun'17)	28 September 2017	-	195,097,717

30.00 Reserves

30.01 General reserve

The general reserve is created from time to time by transferring profits from retained earnings for appropriation purposes and to meet future known or unknown requirements. There is no policy of regular transfer. As the general reserve is created by a transfer from one component of equity to another and is not an item of other comprehensive income, items included in the general reserve will not be reclassified subsequently to profit or loss.

30.02 Revaluation reserve

Revaluation reserve relates to the revaluation of property plant and equipment.

31.00 Long term borrowings- non current portion

See accounting policy in note 51.10.

In Taka	Note	30 June 2018	30 June 2017
Bangladesh Steel Re-Rolling Mills Limited-HO	31.01	**5,442,343,709**	2,077,988,167
Bangladesh Steel Re-Rolling Mills Limited-Kolkata Branch		-	-
		5,442,343,709	2,077,988,167

31.01 Bangladesh Steel Re-Rolling Mills Limited-HO

In Taka	Note	30 June 2018	30 June 2017
One Bank Limited - Syndicated term loan	31.02	-	44,749,850
United Commercial Bank Limited- Syndicated term loan	31.03	**1,122,349,335**	1,670,992,079
Prime Bank Limited- Syndicated term loan	31.04	**4,199,498,693**	-
National Housing Finance and Investments Limited	31.05	-	548,182
International Leasing and Financial Services Limited	31.06	-	6,135,123
Fareast Finance & Investment Limited	31.07	-	22,228
Jamuna Bank Limited	31.08	-	13,481,951
Lanka Bangla Finance Limited	31.09	-	-
Prime Bank Limited	31.10	**21,618,407**	22,533,205
United Finance Limited	31.11	-	-
IPDC of Bangladesh Limited	31.12	**98,877,274**	108,716,695
12% Convertible coupon bond	31.13	-	210,808,854
		5,442,343,709	2,077,988,167

RAHMAN RAHMAN HUQ CHITTAGONG

IMAR STOCK

31.02 One Bank Limited - Syndicated term loan

In Taka	30 June 2018	30 June 2017
Due within one (1) year	**38,371,041**	140,677,639
Due after more than one (1) year	**-**	44,749,850
	38,371,041	185,427,489

Lenders:
The company entered into a syndicated loan agreement for second BMRE on May 15, 2012 with One Bank Limited, the lead arranger and 6 (Six) other Banks and Financial Institutions.

Total loan facilities: Tk. 60 crore.

Interest rate:
Interest rate is 9.5%-10.5% per annum calculated on quarterly basis and variable depending on the situation of money market.

Disbursement:

The first disbursement was made on September 16, 2012.

Repayments
This term loan is repayable in 60 (sixty) monthly installments after 1 (one) year of grace period.

Securities:
i. Registered Mortgage on 827 decimals of land at Sitakunda, Chittagong along with building and structures constructed or to be constructed thereon on first ranking parri passu basis.
ii. Fixed and floating charge over assets.
iii. Irrevocable general power of attorney.
iv. Demand promissory note covering full amount.

Purpose:

For acquisition of plant and machineries to enhance the production capacity to 450,000 metric tons per year, improve product quality, undertake civil construction etc. for BMRE.

31.03 United Commercial Bank Limited- Syndicated term loan

In Taka	30 June 2018	30 June 2017
Due within one (1) year	**545,892,228**	506,490,204
Due after more than one (1) year	**1,122,349,335**	1,670,992,079
	1,668,241,563	2,177,482,283

Lenders:

The company entered into a separate syndicated loan agreement for the BMRE on 21 June 2012 with United Commercial Bank Limited, the lead arranger and 15 (fifteen) other Banks and Financial Institutions.

Total loan facilities: Tk. 278.578 crore.
Interest rate:
Interest rate is 9.5%-10.5% per annum calculated on quarterly basis and variable depending on the situation of money market.
Disbursement:
The first disbursement was made on 23 November 2014.
Repayments:
This term loan is repayable in 60 (sixty) monthly installments commencing from the end of 19th month of the first draw down date.

Securities:
i. Registered mortgage over the project land and all civil construction
ii. Fixed and floating charge over machinery, plant and equipment.
iii. Floating charge over all floating assets with the power to sell.
iv. Assignment of insurance policies along with power to collect insurance proceeds.
v. Implementation guarantee from the sponsors.
vi. On demand promissory note.

Purpose:

For acquisition of plant and machineries to enhance the production capacity to 450,000 metric tons per year, improve product quality, undertake civil construction etc. for BMRE.

31.04 Prime Bank Limited - Syndicated term loan

In Taka	30 June 2018	30 June 2017
Due within one (1) year	**1,200,000,000**	-
Due after more than one (1) year	**4,199,498,693**	-
	5,399,498,693	-

Lenders:
The company entered into a syndicated loan agreement for balance sheet restructuring on 20 December 2017 with Prime Bank Limited, the lead arranger and 7 (Seven) other Banks.

Total loan facilities: Tk. 600 crore.

Interest rate:
Indicative rate of interest for term loan is 9.00% p.a. with quarterly rests which may be reviewed semiannually after first disbursement based on negotiation considering prevailing money market situation.

Disbursement:

The First disbursement of the loan was made on 03 January 2018.

Repayment:
The principal plus interest amount will be repaid in 20 (twenty) quarterly installments starting from the immediate next quarter end of first disbursement date.

Securities:

i. Pari passu 1st charge over existing fixed assets including registered mortgage charge over project land and construction there on with relevant IGPA.
ii. 1st Ranking pari passu charge over balance of existing ESCROW account.
iii. Personal guarantee of all directors.
iv. Corporate Guarantee of H. Akberali Co. Ltd.
v. Pledge & Lien on 10 Million Shares of BSRM Steels Ltd. This security will be released upon completion of aforesaid security documentation.
vi. Negative pledge over assets of BSRM Ltd till perfection of documentation.
vii. Other charge document as per opinion of lenders common counsel and standard practice.

Purpose:

Restructuring of liabilities through refinancing of short term loan and or loan from its sisters concern.

31.05 National Housing Finance and Investments Limited

In Taka	30 June 2018	30 June 2017
Due within one (1) year	**2,276,656**	27,511,800
Due after more than one (1) year	**-**	548,182
	2,276,656	28,059,982

Terms of loan:
Total loan facilities: Tk. 100 million.
Interest rate: 10.5% - 18.00% per annum.

Disbursement:
The full disbursement was made on 15 January 2013.
Repayment:
The loan is repayable in 60 monthly installments after 6 months grace period
Securities:

i. Personal guarantee of all directors of the company.
ii. Lien of shares of BSRM Steels limited covering the full loan amount.

Purpose:
To meet up working capital requirement.

31.06 International Leasing and Financial Services Limited

In Taka	30 June 2018	30 June 2017
Due within one (1) year	**6,135,123**	68,844,057
Due after more than one (1) year	**-**	6,135,123
	6,135,123	74,979,180

RAHMAN RAHMAN HUQ CHITTAGONG

AMARSTOCK

Terms of loan:

Total loan facilities: Tk. 300 million.

Interest rate: 12.00% - 17.00% per annum.

Disbursement:
Full disbursement of the loan was made through two installments dated on 28 July 2013 and 16 September 2013.

Repayment:
The loan is repayable in 60 monthly installments after 6 months grace period.

Securities:

i. Personal guarantee of all directors of the company.
ii. Lien of 2,200,000 nos of Shares of BSRM Steels Limited.
iii. Lien on TDR Tk 2.00 Core to be with International Leasing And Financial Services Limited.

Purpose:
To pay off foreign supplier's bill against purchase of Raw Materials.

31.07 Fareast Finance & Investment Limited

In Taka	30 June 2018	30 June 2017
Due within one (1) year	**22,228**	52,125,340
Due after more than one (1) year	-	22,228
	22,228	52,147,568

Terms of loan:

Total loan facilities: Tk. 400 million.

Interest rate: 11.50% - 18.00% per annum.

Disbursement:
The disbursement of the loan was made on 26 June 2013.

Repayment:
The loan is repayable in 60 monthly installments without any grace period.

Securities:

i. FDR for Tk. 20 Million @ 15% P.a.
ii. Personal guarantee of all directors of the company.
iii. Corporate guarantee of H. Akberali & Co. ltd. (HACL).

Purpose:
To meet up working capital requirement.

31.08 Jamuna Bank Limited

In Taka	30 June 2018	30 June 2017
Due within one (1) year	**11,525,949**	15,013,116
Due after more than one (1) year	-	13,481,951
	11,525,949	28,495,067

Terms of loan:

Total loan facilities: Tk. 100 Million.

Interest rate: Interest rate is 12.5% per annum calculated monthly basis variable depending on money market situation.

Disbursement:
The disbursement of the loan was made on 06 December 2015.

Repayment:
The loan is repayable in 24 (Twenty four) monthly installments with 3 (three) months grace period and this facility is renewable for additional financing requirement.

Securities:

i. Personal Guarantee of all the Directors of the borrowing companies Supported by duly signed personal net worth statement.
ii. Security cheque covering the limit with the letter of approach duly signed by authorised person.

Purpose:
For retirement of L/C opened to import of capital machineries.

31.09 Lanka Bangla Finance Limited

In Taka	30 June 2018	30 June 2017
Due within one (1) year	-	23,721,907
Due after more than one (1) year	-	-
	-	23,721,907

Terms of loan:
Total loan facilities: Tk. 500.00 million.
Interest rate: Interest rate varies 13% -18% per annum calculated monthly basis variable depending on money market situation.

Disbursement:
The Loan facility with Lanka Bangla Finance Limited had been renewed in 14 May 2015 through sanctioning the facility to BDT 500 million.

Repayment:
The loan was paid in 60 (Sixty) monthly installments with 06 (six) months grace period.

Securities:
i. Personal guarantee of all the Directors of Bangladesh Steel Re-Rolling Mills Limited.
ii. Corporate Guarantee of H. Akberali & Co. Limited supported by Board Resolution.
iii. Corporate Guarantee of BSRM Iron and Steel Company Limited (BISCO) supported by Board Resolution.
iv. 60 nos. of post dated cheques covering the monthly installments.
v. Charge/ Hypothecation on all present and future fixed and floating assets of the company with RJSC.

Purpose:
To meet up working capital requirement.

31.10 Prime Bank Limited

In Taka	30 June 2018	30 June 2017
Due within one (1) year	**32,729,513**	35,499,800
Due after more than one (1) year	**21,618,407**	22,533,205
	54,347,920	58,033,005

Terms of loan:
Total loan facilities: Tk. 2,000 million.
Interest rate: Interest rate is 10.25% per annum calculated on monthly basis variable depending on money market situation.

Disbursement:
Disbursement of the loan was made on 16 April 2014.

Repayment:
The loan is repayable in 20 (Twenty) quarterly installments and this facility is renewable for additional financing requirement.

Securities:
i. Pari-passu 1st charge over existing fixed assets including registered mortgage charge over the project land of 592.50 decimals (approx.) with relevant IGPA.
ii. 1st ranking of pari passu charge over the balance of existing ESCROW Account.
iii. Personal guarantee of the sponsor directors.
iv. Negative pledge over assets of BSRM Ltd till perfection of documentation.

Purpose:
Restructuring of liabilities through refinancing of its short term loan and/or loan from sister concerns.

31.11 United Finance Limited

In Taka	30 June 2018	30 June 2017
Due within one (1) year	-	4,753,800
Due after more than one (1) year	-	-
	-	4,753,800

Terms of loan:
Total loan facilities: Tk. 70 million.
Interest rate: Interest rate varies 10.50% -17.00% per annum calculated monthly basis variable depending on money market situation.

Disbursement:
Disbursement of the loan was made on 09 September 2012.

Repayment:
The loan was paid in 20 (Twenty) quarterly installments.

Securities:

i. Personal guarantee of all the sponsor directors of Bangladesh Steel Re-Rolling Mills Limited
ii. Lien on 388,889 marketable securities of BSRM Steel Limited in favor of ULC worth of Tk. 35 million considering price of Taka 90 per share(share price has been fixed between current market price and last six month average whichever is lower). Security Coverage from the shares under lien will always be maintained at 50% of the facility amount. In case of deficiency in security coverage in any point during agreement term, client will lien additional share to keep the security coverage level at level 50%.
iii. One security cheque amount of Taka 104,380,800 (inclusive of both principal and interest) in favor of United Finance Limited.

Purpose:
For business operation of the company.

31.12 IPDC of Bangladesh Limited

In Taka	30 June 2018	30 June 2017
Due within one (1) year	**43,167,041**	76,559,252
Due after more than one (1) year	**98,877,274**	108,716,695
	142,044,315	185,275,947

Terms of loan:
Total loan facilities: Tk. 200 million.
Interest rate: Interest rate varies between 8.70% -10.25% per annum calculated monthly basis variable depending on money market situation.

Disbursement:
Disbursement of the loan was made on 09 September 2012.

Repayment:
Different loans are created with different payment schedules under this facility.

Securities:

i. Corporate guarantee of H. Akberali & Co. Ltd.
ii. Personal guarantee of all the sponsor directors of Bangladesh Steel Re-Rolling Mills Limited.
iii. Lien on 30,00,000 dematted sponsor shares of BSRM Steels Ltd (BSL).
iv. 01 (One) security cheque for the entire facility amount along with interest to be obtained.
v. Demand promissory note along with Letter of Continuation.

Purpose:
To meet the working capital requirement of the business.

31.13 12% Convertible Coupon Bond

In Taka	30 June 2018	30 June 2017
Liability component	**655,565,939**	976,978,685
Add: Accrued interest and provision for cost of issuing Bond	**90,207,032**	137,287,254
Less: Interest payment	**(85,800,000)**	(128,700,000)
Less: Principal payment	**(330,000,000)**	(330,000,000)
Carrying amount	**329,972,971**	655,565,939

31.13.01 12% Convertible Coupon Bond-Liability Component

In Taka	30 June 2018	30 June 2017
Payable/Convertible within 1 year	**329,972,971**	444,757,085
Payable after 1 year	**-**	210,808,854
	329,972,971	655,565,939

31.13.02 Details of the 12% Convertible coupon bond

Company obtained approval from BSEC vide notification ref: SEC/CMRRCD/2009-193/114/Admin/28; dated 2 October 2011 and approved Information Memorandum (IM) vide consent letter ref: SEC/CI/DS-01/2013/34; dated 9 January 2014 for issuing 20,000 nos. of Bond of Tk. 100,000 each at par to institutional investors through private placement.

Tenure:
Five (5) years.

Subscription and issue:

15,000 nos. of Bond were subscribed on 27 April 2014 for Tk. 1,500 million and issued accordingly. Out of which 2,300 Nos. bond worth Tk. 230,000,000 is not convertible and 12,700 Nos. valuing 1,270,000,000 is 12% convertible.

Interest:
Interest @ 13% p.a and payable on quarterly basis.

Redemption:

Repayment will commence from the end of 2nd Year i.e. 2016 except Bond issued to SABINCO. 88% of the total issue size will be redeemed over 4 years in equal installments except for SABINCO. Bonds held by SABINCO is not convertible and full amount will be repaid without conversion to ordinary shares commencing from April 2015.

Conversion:

12% of the Bond value except to the extent held by SABINCO was converted into ordinary shares @ Tk. 38 per share i.e. out of total bond issued to investors, Tk. 152,399,874 was converted to 4,010,523 Nos. Ordinary Shares of Tk. 10 each (issued at Tk. 38) at the end of the first year i.e. in 2015.

Trading of converted ordinary shares:
The converted ordinary shares became saleable for the investors after the lock-in period of 12 months from the date of conversion.

Securities:

i) Lien on 27,500,000 nos. of shares of BSRM Steels Limited owned by the company in favour of the trustee (Eastern Bank Limited).
ii) Personal guarantee by Mr. Alihussain Akberali, Mr. Zohair Taherali, Mr. Aameir Alihussain, Mrs. Sabeen Aameir and Mrs. Tehseen Zohair Taherali.
iii) Corporate guarantee by H. Akberali & Co. Limited
iv) Irrevocable general power of attorney to sell the shares.

31.a Consolidated long term borrowings- non current portion

In Taka	Note	30 June 2018	30 June 2017
Bangladesh Steel Re-Rolling Mills Limited	31.00	**5,442,343,709**	2,077,988,167
BSRM Steel Mills Limited		**2,863,094,652**	4,520,708,389
		8,305,438,361	6,598,696,556

32.00 Defined benefit obligations - Gratuity
See accounting policy in note 51.17.

In Taka	30 June 2018	30 June 2017
Opening balance	**157,134,335**	142,429,346
Provision made during the year according to actuarial valuation	**46,835,170**	22,382,387
	203,969,505	164,811,733
Payment made during the year	**(7,807,505)**	(7,677,398)
Closing balance	**196,162,000**	157,134,335

Key assumptions used for actuarial valuation are as below:

	30 June 2018	30 June 2017
Rate of escalation in salary	**8.00%**	-
Discount rate	**8.00%**	-

The Company had an actuarial valuation of its defined benefit obligation (DBO) as on 30 June 2018 which was valued at Tk. 196,162,000. Accordingly the company made the provision to the extent to match the actuarial valuation. Since this is the first time valuation of the DBO there was no actuarial gain/loss and the required amount was charged to profit or loss. The valuation was conducted by Z. Halim & Associates who is a reputed Actuarial & Pension Consultants in Bangladesh.

32.a Consolidated defined benefit obligations - Gratuity

In Taka	Note	30 June 2018	30 June 2017
Bangladesh Steel Re-Rolling Mills Limited	32.00	**196,162,000**	157,134,335
BSRM Steel Mills Limited		**30,216,397**	19,116,898
		226,378,396	176,251,233

RAHMAN RAHMAN HUQ CHITTAGONG

33.00 Current tax liability

See accounting policy in note 51.15.

In Taka	Note	30 June 2018	30 June 2017
Bangladesh Steel Re-Rolling Mills Limited-HO	33.01	303,158,798	146,892,259
Bangladesh Steel Re-Rolling Mills Limited-Kolkata Branch		465,981	-
		303,624,779	146,892,259

33.01 Bangladesh Steel Re-Rolling Mills Limited-HO

In Taka	30 June 2018	30 June 2017
Opening balance	146,892,259	14,037,129
Add: Provided for the year	303,158,798	146,892,259
	450,051,057	160,929,388
Add/(adjustment): Provision for previous years	(72,155,315)	76,614,443
	377,895,742	237,543,831
Income tax paid	(74,736,944)	(90,651,572)
Closing balance	303,158,798	146,892,259

33.02 Current tax expenses

See accounting policy in note 51.15.

In Taka	Note	30 June 2018	30 June 2017
Bangladesh Steel Re-Rolling Mills Limited-HO	33.01	303,158,798	146,892,259
Bangladesh Steel Re-Rolling Mills Limited-Kolkata Branch		2,764,671	-
		305,923,469	146,892,259

Year wise income taxes assessment status is as follows:

In Taka

Accounting Year	Assessment Year	Opening balance	Charged/ (credited) to profit or loss	Adjusted/ paid during the year	30 June 2018	Remarks
2013	2014-2015	-	-	-	-	Under tax audit
2014	2015-2016	-	-	-	-	Under tax audit
2015	2016-2017	-	-	-	-	Assessment completed
2016	2016-2017	-	-	-	-	Assessment completed
2017	2017-2018	146,892,259	-	146,892,259	-	Assessment completed
2018	2018-2019	-	303,158,798	-	303,158,798	Return due by 15 January 2019
		146,892,259	303,158,798	146,892,259	303,158,798	

Reconciliation of effective tax rate

	2018		2017	
	Rate	Taka	Rate	Taka
Profit before tax		3,021,534,413		1,197,263,239
Tax using the applicable tax rate	25%	755,383,603	25%	299,315,810
Tax effect of:				
i) Share of loss/ (profit) of equity accounted investee	-8.14%	(245,887,110)	-11.09%	(132,744,992)
ii) Difference between accounting and fiscal depreciation	-3.44%	(103,961,274)	-13.36%	(159,979,170)
iii) Gratuity provision and payment	0.32%	9,756,916	0.31%	3,676,247
iv) Inadmissible expenses	1.68%	50,824,932	17.53%	209,838,421
v) Unrealized foreign currency translation gain	0.00%	-	0.39%	4,662,938
vi) Rebate on export sales	-0.20%	(5,960,759)	-0.08%	(1,016,886)
vii) Unabsorbed depreciation	-7.59%	(229,192,711)	-8.39%	(100,401,057)
	7.64%	230,963,597	10.30%	123,351,311

33.a Consolidated current tax liability

In Taka	Note	30 June 2018	30 June 2017
Bangladesh Steel Re-Rolling Mills Limited	33.00	303,624,779	146,892,259
BSRM Steel Mills Limited		46,263,336	20,817,909
		349,888,115	167,710,168

RAHMAN RAHMAN HUQ CHITTAGONG

34.00 Deferred tax liability

See accounting policy in note 51.15.

Deferred tax liability has been calculated below at the applicable tax rate on the temporary difference between the carrying value and tax base.

In Taka	30 June 2018	30 June 2017
Opening balance	**1,331,863,088**	1,134,511,277
Provided/ (adjusted) during the year:		
Investments in associates	**(202,828,318)**	(79,332,419)
Unabsorbed depreciation	**167,856,825**	140,124,235
Adjusted for gratuity	**(9,756,916)**	(3,676,247)
12% Convertible coupon bond	**(2,158,736)**	(3,221,003)
Sale/ derecognition of revalued assets	**(69,782)**	(485,708)
Deferred tax on revaluation surplus of PPE (excluding land)	**-**	-
For temporary difference of PPE and software (excluding land)	**53,481,496**	160,125,895
Adjusted for impact of excess depreciation on revaluation surplus	**(14,811,949)**	(16,182,941)
Deferred tax of overseas branch	**233,610**	-
Closing balance	**1,323,809,318**	1,331,863,088

Reconciliation of Deferred tax liabilities/(assets) is as follows:

In Taka	Rate applied	Carrying amount	Tax base	Taxable/ (Deductible) temporary difference	Deferred tax Liability/ (Asset)
As on 30 June 2018					
Property, plant and equipment (other than land)	25%	**8,876,983,664**	**4,657,687,245**	**4,219,296,419**	**1,054,824,105**
Intangible assets (Software)	25%	**21,797,061**	**16,550,038**	**5,247,023**	**1,311,756**
Provision for gratuity	25%	**196,162,000**	**-**	**(196,162,000)**	**(49,040,500)**
Unabsorbed depreciation	25%	**369,494,553**	**-**	**(369,494,553)**	**(92,373,638)**
12% Convertible coupon bond	25%	**329,972,970**	**334,087,500**	**4,114,530**	**1,028,632**
Investment in Associates	5% - 20%				**407,825,353**
Deferred tax of overseas branch					**233,610**
Deferred tax liability					**1,323,809,318**
As on 30 June 2017					
Property, plant and equipment (other than land)	25%	9,044,886,423	4,981,533,510	4,063,352,913	1,015,838,228
Intangible assets (Software)	25%	25,180,402	18,388,931	6,791,471	1,697,868
Provision for gratuity	25%	(157,134,335)	-	(157,134,335)	(39,283,584)
Business loss and unabsorbed depreciation	25%	(1,040,921,850)	-	(1,040,921,850)	(260,230,463)
12% Convertible coupon bond	25%	655,425,529	668,175,000	12,749,471	3,187,368
Investment in Associates	5% - 20%				610,653,671
Deferred tax liability					1,331,863,088

34.a Consolidated deferred tax liability

In Taka	Note	30 June 2018	30 June 2017
Bangladesh Steel Re-Rolling Mills Limited	34.00	**1,323,809,318**	1,331,863,088
BSRM Steel Mills Limited		**1,641,812,900**	850,845,328
		2,965,622,218	2,182,708,416

35.00 Trade payables

See accounting policy in note 51.10.

In Taka	Note	30 June 2018	30 June 2017
Bangladesh Steel Re-Rolling Mills Limited-HO	35.01	**1,043,408,784**	1,409,937,910
Bangladesh Steel Re-Rolling Mills Limited-Kolkata Branch		**72,870,524**	21,864,200
		1,116,279,307	1,431,802,110

AMARSTOCK

35.01 Bangladesh Steel Re-Rolling Mills Limited-HO

In Taka	30 June 2018	30 June 2017
BSRM Logistics Limited	8,558,091	11,829,442
BSRM Steel Mills Limited	1,139,525	327,660,221
Goods & supplies	11,368,281	35,154,800
Labor cost	575,042	303,461
Payables for stores and spares	80,485,181	123,370,822
BSRM Steels Limited	933,189,425	-
BSRM Wires Limited	8,093,238	-
BSRM Iron and Steel Co. Limited	-	911,619,164
	1,043,408,784	1,409,937,910

This represents amounts payable against supply of raw materials and services.

35.a Consolidated trade payables

In Taka	Note	30 June 2018	30 June 2017
Bangladesh Steel Re-Rolling Mills Limited	35.00	1,116,279,307	1,431,802,110
BSRM Steel Mills Limited		101,413,591	286,560,983
Less: Intra group elimination		(1,139,525)	(329,644,899)
		1,216,553,373	1,388,718,194

36.00 Short term borrowings

See accounting policy in note 51.10.

In Taka	Note	30 June 2018	30 June 2017
Short term borrowings	36.01	9,742,889,798	9,179,595,390
Long term borrowings-current portion	36.08	2,210,092,751	1,395,954,000
		11,952,982,548	10,575,549,391

36.01 Short term borrowings

In Taka	Note	30 June 2018	30 June 2017
Loan against Trust Receipt (LATR)	36.02	315,055,170	305,313,374
Time loan	36.03	4,816,033,054	3,900,882,828
Bank overdraft, SOD and cash credit	36.05	1,663,332,606	3,106,578,164
Liability for accepted bills for payment (ABP)	36.06	2,931,719,293	1,858,962,277
Factoring Loan against sales invoice	36.07	16,749,674	7,858,747
		9,742,889,798	9,179,595,390

36.02 Loan against Trust Receipt (LATR)

In Taka	30 June 2018	30 June 2017
Bank Asia Limited	1,613,216	5,823,329
HSBC	128,888,454	217,852,536
Prime Bank Limited	28,565,987	66,954,072
Shahjalal Islami Bank Limited	394,226	2,545,347
Pubali Bank Limited	155,593,287	-
Eastern Bank Limited	-	12,138,090
	315,055,170	305,313,374

36.03 Time Loan

In Taka	Note	30 June 2018	30 June 2017
Bangladesh Steel Re-Rolling Mills Limited-HO	36.04	4,794,814,190	3,887,181,408
Bangladesh Steel Re-Rolling Mills Limited-Kolkata Branch		21,218,864	13,701,420
		4,816,033,054	3,900,882,828

36.04 Bangladesh Steel Re-Rolling Mills Limited-HO

In Taka	30 June 2018	30 June 2017
Al-Arafah Islami Bank Limited	865,079,920	41,721,052
HSBC	609,666,245	233,638,816
Habib Bank Limited	180,000,000	180,000,000
Dutch Bangla Bank Limited	2,027,458,333	1,010,737,778
Standard Bank Limited	500,722,222	503,395,278
Standard Chartered Bank	211,420,803	219,893,618
Industrial and Infrastructure Development Finance Company Limited	400,466,667	-
Bank Asia Limited	-	15,482,099
Islami Bank Bangladesh Limited	-	13,154,790
United Finance Limited	-	151,237,500
Jamuna Bank Limited	-	613,799,202
One Bank Limited	-	904,121,275
	4,794,814,190	3,887,181,408

MARSTOCK

36.05 Bank overdraft, SOD and cash credit

In Taka	Type	30 June 2018	30 June 2017
Agrani Bank Limited	CC Hypo	57,354,743	94,558,369
Agrani Bank Limited	CC Pledge	416,286,197	217,931,381
Habib Bank Limited	OD	12,462,715	10,533,301
Jamuna Bank Limited	CC	47,934,656	1,621,692
National Bank Limited	CC	11,823,776	1,383,649
Pubali Bank Limited	CC	222,799,911	145,342,741
Pubali Bank Limited	OD	(870,793)	1,997,594,774
Sonali Bank Limited	CC	203,453,311	38,619,441
Sonali Bank Limited	CC	50,472,947	(38,685)
Standard Bank Limited	CC	304,869,763	368,895,567
Standard Chartered Bank	OD	44,825,904	4,379,511
State Bank of India	CC	128,167,399	90,696,111
Prime Bank Limited	Bai-Muazzal	48,331,857	59,912,000
Trust Bank Limited	OD	115,420,221	75,148,312
		1,663,332,606	3,106,578,164

36.06 Liability for accepted bills for payment (ABP)

In Taka	30 June 2018	30 June 2017
Dhaka Bank Limited	289,938,188	41,548,757
Dutch Bangla Bank Limited	90,211,498	92,626,470
IFIC Bank Limited	475,418,494	138,662,812
Islami Bank Bangladesh Limited	251,207,375	79,688,748
Mercantile Bank Limited	201,911,199	278,215,601
NCC Bank Limited	15,634,628	146,845,357
Prime Bank Limited	532,695,864	189,330,864
Pubali Bank Limited	94,734,988	92,214,921
Shahjalal Islami Bank Limited	4,750,232	58,491,885
Standard Chartered Bank	61,464,130	47,792,828
The City Bank Limited	224,969,758	8,706,012
United Commercial Bank Limited	223,418,314	9,555,817
Al-Arafah Islami Bank Limited	218,982,890	-
Commercial Bank of Ceylon PLC	196,612,007	-
Habib Bank Limited	49,769,728	-
Bank Alfalah Limited	-	78,904,861
Eastern Bank Limited	-	140,200,963
HSBC	-	143,754,099
AB Bank Limited	-	13,562,780
Agrani Bank Limited	-	138,844,391
Bank Asia Limited	-	75,787,470
National Bank Limited	-	23,812,956
One Bank Limited	-	48,194,874
Trust Bank Limited	-	12,219,811
	2,931,719,293	1,858,962,277

36.07 Factoring Loan against sales invoice

In Taka	30 June 2018	30 June 2017
United Finance Limited	16,749,674	7,858,747
	16,749,674	7,858,747

36.07.01 Terms and conditions:

i. 80% of gross sales invoice/billed amount is paid by discounting sales invoice.

ii. Interest rate is 9.00% to 9.50% per annum along with processing and collection fees of 0.20% on the invoice amount.

Security:

Personal guarantee of directors of the company and deed of floating charge on all accounts receivables (present and future).

NAHMAN RAHMAN HAQ & CO. CHITTAGONG

36.08 Long term borrowings-current portion

This represent current portion of long term loans from financial institutions which are repayable within next twelve months from reporting date and consist of as follows:

In Taka	Note	30 June 2018	30 June 2017
One Bank Limited - Syndicated term loan	31.02	**38,371,041**	140,677,639
United Commercial Bank Limited- Syndicated term loan	31.03	**545,892,228**	506,490,204
Prime Bank Limited - Syndicated term loan	31.04	**1,200,000,000**	-
National Housing Finance and Investments Limited	31.05	**2,276,656**	27,511,800
International Leasing and Financial Services Limited	31.06	**6,135,123**	68,844,057
Fareast Finance & Investment Limited	31.07	**22,228**	52,125,340
Jamuna Bank Limited	31.08	**11,525,949**	15,013,116
Lanka Bangla Finance Limited	31.09	**-**	23,721,907
Prime Bank Limited	31.10	**32,729,513**	35,499,800
United Finance Limited	31.11	**-**	4,753,800
IPDC of Bangladesh Limited	31.12	**43,167,041**	76,559,252
12% Convertible coupon bond	31.13	**329,972,971**	444,757,085
		2,210,092,751	1,395,954,000

36.a Consolidated short term borrowings

In Taka	Note	30 June 2018	30 June 2017
Bangladesh Steel Re-Rolling Mills Limited	36.00	**11,952,982,548**	10,575,549,391
BSRM Steel Mills Limited		**27,841,985,988**	15,972,107,394
		39,794,968,536	26,547,656,785

37.00 Current account with related companies

In Taka	Note	30 June 2018	30 June 2017
BSRM Steels Limited		**4,871,551,355**	6,815,692,516
Karnafully Engineering Works Limited		**5,225,000**	8,450,000
BD Steel Limited		**3,950,000**	1,700,000
Burhani Scrap Traders		**4,400,000**	4,400,000
Section Steel Industries Limited		**150,000**	-
BSRM Recycling Industries Limited		**33,896,160**	-
BSRM Steel Mills Limited		**-**	11,714,890
BSRM Iron & Steel Co. Limited		**-**	251,066,922
		4,919,172,515	7,093,024,328

These balances represent short term financial arrangement availed from related companies as and when required to meet working capital and interest was charged on outstanding balances. All transactions were made through account payee cheques.

37.a Consolidated current account with related companies

In Taka	30 June 2018	30 June 2017
Bangladesh Steel Re-Rolling Mills Limited	**4,919,172,515**	7,093,024,328
BSRM Steel Mills Limited	**659,306,643**	1,140,452,405
Less: Intra group elimination	**(659,306,643)**	(11,714,890)
	4,919,172,515	8,221,761,843

38.00 Advance against sales

In Taka	30 June 2018	30 June 2017
Bangladesh Steel Re-Rolling Mills Limited-HO	**289,616,130**	246,549,982
Bangladesh Steel Re-Rolling Mills Limited-Kolkata Branch	**1,257,493**	-
	290,873,624	246,549,982

These represent advances received from different parties against sale of finished goods. Goods have not been delivered to them within the reporting date.

38.a Consolidated advance against sales

In Taka	30 June 2018	30 June 2017
Bangladesh Steel Re-Rolling Mills Limited	**290,873,624**	246,549,982
BSRM Steel Mills Limited	**29,248,317**	6,634,455
Less: Intra group elimination	**-**	-
	320,121,941	253,184,437

39.00 Liabilities for expenses

See accounting policy in note 51.10.

In Taka	Note	30 June 2018	30 June 2017
Bangladesh Steel Re-Rolling Mills Limited-HO	39.01	405,694,064	309,768,903
Bangladesh Steel Re-Rolling Mills Limited-Kolkata Branch		3,878,220	3,138,821
		409,572,284	312,907,724

39.01 Bangladesh Steel Re-Rolling Mills Limited-HO

In Taka	30 June 2018	30 June 2017
Liability for fixed assets	**4,033,238**	225,240
Audit Fees	**422,500**	506,000
Brokerage and commission	**11,657,441**	19,220,573
C & F Bill and others	**858,809**	600,601
Carriage on sales	**121,927,328**	79,124,300
Contractors	**3,864,168**	3,856,755
Financial expenses	**17,903,998**	4,836,522
Insurance expenses	**164,457**	573,760
Karnaphuli Gas Distribution Co. Limited	**13,609,574**	3,318,274
Others	**1,507,223**	2,520,233
Power Development Board for electricity (Factory)	**225,089,491**	190,198,601
Printing and Stationeries	**375**	14,576
Professional expenses	**104,000**	77,900
Repair and maintenance	**124,400**	39,500
Salary and Allowances	**4,178,033**	3,725,238
Unclaimed Cheque	**178,179**	131,648
WASA	**5,351**	10,930
Training expenses	**65,500**	-
CSR Expenses	**-**	150,323
Rent expenses	**-**	5,080
Travelling and Conveyance	**-**	632,848
	405,694,064	309,768,903

39.a Consolidated liabilities for expenses

In Taka	30 June 2018	30 June 2017
Bangladesh Steel Re-Rolling Mills Limited	**409,572,284**	312,907,724
BSRM Steel Mills Limited	**548,947,906**	434,421,573
	958,520,190	747,329,297

40.00 Provision for WPPF and Welfare Fund

See accounting policy in note 51.17.

In Taka	Note	30 June 2018	30 June 2017
Opening balance		**67,373,325**	40,938,439
Add: Provided during the year	40.01	**115,677,749**	67,373,325
Less: Paid during the year		**(67,373,325)**	(40,938,439)
Closing balance		**115,677,749**	67,373,325

40.01 Provision made during the year for WPPF and Welfare Fund

In Taka	30 June 2018	30 June 2017
Profit before tax and WPPF and Welfare Fund	**2,153,663,721**	1,134,278,162
Cash dividend received from investment in associates	**159,891,260**	213,188,346
Profit applicable for WPPF and Welfare Fund	**2,313,554,981**	1,347,466,508
Contribution to WPPF and Welfare Fund at 5%	**115,677,749**	67,373,325

RAHMAN RAHMAN HUQ CHITTAGONG KPMG

40.a Consolidated provision for WPPF and Welfare Fund

In Taka	30 June 2018	30 June 2017
Bangladesh Steel Re-Rolling Mills Limited	**115,677,749**	67,373,325
BSRM Steel Mills Limited	**93,447,407**	-
	209,125,156	67,373,325

40.a.i Consolidated contribution to WPPF and Welfare Fund

In Taka	30 June 2018	30 June 2017
Bangladesh Steel Re-Rolling Mills Limited	**115,677,749**	67,373,325
BSRM Steel Mills Limited	**93,447,407**	-
	209,125,156	67,373,325

41.00 Other liabilities

See accounting policy in note 51.10.

In Taka	30 June 2018	30 June 2017
Security Deposit	**1,190,000**	1,140,000
Retention Money	**15,004,202**	34,478,779
Dividend Payable	**2,291,020**	2,836,584
Interest on intercompany loan	**173,891,108**	177,039,942
Employees Provident Fund	**2,524,596**	2,771,844
IPO over subscription money payable	**7,892,673**	8,018,679
Income Tax Deducted at Source	**-**	1,534,035
VAT Deducted at source	**-**	5,198,416
Against paid up capital of BSRM (Hong Kong) Limited	**10**	-
	202,793,610	233,018,280

Income Tax and VAT deducted at source have subsequently been deposited to the Government Exchequer.

41.a Consolidated other liabilities

In Taka	Note	30 June 2018	30 June 2017
Bangladesh Steel Re-Rolling Mills Limited	41.00	**202,793,610**	233,018,280
BSRM Steel Mills Limited		**64,087,012**	272,037,333
Less: Intra group elimination		**(10)**	-
		266,880,612	505,055,612

RAHMAN RAHMAN HUQ CHITTAGONG

42.00 Related party transactions

During the year the Company carried out a number of transactions with related parties in the normal course of business on an arms' length basis. Names of those related parties, nature of those transactions and their total value have been set out in accordance with the provisions of BAS-24: Related Party Disclosures.

Name	Relationship	Nature of Transactions	Mode of transaction	Closing balance (net) as on 30 June 2018	
BSRM Ispat	Sister Company	Short term loan	Market price/ negotiated price	328,365,077	Dr
BSRM Real Estates Limited				8,143,000	Dr
Chittagong Power Company Limited				24,485,176	Dr
East Bengal Trading & Industries				2,600,000	Dr
Section Steel Industries Limited				150,000	Cr
Burhani Scrap Traders				4,400,000	Cr
Karnafully Engineering Works				5,225,000	Cr
BSRM Recycling Industries Limited				33,896,160	Cr
BD Steel Limited				3,950,000	Cr
H. Akberali & Co. Limited				289,250,865	Dr
BSRM Logistics Limited		Short term loan, sales, purchase etc.		146,861,797	Dr
BSRM Steels Limited	Investee			5,804,417,590	Cr
BSRM Wires Limited	Sister Company	Short term loan, purchase etc.		62,295,712	Dr
BSRM Steel Mills Limited	Subsidiary			658,167,118	Dr

43.00 Contingent liabilities

See accounting policy in note 51.13.

Contingent liabilities at the reporting date are as follows:

43.01 Bank guarantee

In Taka	30 June 2018	30 June 2017
Karnaphuli Gas Distribution Co. Limited	**2,498,406**	2,498,406
Deposit to Customs Authority against claim under appeal	**552,890**	552,890
Customs authority	**1,997,162**	1,702,394
Bureau of Indian Standard	**2,418,000**	788,000
	7,466,458	5,541,690

The above guarantees have been issued against 100% cash margin.

43.02 Corporate guarantee

The company has a policy to extend corporate guarantee for the financial arrangements of the sister companies within the group. At the reporting date, status of such guarantee was as follows:

Maximum limit (in million Taka)		30 June 2018	30 June 2017
BSRM Steels Limited	L/C liability	**21,315**	21,315
BSRM Iron and Steel Co. Ltd.	L/C liability	**15,430**	15,430
BSRM Wires Limited	L/C liability	**1,000**	1,000
H. Akberali & Co. Limited	L/C liability	**200**	200
		37,945	37,945

43.03 Status of pending litigation with the Valued Added Tax (VAT) authority:

Subject matter	Current status
Against percentage of wastage (4% in place of 2.50%) in 2011.	Pending before the Supreme Court and liability of which can not be estimated at this stage.
Collection of VAT at 15% on the value of imported raw-materials.	Pending before the Hon'ble High Court Division of the Supreme Court of Bangladesh.

43.04 Status of pending litigation with the Income Tax authority for dispute with respect to income tax liability:

Disputed amount of tax liability has already been deducted by Income Tax authority and shown as advance income tax under advances and deposits.

Assessment year	Unit	Amount (Tk.)	Present status
2001-2002	BSRM	4,900,000	Pending before High Court Division of Supreme Court for hearing as the company appealed against the order of Appellate Tribunal.
2009-2010	SMW	2,320,000	
		7,220,000	

44.00 Capital expenditure commitment

The company has no capital expenditure commitment at the reporting date.

45.00 Production capacity

	30 June 2018	30 June 2017
(i) MS product- finished		
Installed Capacity (In M.Ton)	**540,000**	450,000
Production (In M.Ton)	**561,748**	442,511
Capacity utilized (%)	**104.03%**	98.34%
(ii) MS billet		
Installed Capacity (In M.Ton)	**150,000**	135,000
Production (In M.Ton)	**150,331**	152,702
Capacity utilized (%)	**100.22%**	113.11%

46.00 Employees

In Taka	30 June 2018	30 June 2017
Number of employees whose salary was below Tk. 3,000	-	-
Number of employees whose salary was above Tk. 3,000	**922**	887
	922	887

The above mentioned number of employees represent employees working for BSRM Ltd. (i.e. Parent Company) only.

47.00 Operating lease

Operating lease rentals as per BAS 17: Leases are payable as follows :

In Taka	30 June 2018	30 June 2017
Within one year	**25,255,192**	24,007,410
Within 2 to 5 years	**33,262,848**	37,143,238
After 5 years	**841,220**	1,356,992
	59,359,260	62,507,640

48.00 Financial summary of Kolkata Branch office on 30 June, 2018 as per audited financial statements:

In INR	30 June 2018	30 June 2017
Non-current assets	**1,485,554**	1,399,262
Current assets	**114,937,329**	48,479,725
Total assets	**116,422,884**	49,878,988
Head Office Account	**27,349,345**	22,183,442
Retained earnings	**7,750,995**	(4,821,304)
	35,100,340	17,362,138
Non-current liabilities	**17,158,834**	11,135,038
Current liabilities	**64,163,711**	21,381,812
Total liabilities	**81,322,544**	32,516,850
Total Equity & Liabilities	**116,422,884**	49,878,988
Revenue	**447,017,892**	209,705,140
Other operating and non-operating income	**-**	77,321
Expenses	**(433,673,601)**	(202,779,013)
Profit for the year	**13,344,291**	7,003,448

49.00 Events After the Reporting Period

The Board of Directors of Bangladesh Steel Re-Rolling Mills Limited, in its 402nd meeting held on 25 September 2018, has declared 10% final stock dividend and 10% cash dividend (Tk. 1) per qualifying ordinary share for the year ended 30 June 2018.

RAHMAN RAHMAN HUQ CHITTAGONG

50.00 Financial risk management

Bangladesh Financial Reporting Standard BFRS 7- Financial Instruments: Disclosures - requires disclosure of information relating to both recognized and unrecognized financial instruments, their significance and performance, accounting policies, terms and conditions, net fair values and risk information- the Group's policies for controlling risks and exposures.

The company management has overall responsibility for the establishment and oversight of the Company's risk management framework. The company's management policies are established to identify and analyze the risks faced by the Company to set appropriate risk limits and controls and to monitor risks and adherence to limit. Risk management policies, procedures and systems are reviewed regularly to reflect changes in market conditions and the company's activities. The Company has exposure to the following risks from its use of financial instruments:

a) Credit risk
b) Liquidity risk
c) Market risk

50.01 Credit risk

Credit risk is the risk of a financial loss to the group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the group's receivables and investments.

Management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis.

In monitoring credit risk, debtors are grouped according to their risk profile, i.e. their legal status, financial condition, ageing profile etc. Accounts receivable are related to sale of steels (MS Rod and allied products).

The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the statement of financial position.

a) Exposure to credit risk

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was:

In Taka	Note	30 June 2018	30 June 2017
Investment in tradeable securities	22.02	**363,523**	407,795
Investment in non-tradable shares	21.02	**1,000,300**	1,000,300
Investments in FDRs (Short term & long term)		**621,481,469**	281,634,756
Advances and deposits	26	**1,983,627,504**	1,673,961,831
Trade and other receivables	24	**2,356,392,380**	2,198,369,357
Due from sister companies	25	**1,537,959,598**	1,246,229,284
Cash at bank	27	**240,083,659**	370,469,139
		6,740,908,433	5,772,072,462

b) Ageing of trade receivables

Not yet due	**899,811,797**	1,023,670,238
Dues within 3 months	**908,438,860**	444,071,724
Dues over 3 months but less than 6 months	**147,040,570**	312,808,333
Dues over 6 months	**127,433,230**	255,251,296
	2,082,724,457	2,035,801,591

RAHMAN RAHMAN HUQ CHITTAGONG

50.02 Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

Exposure to Liquidity risk

The followings are the contractual maturities of financial liabilities:

In Taka

					At 30 June 2018
		Contractual cash flows			
Non-derivative financial liabilities	Carrying amount	Within 12 months	1 to 5 years	More than 5 years	Total
Long term loan	7,652,436,459	2,210,092,751	5,442,343,709	-	7,652,436,459
Defined benefit obligations - Gratuity	196,162,000	-	-	196,162,000	196,162,000
Trade payables	1,116,279,307	1,116,279,307	-	-	1,116,279,307
Short term liabilities	9,742,889,798	9,742,889,798	-	-	9,742,889,798
Liabilities for expenses	409,572,284	409,572,284	-	-	409,572,284
Provision for WPPF and Welfare Fund	115,677,749	115,677,749	-	-	115,677,749
Other liabilities	202,793,610	202,793,610	-	-	202,793,610
	19,435,811,207	13,797,305,499	5,442,343,709	196,162,000	19,435,811,207
					At 30 June 2017
Long term loan	3,473,942,167	1,395,954,000	2,077,988,167	-	3,473,942,167
Defined benefit obligations - Gratuity	157,134,335	-	-	157,134,335	157,134,335
Trade payables	1,431,802,110	1,431,802,110	-	-	1,431,802,110
Short term liabilities	9,179,595,390	9,179,595,390	-	-	9,179,595,390
Liabilities for expenses	312,907,723	312,907,723	-	-	312,907,723
Provision for WPPF and Welfare Fund	67,373,325	67,373,325	-	-	67,373,325
Other liabilities	233,018,280	233,018,280	-	-	233,018,280
	14,855,773,330	12,620,650,828	2,077,988,167	157,134,335	14,855,773,330

50.03 Market risk

Market risk is the risk that changes in market prices such as foreign exchange rates, will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

50.03.01 Currency risk exposure and its management

The company is exposed to currency risk on sales, purchases, borrowings and payables that are denominated in a currency other than the functional currencies of the company. To manage this exposure, the company has adopted direct risk reduction methods based on matching receipts and payments on assets and liabilities.

The Company is exposed to foreign currency risk relating to purchases and other transactions which are denominated in foreign currencies. As at 30 June 2018, the Company was exposed to foreign currency risk in respect of financial liabilities denominated in the following currencies:

Exposure to currency risk	GBP	EURO	USD	Taka
30 June 2018				
Foreign currency denominated assets:				
Cash and cash equivalents	420	161	1,698,355	143,574,236
Trade and other receivables	-	-	483,004	40,813,842
	420	161	2,181,359	184,388,078
Foreign currency denominated liabilities:				
Liability for accepted bills for payment	-	-	34,694,903	2,931,719,293
	-	-	34,694,903	2,931,719,293
Net exposure	420	161	(32,513,544)	(2,747,331,215)

Exposure to currency risk	GBP	EURO	USD	Taka
30 June 2017				
Foreign currency denominated assets:				
Cash and cash equivalents	404	154	2,540,108	206,695,116
Trade and other receivables			211,220	17,182,772
	404	154	2,751,328	223,877,888
Foreign currency denominated liabilities:				
Liability for accepted bills for payment (ABP)			22,851,411	1,858,962,277
	-	-	22,851,411	1,858,962,277
Net exposure	404	154	(20,100,083)	(1,635,084,389)

The following significant exchange rate is applied during the year:

	30 June 2018	30 June 2017
US dollar	**84.50**	81.35
EURO	**99.31**	93.77
GBP	**112.61**	106.28

Sensitivity analysis

A reasonably possible strengthening (weakening) of Bangladesh Taka against the foreign currencies at the reporting date would have affected the measurement of financial instruments denominated in a foreign currency and affected equity and profit or loss by the amounts shown below. The analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecast sales and purchases.

In Taka	**30 June 2018**			
	Profit or loss		**Equity- net of tax**	
	Strengthening	Weakening	Strengthening	Weakening
USD (2% movement)	**54,947,889**	**(54,947,889)**	**41,210,917**	**(41,210,917)**
EURO	**(319)**	**319**	**(239)**	**239**
GBP	**(946)**	**946**	**(709)**	**709**

In Taka	**30 June 2017**			
	Profit or loss		**Equity- net of tax**	
	Strengthening	Weakening	Strengthening	Weakening
USD (2% movement)	49,885,606	(49,885,606)	37,414,205	(37,414,205)
EURO	(288)	288	(216)	216
GBP	(858)	858	(644)	644

50.03.02 Transaction risk

Transaction risk is the risk that the company will incur exchange losses when the accounting results are translated into the home currency.

50.03.03 Economic risk

Economic risk refers to the effect of exchange rate movements on the international competitiveness of the company.

50.03.04 Interest risk

Interest rate risk arises from movement in interest rates. The company needs to manage interest rate risk so as to be able to re-pay debts as they fall due and to minimize the risks surrounding interest payments and receipts.

Exposure to interest rate risk

The interest rate profile of the company's interest- bearing financial instruments as reported to the management of the company is as follows.

Fixed- rate instruments

In Taka	**30 June 2017**	30 June 2017
Financial assets	**2,159,441,067**	1,527,864,040
Financial liabilities	**(12,653,537,557)**	(17,395,326,257)
	(10,494,096,490)	(15,867,462,217)
Variable- rate instruments		
Financial assets	-	-
Financial liabilities	-	-
	-	-

RAHMAN RAHMAN HUQ CHITTAGONG

50.04 Financial Instruments- Accounting classifications and fair values

The following table shows the carrying amounts of financial assets and financial liabilities. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

		Carrying amount						Fair Value			
In Taka	Note	Fair value through profit or loss	Held to maturity	Loans and receivables	Available for sale	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total
30 June 2018											
Financial Assets measured at fair value:											
Investment in tradeable securities	22.02	363,523	-	-	-	-	363,523	363,523	-	-	363,523
		363,523	-	-	-	-	363,523	363,523	-	-	363,523
Financial Assets not measured at fair value:											
Trade and other receivables	24		-	2,356,392,380	-	-	2,356,392,380				
Due from inter companies	25		-	1,537,959,598	-	-	1,537,959,598				
Investments in FDRs			-	-	621,481,469	-	621,481,469				
Cash at bank	27.03		-	240,083,659	-	-	240,083,659				
			-	4,134,435,638	621,481,469	-	4,755,917,106				
Financial Liabilities not measured at fair value:											
Trade and other payables	35		-	-	-	1,116,279,307	1,116,279,307				
Short term liabilities	36.01		-	-	-	9,742,889,798	9,742,889,798				
Long term loan			-	-	-	7,652,436,459	7,652,436,459				
Advance against sales	38					290,873,624	290,873,624				
Other liabilities	41		-	-	-	202,793,610	202,793,610				
			-	-	-	19,005,272,798	19,005,272,798				
30 June 2017											
Financial Assets measured at fair value:											
Investment in tradeable securities	22.02	407,795	-	-	-	-	407,795	407,795	-	-	407,795
		407,795	-	-	-	-	407,795	407,795	-	-	407,795
Financial Assets not measured at fair value:											
Trade and other receivables	24		-	2,198,369,357	-	-	2,198,369,357				
Due from inter companies	25		-	1,246,229,284	-	-	1,246,229,284				
Investments in FDRs			-	-	281,634,756	-	281,634,756				
Cash at bank	27.03		-	370,469,139	-	-	370,469,139				
			-	3,815,067,780	281,634,756	-	4,096,702,535				
Financial Liabilities not measured at fair value:											
Trade and other payables	35		-	-	-	1,431,802,110	1,431,802,110				
Short term liabilities	36.01		-	-	-	9,179,595,390	9,179,595,390				
Long term loan			-	-	-	3,473,942,167	3,473,942,167				
Advance against sales	38					246,549,982	246,549,982				
Other liabilities	41		-	-	-	233,018,280	233,018,280				
			-	-	-	14,564,907,929	14,564,907,929				

SMARTSTOCK

RAHMAN RAHMAN HUQ CHITTAGONG

51.00 Summary of significant accounting policies

The specific accounting policies selected and applied by the company's management for significant transactions and events that have material effect within the framework of BAS-1 "Presentation of Financial Statements", in preparation and presentation of financial statements have been consistently applied throughout the year and were also consistent with those used in earlier years.

For a proper understanding of the financial statements, these accounting policies are set out below in one place as prescribed by the BAS-1 "Presentation of Financial Statements". The recommendations of BAS-1 relating to the format of financial statements were also taken into full consideration for fair presentation.

Set out below is an index of the significant accounting policies, the details of which are available on the following:

51.01 Basis of consolidation and disclosure of interest in other entities
51.02 Consistency
51.03 Property, Plant and Equipment
51.04 Capital Work-In-Progress
51.05 Intangible Assets
51.06 Inventories
51.07 Transactions in Foreign Currencies
51.08 Investment in subsidiary and associate
51.09 Financial Assets
51.10 Financial Liabilities
51.11 Impairment
51.12 Cash Flow Statement
51.13 Provisions, Contingent Liabilities and Contingent Assets
51.14 Borrowing Costs
51.15 Taxation
51.16 Share Capital
51.17 Employee Benefits
51.18 Revenue Recognition
51.19 Finance Income and Costs
51.20 Other Operating Income
51.21 Earnings Per Share (EPS)
51.22 Duty Drawback
51.23 Measurement of Fair Values
51.24 Events After the Reporting Period
51.25 Comparative Information
51.26 Leases
51.27 Standards issued but not yet adopted

51.01 Basis of consolidation and disclosure of interest in other entities

Subsidiary is an enterprise controlled by the parent entity. Control exists when an investor is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. The financial statements of subsidiary are included in the consolidated financial statements from the date that control commences until the date that control ceases. The consolidated financial statements have been prepared in accordance with BFRS 10 "Consolidated Financial Statements".

BSML is a subsidiary company of BSRM Limited. The Company has made 52.87% (Direct investment 44.97% and indirect investment 07.91%) equity investment in this subsidiary. The company is exposed to and has rights, to variable returns from the subsidiary and also has the ability to affect those returns through its power over BSML.

The Financial Statements of the subsidiary company are incorporated on a line by line basis and the investment held by the parent is eliminated against the corresponding share capital of subsidiary in the consolidated financial statements. The accounting policies of subsidiary have been changed when it is necessary to align them with the policies adopted by BSRM Limited (Parent entity).

The group eliminates intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the group (profits or losses resulting from intra-group transactions that are recognized in assets, such as inventory and fixed assets, are eliminated in full).

RAHMAN RAHMAN HUQ CHITTAGONG

Non-controlling interests

The group presents non-controlling interests in its consolidated statement of financial position within equity, separately from the equity of the owners of the parent.

The group attributes the profit or loss and each component of other comprehensive income to the owners of the parent and to the non-controlling interests. The proportion allocated to the parent and non-controlling interests are determined on the basis of present ownership interests.

51.02 Consistency

Unless otherwise stated, the accounting policies and methods of computation used in preparation of Financial Statements for the period/year are consistent with those policies and methods adopted in preparing the Financial Statements for the previous year.

51.03 Property, Plant and Equipment

51.03.01 Recognition and Measurement

Property, Plant and Equipment are stated at cost less accumulated depreciation except Land & land development and Factory Building which are carried at revalued amount, being fair values at the date of revaluation less subsequent accumulated depreciation and subsequent impairment losses, if any.

Cost includes expenditures that are directly attributable to the acquisition of an asset. The cost of self-constructed / installed assets includes the cost of materials and direct labor, any other costs directly attributable to bringing the asset to the working condition for its intended use and the cost of dismantling and removing an item and restoring the site on which they are located.

When parts of an item of Property, Plant and Equipment have different useful lives, they are accounted for as separate items (major components) of Property, Plant and Equipment.

51.03.02 Subsequent Costs

The cost of replacing part of an item of Property, Plant and Equipment is recognized in the carrying amount of the item, if it is probable that the future benefit embodied within the part will flow to the company and its cost can be measured reliably. The costs of the day to day servicing of Property, Plant and Equipment are recognized in profit and loss as incurred.

51.03.03 Depreciation

Land is held on a freehold basis and is not depreciated considering the unlimited life. In respect of all other property, plant and equipment, depreciation is recognized in statement of profit or loss and other comprehensive income on straight line method over the estimated useful lives of property, plant and equipment.

Depreciation is charged on addition when it is ready for use and no depreciation is charged in the month of disposal. The depreciation method used reflects the pattern in which the asset's economic benefits are consumed by the entity. The depreciation charge for the year is recognized as an expense unless it is included in the carrying amount of another asset.

The principal annual rates and useful lives under straight line method were as follows:

Category of Assets	Useful lives (years)	Rates
Plant and Machinery	7-25	4% - 15%
Motor Vehicle	6-15	6% - 16%
Furniture and Fixtures	5	20%
Office Equipment	5	20%
Factory Buildings	20	5%
Roads and Pavements	20	5%
Computer & IT equipment	5	20%

Depreciation methods, useful lives and residual values are reassessed at the reporting dates.
Management has reviewed and revised the depreciation method from reducing balance method to straight line method and estimated useful lives of assets in the 222nd meeting of the Board of Directors held on 26 January 2017 effective from January 2017.

Upon retirement of assets, the cost and related accumulated depreciation are eliminated from the accounts and resulting gain or loss is charged or credited to statement of profit or loss and other comprehensive income.

51.03.04 Non-current Asset Held for Sale

Non-current assets that are highly probable to be recovered primarily through sale rather than through continuing use are classified as held for sale. Immediately before classification as held for sale the assets are remeasured in accordance with the company's accounting policies. Thereafter, the assets are generally measured at the lower of their carrying amount and fair value less costs to sell. Impairment losses on initial classification as held for sale are recognized to revaluation reserve to the extent of revaluation surplus, in excess of revaluation surplus and subsequent gains or losses on remeasurement are recognised in profit or loss. Gains are not recognised in excess of any cumulative impairment loss.

If criteria for an asset to be classified as held for sale are no longer met, then the asset or disposal group ceases to be held for sale.

In this case, the asset or disposal group should be valued at the lower of the carrying amount before the asset or disposal group was classified as held for sale (as adjusted for any subsequent depreciation, amortization, or revaluation) and its recoverable amount at the date of the decision not to sell.

51.04 Capital Work-in-Progress

Property, Plant and Equipment under construction/acquisition is accounted for and measured at cost as capital work-in-progress until construction/acquisition is completed and it is ready for use.

51.05 Intangible Assets

51.05.01 Recognition and measurement

Intangible Assets that are acquired by the company and have finite useful lives are measured at cost less accumulated amortization and accumulated impairment losses, if any. Intangible Assets are recognized when all the conditions for recognition as per BAS 38: "Intangible Assets" are met. The cost of an intangible asset comprises its purchase price and any directly attributable cost of preparing the asset for its intended use.

51.05.02 Subsequent Costs

Subsequent expenditure is capitalized only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditures are recognized in profit or loss as incurred.

51.05.03 Amortization

Amortization is recognized in profit or loss on a straight line basis over the estimated useful lives of intangible assets, from the date that they are available for use. The estimated useful lives and rates of amortization are as follows:

Category of Assets	Useful lives
Oracle *eBS* software	10 years

51.06 Inventories

Nature of inventories

Inventories comprise Raw Materials (Billets and Melting Scrap), Packing Materials, Consumable Stores, Fuel and Lubricants & Finished Goods (MS Rods/Billets) etc.

Valuation of the inventories

Inventories are measured at lower of cost and net realizable value. The cost of inventories includes expenditure incurred in acquiring these inventories and bringing them to their existing location and condition in accordance with BAS-2 "Inventories".

Category	Valuation
Finished Goods	Finished goods are valued at cost or net realizable value whichever is lower.
Raw Materials	Raw materials are valued at cost or net realizable value whichever is lower.
Store items	Based on weighted average method.

Weighted average cost method has been used to determine the cost of inventories.

51.07 Transactions in Foreign Currencies

Foreign currency transactions are recorded at the applicable rates of exchange ruling on the date of transactions. Monetary assets & liabilities, if any, denominated in foreign currencies at the Statement of Financial Position date are translated at the applicable rates of exchange ruling at that date and the related exchange differences are recognized as finance income or cost in the Statement of Profit or Loss and Other Comprehensive Income respectively.

RAHMAN RAHMAN HUQ CHITTAGONG

51.08 Investment in subsidiary and associate

Investment in subsidiary

The company's investment in subsidiary is accounted for in the separate Financial Statements as per BAS 27 ' Separate Financial Statements' using the Equity Method in accordance with BAS 28: 'Investment in Associates & Joint Ventures'. Investment in a subsidiary is initially recognized at cost, and the carrying amount is increased or decreased to recognize the investor's share of the profit or loss of the investee after the date of acquisition. The investor's share of investee's profit or loss is recognized in the investor's profit or loss. Adjustment after the date of acquisition to the carrying amount has been made for changes in the investor's proportionate interest in the investee that arising from the revaluation of property, plant & equipment and from foreign currency translation differences. The investor's share of those changes is recognized in other comprehensive income of the investor.

The excess of company's share of net assets' value over cost of investment is recognized in profit or loss as per provision of BAS-28.

Investment in Associate

The company's investment in associates is accounted for in the Financial Statements using the Equity Method in accordance with BAS 28: 'Investment in Associates & Joint Ventures'. Significant influence over an investee (associate) BSRM Steel Mills Limited is presumed to exist in accordance with BAS 28.5-28.9. Investment in an associate is initially recognized at cost, and the carrying amount is increased or decreased to recognize the investor's share of the profit or loss of the investee after the date of acquisition. The investor's share of investee's profit or loss is recognized in the investor's profit or loss. Adjustment after the date of acquisition to the carrying amount has been made for changes in the investor's proportionate interest in the investee that arising from the revaluation of property, plant & equipment and from foreign currency translation differences. The investor's share of those changes is recognized in other comprehensive income of the investor.

The excess of company's share of net assets' value of associate over cost of investment is recognized in profit or loss as share of associate's profit or loss during acquisition period as per provision of BAS-28.

51.09 Financial Assets

The group initially recognizes loans and receivables and deposits on the date that they are originated. All other financial assets are recognized initially on the trade date, which is the date the group becomes a party to the contractual provisions of the instrument.

The group derecognizes a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred.

Financial assets include Short Term Investments; Trade and Other Receivables; Advances, Deposits and Prepayments; Loan to Related Companies and Cash and Bank balances etc.

51.09.01 Trade and Other Receivables

Trade and other receivables are initially recognized at cost which is the fair value of the consideration given in return. After initial recognition, these are carried at cost less impairment losses, if any, due to un-collectability of any amount so recognized.

Provisions for bad or doubtful debts are shown in other liabilities. Provision for doubtful debts is made based on the company policy. Bad debts are written off considering the status of individual debtors.

51.09.02 Advances, Deposits and Prepayments

Advances are initially measured at cost. After initial recognition, advances are carried at cost less deductions, adjustments or charges to other account heads such as Property, Plant and Equipment, Inventory or Expenses.

Deposits are measured at payment value.

Prepayments are initially measured at cost. After initial recognition, prepayments are carried at cost less charges to profit or loss.

51.09.03 Cash and Cash Equivalents

Cash and cash equivalents comprise cash on hand and demand deposits, together with short-term, highly liquid investments that are readily convertible to a known amount of cash and that are subject to an insignificant risk of changes in value.

51.10 Financial Liabilities

The group recognizes all financial liabilities on the trade date which is the date the group becomes a party to the contractual provisions of the instrument. The group derecognizes a financial liability when its contractual obligations are discharged, cancelled or expired. Financial liabilities comprise Trade Creditors and other financial obligations.

51.10.01 Trade and Other Payables

The group recognizes a financial liability when its contractual obligations arising from past events are certain and the settlement of which is expected to result in an outflow from the company of resources embodying economic benefits.

51.10.02 12% Convertible coupon bond

These are initially recognised at cost which is the fair value. After initial recognition these are carried at amortized cost. The equity component of the Convertible Bond is recognized as per BAS 32.

51.10.03 Other liabilities

Other liabilities represents the amounts due to various parties for receiving services. These are initially recognised at cost which is the fair value. After initial recognition these are carried at amortized cost.

51.11 Impairment

51.11.01 Financial Assets

Financial assets are impaired if objective evidence indicates that a loss event has occurred after initial recognition of the assets and that the loss event had a negative effect on the estimated future cash flows of that assets that can be estimated reliably.

Financial assets not classified as fair value through profit or loss, loans, receivables and investment in an equity accounted investee are assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

51.11.02 Non Financial Assets

The carrying amounts of the group's non-financial assets, other than inventories and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists then the recoverable amount of the asset is estimated. An impairment loss is recognized if the carrying amount of an asset or its related cash-generating unit (CGU) exceeds its estimated recoverable amount.

51.12 Cash Flow Statement

Statement of Cash Flows is prepared principally in accordance with BAS 7 (Cash Flow Statement) and the cash flow from operating activities have been presented under direct method.

51.13 Provisions, Contingent Liabilities and Contingent Assets

A provision is recognized in the Statement of Financial Position when the group has a legal or contractual obligation as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Contingencies arising from claims, litigations, assessments, fine, penalties etc. are recorded when it is probable that a liability has been incurred and the amount can be reasonably estimated. Contingent assets are not recognized in the financial statements.

51.14 Borrowing Costs

Interest and other costs incurred by the company in connection with the borrowing of funds are recognized as expense in the period in which they are incurred, unless such borrowing cost relates to acquisition / construction of assets in progress that are capitalized as per BAS 23 "Borrowing Costs". Borrowing cost incurred against loan for BMRE project and interest on 12% Convertible coupon bond have been capitalized under effective interest rate method.

RAHMAN RAHMAN HUQ CHITTAGONG

51.15 Taxation

51.15.01 Current Tax

The group has been maintaining provision for taxation using rates enacted at the reporting date as per Income Tax Ordinance, 1984. The applicable rates are 25% for the company and currently the tax rate applicable for BSML is 0.10% which is the minimum tax .

51.15.02 Deferred Tax

Deferred tax liabilities are the amount of income taxes payable in the future periods in respect of taxable temporary differences. Deferred tax assets are the amount of income taxes recoverable in future periods in respect of deductible temporary differences. Deferred tax assets and liabilities are recognized for the future tax consequences of timing differences arising between the carrying values of assets, liabilities, income and expenditure and their respective tax bases. Deferred tax assets and liabilities are measured using tax rates and tax laws that have been enacted or substantially enacted at the Statement of Financial Position date. The impact of changes on the account in the deferred tax assets and liabilities has also been recognized in the statement of profit or loss and other comprehensive income as per BAS-12 "Income Taxes".

Deferred tax on revaluation surplus of land and land development has not been recognized in the Financial Statements on the ground that income tax payable at source on capital gain during registration of sale of land is generally borne by the buyer. Hence possibility of having income tax implication on land is very remote.

51.16 Share Capital

Paid-up-capital represents total amount contributed by the shareholders and bonus shares issued by the company to the ordinary shareholders. Incremental costs directly attributable to the issue of ordinary shares are recognized as expenses as and when incurred. Holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to vote at shareholders' meetings. In the event of a winding up of the company, ordinary shareholders rank after all other shareholders. Creditors are fully entitled to any proceeds of liquidation before all shareholders.

51.17 Employee Benefits

The group maintains both defined contribution plan and defined benefit plan for its eligible permanent employees.

51.17.01 Defined Contribution Plan

A defined contribution plan is a post-employment benefit plan under which the company pays fixed contributions into a separate fund and will have no legal or constructive obligation to pay further amount. The company maintains the Recognized Provident Fund for all permanent employees at which both the company and employees contribute @ 10% of basic salary. The Employees' Provident Fund was obtained recognition from Income Tax Authority on August 05, 1975 which was effective from September 30, 1973 and is considered as defined contribution plan as it meets the recognition criteria specified for this purpose in BAS-19.

Obligation for contribution to defined contribution plan is recognized as provident fund (PF) contribution expenses in profit or loss in the period during which services are rendered by employees. Advance against PF is recognized as an asset to the extent that a cash refund or a reduction in future payments is available.

51.17.02 Defined Benefit Plan

The group maintains an unfunded gratuity scheme and provision in respect of which is made annually for the employees. Gratuity payable at the end of each year is determined on the basis of following rules and regulations of the company.

Service length	Payment basis
Less than five (5) years	Nil
For five (5) years and more	Two (2) times of last month's basic salary multiplied by year of service.

51.17.03 Workers' Profit Participation and Welfare Funds

The company also recognizes a provision for Workers' Profit Participation and Welfare Funds @ 5% of net profit before tax as per Bangladesh Labour Law 2006.

51.18 Revenue Recognition

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 and there is no continuing management involvement with the goods. Sales revenue is recognized when the goods are delivered.
The timing of the transfer of risk and rewards depends on the individual terms of the sales agreement.

51.19 Finance Income and Costs

51.19.01 Finance Income

Interest income from bank deposits and loan to related-companies is recognized in the profit or loss on cash basis following specific rate of interest in agreement with banks and related companies.

51.19.02 Finance Costs

Interest expenses except expenses related to acquisition/construction of assets, incurred during the year are charged to Statement of Profit or Loss and Other Comprehensive Income on accrual basis.

51.20 Other Operating Income

Other operating income includes interest income on delayed receipts from customers, gain / (loss) on sale of fixed assets and miscellaneous receipts. Other operating income is recognized as revenue income as and when realized.

51.21 Earnings Per Share (EPS)

The company calculates its earnings per share in accordance with Bangladesh Accounting Standard BAS-33 "Earnings per Share" which has been reported on the face of Statement of Profit or Loss and Other Comprehensive Income.

51.21.01 Basis of Earnings

This represents profit for the year attributable to ordinary shareholders and Non- Controlling shareholders. As there were no preference shares requiring returns or dividends, the net profit after tax for the year has been considered as fully attributable to the ordinary shareholders.

51.21.02 Basic Earnings Per Share

This has been calculated by dividing the basic earnings by the weighted average number of ordinary shares outstanding during the year.

51.21.03 Diluted Earnings Per Share

Diluted earnings per share is required to be calculated for the year when scope for dilution exists.

51.22 Duty Drawback

Duty drawback claimed on export sales is adjusted against cost of imported raw materials.

51.23 Measurement of Fair Values

When measuring the fair value of an asset or liability, the entity uses market observable data as far as possible. Fair values are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows.

Level 1: Quoted prices (unadjusted) in active markets for identical assets and liabilities.

Level 2: Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: Inputs for the assets or liabilities that are not based on observable market data.

If the inputs used to measure the fair value of an asset or liability might be categorized in different levels of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

Property, plant and equipment

The fair value of items of property, plant and equipment has been determined based on the depreciated replacement cost method and net realizable value method as applicable.

Equity and debt securities

Fair values of tradable equity and debt securities are determined by reference to their quoted closing price in active market at the reporting date which are categorized under 'Level 1' of the fair value hierarchy.

51.24 Events After the Reporting Period

Events after the reporting period that provide additional information about the company's position at the date of Statement of Financial Position or those that indicate the going concern assumption is not appropriate are reflected in the Financial Statements. Events after the reporting period that are not adjusting events are disclosed in the notes when material.

51.25 Leases

At inception of an arrangement, the company determines whether the arrangement is or contains a lease.
At inception or on reassessment of an arrangement that contains a lease, the entity separates payments and other consideration required by the arrangement into those for the lease and those for other elements on the basis of their relative fair values.

51.25.01 Finance Lease

Leases in terms of which the company assumes substantially all the risks and rewards of ownership are classified as finance leases. Upon initial recognition the leased asset is measured at an amount equal to the lower of its fair value and the present value of the minimum lease payments. Subsequent to initial recognition, the asset is accounted for in accordance with the accounting policy applicable to that asset. Minimum lease payments made under finance lease are apportioned between the finance expense and the reduction of outstanding liability. The finance expense is allocated to each period during the lease term so as to produce a constant rate of interest on the remaining balance of the liability.

51.25.02 Operating lease

Leases that are not finance lease are considered as operating leases and the leased assets are not recognised in the company's Statement of Financial Position. Payments made under operating leases are recognised in profit or loss on a straight line basis over the term of the lease.

51.26 Standards adopted but not yet effective

The Institute of Chartered Accountants of Bangladesh (ICAB) has adopted following new standards and amendments to standards. All previously adopted reporting standards are consistently applied by the Company to the extent relevant for the Company.

New standards	Summary of the requirements	Possible impact on
BFRS 9 Financial Instruments	BFRS 9, published in July 2014, replaces the existing guidance in BAS 39 Financial Instruments: Recognition and Measurement. BFRS 9 includes revised guidance on the classification and measurement of financial instruments, a new expected credit loss model for calculating impairment on financial assets, and new general hedge accounting requirements. It also carries forward the guidance on recognition and derecognition of financial instruments from BAS 39. BFRS 9 is effective for annual reporting periods beginning on or after 1 January 2018, with early adoption permitted.	The Company is assessing the potential impact on its financial statements resulting from the application of BFRS 9.
BFRS 15 Revenue from Contracts with Customers	BFRS 15 establishes a comprehensive framework for determining whether, how much and when revenue is recognised. It replaces existing revenue recognition guidance, including BAS 18 Revenue, BAS 11 Construction Contracts and BFRIC 13 Customer Loyalty Programmes. BFRS 15 is effective for annual reporting periods beginning on or after 1 January 2018, with early adoption permitted.	The Company is assessing the potential impact on its financial statements resulting from the application of BFRS 15.

RAHMAN RAHMAN HUQ CHITTAGONG

AUDITOR'S REPORT & FINANCIALS FOR THE YEAR ENDED ON JUNE 30, 2018 OF SUBSIDIARY

BSRM STEEL MILLS LIMITED

AUDITOR'S REPORT AND FINANCIAL STATEMENTS
AS AT AND FOR THE YEAR ENDED 30 JUNE 2018

AMAR STOCK

DIRECTORS' REPORT OF BSRM STEEL MILLS LIMITED (SUBSIDIARY)

Dear Shareholders,

I have great pleasure in extending you all a warm welcome to our 10th Annual General Meeting of BSRM Steel Mills Limited-a premier supplier of quality M.S. Billet.

I feel highly encouraged to submit before you the Directors' Report and Audited Financial Statements for the year ended on 30th June 2018 for your review, approval and adoption.

Review of Operation: From the comparative operational results, it is evident that our Company has continued to sustain a healthy growth in this year. During the year production and Sales of our products touched new heights. This period we had record production and delivery of 860,542.88 MT and 916,337.97 M.T. Billet respectively. The turnover of the Company has increased by 121% than that of previous Period. Sales were constrained to parent company and other group concern. Company had also to battle with the volatile price of scrap both in home and abroad.

Operating Results :

Amount in Crore Taka

Particulars	July' 17-June' 18	July' 16-June' 17
Sales Value in Taka	4,588.83	2,078.08
Cost of Goods Sold in Taka	4,256.94	1,932.12
Gross Profit in Taka	331.88	145.96
Profit before int. taxes & WPPF	359.48	140.85
Less: Interest & WPPF	181.93	156.33
Less: Income Tax	83.72	73.61
Net Profit/(Loss) in Taka	93.83	(89.09)
Earnings Per Share (EPS)	2.38	(2.26)

Directors: In accordance with the provision of the Article of Association of the company Mr. Zohair Taherali & Mrs. Tehseen Zohair Taherali, the two Directors of the Company, representing one third of the number of existing Directors retire by rotation in the Annual General Meeting and being eligible Mr. Zohair Taherali & Mrs. Tehseen Zohair Taherali offer themselves for re-appointment.

Dividend: Directors didn't recommend any dividend for the year ended June 30, 2018 consideration further investment of the Company from retained earnings.

Auditors: The Company's Auditors M/s Hussain Farhad & Co. Chartered Accountants, retire and are eligible for re-appointment. Board of Directors recommend their appointment for the ensuing year.

Outlook for 2017-18: The atmosphere of economy and business was good in 2017-18. We did not see any major natural calamities and political unrest during 2017-18. Steel industry is an established and growing industry in Bangladesh. We expect a huge demand of quality steel this year for construction of various mega projects in our country. Predominantly based in the port city of Chattogram, the industry has emerged as a major contributor to the national economy. Our Company is striving hard to maintain sustainable growth of the company by adopting and investing in the state-of-the-art technology and management practices. We give top priority to fairness, righteousness, and equitable opportunities to all of our employees, stakeholders, regulators and agencies of the government on the basis of legal/social orders, professionalism, corporate social responsibility, humanism and business ethics combined with morality. We assure you that we shall leave no stone unturned to continue with our standards of these virtues without any compromise.

Events after the date of Financial Position: There is no subsequent event after the date of the Financial Position and till the date of this report which could affect the ability of the users of these financial statements to make an appropriate evaluation.

Gratitude: The Board of Directors record with deep appreciation to all the Employees, Shareholders, Government Agencies, Bank and Financial institutions, Consumers, Suppliers and other service Agencies for performing their respective roles in their best manner which help us to run our business smoothly and efficiently.

Thanking you all.

By order of the Board

Aameir Alihussain
Managing Director
September 10, 2018

HFC | HUSSAIN FARHAD & CO.
CHARTERED ACCOUNTANTS

Chittagong Office:
: Yunusco City Center (9th Floor), 807, CDA Avenue, Nasirabad, Chittagong, Bangladesh.
: +88 (031) 2859281
: ctg@hfc-bd.com
: www.hfc-bd.com

AUDITORS' REPORT
TO THE SHAREHOLDERS OF
BSRM STEEL MILLS LIMITED

Report on the Financial Statements

We have audited the accompanying financial statements of **BSRM Steel Mills Limited** ("the Company") which comprise the statement of financial position as at 30 June 2018, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Bangladesh Financial Reporting Standards (BFRS), the Companies Act 1994 and other applicable laws and regulations and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Bangladesh Standards on Auditing (BSA). Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation of financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of the Company as at 30 June 2018, and of its financial performance and its cash flows for the year then ended in accordance with Bangladesh Financial Reporting Standards (BFRS), the Companies Act 1994, and other applicable laws and regulations.

Report on Other Legal and Regulatory Requirements

In accordance with the Companies Act 1994, we also report the following:

(a) we have obtained all the information and explanation which to the best of our knowledge and belief were necessary for the purpose of our audit and made due verification thereof;

(b) in our opinion, proper books of account as required by law have been kept by the Company so far as it appeared from our examination of those books;

(c) the statement of financial position, and the statement of profit or loss and other comprehensive income dealt with by the report are in agreement with the books of account.

Chattogram,
11 SEP 2018

HUSSAIN FARHAD & CO. CHARTERED ACCOUNTANTS

Hussain Farhad & Co.
Chartered Accountants

HFC | HUSSAIN FARHAD & CO.
CHARTERED ACCOUNTANTS

Chittagong Office:
: Yunusco City Center (9th Floor), 807, CDA Avenue, Nasirabad, Chittagong, Bangladesh.
: +88 (031) 2859281
: ctg@hfc-bd.com
: www.hfc-bd.com

BSRM STEEL MILLS LIMITED
Statement of Financial Position
As at 30 June 2018

	Note(s)	30 June 2018 Taka	30 June 2017 Taka
Assets			
Non-current assets			
Property, plant and equipment	4	18,692,049,252	18,350,542,782
Intangible asset	5	17,965,021	20,764,765
Capital work-in-progress	6	86,272,426	583,337,106
Total non-current assets		**18,796,286,699**	**18,954,644,653**
Current assets			
Inventories	7	9,996,564,744	7,551,516,541
Trade receivables	8	5,659,314,542	329,845,205
Other receivables	9	178,576,204	150,224,464
Due from related companies	10	1,697,861,774	127,141,816
Advances, deposits and prepayment	11	2,364,533,030	1,259,366,607
Short term investments	12	1,316,920,481	365,330,075
Cash and cash equivalents	13	74,449,366	12,046,167
Total current assets		**21,288,220,141**	**9,795,470,875**
Total assets		**40,084,506,840**	**28,750,115,528**
Equity and Liabilities			
Equity			
Share capital	14	3,944,354,000	3,944,354,000
Retained earnings		(72,550,981)	(1,010,820,810)
Revaluation reserve		2,292,879,671	2,292,879,671
Total equity		**6,164,682,690**	**5,226,412,861**
Liabilities			
Non-current liabilities			
Long term borrowings	15.01	2,863,094,652	4,520,708,389
Defined benefit obligations - Gratuity	16	30,216,398	19,116,898
Deferred tax liabilities	17	1,641,812,900	850,845,328
Total non-current liabilities		**4,535,123,950**	**5,390,670,615**
Current liabilities			
Current portion of long term borrowings	15.01	1,715,036,466	1,697,581,921
Trade payables	18	101,413,591	286,560,983
Short term borrowings	19	26,126,949,522	14,274,525,473
Due to related companies	20	659,306,643	1,140,452,405
Advance against sales	21	29,248,317	6,634,455
Liabilities for expenses	22	548,947,906	434,421,573
Provision for income tax	23	46,263,336	20,817,909
Other liabilities	24	64,087,012	272,037,333
Provision for WPPF & Welfare Fund	25	93,447,407	-
Total current liabilities		**29,384,700,200**	**18,133,032,052**
Total liabilities		**33,919,824,150**	**23,523,702,667**
Total equity and liabilities		**40,084,506,840**	**28,750,115,528**

The annexed notes 1 to 45 form an integral part of these financial statements.

Director **Director** **Company Secretary**

As per our annexed report of same date.

Chattogram,
11 SEP 2018

Hussain Farhad & Co.
Chartered Accountants

HFC HUSSAIN FARHAD & CO.
CHARTERED ACCOUNTANTS

Chittagong Office:
: Yunusco City Center (9th Floor), 807, CDA Avenue, Nasirabad, Chittagong, Bangladesh.
: +88 (031) 2859281
: ctg@hfc-bd.com
: www.hfc-bd.com

BSRM STEEL MILLS LIMITED
Statement of Profit or Loss and Other Comprehensive Income
For the year ended 30 June 2018

	Note(s)	01 July 2017 to 30 June 2018 Taka	01 July 2016 to 30 June 2017 Taka
Revenue	26	45,888,262,116	20,780,821,877
Cost of sales	27	(42,569,425,485)	(19,321,225,026)
Gross profit		**3,318,836,631**	**1,459,596,851**
Selling and distribution costs	28	(3,999,996)	(2,518,566)
Administrative costs	29	(95,056,765)	(51,349,003)
		3,219,779,870	**1,405,729,282**
Other income/(loss)	30	7,543,706	(34,344,736)
Operating profit		**3,227,323,576**	**1,371,384,546**
Finance costs	31	(1,725,899,640)	(1,563,342,047)
Finance income	33	343,743,498	25,585,581
Non-operating income	34	23,780,710	11,502,000
Profit before tax and WPPF and Welfare Fund		**1,868,948,144**	**(154,869,920)**
Contribution to WPPF and Welfare Fund	25	(93,447,407)	-
Profit before tax		**1,775,500,737**	**(154,869,920)**
Income tax expenses/benefits:			
Current tax	23	(46,263,336)	(20,817,909)
Deferred tax	17	(790,967,572)	(715,241,514)
		(837,230,908)	(736,059,423)
Net profit/ (loss) after tax for the year		**938,269,829**	**(890,929,343)**
Otherccomprehensive income			
Items that will never be classified to profit or loss		-	-
Items that are or may be classified to profit or loss		-	-
		-	-
Total comprehensive income		**938,269,829**	**(890,929,343)**

The annexed notes 1 to 45 form an integral part of these financial statements.

Director Director Company Secretary

As per our annexed report of same date.

Chattogram,
11 SEP 2018

Hussain Farhad & Co.
Chartered Accountants

BSRM STEEL MILLS LIMITED
Statement of Changes in Equity
For the year ended 30 June 2018

Amount in Taka

	Share Capital	Revaluation Reserve	Retained Earnings	Total
Balance as on 01 July 2016	3,944,354,000	2,292,879,671	(119,891,467)	6,117,342,204
Net Loss for the year ended 30 June 2017	-	-	(890,929,343)	(890,929,343)
Balance as on 30 June 2017	**3,944,354,000**	**2,292,879,671**	**(1,010,820,810)**	**5,226,412,861**
Balance as on 01 July 2017	3,944,354,000	2,292,879,671	(1,010,820,810)	5,226,412,861
Net Profit for the year ended 30 June 2018	-	-	938,269,829	938,269,829
Balance as on 30 June 2018	**3,944,354,000**	**2,292,879,671**	**(72,550,981)**	**6,164,682,690**

AMARSTOCK

BSRM STEEL MILLS LIMITED
Statement of Cash Flows
For the year ended 30 June 2018

	01 July 2017 to 30 June 2018	01 July 2016 to 30 June 2017
	Taka	Taka
A. Operating activities		
Receipts from customers against sales	40,581,406,641	20,456,914,558
Receipts against other income	164,828,921	11,493,699
Cash Paid to suppliers, operating and other expenses	(44,494,873,538)	(22,542,888,745)
Income tax paid	(879,071,875)	(552,988,590)
Net cash flows from operating activities	**(4,627,709,851)**	**(2,627,469,078)**
B. Investing activities		
Acquisition of property, plant and equipment	(361,013,937)	(595,786,018)
Proceeds from sale of property, plant and equipment	2,218,503	343,272
Addition to capital work-in-progress	(606,162,814)	(524,098,150)
Increase in investment in fixed deposits	(951,590,406)	(234,118,626)
Net cash flows from investing activities	**(1,916,548,654)**	**(1,353,659,522)**
C. Financing activities		
Re-payments of long term loans	(1,688,681,988)	(1,670,712,724)
Receipts of short term loans	11,859,336,997	9,163,900,502
Repayments of due to related companies	(2,051,865,720)	(2,023,318,995)
Payment of interest-net	(1,506,942,643)	(1,488,093,444)
Decrease in other finance	(5,200,000)	-
Net cash flows from financing activities	**6,606,646,646**	**3,981,775,339**
D. Net increase in cash and cash equivalents (A+B+C)	**62,388,141**	**646,739**
E. Opening cash and cash equivalents	12,046,167	11,405,387
F. Effect of foreign exchange rate changes on cash and cash equivalents	15,058	(5,959)
G. Closing cash and cash equivalents (D+E+F)	**74,449,366**	**12,046,167**

HUSSAIN FARHAD & CO CHARTERED ACCOUNTANTS

AMARSTOCK

BSRM STEEL MILLS LIMITED
Notes to the Financial Statements
As at and for the year ended 30 June 2018

1.00 THE REPORTING ENTITY

1.01 Legal form of Enterprise

BSRM Steel Mills Limited was incorporated as a private limited company on 16 April 2008 vide registration # CH-6561 (267) /2008 under the Companies Act, 1994 to setup one of the largest MS Billet production plants in the steel industries in Bangladesh. The company was converted into public limited company and registered therefore on 12 November 2013.

1.02 Registered Office of the Company

The registered office of the company is located at Ali Mansion, 1207/1099, Sadarghat Road, Chittagong.

1.03 Principal Activities and Nature of the Business

The principal activities and nature of business of the company are:

i) To set up an automatic steel melting plant for making M.S billet of different qualities and sell the same to steel rolling mills.

ii) To set up an automatic steel rolling and re-rolling mills for manufacturing of iron products and steel materials of all types including other activities as mentioned in the Memorandum and Articles of Association.

1.04 Commencement of Production

The Company has set up an induction furnace based scrap melting plant at Sonapahar, Mirsarai, Chittagong to produce M.S. billets and commenced commercial production from 16 June 2016. Before that the company was engaged in trial production which has been commenced from 22 December 2015.

2.00 BASIS OF PREPARATION

2.01 Statement of Compliance

These Financial Statements have been prepared on a going concern basis following accrual basis of accounting except for Statement of Cash Flows in accordance with the International Accounting Standards (BASs) and International Financial Reporting Standards (IFRSs) as adopted in Bangladesh by the Institute of Chartered Accountants of Bangladesh (ICAB) as Bangladesh Accounting Standards (BASs) and Bangladesh Financial Reporting Standards (BFRSs).

2.02 Basis of Reporting

The financial statements are prepared and presented for external users by the company in accordance with identified financial reporting framework. Presentation has been made in compliance with the requirements of BAS 1 – "Presentation of Financial Statements". The financial statements comprise of:

a) A statement of financial position as at 30 June 2018.
b) A statement of profit or loss and other comprehensive income for the year ended 30 June 2018.
c) A statement of changes in equity for the year ended 30 June 2018.
d) A statement of cash flows for the year ended 30 June 2018.
e) Notes, comprising a summary of significant accounting policies and explanatory information.

2.03 Other Regulatory Compliances

The company is also required to comply with the following major laws and regulations along with the Companies Act 1994:

i) The Income Tax Ordinance, 1984
ii) The Income Tax Rules, 1984
iii) The Value Added Tax Act, 1991
iv) The Value Added Tax Rules, 1991
v) The Customs Act, 1969
vi) Bangladesh Labour Law, 2006

2.04 Authorization for Issue

These financial statements have been authorized for issue by the Board of Directors on 10 September 2018.

2.05 Basis of Measurement

These financial statements have been prepared on going concern basis under the historical cost convention except for land and land development of property, plant and equipment which is measured at fair value.

FARHAD HUSSAIN & CO. CHARTERED ACCOUNTANTS

FINANCIAL STOCK

2.06 Functional and Presentation Currency

These financial statements are presented in Bangladesh Taka (BDT) which is the company's functional currency. All financial information presented in BD Taka has been rounded off to the nearest Taka except when otherwise indicated.

2.07 Statement of Cash Flows

Statement of cash flows has been prepared in accordance with BAS 7: Statement of Cash Flows and the cash flow from operating activities have been presented under direct method.

2.08 Going Concern

The Company has adequate resources to continue its operation for foreseeable future and hence, the financial statements have been prepared on going concern basis. As per management's assessment there are no material uncertainties related to events or conditions which may cast significant doubt upon the company's ability to continue as a going concern.

2.09 Applicable Accounting Standards

The following BASs and BFRSs are applicable for preparation and reporting of the Financial Statements for the year under review:

BAS - 1	Presentation of Financial Statements
BAS - 2	Inventories
BAS - 7	Statement of Cash Flows
BAS - 8	Accounting Policies, Changes in Accounting Estimates and Errors
BAS - 10	Events after the Reporting Period
BAS - 12	Income Taxes
BAS - 16	Property, Plant and Equipment
BAS - 17	Leases
BAS - 18	Revenue
BAS - 19	Employee Benefits
BAS - 21	The Effects of Changes in Foreign Exchange Rates
BAS - 23	Borrowing Costs
BAS - 24	Related Party Disclosures
BAS - 32	Financial Instruments: Presentation
BAS - 33	Earnings Per Share
BAS - 37	Provisions, Contingent Liabilities and Contingent Assets
BAS - 38	Intangible Assets
BAS - 39	Financial Instruments: Recognition and Measurement
BFRS - 7	Financial Instruments: Disclosures
BFRS - 13	Fair Value Measurement

2.10 Standards adopted but not yet effective

The Institute of Chartered Accountants of Bangladesh (ICAB) has adopted following new standards and amendments to standards -

(a) BFRS - 9 Financial Instruments
(b) BFRS - 15 Revenue from Contracts with Customers

The above standards are effective for annual reporting periods beginning on or after 01 January 2018, with early adoption permitted. The Company is assessing the potential impact on its financial statements resulting from the application of BFRS 9 and BFRS 15.

2.11 Use of Estimates and Judgments

The preparation of financial statements in conformity with BFRSs requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Estimates and assumptions are reviewed on an ongoing basis.
The estimates and underlying assumptions are based on past experience and various other factors that are believed to be reasonable under the circumstances, the result of which form the basis of making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these Revisions to accounting estimates are recognised in the year in which the estimate is revised if the revision affects only that year, or in the year of revision and future years if the revision affects both current and future years.

In particular, information about significant areas of estimation, uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements are included in the following notes:

HUSSAIN FARHAD & CO. CHARTERED ACCOUNTANTS

AMAR STOCK

Note: 4 Property, plant and equipment
Note: 5 Intangible asset
Note: 7 Inventories
Note: 8 Trade receivables
Note: 17 Deferred tax liabilities
Note: 22 Liabilities for expenses
Note: 23 Provision for income tax

2.12 Comparative Information

Comparative information has been disclosed in respect of the year ended on 30 June 2017 in accordance with BAS - 1 "Presentation of Financial Statements", for all numeric information in the financial statements. Comparative figures have been rearranged wherever considered necessary to ensure better comparability with the current year without causing any impact on the profit and value of assets and liabilities as reported in the financial statement.

2.13 Reporting Period

The financial statements of the company cover the year from 01 July 2017 to 30 June 2018.

3.00 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The specific accounting policies selected and applied by the company's directors for significant transactions and events that have material effect within the framework of BAS-1 "Presentation of Financial Statements", in preparation and presentation of financial statements have been consistently applied throughout the year and were also consistent with those used in earlier years.

For a proper understanding of the financial statements, these accounting policies are set out below in one place as prescribed by the BAS-1 "Presentation of Financial Statements". The recommendations of BAS-1 relating to the format of financial statements were also taken into full consideration for fair presentation.

3.01 Consistency
3.02 Property, Plant and Equipment (PPE)
3.03 Intangible Asset
3.04 Capital Work in Progress
3.05 Leases
3.06 Inventories
3.07 Financial Instruments
3.08 Impairment
3.09 Transactions with Related Companies
3.10 Share Capital
3.11 Employee Benefit Schemes
3.12 Income Tax Expenses
3.13 Provisions and Contingencies
3.14 Revenue
3.15 Other Operating Income
3.16 Finance Income and Expenses
3.17 Borrowing Costs
3.18 Foreign Currency Transactions
3.19 Earnings Per Share (EPS)
3.20 Measurement of Fair Values
3.21 Events After the Reporting Period

3.01 Consistency

Unless otherwise stated, the accounting policies and methods of computation used in preparation of Financial Statements for the year ended on 30 June 2018 are consistent with those policies and methods adopted in preparing the Financial Statements for the year ended on 30 June 2017.

3.02 Property, Plant and Equipment (PPE)

Items of property, plant and equipment are stated at cost and re-valued amount less accumulated depreciation and accumulated impairment losses, if any.

HUSSAIN FARHAD & CO. CHARTERED ACCOUNTANTS

3.02.01 Recognition and Measurement

The cost of an item of property, plant and equipment comprises its purchase price, import duty and non-refundable taxes (after deducting trade discount and rebates) and any cost directly attributable to the acquisition of the assets. The cost of self constructed/installed assets includes the cost of materials, direct labour and any other costs directly attributable to bringing the assets to the location and condition necessary for it to be capable of operating in the intended manner and the cost of dismantling and removing the items and restoring the site on which they are located.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

The gain or loss on disposal of an item of property, plant and equipment is determined by comparing the proceeds from disposal with the carrying amount of the property, plant and equipment and is recognised under other income/expenses in profit or loss.

3.02.02 Subsequent Costs

The cost of replacing or upgrading part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the company and its cost can be measured reliably. The costs of the day-to-day servicing of property, plant and equipment are recognized in profit or loss.

3.02.03 Depreciation

Land is held on a freehold Basis and is not depreciated considering the unlimited life. In respect of all other property, plant and equipment, depreciation is recognized in statement of profit or loss and other comprehensive income. Significant parts of individual assets are assessed and if a component has a useful life that is different from the remainder of that asset, that component is depreciated separately.

Depreciation is charged on addition from the month (date of service) of acquisition/addition upto the month of disposal. The depreciation method used reflects the pattern in which the asset's economic benefits are consumed by the entity. The principal annual rates/useful lives are as follows.

Major Category of Assets	Sub Category	Useful Life
Plant and machineries	Motor	7
Plant and machineries	Panel	10
Plant and machineries	All Stand	25
Plant and machineries	All Other Machinery	15
Motor vehicles	Car	6
Motor vehicles	Micro Bus	6
Motor vehicles	Covered Pick up Van	10
Motor vehicles	Open Pick up Van	10
Motor vehicles	Prime Mover	15
Motor vehicles	Open Truck	10
Motor vehicles	Dump Truck	12
Motor vehicles	Motor Cycle	5
Boundary wall	All Minor Category	20
Building and Shed	All Minor Category	20
Furniture and fixtures	All Minor Category	5
Office equipment	All Minor Category	5
IT Equipment	All Minor Category	5

Depreciation is charged / allocated on the basis of location of respective assets. Depreciation methods, useful lives and residual values are reassessed at the reporting date and adjusted if appropriate.

Upon retirement of assets, the cost and related accumulated depreciation are eliminated from the accounts and resulting gain or loss is charged or credited to statement of profit or loss and other comprehensive income.

3.02.04 Revaluation of Property, Plant and Equipment

Rahman Rahman Huq, Chartered Accountants, was engaged by the company to estimate the fair value of the land of the company at different locations in Bangladesh as on 30 November 2012. Rahman Rahman Huq took professional services from qualified surveyors of Asian Surveyors Ltd. for verifying the land and its market price.

The valuation had been conducted using the market value method for lands as this is most commonly used and appropriate for valuation of lands under prevailing circumstances. In the process of valuation, information from the land brokers and other related sources, price factors of similar land in the locality, published mouza rates, recent transfer of land in this area have been considered.

As per revaluation report, the net revaluation gain stood Tk. 2,292,879,671. This revaluation gain has been recognized in the books of the company in the year of 2012.

3.03 Intangible Asset

3.03.01 Recognition and Measurement

Intangible assets that are acquired by the company and have finite useful lives are measured at cost less accumulated amortization and accumulated impairment loss, if any. Intangible assets are recognized when all the conditions for recognition as per BAS 38: "Intangible Assets" are met. The cost of an intangible asset comprises its purchase price and any directly attributable cost of preparing the asset for its intended use.

3.03.02 Subsequent Costs

Subsequent expenditure is capitalized only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditures are recognized in profit or loss as incurred.

3.03.03 Amortisation

The only intangible asset of the company is ERP (Oracle EBS Software) which is amortised every month following straight line method for 10 (ten) years. The amortisation cost is charged in profit or loss.

Amortisation methods, useful lives and residual values are reassessed at the reporting date and adjusted if appropriate.

3.04 Capital Work in Progress

Property, Plant and Equipment under construction/acquisition is accounted for as capital work-in-progress until construction/acquisition is completed and measured at cost.

3.05 Leases

At inception of an arrangement, the company determines whether the arrangement is or contains a lease. At inception or on reassessment of an arrangement that contains a lease, the entity separates payments and other consideration required by the arrangement into those for the lease and those for other elements on the basis of their relative fair values.

3.05.01 Finance Lease

Leases in terms of which the company assumes substantially all the risks and rewards of ownership are classified as finance leases. Upon initial recognition the leased asset is measured at an amount equal to the lower of its fair value and the present value of the minimum lease payments. Subsequent to initial recognition, the asset is accounted for in accordance with the accounting policy applicable to that asset. Minimum lease payments made under finance lease are apportioned between the finance expense and the reduction of outstanding liability. The finance expense is allocated to each year during the lease term so as to produce a constant rate of interest on the remaining balance of the liability.

3.05.02 Operating Lease

Leases that are not finance lease are considered as operating leases and the leased assets are not recognised in the company's Statement of Financial Position. Payments made under operating leases are recognised in profit or loss on a straight line Basis over the term of the lease.

3.06 Inventories

Nature of inventories

Inventories comprise Raw Materials (Melting Scrap, Billets and Sponge Iron), Packing Materials, Consumable Stores, Fuel and Lubricants and Finished Goods (M.S. Billets) etc.

Valuation of the inventories

Inventories are measured at lower of cost and net realizable value. The cost of inventories is calculated based on the weighted average method and includes expenditure incurred in acquiring these inventories, production or conversion costs and other costs incurred in bringing them to their existing location and condition in accordance with BAS 2 "Inventories".

Category	Valuation
Finished Goods	Finished Goods are valued at Cost or Net Realisable Value whichever is lower.
Raw materials	Raw Materials are valued at Cost or Net Realisable Value whichever is lower.
Store items	Based on weighted average method.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and selling expenses.

HUSSAIN FARHAD & CO. CHARTERED ACCOUNTANTS

3.07 Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

3.07.01 Financial Assets

The Company initially recognizes loans, receivables and deposits on the date that they are originated. All other financial assets are recognized initially on the date at which the company becomes a party to the contractual provisions of the instrument.

The Company derecognizes a financial asset when the contractual rights to the cash flows from the asset expires, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial assets are transferred.

Financial assets are classified into the following categories: financial assets at fair value through profit or loss, held to maturity, loans and receivables and available-for-sale financial assets.

At fair value through profit or loss

A financial asset is classified as at fair value through profit or loss if it is classified as held for trading or is designated as such on initial recognition. Financial assets are designated as at fair value through profit or loss if the company manages such investment and makes purchase or sale decisions based on their fair value in accordance with the company's documented risk management or investment strategy. Attributable transactions costs are recognized in profit and loss as incurred. Financial assets at fair value through profit or loss are measured at fair value and changes therein which take into account and dividend income are recognized in profit or loss. Investment in equity securities and debt securities are classified under at fair value through profit or loss.

Held to maturity

These assets are initially recognized at fair value plus any directly attributable transaction cost. Subsequent to initial recognition, they are measured at amortized cost using the effective interest method.

Loans and receivables

Loans and receivables are financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are recognized initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, loans and receivables are measured at amortized cost.

Loans and receivables comprise cash and cash equivalents, loans, trade and other receivables and deposits.

(a) Trade and other receivables

Trade and other receivables are initially recognized at cost which is the fair value of the consideration given in return. After initial recognition, these are carried at cost less impairment losses, if any, due to un-collectability of any amount so recognized.

There is no fixed company policy regarding provision for impairment loss on receivables, if any receivables are not realized within the credit period. It has been dealt with on case to case Basis.

(b) Advances, Deposits and Prepayments

Advances are initially measured at cost. After initial recognition, advances are carried at cost less deductions, adjustments or charges to other account heads such as Property, Plant and Equipment, Inventory or Expenses.

Deposits are measured at payment value.

Prepayments are initially measured at cost. After initial recognition, prepayments are carried at cost less charges to profit or loss.

(c) Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits, together with short-term, highly liquid investments that are readily convertible to a known amount of cash, and that are subject to an insignificant risk of changes in value. BAS-1 "Presentation of Financial Statement" provides that cash & cash equivalents are not restricted in use. Considering the provision of BAS-7 & BAS-1 , cash in hand & bank balances have been considered as cash & cash equivalents.

Available-for-sale

Available-for-sale financial assets are non-derivative financial assets that are designated as available for sale and are not classified in any other categories of financial assets. Generally available-for-sale financial assets are recognised initially at fair value plus any directly attributable transaction costs and subsequent to initial recognition at fair value and changes therein other than impairment losses are recognized in other comprehensive income and presented in the fair value reserve in equity. Financial assets which are not traded in the market have been valued at cost unless any indication of impairment in value of such financial assets exist. Cumulative gain/loss recognized in the other comprehensive income are reclassified from equity to profit or loss upon derecognition or reclassification.

3.07.02 Financial Liabilities

The company initially recognises all financial liabilities on the trade date which is the date the company becomes a party to the contractual provisions of the instrument.

The company derecognises a financial liability when its contractual obligations are discharged, cancelled or expired.

The company classifies non-derivative financial liabilities into the other financial liabilities category. Such financial liabilities are recognised initially at fair value less directly attributable transaction cost. Subsequent to initial recognition, these financial liabilities are measured at amortized cost.

Other financial liabilities comprise loans and borrowings, bank overdrafts and trade and other payables.

(a) Trade and other payables

The company recognizes a financial liability when its contractual obligations arising from past events are certain and the settlement of which is expected to result in an outflow from the company of resources embodying economic benefits.

(b) Other liabilities

Other liabilities represents the amounts due to various parties for receiving services. These are initially recognised at cost which is the fair value. After initial recognition these are carried at amortised cost.

3.08 Impairment

3.08.01 Financial Assets

Financial assets are impaired if objective evidence indicates that a loss event has occurred after initial recognition of the assets and that the loss event had a negative effect on the estimated future cash flows of that assets that can be estimated reliably.

Financial assets not classified as at fair value through profit or loss , including an interest in an equity accounted investee, are assessed at each reporting date to determine whether there is objective evidence of impairment.

Objective evidence that financial assets are impaired includes:

- default or delinquency by a debtor
- restructuring of an amount due to the company on terms that the company would not consider otherwise
- indications that a debtor or issuer will enter bankruptcy
- adverse changes in the payment status of borrowers or issuers
- the disappearance of an active market for a security, or
- observable data indicating that there is a measurable decrease in expected cash flows from a group of financial assets

For an investment in an equity security, objective evidence of impairment includes a significant or prolonged decline in its fair value below its cost.

3.08.02 Financial Assets Measured at Amortized Cost

The company considers evidence of impairment for these assets at both an individual asset and a collective level. All individually significant assets are individually assessed for impairment. Collective assessment is carried out by grouping together assets with similar risks characteristics.

In assessing collective impairment, the company uses historical information on the timing of recoveries and the amount of loss incurred, and makes any adjustment if current economic and credit conditions are such that the actual losses are likely to be greater or lesser than suggested by historical trends.

An impairment loss is calculated as the difference between an asset's carrying amount and the present value of the estimated future cash flows discounted at the assets' original effective interest rate. Losses are recognized in profit or loss and reflected in an allowance account. When the company considers that there is no realistic prospects of recovery of the asset, the relevant amounts are written off. If the amount of impairment loss subsequently decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, then the previously recognized impairment loss is reversed through profit or loss.

3.08.03 Available for Sale Financial Assets

Impairment losses on available for sale financial assets are recognized by reclassifying the losses accumulated in the fair value reserve to profit or loss. The amount reclassified is the difference between the acquisition cost (net of any principal repayment and amortization) and the current fair value, less any impairment loss previously recognized in profit or loss. If the fair value of an impaired available for sale debt security subsequently increases and the increase can be related objectively to an event occurring after the impairment loss was recognized, then the impairment loss is reversed through profit or loss; otherwise, it is reversed through other comprehensive income.

3.08.04 Non Financial Assets

The carrying amounts of the company's property, plant and equipment are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists then the property, plant and equipment's recoverable amount is estimated. An impairment loss is recognized if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. Impairment losses, if any, are recognized in the statement of profit or loss, other comprehensive income and equity as applicable.

3.09 Transactions with Related Companies

These represent balance amounts due to /from sister concerns which are derived from short term loan, sale/purchase of goods from time to time. Sales and purchase of goods are made on arm's length Basis and interest are charged on outstanding balances. These balances are unsecured but considered good and realisable.

3.10 Share Capital

Paid-up-capital represents total amount contributed by the shareholders and bonus shares issued by the company to the ordinary shareholders. Incremental costs directly attributable to the issue of ordinary shares are recognized as expenses as and when incurred. Holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to vote at shareholders' meetings. In the event of a winding up of the company, ordinary shareholders rank after all other shareholders. Creditors are fully entitled to any proceeds of liquidation before all shareholders

3.11 Employee Benefit Schemes

The company maintains both defined contribution plan and defined benefit plan for its eligible permanent employees.

3.11.01 Defined Contribution Plan

A defined contribution plan is a post-employment benefit plan under which the company pays fixed contributions into a separate fund and will have no legal or constructive obligation to pay further amount. The company maintains the Recognized Provident Fund for all permanent employees at which both the company and employees contribute @ 10% of Basic salary. The Employees' Provident Fund was obtained recognition from Income Tax Authority on 08 August 2016 which was effective from 01 July 2016 and is considered as defined contribution plan as it meets the recognition criteria specified for this purpose in BAS-19.

Obligation for contribution to defined contribution plan is recognized as provident fund (PF) contribution expenses in profit or loss in the year during which services are rendered by employees. Advance against PF is recognized as an asset to the extent that a cash refund or a reduction in future payments is available.

3.11.02 Defined Benefit Plan

The company maintains an unfunded gratuity scheme and provision in respect of which is made as per acturial report.

Gratuity payable at the end of each year is determined on the Basis of following rules and regulations of the company.

Service length	Payment basis
Less than Five (5) years	Nil
For Five (5) years and more	Two (2) times of last month Basic salary multiplied by year of services

3.11.03 Workers' Profit Participation and Welfare Funds

The company also recognizes a provision for Workers' Profit Participation and Welfare Funds @ 5% of net profit before tax in accordance with the provision of Section 234 (Kha), Chapter 15 of Bangladesh Labour Law 2006.

3.12 Income Tax Expenses

Tax expenses comprises current and deferred tax. Current tax and deferred tax are recognized in profit or loss except to the extent that it relates to items recognized directly in equity or in other comprehensive income.

3.12.01 Current Tax

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using rates enacted or substantially enacted at the reporting date and any adjustment to tax payable in respect of previous years. As the company has no taxable profit after set off losses and company has started commercial production from 16 June 2016, therefore provision has been made by applying tax rate at 0.10% on gross receipts in compliance with Finance Act 2016.

3.12.02 Deferred Tax

Deferred tax is recognized in compliance with BAS 12: Income taxes, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and amount used for taxation purposes. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, Based on the laws that have been enacted or substantively enacted at the reporting date. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the authority on the same taxable entity.

A deferred tax asset is recognized to the extent that it is probable that future taxable profits will be available against which the deductible temporary differences can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

Deferred tax on revaluation surplus of lands has not been recognized in the financial statements on the ground that income tax payable at source on capital gain during registration of sale of land are generally borne by the buyer. Hence, possibility of having any income tax implications on land is very remote.

3.13 Provisions and Contingencies

A provision is recognized in the Statement of Financial Position when the company has a legal or contractual obligation as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Contingencies arising from claims, litigations, assessments, fine, penalties etc. are recorded when it is probable that a liability has been incurred and the amount can be reasonably estimated. Contingent assets are not recognized.

3.14 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.

3.15 Other Operating Income

Other operating income includes interest income on delayed receipts from customers, gain / (loss) on sale of fixed assets and miscellaneous receipts. Other operating income is recognized as revenue income as and when realized.

3.16 Finance Income and Expenses

3.16.01 Finance Income

Interest income on Fixed Deposit Receipts (FDR) and Short Term Deposits (STD) account has been recognized on cash basis.

3.16.02 Finance Expenses

Interest expenses except expenses related to acquisition/construction of assets, incurred during the year are charged to Statement of Profit or Loss and Other Comprehensive Income on accrual basis.

Interest income/expenses on amount due to/due from inter companies has been recognized periodically.

3.17 Borrowing Costs

Interest and other costs incurred by the company in connection with the borrowing of funds are recognized as expense in the year in which they are incurred, unless such borrowing cost relates to acquisition / construction of assets in progress that are capitalized as per BAS 23 "Borrowing Costs". Borrowing cost incurred against loan for BMRE project has been capitalized under effective interest rate method.

3.18 Foreign Currency Transactions

Transactions in foreign currencies are translated to the functional currency (BDT) at exchange rates at the dates of transactions. Monetary assets and liabilities denominated in foreign currencies at reporting date are re-translated into Bangladesh Taka at the exchange rates ruling at the reporting date. Non-monetary assets and liabilities denominated in foreign currencies, stated at historical cost, are translated into Bangladesh Taka at the exchange rate ruling at the date of transaction. Foreign exchange differences arising on translation are recognized in profit or loss.

3.19 Earnings Per Share (EPS)

The company calculates its earnings per share in accordance with International Accounting Standard BAS-33 "Earnings per Share" which has been reported on the face of Statement of Profit or Loss and Other Comprehensive Income.

3.19.01 Basis of Earnings

This represents profit for the year attributable to ordinary shareholders. As there is no preference dividend, non-controlling interest or extra ordinary items, the net profit after tax for the year has been considered fully attributable to the ordinary shareholders.

3.19.02 Basic Earnings Per Share

This has been calculated by dividing the Basic earnings by the weighted average number of ordinary shares outstanding during the year.

3.20 Measurement of Fair Values

When measuring the fair value of an asset or liability, the entity uses market observable data as far as possible. Fair values are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows.

Level 1: Quoted prices (unadjusted) in active markets for identical assets and liabilities.

Level 2: Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: Inputs for the asset or liability that are not Based on observable market data.

If the inputs used to measure the fair value of an asset or liability might be categorized in different levels of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

Property, plant and equipment

The fair value of land and land development of property, plant and equipment has been determined Based on Net Realizable Value Method/ Market Value Method depending on the nature and corresponding circumstances.

3.21 Events After the Reporting Period

Events after the reporting period that provide additional information about the company's position at the date of Statement of Financial Position or those that indicate the going concern assumption is not appropriate are reflected in the Financial Statements. Events after the reporting period that are not adjusting events are disclosed in the notes when material.

HUSSAIN FARHAD & CO. CHARTERED ACCOUNTANTS

4.00 Property, plant and equipment - at revalued model

Amount in Taka

	Land and Land Development	Plant and Machineries	Motor Vehicles	Factory Building and Shed	Boundary wall, Roads and Pavements	Furniture and Fixtures	Office Equipment	Computer and IT Equipment	Total
At revalued amount									
Balance as on 01 July 2016	3,572,748,064	11,129,174,432	32,117,838	3,378,789,954	999,699,672	29,215,619	49,032,506	7,739,158	19,198,517,242
Additions during the year	48,322,871	359,765,360	-	118,914,748	57,929,945	3,212,856	8,310,331	2,857,050	599,313,161
Disposals/Adjustments during the year	-	(199,760,400)	-	-	-	-	(1,310,620)	-	(201,071,020)
Balance as at 30 June 2017	**3,621,070,935**	**11,289,179,392**	**32,117,838**	**3,497,704,702**	**1,057,629,617**	**32,428,475**	**56,032,217**	**10,596,208**	**19,596,759,383**
Balance as on 01 July 2017	3,621,070,935	11,289,179,392	32,117,838	3,497,704,702	1,057,629,617	32,428,475	56,032,217	10,596,208	19,596,759,383
Additions during the year	52,231,257	411,007,047	-	559,117,078	6,272,484	39,452,700	49,452,725	4,197,713	1,121,731,004
Disposals/Adjustments during the year	-	(2,030,000)	(4,475,000)	-	-	-	-	-	(6,505,000)
Balance as at 30 June 2018	**3,673,302,192**	**11,698,156,439**	**27,642,838**	**4,056,821,780**	**1,063,902,101**	**71,881,175**	**105,484,942**	**14,793,921**	**20,711,985,387**
Accumulated depreciation									
Balance as on 01 July 2016	-	210,981,799	14,475,685	46,071,146	27,235,555	5,849,582	11,154,459	2,322,407	318,090,633
Charged for the year	-	707,201,503	3,833,346	146,322,060	68,444,744	6,613,729	9,999,518	1,912,416	944,327,316
Adjustment for disposals during year	-	(15,234,000)	-	-	-	-	(967,348)	-	(16,201,348)
Balance as at 30 June 2017	**-**	**902,949,302**	**18,309,031**	**192,393,206**	**95,680,299**	**12,463,311**	**20,186,629**	**4,234,823**	**1,246,216,601**
Balance as on 01 July 2017	-	902,949,302	18,309,031	192,393,206	95,680,299	12,463,311	20,186,629	4,234,823	1,246,216,601
Charged for the year	-	578,206,430	2,960,816	135,125,653	35,427,119	9,018,660	14,665,949	2,595,095	777,999,722
Adjustment for disposals during year	-	(1,161,497)	(3,118,691)	-	-	-	-	-	(4,280,188)
Balance as at 30 June 2018	**-**	**1,479,994,235**	**18,151,156**	**327,518,859**	**131,107,418**	**21,481,971**	**34,852,578**	**6,829,918**	**2,019,936,135**
Carrying amount									
As at 30 June 2017	**3,621,070,935**	**10,386,230,090**	**13,808,807**	**3,305,311,496**	**961,949,318**	**19,965,164**	**35,845,588**	**6,361,385**	**18,350,542,782**
As at 30 June 2018	**3,673,302,192**	**10,218,162,204**	**9,491,682**	**3,729,302,921**	**932,794,683**	**50,399,204**	**70,632,364**	**7,964,003**	**18,692,049,252**

Depreciation allocated to:	Note	01 July 2017 to 30 June 2018 Taka	01 July 2016 to 30 June 2017 Taka
Factory overhead	27.02	774,578,675	941,836,020
Administrative costs	29.00	3,421,046	2,491,296
		777,999,721	**944,327,316**

HUSSAIN FARHAD & CO. CHARTERED ACCOUNTANTS

STOCK

4.01 Property, plant and equipment - at cost model

Amount in Taka

	Land and land Development	Plant and Machineries	Motor Vehicles	Factory Building and Shed	Boundary wall, Roads and Pavements	Furniture and Fixtures	Office Equipment	Computer & IT Equipment	Total
At cost									
Balance as on 01 July 2016	1,279,868,392	11,129,174,432	32,117,838	3,378,789,954	999,699,672	29,215,619	49,032,506	7,739,158	16,905,637,571
Additions during the year	48,322,871	359,765,360	-	118,914,748	57,929,945	3,212,856	8,310,331	2,857,050	599,313,161
Disposals/Adjustments during the year	-	(199,760,400)		-	-	-	(1,310,620)	-	(201,071,020)
Balance as at 30 June 2017	**1,328,191,263**	**11,289,179,392**	**32,117,838**	**3,497,704,702**	**1,057,629,617**	**32,428,475**	**56,032,217**	**10,596,208**	**17,303,879,712**
Balance as on 01 July 2017	1,328,191,263	11,289,179,392	32,117,838	3,497,704,702	1,057,629,617	32,428,475	56,032,217	10,596,208	17,303,879,712
Additions during the year	52,231,257	411,007,047	-	559,117,078	6,272,484	39,452,700	49,452,725	4,197,713	1,121,731,004
Disposals/Adjustments during the year	-	(2,030,000)	(4,475,000)	-	-	-	-	-	(6,505,000)
Balance as at 30 June 2018	**1,380,422,520**	**11,698,156,439**	**27,642,838**	**4,056,821,780**	**1,063,902,101**	**71,881,175**	**105,484,942**	**14,793,921**	**18,419,105,716**
Accumulated depreciation									
Balance as on 01 July 2016		210,981,799	14,475,685	46,071,146	27,235,555	5,849,582	11,154,459	2,322,407	318,090,633
Charged for the year	-	707,201,503	3,833,346	146,322,060	68,444,744	6,613,729	9,999,518	1,912,416	944,327,316
Adjustment for disposals during year		(15,234,000)					(967,348)		(16,201,348)
Balance as at 30 June 2017	-	**902,949,302**	**18,309,031**	**192,393,206**	**95,680,299**	**12,463,311**	**20,186,629**	**4,234,823**	**1,246,216,601**
Balance as on 01 July 2017		902,949,302	18,309,031	192,393,206	95,680,299	12,463,311	20,186,629	4,234,823	1,246,216,601
Charged for the year	-	578,206,430	2,960,816	135,125,653	35,427,119	9,018,660	14,665,949	2,595,095	777,999,722
Adjustment for disposals during year		(1,161,497)	(3,118,691)	-	-	-	-	-	(4,280,188)
Balance as at 30 June 2018	-	**1,479,994,235**	**18,151,156**	**327,518,859**	**131,107,418**	**21,481,971**	**34,852,578**	**6,829,918**	**2,019,936,135**
Carrying amount									
As at 30 June 2017	**1,328,191,263**	**10,386,230,090**	**13,808,807**	**3,305,311,496**	**961,949,318**	**19,965,164**	**35,845,588**	**6,361,385**	**16,057,663,111**
As at 30 June 2018	**1,380,422,520**	**10,218,162,204**	**9,491,682**	**3,729,302,921**	**932,794,683**	**50,399,204**	**70,632,364**	**7,964,003**	**16,399,169,581**

HUSSAIN FARHAD & CO CHARTERED ACCOUNTANTS

AMNIPSTOCK

		Note(s)	30 June 2018 Taka	30 June 2017 Taka
5.00	**Intangible asset**			
	Computer Software (Oracle ERP)	5.01	17,965,021	20,764,765
			17,965,021	**20,764,765**
5.01	**Intangible assets schedule**			
	Cost			
	Opening balance		26,646,812	26,646,812
	Add: Additions during the year		-	-
	Closing balance		**26,646,812**	**26,646,812**
	Accumulated amortisation			
	Opening balance		5,882,047	3,083,007
	Add: Charged during the year	29.00	2,799,744	2,799,040
	Closing balance		**8,681,791**	**5,882,047**
	Carrying amount		**17,965,021**	**20,764,765**
6.00	**Capital work-in-progress**			
	Opening balance		583,337,106	203,153,760
	Add: Additions during the year	6.01	263,652,387	383,710,489
			846,989,493	586,864,249
	Less: Capitalized during the year	6.01	(760,717,067)	(3,527,143)
			86,272,426	**583,337,106**

6.01 Details of Capital work-in -progress

Particulars	Opening Balance	Additions	Capitalized during the year	Closing Balance
Factory building and shed	466,887,604	95,013,288	504,760,780	57,140,112
Boundry wall, drainage, road	-	11,791,643	-	11,791,643
Plant and machineries	73,564,729	156,751,234	227,073,475	3,242,488
Office Equipment	7,812,384	96,222	7,859,184	49,422
Others	35,072,389	-	21,023,628	14,048,761
	583,337,106	**263,652,387**	**760,717,067**	**86,272,426**

These costs include costs incurred initially to construct property, plant and equipment (PPE). Construction costs are transferred to PPE when the construction is completed.

		Note(s)	30 June 2018 Taka	30 June 2017 Taka
7.00	**Inventories**			
	Finished goods		3,616,432,611	5,140,109,920
	Raw materials	7.01	4,540,820,761	1,760,531,571
	Stores and spares	7.02	820,824,877	325,597,532
	Consumables and others	7.03	1,006,697,255	312,163,106
	Fuel and lubricants		11,789,240	13,114,412
			9,996,564,744	**7,551,516,541**
7.01	**Raw materials**			
	M.S. scrap		4,008,778,061	1,433,087,749
	Sponge Iron		532,042,700	327,443,822
			4,540,820,761	**1,760,531,571**
7.02	**Stores and spares**			
	Mechanical stores		560,552,196	154,734,178
	Electrical stores		176,474,076	88,215,104
	Civil stores		18,615,121	14,144,495
	General stores		8,618,800	10,780,709
	Steel bars		-	434,785
	Others		56,564,684	57,288,261
			820,824,877	**325,597,532**
7.03	**Consumables and others**			
	Direct consumables		353,974,164	154,388,563
	Consumable stores (Others)		457,902,282	75,230,430
	Lining materials		194,820,809	82,544,113
			1,006,697,255	**312,163,106**

HUSSAIN FARHAD & CO. CHARTERED ACCOUNTANTS

		30 June 2018	30 June 2017
		Metric Ton	Metric Ton
7.04	**Quantitative movement of raw materials and finished goods**		
	Raw Materials		
	Opening balance	64,974.26	89,257.59
	Add: Purchased/imported during the year	1,018,100.79	633,034.00
	Available for consumption	**1,083,075.05**	**722,291.59**
	Less: Consumed during the year	(945,648.67)	(650,762.31)
	Less: Sold during the year	(13,746.38)	(6,555.02)
	Closing balance	**123,680.00**	**64,974.26**
	Finished Goods		
	Opening balance	124,678.55	33,012.78
	Add: Produced during the year	860,542.88	588,536.05
	Stock available for sale	**985,221.43**	**621,548.83**
	Less: Sold during the year	(916,337.97)	(496,870.28)
	Closing balance	**68,883.46**	**124,678.55**

		30 June 2018	30 June 2017
		Taka	Taka
8.00	**Trade receivables**		
	Bangladesh Steel Re-Rolling Mills Limited	1,139,525	326,653,971
	BSRM Steels Limited	5,657,949,387	1,779,223
	Other customers	225,630	1,412,011
		5,659,314,542	**329,845,205**
9.00	**Other receivables**		
	Interest receivable on inter company loan	161,849,936	-
	Fire insurance claim	16,719,368	150,181,663
	Miscellaneous	6,900	42,801
		178,576,204	**150,224,464**
10.00	**Due from related companies**		
	Bangladesh Steel Re-Rolling Mills Limited	-	11,714,890
	BSRM Steels Limited	1,540,077,748	-
	BSRM Wires Limited	157,784,026	115,426,926
		1,697,861,774	**127,141,816**

These represent short term loans given to these related companies as and when required to meet funding requirement. All transactions were done through banking channel and interests were charged on all related companies balances. No amount is receivable from Directors at the reporting date.

		Note(s)	30 June 2018	30 June 2017
			Taka	Taka
11.00	**Advances, deposits and prepayments**			
	Advances	11.01	2,263,887,068	1,153,021,902
	Deposits	11.02	91,860,842	95,107,458
	Prepayment	11.03	8,785,120	11,237,247
			2,364,533,030	**1,259,366,607**
11.01	**Advances**			
	Against L/C		231,267,157	38,916,631
	For capital expenditure		244,652,136	111,490,794
	For revenue expenses		55,772,275	8,224,181
	For store and spares		95,492,447	203,038,118
	Guarantee margin		1,672,772	1,672,772
	Advance income tax	11.01.01	1,530,851,802	672,597,836
	L/C margin		96,818,306	110,651,437
	Staff loan against salary		3,920,000	5,400,904
	VAT current account		3,440,173	1,029,229
			2,263,887,068	**1,153,021,902**
11.01.01	**Advance income tax**			
	Opening balance		672,597,836	123,284,994
	Add: Paid/deducted during the year		879,071,875	552,988,592
	Less: Adjusted during the year		(20,817,909)	(3,675,750)
			1,530,851,802	**672,597,836**

HUSSAIN FARHAD & CO CHARTERED ACCOUNTANTS

		30 June 2018	30 June 2017
		Taka	Taka
11.02	**Deposits**		
	Security deposits to:		
	Bangladesh Power Development Board	90,000,000	90,000,000
	Government institutes	535,842	535,842
	Guest house	638,500	623,000
	Shipping agents	686,500	3,948,616
		91,860,842	**95,107,458**

The directors consider that all the above advances and deposits are either adjustable or recoverable in cash or in kind and accordingly no provisions against them are required at this stage.

		Note(s)	30 June 2018	30 June 2017
			Taka	Taka
11.03	**Prepayment**			
	Prepaid insurance		8,785,120	11,237,247
			8,785,120	**11,237,247**
12.00	**Short term investments**			
	Investments in Fixed Deposit Receipts	12.01	1,316,920,481	365,330,075
			1,316,920,481	**365,330,075**

12.01 Investments in Fixed Deposit Receipts

Name of banks	Purpo	Tenure	Rate of interest	Taka	Taka
Al-Arafah Islami Bank Limited	L/C Margin	3 month	4.50%	45,153,000	-
AB Bank Limited	L/C Margin	3 month	6.00%	-	24,321,558
Agrani Bank Limited	L/C Margin	3 month	4.50%	117,122,112	28,350,000
Bank Asia Limited	L/C Margin	3 month	4.50% to 5.00%	29,859,440	3,134,921
Dhaka Bank Limited	L/C Margin	3 month	5.50%	172,301,560	78,316,905
Dutch Bangla Bank Limited	L/C Margin	3 month	4.50%	79,205,745	7,370,000
IFIC Bank Limited	L/C Margin	3 month	6.50%	40,413,323	51,075,606
Islami Bank Bangladesh Limited	L/C Margin	3 month	6.00%	46,399,000	-
Jamuna Bank Limited	L/C Margin	3 month	5.50%	52,978,494	5,544,403
Mercantile Bank Limited	L/C Margin	3 month	4.50% to 5.25%	76,517,158	8,709,307
Mutual trust Bank Limited	L/C Margin	3 month	5.00%	26,697,546	10,593,129
NCC Bank Limited	L/C Margin	3 month	5.00%	25,520,956	4,974,932
National Bank Limited	L/C Margin	3 month	6.75%	238,066	-
One Bank Limited	L/C Margin	6 Months	5.50%	11,369,507	10,759,875
Pubali Bank Limited	L/C Margin	3 month	5.00%	18,942,505	-
Shahjalal Islami Bank Limited	L/C Margin	3 month	5.75%	6,526,819	16,759,131
State Bank of India	L/C Margin	12 Months	4.75%	21,424,229	14,068,668
South East Bank Limited	L/C Margin	3 month	7.00%	13,622,905	-
The City Bank Limited	L/C Margin	3 month	4.50%	211,642,297	51,492,083
Trust Bank Limited	L/C Margin	3 month	4.50% to 5.50%	33,849,190	34,760,372
United Commercial Bank Limited	L/C Margin	3 month	4.00%	204,143,575	1,009,185
Uttara Bank Limited	L/C Margin	3 month	5.00%	82,993,054	14,090,000
				1,316,920,481	**365,330,075**

		Note(s)	30 June 2018	30 June 2017
			Taka	Taka
13.00	**Cash and cash equivalents**			
	Cash in hand	13.01	505,229	921,072
	Cash at banks	13.02	73,944,137	11,125,095
			74,449,366	**12,046,167**
13.01	**Cash in hand**			
	Head office		122,259	199,390
	Factory office		382,970	721,682
			505,229	**921,072**

HUSSAIN FARHAD & CO. CHARTERED ACCOUNTANTS

13.02 Cash at banks

Name of the Banks	Branches	Account Type	30 June 2018 Taka	30 June 2017 Taka
AB Bank Limited	Agrabad	Current	1,983	119,511
Agrani Bank Limited	Laldighi East	Current	254,296	158,283
Al Arafah Islami Bank Limited	Agrabad	Current	14,245	5,285
Bank Al Falah Limited	Agrabad	Current	764,266	159,101
Bank Asia Limited	Agrabad	Current	29,006	28,242
Commercial Bank of Ceylon	Agrabad	Current	133,920	2,700
Dhaka Bank Limited	Jubilee Road	Current	1,490,150	435,348
Dutch Bangla Bank Limited	Jubilee Road	Current	148,201	53,017
Eastern Bank Limited	Agrabad	Current	1,056,597	510,585
Habib Bank Limited	Agrabad	Current	5,178,629	381,860
IFIC Bank Limited	Agrabad	Current	34,653	84,439
Islami Bank Bangladesh Limited	Jubilee Road	Current	267,504	33,184
Islami Bank Bangladesh Limited	Barayerhat	Current	569,997	205,319
Islami Bank Bangladesh Limited	Head Office	Current	11,140	25,583
Jamuna Bank Limited	Khatunjonj	Current	12,715	205,534
Meghna Bank Limited	Principal	Current	53,350	57,200
Mercantile Bank Limited	Jubilee Road	Current	1,102	128,038
Mutual Trust Bank Limited	Dhanmondi	Current	21,116	22,266
Mutual Trust Bank Limited	CDA Avenue	Current	58,679	22,595
National Bank Limited	Jubilee Road	Current	98,351	45,244
National Credit & Commerce Bank Limited	Agrabad	Current	61,831,784	1,510,137
One Bank Limited	Agrabad	Current	126,783	31,647
Premier Bank Limited	Agrabad	Current	151,925	3,225
Prime Bank Limited	Agrabad	Current	119,923	34,053
Prime Bank Limited	CDA Avenue	Current	53,117	1,314,085
Pubali Bank Limited	Agrabad	Current	-	2,231
Pubali Bank Limited	Dhaka	Current	131,912	162,732
Shahjalal Islami Bank Limited	Jubilee Road	Current	47,806	318,962
Social Islami Bank Limited	Jubilee Road	Current	224,230	6,725
Sonali Bank Limited	Kalibari	Current	2,003	20,859
Sonali Bank Limited	Mirasarai	Current	43,966	47,616
South East Bank Limited	Pahartali	Current	2,372	124,835
Standard Chartered Bank	Agrabad	Current	-	1,517,029
State Bank of India	Agrabad	Current	47,274	38,837
Standard Bank Limited	Sadarghat	Current	9,022	-
South East Bank Limited	Pahartali	Overdraft	158,926	-
The City Bank Limited	Agrabad	Current	427,882	2,994,706
The City Bank Limited	Gulshan	Current	86,816	87,506
The City Bank Limited	Gulshan	BDT	24,655	-
The City Bank Limited	Gulshan	USD	171,197	160,507
The City Bank Limited	Gulshan	USD	41,997	40,318
Trust Bank Limited	CDA Avenue	Current	6,420	1,529
United Commercial Bank Limited	Jubilee Road	Current	32,389	363
Uttara Bank Limited	Agrabad	Current	1,838	23,859
			73,944,137	**11,125,095**

All bank balances are reconciled with bank statements.

		30 June 2018 Taka	30 June 2017 Taka
14.00	**Share capital**		
	Authorised capital:		
	600,000,000 Ordinary Shares of Tk. 10 each	6,000,000,000	6,000,000,000
		6,000,000,000	6,000,000,000
	Issued, Subscribed and Paid-up capital:		
	394,435,400 Ordinary Shares of Tk.10 each fully paid-up	3,944,354,000	3,944,354,000
		3,944,354,000	**3,944,354,000**

HUSSAIN FARHAD & CO. CHARTERED ACCOUNTANTS

14.01 Shareholding position

Name of shareholders	30 June 2018 Percentage of holding	30 June 2018 Number of shares	30 June 2017 Percentage of holding	30 June 2017 Number of shares
Mr. Alihussain Akberali	0.64%	2,541,675	0.64%	2,541,675
Mr. Aameir Alihussain	2.37%	9,339,400	2.37%	9,339,400
Mr. Zohair Taherali	1.78%	7,032,097	1.78%	7,032,097
Mrs. Tehseen Zohair Taherali	0.37%	1,477,300	0.37%	1,477,300
Mrs. Bilkis Alihussain	2.70%	10,645,728	2.70%	10,645,728
Mrs. Sabeen Aameir	0.04%	176,660	0.04%	176,660
H. Akberali & Co. Limited	11.22%	44,264,600	11.22%	44,264,600
Mr. Abdul Qudir Zohair	0.01%	33,340	0.01%	33,340
Mr. Ali Asghar Badruddin	0.80%	3,160,000	0.80%	3,160,000
Mr. Abbas Jumani	0.03%	100,000	0.03%	100,000
Mr. Saifuddin Abbas Unwala	4.59%	18,100,000	4.59%	18,100,000
Mr. Iqbal Hussain	5.10%	20,100,000	5.10%	20,100,000
BSRM Steels Limited	25.35%	100,000,000	25.35%	100,000,000
Bangladesh Steel Re-Rolling Mills Limited	44.97%	177,364,600	44.97%	177,364,600
BSRM Foundation	0.03%	100,000	0.03%	100,000
	100%	394,435,400	100%	394,435,400

		Note(s)	30 June 2018 Taka	30 June 2017 Taka
15.00	**Long term borrowings -(Syndicate term loan)**			
	Local (BDT)	15.02	3,041,767,480	4,147,563,036
	Foreign (USD)	15.03	1,536,363,638	2,070,727,274
			4,578,131,118	**6,218,290,310**
15.01	**Long term borrowings -Maturity analysis**			
	Due within one year			
	Syndicated term loan-(BDT)	15.02	1,105,945,557	1,105,945,557
	Syndicated term loan-(USD)	15.03	609,090,909	591,636,364
			1,715,036,466	**1,697,581,921**
	Due after one year			
	Syndicated term loan-(BDT)	15.02	1,935,821,923	3,041,617,479
	Syndicated term loan-(USD)	15.03	927,272,729	1,479,090,910
			2,863,094,652	**4,520,708,389**
15.02	**Long Term borrowings -Local**			
	AB Bank Limited		30,498,697	41,589,132
	Agrani Bank Limited		151,540,000	206,605,909
	Bangladesh Commerce Bank Limited		45,550,000	62,070,455
	Bangladesh Development Bank Limited		45,500,847	62,046,302
	Bank Al Falah		45,500,000	62,045,455
	Brac Bank Limited		60,499,131	82,498,815
	Dhaka Bank Limited		30,500,000	41,590,909
	IDLC Finance Limited		151,500,000	206,590,909
	IPDC Bangladesh Limited		45,515,000	62,060,455
	Islami Bank Bangladesh Limited		637,446,030	869,205,040
	Jamuna Bank Limited		151,525,000	206,590,909

HUSSAIN FARHAD & CO. CHARTERED ACCOUNTANTS

	30 June 2018	30 June 2017
	Taka	Taka
Lanka Bangla Finance Limited	151,550,000	206,615,909
Meghna Bank Limited	76,025,000	103,661,364
Mercantile Bank Limited	91,012,536	124,068,457
Mutual Trust Bank Limited	151,496,596	206,586,268
One Bank Limited	91,000,000	124,090,909
Premier Bank Limited	151,584,400	206,675,309
Prime Bank Limited	91,000,000	124,090,909
Pubali Bank Limited	242,515,000	330,696,818
SABINCO	69,500,000	94,772,727
South East Bank Limited	151,510,873	206,601,682
The City Bank Limited	227,499,971	310,225,124
Trust Bank Limited	151,498,399	206,583,270
	3,041,767,480	**4,147,563,036**

15.03 Long Term borrowings -Foreign

Export Import Bank of India, India	768,181,819	1,035,363,637
Standard Chartered Bank, London	768,181,819	1,035,363,637
	1,536,363,638	**2,070,727,274**

15.04 Terms of Syndicate term borrowings

Lenders:

The company entered into a syndicated loan agreement to set up a 862,000 tons per annum (TPA) steel melting & billet casting plant at Sonapahar, Mirsarai, Chittagong and managed its finance through a syndicate debt facility with The City Bank Limited, IDLC Finance Limited and Standard Chartered Bank as "joint mandated lead arranger" and 22 (Twenty Two) other local and foreign Banks and Financial Institutions.

Total loan facilities:

The syndication financing comprises BDT. 5,908 million and USD facility of 40 million only for implementation of the steel melting plant.

Interest rate:

BDT	30 June 2018	30 June 2017
Banking Institutions (A Term lenders)	11.50%	9.00%
Non Banking Institutions (B Term lenders)	12.00%	9.50%
Islami Bank Bangladesh Limited (HPSM lenders)	12.00%	9.00%

USD	
Export Import Bank of India, India	Margin 4.25% + 6 months LIBOR
Standard Chartered Bank, London	Margin 4.25% + 3 months LIBOR

Interest payable:

Interest is payable quarterly (31st March, 30th June, 30th September and 31st December) from the date of 1st drawndown.

Disbursement:

First Disbursment of BDT made on 18 March 2014 and USD on 23 March 2014.

Repayments

Principal amount under the BDT and USD term loan facility shall be repaid in 22 (twenty two) equal quarterly installments. For BDT facility, repayment from the end of 21st month of the date of 1st drawndown and for USD facility, from the end of 21st month of the date of signing the facilities agreement and both will end on the 84th month and the balance amount, if any shall be paid in last installment.

Securities:

Registered Mortgage on 55.0565 acres land of BSRM Steel Mills Limited and 3.8785 acres land of Chittagong Power Company Limited (sister company) along with building and structures constructed or to be constructed thereon on first ranking pari passu basis and hypothecation of machineries, furniture & fixtures and Equipment.

Purpose:

To procure plant, machinery, equipment and prefabricated building and steel structures relating to the project and to meet civil construction and other expenses required for implementation of steel melting plant.

15.05 Interest rate swap for hedging

The Company adopts a policy of ensuring interest rate risk exposure at fixed rate by entering into interest rate swap for hedging with Standard Chartered Bank, Bangladesh.

	Standard Chartered Bank of London	Exim Bank of India
Effective Date:	31 March 2016	31 March 2016
Termination Date:	31 December 2020	31 December 2020
Fixed Rate:	1.200% per annum	1.400% per annum
Floating Rate Option:	USD-LIBOR-BBA	USD-LIBOR-BBA

HUSSAIN FARHAD & CO. CHARTERED ACCOUNTANTS

	Note(s)	30 June 2018 Taka	30 June 2017 Taka
16.00 Defined benefit obligations - Gratuity			
Opening balance		19,116,898	10,640,166
Add: Provision made during the year	27.02 & 29	11,700,414	8,476,732
Less: Payments made during the year		(600,914)	-
Closing balance		**30,216,398**	**19,116,898**

17.00 Deferred tax liabilities

Deferred tax liability has been calculated below at the applicable tax rate on the difference between the carrying value of property, plant and equipment as per financial statements and tax written down value and financial position liability method for gratuity obligation.

Opening balance	850,845,328	135,603,814
Add/(Less): Provision / adjustment made during the year	790,967,572	715,241,514
Closing balance	**1,641,812,900**	**850,845,328**

17.01 Reconciliation of deferred tax liabilities/ (assets)

	Carrying amount	Tax base	Tax rate	Taxable/ (Deductible) temporary difference	Deferred tax liabilities/ (assets)
	Taka	Taka	Percentage	Taka	Taka
Property, plant and equipment (except land)	15,018,747,061	10,297,885,531	35%	4,720,861,530	1,652,301,536
Intangible assets	17,965,021	17,716,154	35%	248,867	87,103
Provision for gratuity	30,216,398	-	35%	(30,216,398)	(10,575,739)
Total deferred tax liabilities					**1,641,812,900**

	Note(s)	30 June 2018 Taka	30 June 2017 Taka
18.00 Trade payables			
For purchase of inventories		69,049,055	272,400,350
For purchase of goods and Services		-	2,452,992
For purchase of non-current assets		162,280	499,780
For contractors		2,817,039	5,313,746
Other payables		29,385,217	5,894,115
		101,413,591	**286,560,983**
19.00 Short term borrowings			
Loan against Trust Receipts (LATR)	19.01	1,043,740,739	475,091,680
Demand loans	19.02	9,100,063,993	6,707,777,400
Liability for Accepted Bills for Payment (ABP)	19.03	13,427,258,315	6,111,330,357
CC Pledge; hypo and overdraft	19.04	2,555,886,475	980,326,036
		26,126,949,522	**14,274,525,473**
19.01 Loan against Trust Receipts (LATR)			
IFIC Bank Limited		58,283,095	-
Bank Asia Limited		696,296	-
HSBC		399,269,353	34,742,147
Prime Bank Limited		295,674,381	440,349,533
Pubali Bank Limited		289,817,614	-
		1,043,740,739	**475,091,680**
19.02 Demand loans			
Agrani Bank Limited		811,622,284	-
Bank Alfalah Limited		40,728,072	-
Bank Asia Limited		357,801,585	-
BRAC Bank Limited		490,000,000	-
Dhaka Bank Limited		505,111,111	953,890,397
Eastern Bank Limited		1,242,200,000	848,713,333

AMARSTOCK

	30 June 2018 Taka	30 June 2017 Taka
HSBC	1,135,700,576	764,996,700
IFIC Bank Limited	-	67,387,168
Islami Bank Bangladesh Limited	162,888,512	41,470,856
Jamuna Bank Limited	32,066,846	-
Lanka Bangla Finance Limited	-	51,637,500
One Bank Limited	-	66,467,542
Prime Bank Limited	315,783,118	307,570,324
Southeast Bank Limited	306,622,778	129,948,365
Standard Chartered Bank	600,663,011	-
The City Bank Limited	1,382,933,271	1,473,620,278
United Commercial Bank Limited	1,715,942,829	2,002,074,937
	9,100,063,993	**6,707,777,400**

19.03 Liability for accepted bills for payment (ABP)

AB Bank Limited	7,417,933	219,745,805
Agrani Bank Limited	469,290,568	-
Al-Arafah Bank Limited	364,371,206	15,230,269
Bank Al-Falah Limited	86,300,664	5,240,730
Bank Asia Limited	393,996,440	123,870,147
Brac Bank Limited	15,828,540	350,149,680
Commercial Bank of Ceylon	291,944,566	-
Dhaka Bank Limited	1,715,981,234	291,166,088
Dutch Bangla Bank Limited	1,152,437,964	-
Eastern Bank Limited	77,756,923	207,655,231
HSBC	955,524,212	-
IFIC Bank Limited	244,385,811	420,472,973
Islami Bank Bangladesh Limited	339,534,435	131,586,598
Jamuna Bank Limited	371,603,848	-
Mercantile Bank Limited	1,066,110,390	132,067,056
Mutual Trust Bank Limited	367,984,685	199,213,486
National Bank Limited	4,701,823	-
NCC Bank Limited	203,072,210	67,740,182
One Bank Limited	71,814,307	191,019,079
Prime Bank Limited	654,896,536	1,155,057,041
Pubali Bank Limited	135,812,866	505,993,273
Shahjalal Bank Limited	11,676,310	236,606,000
Southeast Bank Limited	198,872,156	-
Standard Chartered Bank	491,771,712	88,656,817
State Bank of India	167,516,992	158,373,288
The City Bank Limited	812,140,397	505,687,255
Trust Bank Limited	201,749,923	412,162,855
UCBL Bank Limited	1,821,855,726	674,026,476
Uttara Bank Limited	730,907,938	19,610,028
	13,427,258,315	**6,111,330,357**

19.04 Borrowings against CC Pledge, Hypo and Overdraft

Name of the Banks	Branch	Types		
Agrani Bank Limited	Laldighi East	CC (HYPO)	421,786,459	-
Brac Bank Limited	Agrabad	CC (HYPO)	33,022,385	389,819
Dhaka Bank Limited	Jubilee Road	Over Draft	331,712,251	46,639,619
HSBC	Agrabad	Current	34,340,787	28,229,209
IFIC Bank Limited	Agrabad	Over Draft	108,846,675	105,470,299
Mercantile Bank Limited	Jubilee Road	CC (HYPO)	236,924,678	424,445,483
Pubali Bank Limited	Agrabad	Over Draft	902,001,283	-
Southeast Bank Limited	Pahartali	Over Draft	-	4,381,396
State Bank of India	Jubilee Road	CC (HYPO)	25,917,162	39,813,747
The City Bank Limited	Laldighi East	Over Draft	31,201,382	37,100,622
United Commercial Bank Limited	Jubilee Road	Over Draft	272,787,505	243,276,373
Uttara Bank Limited	Agrabad	Over Draft	157,345,908	50,579,469
			2,555,886,475	**980,326,036**

HUSSAIN FARHAD & CO. CHARTERED ACCOUNTANTS

19.05 Terms and conditions of other term borrowings

Type of facilities: Short term loan

Interest rate:

Interest rate is 8.5% to 12.50% per annum calculated on quarterly basis and variable depending on the situation of money

Securities:

1) A first priority floating charge over all floating assets including stocks, book debts, accounts, insurance policy of the company along with power to sell on the occurrence of default.
   a) Letter of hypothecation.
   b) Irrecoverable general power of attorney
2) Assignment of benefits in favour of the working capital Financiers under all insurance policies over the assets of the
3) Usual Charge Documents etc.
   a) An on demand promissory note in favour of the working capital financiers and a Letter of continuation in support of the said promissory note.
4) Corporate guarantee from H. Akberali and Co. Limited.
5) Personal guarantee from the Directors noted below:
   a) Mr. Alihussain Akberali
   b) Mr. Aameir Alihussain
   c) Mr. Zohair Taherali
   d) Mrs. Tehseen Zohair Taherali

	30 June 2018 Taka	30 June 2017 Taka
20.00 Due to related companies		
Bangladesh Steel Re-Rolling Mills Limited	659,306,643	-
BSRM Steels Limited	-	1,098,797,898
BSRM Iron & Steel Co. Limited	-	26,213,611
BSRM Logistics Limited	-	10,060,896
H Akberali & Co.	-	5,380,000
	659,306,643	**1,140,452,405**

These balances represent short term financial arrangement availed from related companies as and when required to meet working capital and interest were charged on outstanding balances. All transactions were made through banking channel.

21.00 Advance against sales	**29,248,317**	**6,634,455**

These represent advances received from different parties against sales. Goods have not been delivered to them within the reporting year.

22.00 Liabilities for expenses		
Audit Fees	270,000	287,500
Accrued liabilities	5,198,881	33,225,384
Contractors	19,125,462	1,069,384
Clearing and Forwarding bill	4,137,487	303,134
Guest house expenses	247,752	133,929
Insurance premium	-	29,277
Electricity expense	406,496,400	308,512,565
Printing and Stationeries	3,920,400	-
Professional expenses	80,171	50,000
Salary and Allowances	37,058	769,583
Travelling and Conveyance	12,800	17,158
Interest payable to sister concern	41,828,271	46,359,626
Others	67,593,224	43,664,033
	548,947,906	**434,421,573**

HUSSAIN FARHAD & CO. CHARTERED ACCOUNTANTS

AMAR STOCK

		30 June 2018	30 June 2017
		Taka	Taka
23.00	**Provision for income tax**		
	Opening balance	20,817,909	3,675,749
	Add: Provided during the year	46,263,336	20,817,909
		67,081,245	**24,493,658**
	Less: Adjusted with advance income tax paid at source	(20,817,909)	(3,675,749)
	Closing balance	**46,263,336**	**20,817,909**

As the company has no taxable profit after set off losses except income from house property (which cannot be set off against business loss), provision for minimum tax has been made higher of tax deducted at source under section 82C (2) and tax on gross receipts under section 82C (4a) of Income Tax Ordinance, 1984. The company has started commercial production from 16 June 2016. Hence, applicable tax rate is 0.10% on gross receipts in compliance with Finance Act 2016.

24.00	**Other liabilities**		
	Other finance	17,680,000	22,880,000
	Retention money	46,332,012	248,376,264
	Income Tax Deducted at Source	30,000	29,867
	VAT Deducted at Source	45,000	-
	Provident fund loan	-	751,202
		64,087,012	**272,037,333**

Income Tax and VAT deducted at source have subsequently been deposited to the Government Exchequer.

25.00	**Provision for WPPF & Welfare Fund**	**93,447,407**	**-**

The company recognizes a provision for Workers' Profit Participation and Welfare Funds @ 5% of net profit before tax.

		Note(s)	01 July 2017 to 30 June 2018	01 July 2016 to 30 June 2017
			Taka	Taka
26.00	**Revenue**			
	MS Billet		45,264,321,297	20,553,108,446
	Sale of scrap, by-products and others		623,940,819	227,713,431
			45,888,262,116	**20,780,821,877**
27.00	**Cost of sales**			
	Cost of sale - billet	27.01	42,111,682,189	19,160,476,221
	Cost of sale - scrap and others		457,743,296	160,748,805
			42,569,425,485	**19,321,225,026**
27.01	**Cost of sales-own production**			
	Opening stock of raw materials-scrap		1,760,531,571	1,728,641,353
	Add: Purchase during the year		33,543,686,016	16,223,221,229
	Less: Sale of raw materials		(452,406,857)	(160,748,805)
	Less: Closing stock of raw materials-scrap		(4,540,820,761)	(1,760,531,571)
	Raw materials consumed-Scrap		**30,310,989,969**	**16,030,582,206**
	Add: Cost of direct consumable stock consumed		1,944,354,966	1,068,892,044
	Add: Factory overhead	27.02	8,332,659,945	6,051,256,292
	Cost of Billet Manufactured		**40,588,004,880**	**23,150,730,542**
	Add: Opening stock of finished goods - billet		5,140,109,920	1,149,855,599
	Stock of billet available		**45,728,114,800**	**24,300,586,141**
	Less: Closing stock of finished goods - billet		(3,616,432,611)	(5,140,109,920)
	Cost of sales - billet		**42,111,682,189**	**19,160,476,221**

HUSSAIN FARHAD & CO. CHARTERED ACCOUNTANTS

AMARSTOCK

		Note(s)	01 July 2017 to 30 June 2018 Taka	01 July 2016 to 30 June 2017 Taka
27.02	**Factory overhead**			
	Salaries and allowances		288,408,714	272,457,113
	Bonus		10,509,156	10,304,368
	Carrying charges		2,529,294	4,598,372
	Casual wages		156,159,199	85,998,026
	Computer expenses		1,300,718	4,308,758
	Consumption of electrical store		86,868,310	52,310,562
	Consumption of fuel and lubricant		292,995,286	137,349,204
	Consumption of general store		6,825,460	7,906,931
	Consumption of mechanical store		570,208,526	255,791,215
	Conveyence		14,502,545	11,215,038
	Consultancy Fee		598,389	-
	Depreciation	4.00	774,578,675	941,836,020
	Entertainment		2,836,228	2,365,005
	Fees and renewal		186,335	194,368
	Generator Rent		234,500	328,595
	Gratuity Expenses		10,790,522	8,263,076
	Guest house expenses		2,531,352	2,264,726
	Insurance expneses		17,824,664	14,602,627
	Land tax and revenue		-	42,120
	Legal expenses		-	8,500
	Material handling charges		300,040,516	252,857,217
	Medical Expenses		2,015,040	1,784,806
	Motor car expneses		10,292,285	10,793,602
	Office expenses		101,000	1,561,387
	Other consumables		918,536,342	578,328,706
	Overtime		8,207,827	9,769,884
	Postage and telegram		11,909	7,633
	Power		4,752,119,541	3,313,069,590
	Printing and stationary		10,416,754	7,055,656
	Production Incentives		17,230,306	-
	Rent		5,588,950	5,688,860
	Repair and maintenance		57,645,009	54,001,237
	Slag processing expenses		5,879,334	-
	Telephone expenses		-	51,333
	Testing charges		939,970	28,200
	Travelling		3,747,289	4,113,557
			8,332,659,945	**6,051,256,292**
28.00	**Selling and distribution costs**			
	Office expenses		-	107,200
	Carriage on sales		2,100,036	2,308,199
	Export charges		1,899,960	21,700
	Printing and stationeries expenses		-	81,467
			3,999,996	**2,518,566**
29.00	**Administrative costs**			
	Salaries and allowances		19,988,976	8,683,658
	Advertisement Expenses		55,723	316,168
	Audit fees		356,500	287,500
	Carrying charges		-	382,090
	Conveyance expenses		489,681	4,716,660
	Director Remuneration		48,000,000	-
	Donation and subscriptions		1,750,180	135,000
	Depreciation	4.00	3,421,046	2,491,296
	Amortization of intangible asset	5.01	2,799,744	2,799,040
	Entertainment		2,807,629	2,267,907
	Electricity Expenses		761,040	-
	Fees and renewals		531,464	1,177,458

HUSSAIN FARHAD & CO. CHARTERED ACCOUNTANTS

AMAR STOCK

		Note(s)	01 July 2017 to 30 June 2018 Taka	01 July 2016 to 30 June 2017 Taka
	Guest house expenses		163,173	589,777
	Gratuity expenses		909,892	213,656
	Insurance expense		25,351	161,827
	Land revenue, Municipal tax		690,119	592,995
	Medical expenses		184,830	56,765
	Motor vehicle expenses		1,894,801	1,759,248
	Office expenses		259,844	1,158,735
	Postage expenses		6,567	107,702
	Printing expenses		9,950	4,550
	Professional expenses		471,515	7,359,384
	Rental Expenses		3,607,720	3,093,034
	Repair and maintenance		1,856,311	8,126,088
	Telephone and internet expenses		1,573,144	1,145,763
	Training expenses		42,184	571,652
	Travelling expenses		2,399,381	3,151,050
			95,056,765	**51,349,003**
30.00	**Other Income**			
	Machinery rent		7,550,015	-
	Loss on sale of non-current assets		(6,309)	-
	Loss on fire - non-current assets		-	(34,344,736)
			7,543,706	**(34,344,736)**
31.00	**Finance costs**			
	Interest on LATR		62,385,516	24,991,612
	Interest on demand loan		815,805,442	469,075,641
	Interest on CC Pledge, hypo and overdraft		155,952,956	35,001,999
	Interest on syndicate term loan		467,797,608	588,282,427
	Agency fee		5,358,770	5,269,300
	Bank charges		8,926,340	4,236,551
	Bank guarantee commission		55,278	42,418
	Interest on balance due to inter companies		106,878,819	279,792,901
	Foreign currency exchange (gain)/loss	32.00	102,738,911	156,649,198
			1,725,899,640	**1,563,342,047**
32.00	**Foreign currency exchange gain/(loss)**			
	Realized foreign currency transaction gain/ (loss)		(61,144,121)	(76,221,759)
	Unrealized foreign currency translation gain/ (loss)		(41,594,790)	(80,427,439)
			(102,738,911)	**(156,649,198)**

32.01 Foreign currency transaction gain/ loss

This represents net gain/(loss) on transaction in foreign currency during the year.

32.02 Foreign currency translation gain/loss

This represents net gain/(loss) on translation of foreign currencies into Bangladeshi Taka at the rate prevailing on reporting date.

33.00	**Finance income**			
	Interest on balance from inter companies		302,956,784	15,888,919
	Interest income from FDR		40,786,714	9,696,662
			343,743,498	**25,585,581**
34.00	**Non-operating income**			
	Rental income		23,780,710	11,502,000
			23,780,710	**11,502,000**

HUSSAIN FARHAD & CO CHARTERED ACCOUNTANTS

		Note(s)	01 July 2017 to 30 June 2018 Taka	01 July 2016 to 30 June 2017 Taka
35.00	**Earnings per share**			
35.01	**Basic earnings per share (EPS)**			
	Profit attributable to the ordinary shareholders		938,269,829	(890,929,343)
	Weighted Average number of shares outstanding during the year		394,435,400	394,435,400
	Basic earnings per share (EPS)		2.38	(2.26)

35.02 Diluted earnings per share (DEPS)

No diluted EPS was required to be calculated for the period since there was no scope for dilution of share during the period under review.

		30 June 2018 Taka	30 June 2017 Taka
36.00	**Net asset value per share (NAV)**		
	Total Assets	40,084,506,840	28,750,115,528
	Less: Liabilities	(33,919,824,150)	(23,523,702,667)
	Net Asset Value (NAV)	6,164,682,690	5,226,412,861
	Number of ordinary shares outstanding during the period	394,435,400	394,435,400
	Net Assets Value (NAV) per share	**15.63**	**13.25**

		01 July 2017 to 30 June 2018 Taka	01 July 2016 to 30 June 2017 Taka
37.00	**Net operating cash flow per share**		
	Net operating cash flows (from statement of cash flows)	(4,627,709,851)	(2,627,469,078)
	Number of ordinary shares outstanding during the period	394,435,400	394,435,400
	Net operating cash flow per share	**(11.73)**	**(6.66)**

Net operating cash flows of comparative period has been increased by Tk. 5,959 due to presenting effect of foreign exchange rate changes on cash and cash equivalents as separate line item as per para 28 of BAS 7.

HUSSAIN FARHAD & CO. CHARTERED ACCOUNTANTS

AMARSTOCK

38.00 Related party transactions

During the year 30 June 2018, the company carried out a number of transactions with related parties in the normal course of business and on arms length basis. The name of these related parties, nature of transactions, their total value and balances on reporting date have been set in accordance with the provisions of BAS 24.

Related parties comprise of companies under common ownership and common management control.

Name of parties	Relationship	Nature of Transactions	Outstanding as on 30 June 2018		Mode of Transaction
Bangladesh Steel Re-Rolling Mills Limited	Investee	Short term loan	(659,306,643)	Cr.	Market price/Negotiated price
BSRM Wires Limited	Sister Company	Short term loan	157,784,026	Dr.	
BSRM Steels Limited	Investee	Short term loan	1,540,077,748	Dr.	
BSRM Logistics Ltd	Sister Company	Purchase	(10,732,785)	Cr.	
BSRM Steels Limited	Investee	Sales	5,657,949,387	Dr.	
Bangladesh Steel Re-Rolling Mills Limited	Investee	Sales	1,139,525	Dr.	

38.01 Details of transactions

Name of inter companies	Opening balances		Transaction during the year (Net)	Closing balances	
BSRM Steels Limited	(1,098,797,898)	Cr.	2,638,875,646	1,540,077,748	Dr.
Bangladesh Steel Re-Rolling Mills Limited	11,714,890	Dr.	(671,021,533)	(659,306,643)	Cr.
BSRM Wires Limited	115,426,926	Dr.	42,357,100	157,784,026	Dr.
BSRM Logistics Limited	(10,060,896)	Cr.	10,060,896	-	-
BSRM Iron and Steel Co. Limited	(26,213,611)	Cr.	26,213,611	-	-
H. Akberali & Co. Limited	(5,380,000)	Cr.	5,380,000	-	-
Bangladesh Steel Re-Rolling Mills Limited	(1,984,677)	Cr.	1,984,677	-	-
BSRM Steels Limited	(468,315)	Cr.	468,315	-	-
BSRM Logistics Ltd	(621,087)	Cr.	(10,111,698)	(10,732,785)	Cr.
BSRM Steels Limited	1,779,223	Dr.	5,656,170,164	5,657,949,387	Dr.
Bangladesh Steel Re-Rolling Mills Limited	326,653,971	Dr.	(325,514,446)	1,139,525	Dr.

	30 June 2018 Taka	30 June 2017 Taka
39.00 Contingent liabilities		
39.01 Bank guarantees		
Mercantile Bank Limited	3,820,500	3,820,500
	3,820,500	**3,820,500**

The above guarantees have been issued against 100% cash margin.

HUSSAIN FARHAD & CO. CHARTERED ACCOUNTANTS

40.00 Financial Instruments- Accounting classifications and fair values

The following table shows the carrying amounts of financial assets and financial liabilities. It does not include fair value information for financial assets and financial liabilities not measured at fair value as the carrying amount is a reasonable approximation of fair value.

		Carrying amount					
	Note ref.	Fair value through profit or loss	Held to maturity	Loans and receivables	Available for sale	Other financial liabilities	Total
30 June 2018		Taka	Taka	Taka	Taka	Taka	Taka
Financial Assets not measured at fair value							
Trade and other receivables	8 & 9	-	-	5,837,890,746	-	-	5,837,890,746
Deposits	11.02	-	-	91,860,842	-	-	91,860,842
Due from related companies	10	-	-	1,697,861,774	-	-	1,697,861,774
Investments in FDR	12	-	-	-	1,316,920,481	-	1,316,920,481
Cash at banks	13.02	-	-	73,944,137	-	-	73,944,137
		-	**-**	**7,701,557,499**	**1,316,920,481**	**-**	**9,018,477,980**
Financial Liabilities not measured at fair value							
Trade payables and other liabilites	18 & 22	-	-	-	-	(650,361,497)	(650,361,497)
Due to related companies	20	-	-	-	-	(659,306,643)	(659,306,643)
Short term borrowings	19	-	-	-	-	(26,126,949,522)	(26,126,949,522)
Long term borrowings	15	-	-	-	-	(4,578,131,118)	(4,578,131,118)
Other liabilities	24	-	-	-	-	(64,087,012)	(64,087,012)
		-	**-**	**-**	**-**	**(32,078,835,792)**	**(32,078,835,792)**
30 June 2017							
Financial Assets not measured at fair value							
Trade and other receivables	8 & 9	-	-	480,069,669	-	-	480,069,669
Deposits	11.02	-	-	95,107,458	-	-	95,107,458
Due from related companies	10	-	-	127,141,816	-	-	127,141,816
Investments in FDR	12	-	-	-	365,330,075	-	365,330,075
Cash at banks	13.02	-	-	11,125,095	-	-	11,125,095
		-	**-**	**713,444,038**	**365,330,075**	**-**	**1,078,774,113**
Financial Liabilities not measured at fair value							
Trade payables and other liabilites	18 & 22	-	-	-	-	(720,982,556)	(720,982,556)
Due to related companies	20	-	-	-	-	(1,140,452,405)	(1,140,452,405)
Short term borrowings	19	-	-	-	-	(14,274,525,473)	(14,274,525,473)
Long term borrowings	15	-	-	-	-	(6,218,290,310)	(6,218,290,310)
Other liabilities	24	-	-	-	-	(272,037,333)	(272,037,333)
		-	**-**	**-**	**-**	**(22,626,288,077)**	**(22,626,288,077)**

AMARSTOCK

41.00 Financial instruments- Financial risk management

International Financial Reporting Standard BFRS 7 - Financial Instruments: Disclosures - requires disclosure of information relating to both recognized and unrecognized financial instruments, their significance and performance, accounting policies, terms and conditions, net fair values and risk information- the company's policies for controlling risks and exposures.

The management has overall responsibility for the establishment and oversight of the company's risk management framework. The company's risk management policies are established to identify and analyze the risks faced by the company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies, procedures and systems are reviewed regularly to reflect changes in market conditions and the company's activities. This note presents information about the company's exposure to each of the following risks, the company's objectives, policies and processes for measuring and managing risk, and the company's management of capital. The company has exposure to the following risks from its use of financial instruments.

a) Credit risk
b) Liquidity risk
c) Market risk

41.01 Credit risk

Credit risk is the risk of financial loss to the company if a customer or counterparty to a financial instrument fails to meet its contractual obligations which arises principally from the Company's receivables and investments.

41.01.01 Exposure to credit risk

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was as follows:

	Note(s)	30 June 2018 Taka	30 June 2017 Taka
Investments in FDRs	12	1,316,920,481	365,330,075
Advances and deposits	11.01 & 11.02	2,355,747,910	1,248,129,360
Trade and other receivables	8 & 9	5,837,890,746	480,069,669
Due from related companies	10	1,697,861,774	127,141,816
Cash at banks	13.02	73,944,137	11,125,095
		11,282,365,048	**2,231,796,015**

(i) Trade and other receivables

The company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk of the industry in which customers operate. During the year end 30 June 2018: 99.99% (2017: 99.56%) of the company's receivables balance was with related parties. Based on the company's operations there is no concentration of credit risk.

(ii) Due from related companies

The carrying amount represents amount paid to one of the inter companies to meet its operational finance from time to time. The outstanding balance is redeemable including 11.50% (30 June 2017: 10%) interest per annum and has no prescribed repayment schedule.

(iii) Cash and cash equivalents

The company held cash at banks of Tk. 73,944,137 at 30 June 2018 (30 June 2017: Tk. 11,125,095), which represents its maximum credit exposure on these assets. The balance with banks are maintained with both local branch of International banks and domestic scheduled banks.

41.01.02 Impairment losses

	30 June 2018 Taka	30 June 2017 Taka
Impairment loss at the reporting date	Nil	Nil
	-	-

HUSSAIN FAKHAR & CO. CHARTERED ACCOUNTANTS

41.01.03 Credit exposure by credit rating

		As at 30 June 2018	
	Credit rating	Amount	(%)
Trade receivables	NR	5,659,314,542	68.38%
Other receivables	NR	178,576,204	2.16%
Advances, deposits and prepayment	NR	2,364,533,030	28.57%
Cash and cash equivalents			
Cash in hand		505,229	0.01%
Cash at banks		73,944,137	0.89%
AB Bank Limited	A1	1,983	0.003%
Agrani Bank Limited	AAA	254,296	0.344%
Al Arafah Islami Bank Limited	AA	14,245	0.019%
Bank Al Falah Limited	AA	764,266	1.034%
Bank Asia Limited	AA2	29,006	0.039%
Commercial Bank of Ceylon	AAA	133,920	0.181%
Dhaka Bank Limited	AA	1,490,150	2.015%
Dutch Bangla Bank Limited	AA+	148,201	0.200%
Eastern Bank Limited	AA+	1,056,597	1.429%
Habib Bank Limited	AAA	5,178,629	7.003%
IFIC Bank Limited	AA2	34,653	0.047%
Islami Bank Bangladesh Limited	AAA	848,641	1.148%
Jamuna Bank Limited	AA2	12,715	0.017%
Meghna Bank Limited	A+	53,350	0.072%
Mercantile Bank Limited	AA	1,102	0.001%
Mutual Trust Bank Limited	AA	79,795	0.108%
National Bank Limited	AA	98,351	0.133%
National Credit & Commerce Bank Limited	AA	61,831,784	83.620%
One Bank Limited	AA	126,783	0.171%
Premier Bank Limited	AA+	151,925	0.205%
Prime Bank Limited	AA2	173,040	0.234%
Pubali Bank Limited	AA	131,912	0.178%
Shahjalal Islami Bank Limited	AA2	47,806	0.065%
Social Islami Bank Limited	AA-	224,230	0.303%
Sonali Bank Limited	AAA	45,969	0.062%
South East Bank Limited	AA	161,298	0.218%
State Bank of India	AAA	47,274	0.064%
Standard Bank Limited	AA	9,022	0.012%
The City Bank Limited	AA2	752,547	1.018%
Trust Bank Limited	AA2	6,420	0.009%
United Commercial Bank Limited	AA	32,389	0.044%
Uttara Bank Limited	AA3	1,838	0.002%

41.02 Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

Exposure to Liquidity risk

The following are the contractual maturities of financial liabilities:

Non-derivative financial liabilities	Carrying amount	Interest rate	Contractual cash flows			
			Within 12 months	1 to 5 years	More than 5 years	Total
As at 30 June 2018	Taka		Taka	Taka	Taka	Taka
Long term borrowings	4,578,131,118	5.45% - 12%	1,715,036,466	2,863,094,652	-	4,578,131,118
Trade payables	101,413,591	N/A	101,413,591	-	-	101,413,591
Short term borrowings	26,126,949,522	8.50% - 12.5%	26,126,949,522	-	-	26,126,949,522
Liabilities for expenses	548,947,906	N/A	548,947,906	-	-	548,947,906
Due to related companies	659,306,643	11.50%	659,306,643	-	-	659,306,643
Other liabilities	64,087,012	N/A	64,087,012	-	-	64,087,012
	32,078,835,792		29,215,741,140	2,863,094,652	-	32,078,835,792

HUSSAIN FARHAD & CO. CHARTERED ACCOUNTANTS

Non-derivative financial liabilities	Carrying amount	Interest rate	Contractual cash flows			
			Within 12 months	1 to 5 years	More than 5 years	Total
As at 30 June 2017	Taka		Taka	Taka	Taka	Taka
Long term borrowings	6,218,290,310	5.45%-9.5%	1,697,581,921	4,520,708,389	-	6,218,290,310
Trade payables	286,560,983	N/A	286,560,983	-	-	286,560,983
Short term borrowings	14,274,525,473	7.5%-12%	14,274,525,473	-	-	14,274,525,473
Liabilities for expenses	434,421,573	N/A	434,421,573	-	-	434,421,573
Due to related companies	1,140,452,405	10%	1,140,452,405	-	-	1,140,452,405
Other liabilities	272,037,333	N/A	272,037,333	-	-	272,037,333
	22,626,288,077		**18,105,579,688**	**4,520,708,389**	**-**	**22,626,288,077**

41.03 Market risk

Market risk is the risk that changes in market prices such as foreign exchange rates, will affect the company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

(a) Currency risk exposure and its management

The company is exposed to currency risk on sales, purchases and borrowings that are denominated in a currency other than the functional currencies of the company. To manage this exposure, the company has adopted direct risk reduction methods based on matching receipts and payments on assets and liabilities.

The Company is exposed to foreign currency risk relating to purchases, sales and other transactions which are denominated in foreign currencies. As at 30 June 2018, the Company was exposed to foreign currency risk in respect of financial liabilities denominated in the following currencies:

(i) Exposure to currency risk

	30 June 2018			30 June 2017	
	Euro	USD	Taka	USD	Taka
Foreign currency denominated assets					
Cash and cash equivalents	-	2,523.01	213,194	2,469.00	200,825
	-	**2,523.01**	**213,194**	**2,469.00**	**200,825**
Foreign currency denominated liabilities					
Liability for accepted bills for payment (ABP)	311,906.19	158,525,963.12	13,427,258,315	75,123,913.42	6,111,330,357
	311,906.19	**158,525,963.12**	**13,427,258,315**	**75,123,913.42**	**6,111,330,357**
Net exposure	**(311,906.19)**	**(158,523,440.11)**	**(13,427,045,121)**	**(75,121,444.42)**	**(6,111,129,532)**

The following significant exchange rate is applied during the year:

	30 June 2018		30 June 2017	
	Euro	USD	Euro	USD
Exchange rate of US Dollar	**102.00**	**84.50**	**-**	**81.35**

(ii) Sensitivity analysis

A reasonably possible strengthening (weakening) of the US Dollar against BD Taka at the reporting date would have affected the measurement of financial instruments denominated in a foreign currency and affected equity and profit or loss by the amounts shown below. The analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecasted sales and purchases.

		30 June 2018		30 June 2017	
		Profit or loss		Profit or loss	
		Strengthening	Weakening	Strengthening	Weakening
		Taka	Taka	Taka	Taka
USD	(2% movement)	(267,904,614)	267,904,614	(122,222,562)	122,222,562
Euro	(2% movement)	(636,288.63)	636,288.63	-	-

(b) Transaction risk

Transaction risk is the risk that the company will incur exchange losses when the accounting results are translated into the home currency.

(c) Economic risk

Economic risk refers to the effect of exchange rate movements on the international competitiveness of the company.

(d) Interest risk

Interest rate risk arises from movement in interest rates. The company needs to manage interest rate risk so as to be able to re-pay debts as they fall due and to minimize the risks surrounding interest payments and receipts.

HUSSAIN FARHAD & CO. CHARTERED ACCOUNTANTS

Exposure to interest rate risk

The interest rate profile of the company's interest- bearing financial instruments as reported to the management of the company is as follows.

	30 June 2018	30 June 2017
	Taka	Taka
Fixed- rate instruments		
Financial assets	3,014,782,255	492,471,891
Financial liabilities	(31,364,387,283)	(21,633,268,188)
	(28,349,605,028)	(21,140,796,297)
Variable- rate instruments		
Financial assets	Nil	Nil
Financial liabilities	Nil	Nil
	-	-

(e) Other market price risk

The company is exposed to equity price risk, which arises from available for sale equity and debt securities. Management of the company monitors its investment portfolio based on market indices and all buy and sell decisions are approved by the Directors.

42.00 Capital expenditure commitment

The company has no capital expenditure commitment at the reporting date.

	01 July 2017 to 30 June 2018	01 July 2016 to 30 June 2017
	Metric Ton	Metric Ton
43.00 Production during the year		
MS billet	860,542.880	588,536.050

	30 June 2018	30 June 2017
44.00 Employees		
Number of employees whose monthly salary was below Tk. 3,000	-	-
Number of employees whose monthly salary was above Tk. 3,000	670	586
	670	586

45.00 Events after reporting date

The Board of Directors at the meeting held on 10 September 2018 has recommended no dividend for year ended 30 June 2018.

HUSSAIN FARHAD & CO. CHARTERED ACCOUNTANTS

AMAR STOCK

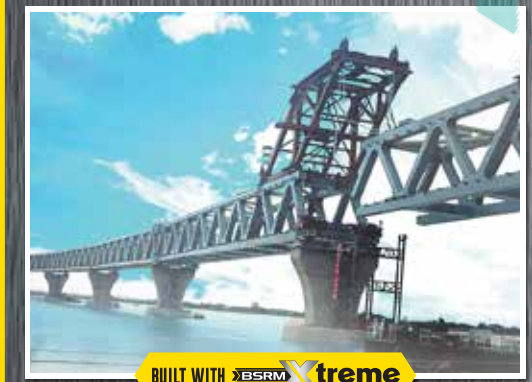
International Organization for standardization ISO

WORLD
STANDARDS DAY

www.bsrm.com

SETTING STANDARDS
FOR BUILDING A SAFER NATION

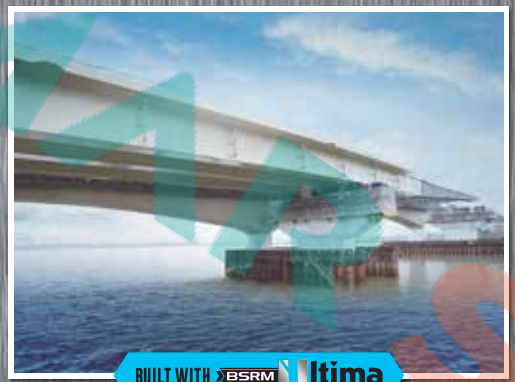
PADMA BRIDGE



BUILT WITH BSRM Xtreme

CONFORMING TO
U.K. STANDARD
BS 4449 GRADE 500C

KANCHPUR-MEGHNA-GUMTI 2ND BRIDGES



BUILT WITH BSRM Ultima

CONFORMING TO
U.S. STANDARD
ASTM A-615 GRADE 60

ROOPPUR NUCLEAR POWER PLANT



BUILT WITH BSRM Xtreme

CONFORMING TO
RUSSIAN STANDARD
GOST R 52544 GRADE A500C

We at BSRM set our own standards far above what is required by international standards for Steel. From the selection of raw materials to process technologies, plants and in training people, we maintain standards which are world class and second to none.

As a nation builder, we believe that our nation's safety can be ensured when global standards are surpassed.

BSRM
building a safer nation

FCBATTOPT/18



Shareholders alongwith
members of Board at 55th AGM



Mr. Alihussain Akberali FCA, Chairman of the Company along with Company Secretary and other Directors addressed number of issues to the shareholders at 55th AGM



Mr. Alihussain Akberali FCA, Chairman receiving The Award for "1st Highest Tax Payer" in engineering category



Mr Aameir Alihussain, Managing Director Nominated Commercially Important Person (CIP) in Large Industry (Manufacturing) Category for the year 2016.



Mr. Tapan Sengupta, Deputy Managing Director reciving the National Export Award 2015–2016



Mohammad Imtiaz Uddin Chowdhury, Assistant General Manager Sales & Marketing Reciving the "Excellence in Logistics Management Award 2018 (Special Mention)"



Mohammad Imtiaz Uddin Chowdhury, Assistant General Manager Sales & Marketing Reciving the "Bangladesh Supply Chain Management Excellence Award 2018"



BSRM awarded for being the best electricity consumer of 2015 under industrial category in Power & Energy week 2015. President Mr. M Abdul Hamid inaugurated the ceremony as chief guest and handed over the esteemed award to Managing Director Mr. Aamier Alihussain



Kazi Anwar Ahmed, General Manager Corporate Affairs & Dhaka Corporate Office, Reciving the award of "Best Brand of Bangladesh in Steel Category in –2017"



Top Taxpayer Award, Tax Card received by Mr. Zohair Taherali Director & Mr. Shekhar Ranjan Kar FCA, Group CFO & Company Secretary for highest Income Tax in the year of 2015–16 under Engineering Category.



National Export Award, 2013–2014 BSRM achieved the "National Export Trophy Silver, 2013–2014". Honorable Prime Minster Sheik Hasina inaugurated the ceremony as chief guest and handed over the esteemed award to Finance Director Mr. Zohair Taherali.



"16th ICAB National Award for Best Presented Annual Report 2015"

SHAREHOLDERS' INFORMATION

ANNUAL GENERAL MEETING (AGM)

No. of AGM : 56th AGM

Date : December 03, 2018
Venue : Shoronika Community Center, 13 Love Lane, Chattogram.
Time : 12:00 PM

FINANCIAL CALENDAR

Financial Period: 1st July 2017 to 30th June 2018.
During the year 2017-18 operational results of the Company were announced on:



SMART STOCK

RECORD DATE

The record date is 21st October, 2018.

BSRMLTD SHARE PERFORMANCE ON STOCK EXCHANGES

Movement of share price on **Dhaka Stock Exchange Ltd. (DSE)** during the year 2017-18:

Closing Price Graph of BSRMLTD



LISTING: The company's shares are listed at the Stock Exchanges at Dhaka and Chattogram of Bangladesh.

FACE VALUE PER SHARE: Tk. 10/=

CLOSING PRICE PER SHARE

Closing Price per share of your company as at 30th June 2018 was Taka 98

DIVIDEND

Year	Rate of Dividend	Form of Dividend
2017-18	10% & 10%	Cash & Stock (Recommended)
2016-17	10%	Stock
2016-17	10%	Cash (Interim)
2015	10% & 5%	Stock & Cash (Respectively)
2014	10%	Cash
2013	Nill	N/A
2012	15%	Cash
2011	100%	Stock
2010	15%	Cash

FT MARKET STOCK

EPS	
Year	Taka
2017-18 (Jul-Jun)	12.95
2016-17 (Jul-Jun)	3.53
2015-16 (Jul-Jun)	6.12
2015	4.78
2014	0.70
2013	6.06
2012	2.91
2011	17.88
2010	4.43

MARKET CAPITALIZATION	
Year	Taka in million
2017-18	21,032
2016-17	26,260
2015	23,340

PLANT LOCATION

Re-Rolling Unit: 147-149, Nasirabad I/A, Baizid Bostami Road, Chattogram.
Steel Melting Works: 78/79, Nasirabad I/A, Baizid Bostami Road, Chattogram.

INVESTOR CORRESPONDENCE

Mail to: Bangladesh Steel Re-Rolling Mills Limited, Ali Mansion, 1207/1099 Sadarghat Road, Chattogram, Bangladesh,
Voice: +880 31 2854901-10, E-mail: mail@bsrm.com, Fax: +880 31 610101
Web: www.bsrm.com

AMAR STOCK

GLOSSARY OF TERMS

Terms	Brief Description
The Company/BSRMLTD	Bangladesh Steel Re-Rolling Mills Limited
Subsidiary Company	BSRM Steel Mills Limited & BSRM (Hong Kong) Limited
Associate Company	BSRM Steels Limited
Revenue	Turnover or Sales
Profit	Income
Profit attributable to the shareholders'	Net profit after tax
Basic EPS	Basic Earnings per Share (Profit attributable to the Ordinary shareholders divided by weighted average number of Ordinary shares)
Diluted EPS	Diluted Earnings or Income per Share
Deferred Tax	Difference between the carrying value of property, plant & equipment as per financial statements and tax written down value and financial position liability method for gratuity obligation.
Equity	Shareholders' Fund or Owners' Fund
Net Current Assets	Current Assets less Current Liabilities
Capital Employed	Non-current Assets plus Net Current Assets
Revaluation Reserve	Reserve created from assets re-valuation
EBITDA	Earnings before Interest, Tax & Depreciation Allowance
Return on Shareholders' Equity	Net Profit after Tax divided by Shareholders' Equity
Return on Capital Employed	Net Profit after Tax divided by Capital Employed
Current Ratio	Current Assets divided by Current Liabilities
Quick / Acid Test Ratio	Current Assets less Inventories divided by Current Liabilities
Inventory Turnover Ratio	Revenue divided by Inventories
Total Assets Turnover Ratio	Revenue divided by Total Assets
P/E Ratio	Market value per share as at reporting date divided by EPS
Price/Equity Ratio	Market price divided by face value per share
Dividend Payout Ratio	Yearly dividend per share divided by EPS
Dividend Covered Ratio	Net Profit after Tax divided by declared Dividend
Debt-equity Ratio	Current plus long term liabilities divided by shareholders' equity
Interest Coverage Ratio	EBIT divided by Interest expenses
Market Capitalization	Market price per share multiplied by Ordinary number of Shares

MARSTOCK

BSRM OFFICE MAP



NOTES

AMAR STOCK

NOTES

AMAR STOCK

Bangladesh Steel Re-Rolling Mills Limited

Registered office: Ali Mansion, 1207/1099 Sadarghat Road, Chattogram.

PROXY FORM

I/We .....(Name)

Of .....(Adress)

a Shareholder of Bangladesh Steel Re-Rolling Mills Limited ("the company") hereby appoint,

Mr./Ms. .....(Name)

Of .....(Adress)

as my /our proxy , to attend on my/our behalf at the 56th Annual General Meeting (AGM) of the Company to be held on December 03, 2018 and at any adjournment thereof or any poll that may be taken in consequence thereof and to vote on my/our behalf as he/she thinks appropriate on all resolutions.

Dated this .....day of.....2018.

.....
Signature of the Shareholder
Folio /BO ID No:

Dated .....

.....
Signature of the Shareholder
Folio /BO ID No:

Dated .....

.....
Signature of the witness

Note: The Proxy Form, dully filled in and stamped, must be deposited at the Registered Office of the Company, Ali Mansion, 1207/1099 Sadarghat Road, Chattogram not later than 48 hours before the time fixed for the holding of the meeting.

Signature Verified

.....
Authorized Signature
Bangladesh Steel Re-Rolling Mills Limited

Bangladesh Steel Re-Rolling Mills Limited

Registered office: Ali Mansion, 1207/1099 Sadarghat Road, Chattogram.

ATTENDANCE SLIP

I hereby record my presence at the 56th Annual General Meeting of Bangladesh Steel Re-Rolling Mills Limited on December 03, 2018.

I/We .....

BO ID

Signature

.....
Signature

.....
Bangladesh Steel Re-Rolling Mills Limited

Note: Please complete this Attendance Slip and deposit at the registration counter on the day of the meeting.

AMAR STOCK

AMAR STOCK

Corporate Office:
Ali Mansion, 1207/1099 Sadarghat Road, Chattogram
Bangladesh. Tel: +880 31 2854901–10
Fax: +880 31 610101, Email: mail@bsrm.com

AMARSTOCK