BSRM
building a safer nation

10 YEARS OF Xtreme BUILDING BANGLADESH



ANNUAL REPORT 2017-2018
BSRM STEELS LIMITED

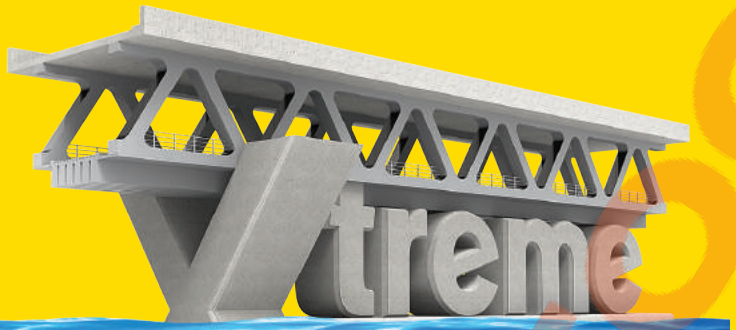

AMAR STOCK

ANNUAL REPORT 2017-18

BSRM STEELS LIMITED

BSRM
building a safer nation


AMAR STOCK



10 YEARS OF XTREME PERFORMANCE

On our unending journey for a better future, BSRM resolved that the nation's structures should be built by not only the people but also by the steel of the country. Thus, ten years ago, we made the epochal announcement of a new type of reinforcing steel and embarked on a bold endeavor to change the civil construction landscape of the entire nation. Conforming to ISO 6935-2, this internationally recognized Grade500 steel bar was branded Xtreme 500W.

This year, 2018, is the 10th year of Xtreme 500W's explosive growth. It's an immense national pride that bridges, flyovers, and other mega structures, as well as the iconic, Padma Bridge and state-of-the-art Rooppur Nuclear Power Plant is being built with Xtreme 500W. It is now a steel brand trusted by homebuilders and engineers alike.

We are delighted and grateful to our shareholders, customers and well-wishers to have been with us in our relentless journey in building the infrastructure backbone of the nation.

LETTER OF TRANSMITTAL

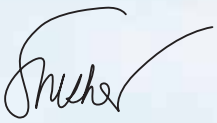
Date: November 07, 2018

All Valued Shareholders
Bangladesh Securities and Exchange Commission
Registrar of Joint Stock Companies & Firms
Dhaka Stock Exchange Limited
Chittagong Stock Exchange Limited

Dear Sir (s)
Annual Report for the year ended June 30, 2018.

We are pleased to enclose a copy of the Annual Report of **BSRM Steels Limited** together with the Audited Financial Statements, Auditors' Report thereon and Report of the Board of Directors for the year ended June 30, 2018 for your information and records.

Sincerely yours,



Shekhar Ranjan Kar FCA
GM Finance & Accounts and Company Secretary

AMARSTOCK

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VISION
VALUES
MISSION

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.

AMARSTOCK

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 and 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.

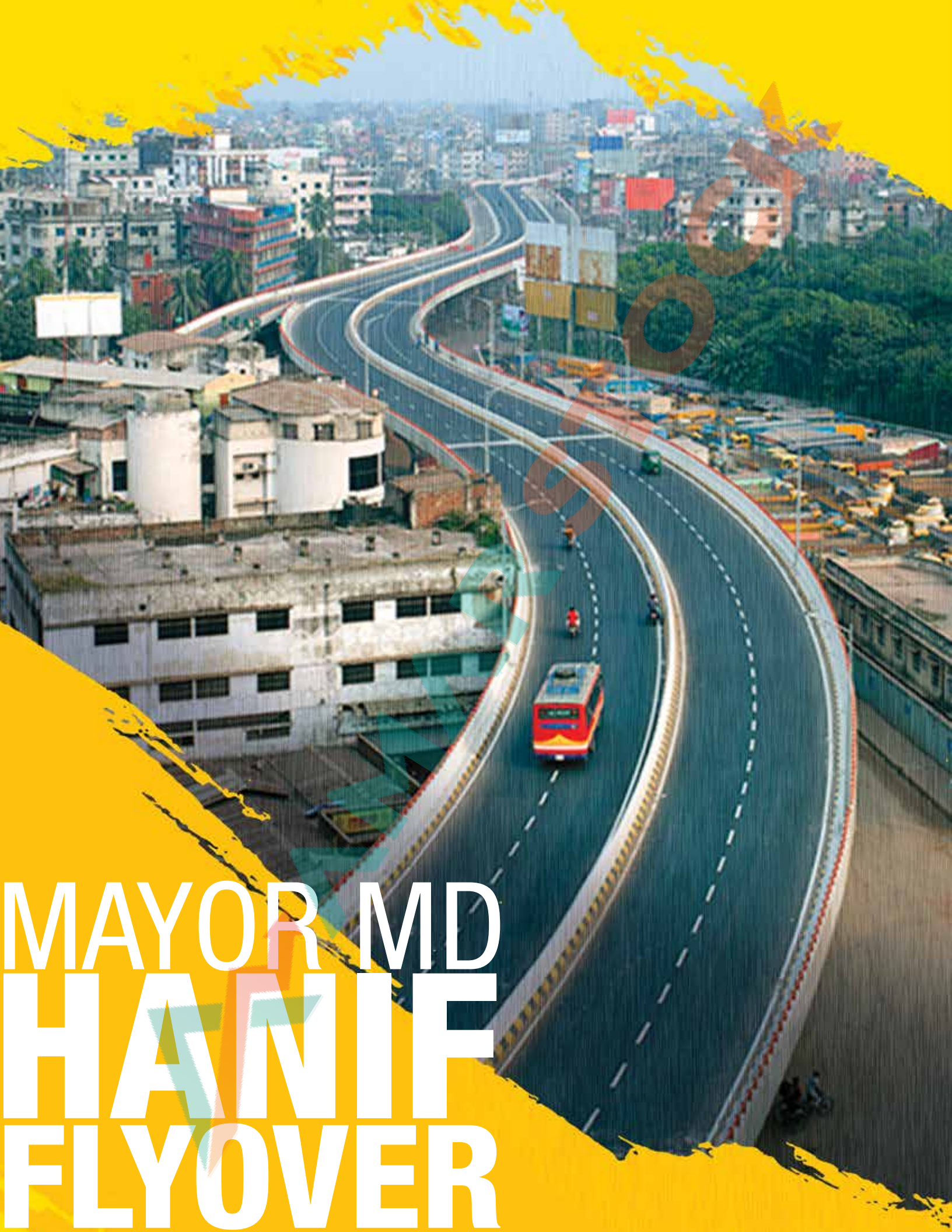
Customer Satisfaction: Delight our external and internal customers at every stage of our interaction with them by truly understanding their needs, offering them our best products and services, treating them with respect and actively seeking and acting on their feedback.

ANAND STOCK

CODE OF CONDUCT

BSRM always adopts best, ethical and transparent business practices to be fair and honest in all it's 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

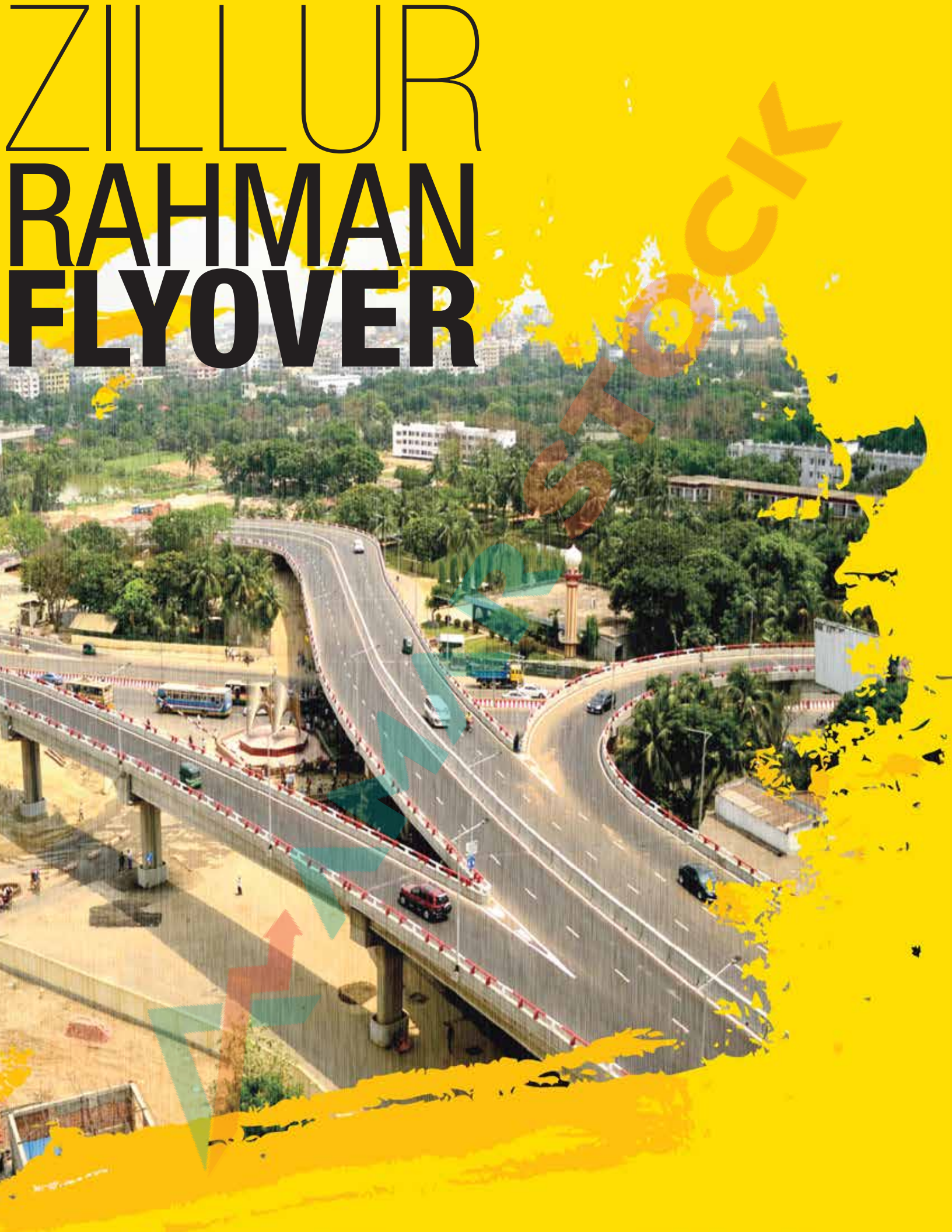


MAYOR MD HANIF FLYOVER

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. on 18 January 2009. Market Capitalization as on 30 June 2018 is Tk. 24,642 million.The public shareholding including institutional investors is 29.15%.
2010	BSRM Iron and Steel Co. Ltd. billet making plant started commercial production on June 01, 2010.
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. The Plant produces high quality M S Billets.
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. Enhanced capacity of BSRM Steels Limited from 600,000 MT to 700,000 MT per annum. 2. Announced a new product namely **"BSRM Maxima"** 3. Increased capacity of Bangladesh Steel Re-Rolling Mills from 120,000 MT to 450,000 MT per annum which will be the first and largest merchant mill in Bangladesh. 4. Listing of Bangladesh Steel Re-Rolling Mills Limited with the stock exchanges (DSE & CSE). 5. Start of trial production of world's largest induction furnace based billet casting project –"BSRM Steel Mills Limited".
2016-17	1. BSRM Steel Mills Limited, a largest billet making plant in the country started commercial production in June 2016. 2. EPOXY coated bars - CENTURA & Ultima are introduced in the market. 3. Start to set up a new melting plant at Sonapahar, Mirsarai, Chattogram under BSRM Steels Limited with a capacity of 430,000 MT. 4. For first time sales of BSRM has crossed **ONE MILLION** M. ton
2017-18	1. Start to set -up of a state-of-the-art Galvanized Iron (GI) wire and Low Relaxation Pre-stressed Concrete (LRPC) wire manufacturing plant. 2. Business Intelligence (BI) Analytics Tool for BSRM Group went go 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.

ZILLUR RAHMAN FLYOVER



AWARDS & RECOGNITIONS



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)



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

AWARDS & RECOGNITIONS



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

AWARDS & RECOGNITIONS



Divisional Environment Award 2013



Best Electricity Consumer Award 2015



5th Standard Chartered-Financial Express CSR Award 2014



Mercantile Bank Excellence Award 2015

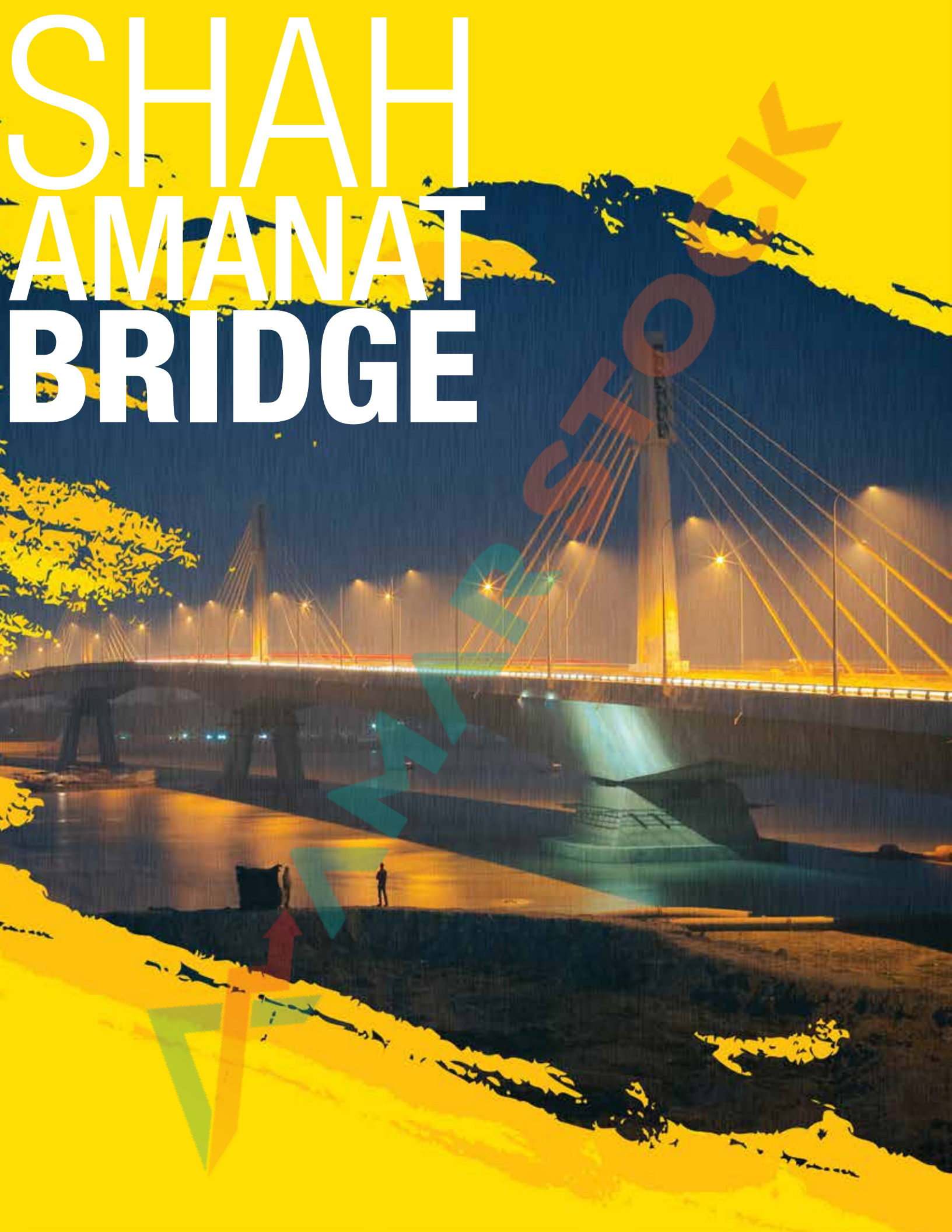


Best Enterprise of the year 2010

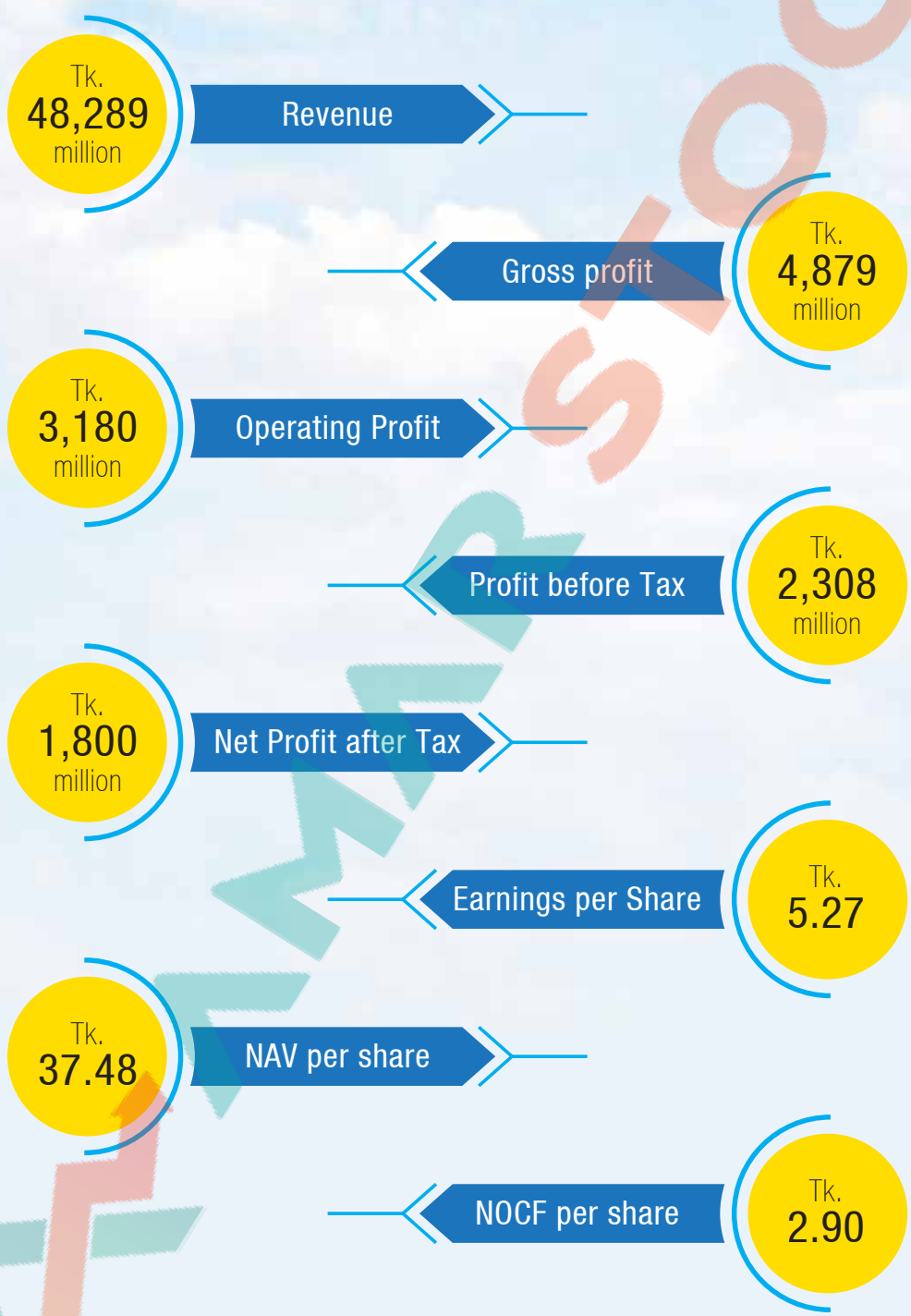


Japan Bangladesh Chamber of Commerce & Industry (JBCCI) Award 2014

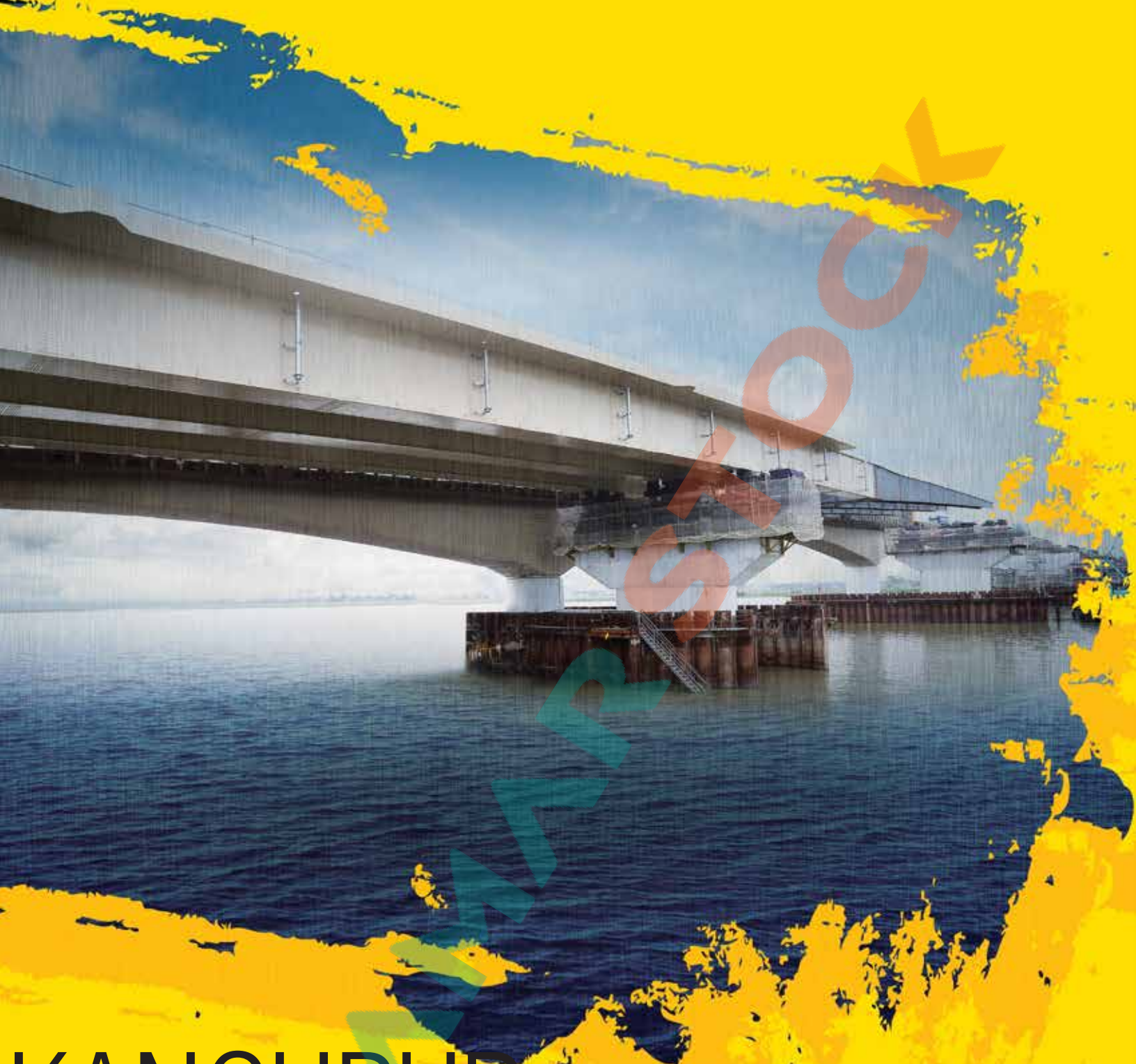
SHAH AMANAT BRIDGE



PERFORMANCE AT A GLANCE FOR 2017-18



AMARSTOCK



KANCHPUR MEGHNA & GUMTI 2ND **BRIDGES**

KEY FINANCIAL HIGHLIGHTS

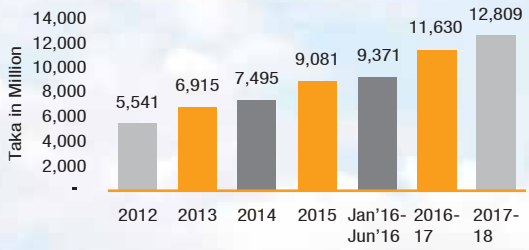
Taka in '000

	2017-2018	2016-2017*	2016 Jan-Jun	2015	2014	2013	2012
Assets Employed							
Non-current Assets	13,995,011	12,104,111	9,608,697	9,676,299	8,539,818	8,559,490	7,523,279
Net Current Assets	1,886,170	1,953,938	2,207,587	840,345	155,529	(512,599)	(1,247,175)
Total Assets Employed	**15,881,180**	**14,058,048**	**11,816,284**	**10,516,644**	**8,695,347**	**8,046,892**	**6,276,104**
Financed by							
Share Capital	3,417,750	3,417,750	3,417,750	3,417,750	3,417,750	3,417,750	3,255,000
Revaluation Reserve	2,613,852	2,601,997	2,123,842	2,131,591	2,137,028	2,153,627	2,171,100
Non Controlling Interest		107,082					
Retained Earnings	6,777,298	5,503,470	3,829,603	3,531,278	1,940,313	1,343,873	114,554
Shareholders' Equity	**12,808,901**	**11,630,299**	**9,371,195**	**9,080,619**	**7,495,091**	**6,915,250**	**5,540,654**
Long Term borrowings	1,777,556	1,117,901	1,547,132	548,389	431,897	425,051	218,866
Retirement benefit obligations - Gratuity	136,970	98,762	57,366	55,876	39,020	26,291	17,622
Deferred Tax Liabilities	1,157,754	1,211,087	840,591	831,761	729,338	680,300	498,962
Total Capital Employed	**15,881,180**	**14,058,048**	**11,816,284**	**10,516,644**	**8,695,347**	**8,046,892**	**6,276,104**
Operational Results							
Revenue	48,289,926	37,996,411	17,265,183	32,316,101	38,535,937	36,229,051	38,253,465
Gross Profit	4,879,168	4,557,295	3,114,694	4,368,653	2,807,325	3,250,149	1,888,439
Profit from Operations	3,180,648	3,273,591	2,379,860	3,257,932	1,892,834	2,314,398	1,160,385
Profit before Interest, Taxes & Depreciation Allowances	3,644,345	3,746,016	2,509,485	3,500,737	2,119,630	2,538,472	1,382,576
Profit before Tax	2,308,532	2,360,488	2,114,925	2,593,949	1,510,680	2,318,924	1,296,810
Profit after Tax	1,800,796	1,705,415	1,313,318	2,081,877	1,086,208	1,693,469	865,331
Ratios							
Gross Profit ratio - %	10.10%	11.99%	18.04%	13.52%	7.28%	8.97%	4.94%
Net Profit ratio - %	3.73%	4.49%	7.61%	6.44%	2.82%	4.67%	2.26%
EBITDA margin to Sales - %	7.55%	9.86%	14.53%	10.83%	5.50%	7.01%	3.61%
Return on Shareholders Equity - %	14.06%	14.66%	14.01%	22.93%	14.49%	24.49%	15.62%
Return on Capital Employed - %	11.34%	12.13%	11.11%	19.80%	12.49%	21.05%	13.79%
Current Ratio - Times	1.06	1.08	1.13	1.06	1.01	0.97	0.92
Quick / Acid test ratio	0.58	0.70	0.80	0.57	0.40	0.61	0.44
Inventory turnover ratio - Times	3.34	4.23	3.12	4.69	3.42	6.37	4.87
Total Assets turnover ratio - Times	1.06	1.17	0.60	1.31	1.42	1.52	1.70
Earnings per Share (EPS) - Taka	5.27	4.98	3.84	6.09	3.18	4.95	2.53
Price/Earnings (P/E) ratio - Times	13.30	18.25	24.46	15.81	27.59	13.87	26.82
Price/Equity ratio - Times	7.01	9.09	9.40	9.63	8.77	6.87	6.79
Dividend per share (DPS) - Taka	2.00	2.00	1.50	3.00	1.50	1.50	1.50
Dividend Payout ratio	0.38	0.40	0.39	0.49	0.47	0.30	0.59
Dividend Cover ratio	2.63	2.49	2.56	2.03	2.12	3.30	1.77
Net Assets Value (NAV) per share - Taka	37.48	34.03	27.42	26.57	21.93	20.23	17.02
Net Operating Cash Flow per share - Taka	2.90	1.07	9.05	16.87	(8.76)	13.45	(2.24)
Debt Equity ratio - Times	1.73	1.93	1.72	1.48	2.36	1.99	2.81
Interest coverage ratio	3.14	5.94	17.75	5.37	6.32	5.83	3.98
Market price per share at 30 June/ 31 December - Taka	70.10	90.90	94.00	96.30	87.70	68.70	67.90
Market Capitalization at 30 June/31 December (Taka Million)	23,958	31,067	32,127	32,913	29,974	23,480	22,101
Contribution to National Exchequer (Taka Million)	4,954	2,936	2,149	2,009	2,949	2,454	2,028
Average Number of Employees	974	624	596	578	553	573	523

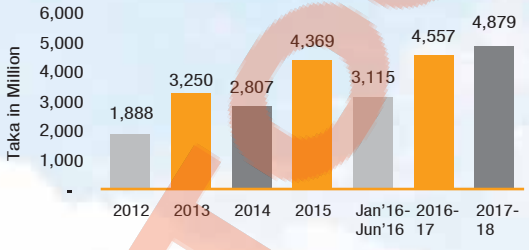
*Information of 2016-2017 shows consolidated financial data.

KEY PERFORMANCE INDICATOR

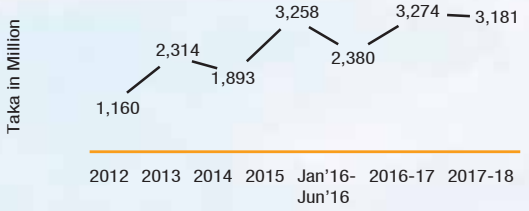
Shareholders' Equity



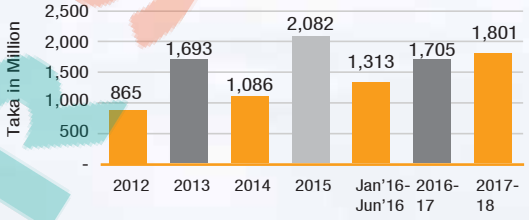
Gross Profit



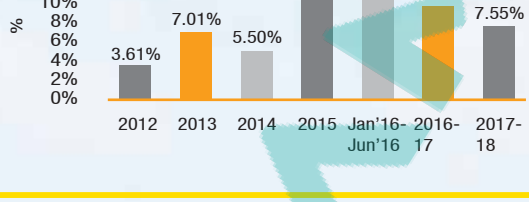
Operating Profit



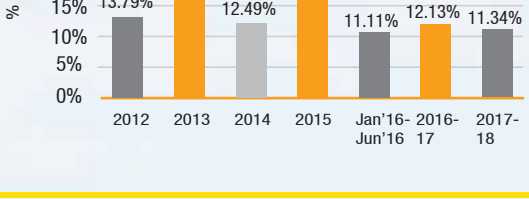
Net Profit after Tax



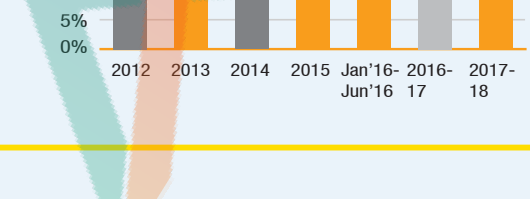
EBITDA to Sales



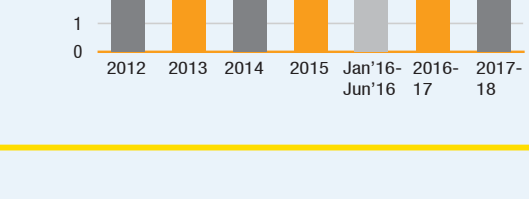
Return on Capital Employed



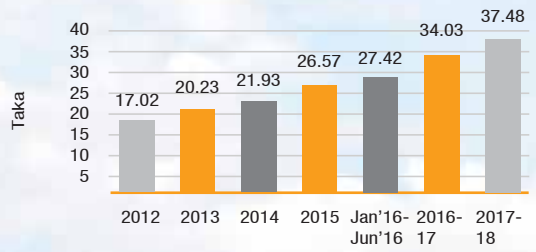
Return on Shareholders' Equity



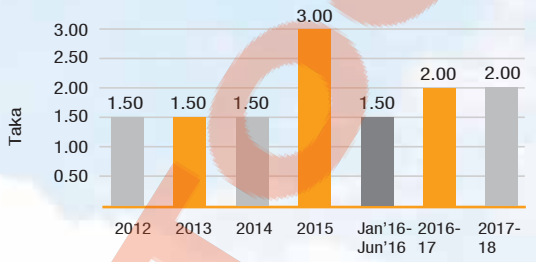
Earnings per Share



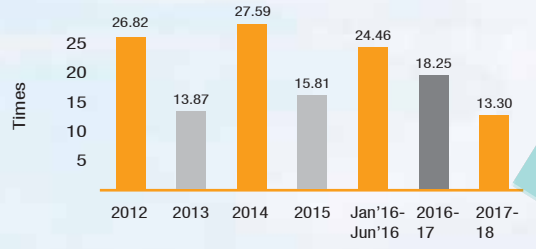
Net Assets Value



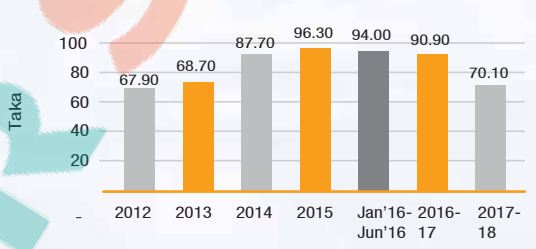
Dividend per Share



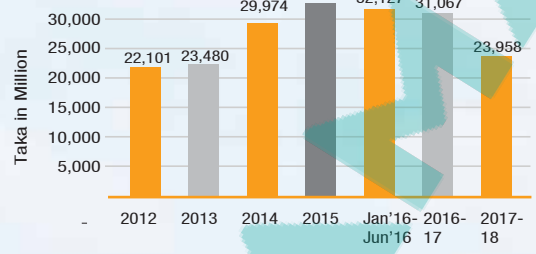
Price Earnings Ratio



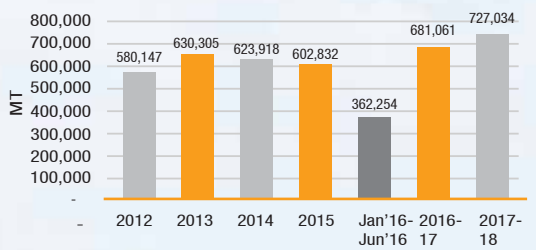
Market Price Per Share



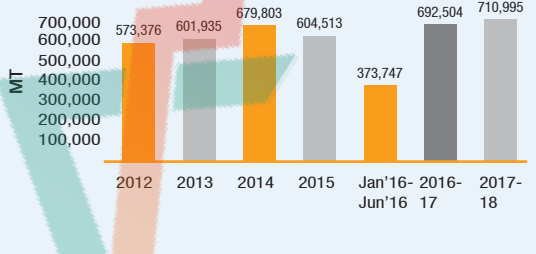
Market Capitalization



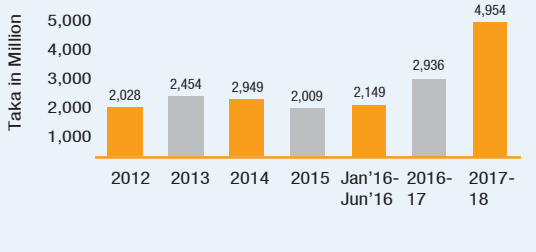
Production Qty.



Sales Qty.



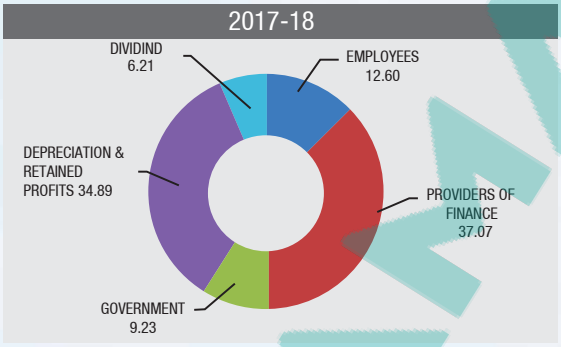
Contribution to National Exchequer

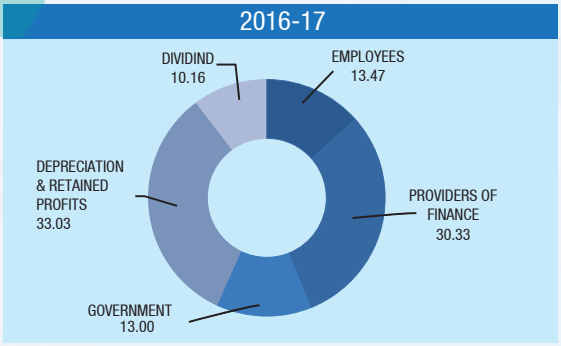


FIRST STOCK

VALUE ADDED STATEMENT

	July'17 - June'18 TK	%	July'16 - June'17 TK	%
Value Added:				
Revenue	48,289,925,736		37,996,410,539	
Other Income	1,042,183,669		999,427,349	
	49,332,109,405		38,995,837,888	
Less : Paid to suppliers for materials and services	43,830,816,517		33,956,830,556	
	5,501,292,888	100	5,039,007,332	100
Distributed as follows: :				
EMPLOYEES				
Wages, Salaries, bonus, commssions, pensions and other benefits	693,342,687	12.60	678,906,048	13.47
PROVIDERS OF FINANCE	2,039,113,061	37.07	1,528,142,105	30.33
GOVERNMENT	507,736,873	9.23	655,072,973	13.00
DIVIDEND	341,775,000	6.21	512,662,500	10.16
	3,581,967,621	65.11	3,374,783,626	66.97
RETAINED FOR REINVESTMENT & FUTURE GROWTH				
Depreciation & Amortization	463,696,775	8.43	471,471,546	9.36
Retained Profit	1,455,628,492	26.46	1,192,752,160	23.67
	1,919,325,267	34.89	1,664,223,706	33.03
	5,501,292,888	100	5,039,007,332	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	2017-18	2016-17
Net Operating profit after Tax (NOPAT)	2,385,485,894	2,455,193,447
Total Capital Employed	15,680,081,913	13,222,005,284
Cost of Capital in %	10.00%	10.00%
Cost of Capital (COC)	1,568,008,191	1,322,200,528
EVA = NOPAT - COC	817,477,702	1,132,992,918

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

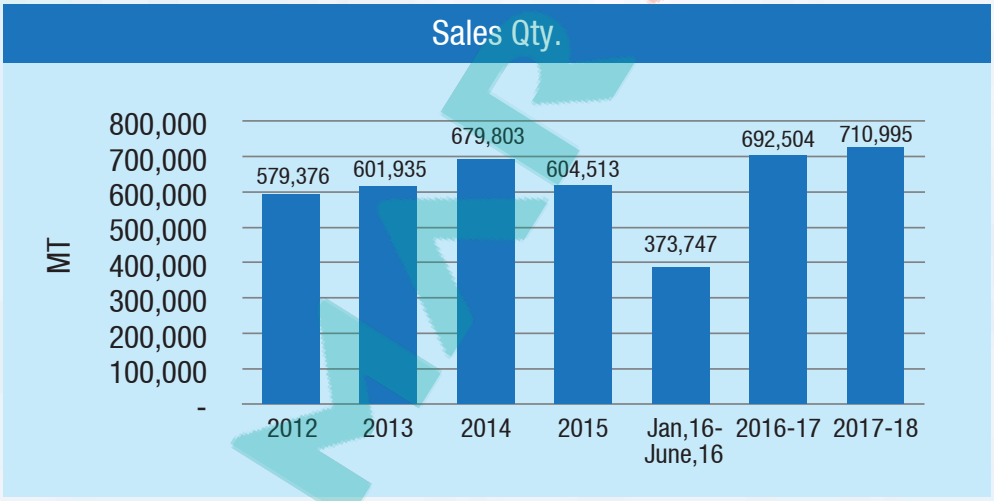
PRODUCTS AND MARKETS

Founded in 1952, BSRM Group broadened its business to produce advanced technology based steel products in Bangladesh. BSRM Steels Limited is the flagship company of BSRM Group It is a high grade steel manufacturing company. The main product of BSRM Steels is Xtreme500W which is only **EMF tested** and **Fatigue tested ductile rod** in Bangladesh.

QUALITY is the measure of something as measured against agreed standards. It means conforming to specifications. **RELIABILITY** has two related definitions. One is the state of being dependable. The other is consistency – that is, the degree to which something yields the same or compatible result time after time. **RELIABILITY** is a function of the design; **QUALITY** is a result of the manufacturing. Therefore, we can state while the **Tensile Test** is the measure of Quality of the steel, the **Fatigue Test** is the measure of **Reliability** of Steel.

Market performance

BSRM is the market leader in the national steel industry. Net sales for 2017-18 were 710,995 MT with value in Taka 48,289 million. The Chart shows sales growth of BSRM Steels Limited for the last Six years.



Product-wise Preformence

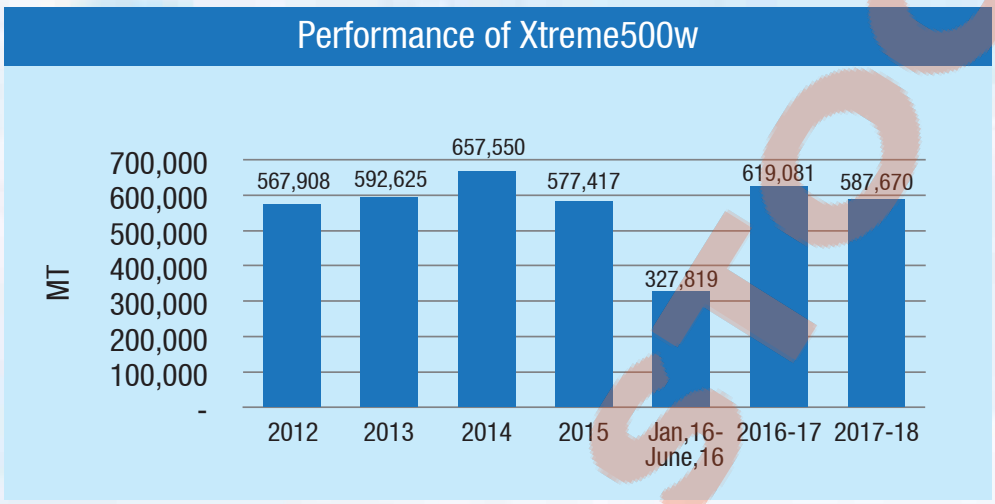
A. Xtreme500W

Why Xtreme500W….

According to European Steel Code EN 10002, **Elongation at Maximum Force (EMF)** test is mandatory to measure the ductility of steel. Bangladesh Standard BDS:ISO:6935-2 of 2009 also requires EMF in Steel. **Fatigue tests** are conducted with the object of determining the number of cyclic loadings a steel can endure, within a stress range. BSRM Steels products were subjected to 5 million cyclic load reversals which was tested in UK. At present in Bangladesh BSRM is the only company to ensure **EMF** and **Fatigue Test** in steel.

Today our journey has been vindicated by the overwhelming support of our loyal and dear customers who have put faith in our products.

Following Graph shows the last 6 year's performance of our branded product Xtreme 500W:



Unique Feature of Xtreme500W

1. High design yield strength of 500 Mpa (72500psi) (Min)
2. Requires 15% less steel in construction compared to Grade 60 rebar's available in the market.
3. The bars have superior ductility and can be safely bent without cracking.
4. All bar sizes are rolled to a very close tolerance (possible on a DANIELI computerized rolling mill) so that customers get more meters of steel per ton - more value for money without having to sacrifice structural integrity.
5. De-scaled bars have better bonding with concrete and less wastage at site. Estimated savings: 0.5%
6. Xtreme bars are safely weld-able under field conditions. Another 0.5% to 1.5% of steel is saved by avoiding large splices if the steel is welded. Our Xtreme500W was tested for weldability by a global electrode manufacturer, in Bangladesh, Linde. They have published a brochure to promote the unique welding features of Xtreme500W, a rare honor for the company.
7. The bars are needle-straight, thanks to the Danieli QTB process - no need for straightening on the construction site.

Landmark Infrastructure where Xtreme500W was used:

As the premier reinforcing steel bar and only EMF tested ductile rod of the country, Xtreme500W has put its indelible stamp on the infrastructure projects of the country. It has emerged as the rebar of choice among international contractors in high value projects where the reliability and quality of construction materials are of paramount importance. BSRM is proud to be associated with some of the largest and most visible projects of the country. These are:

- Padma Multipurpose Bridge
- Dhaka Elevated Express way project
- Pyra thermal power plant

- Lebukhali Bridge
- Roopur Nuclear Power Plant
- Rampal Coal Power plant
- Maghbazar Mouchak Flyover
- Boirab Railway Bridge
- Boirab Asugonj Power Plant
- Double line project of Chittagong Railway.
- Saidabad Water Treatment Plant Phase-II
- Hatirjheel Integrated Development Project
- Zillur Rahman Flyover (Mirpur-Airport & Banani)
- The pride of Dhaka, the 9.6 kilometer Gulistan-Jatrabari fly-over **(Mayor Mohammad Hanif Flyover)**

B. Other Products

In 2016 it rolled out new Grade reinforcing steel conforming to the U.S. standard ASTM 706 Grade 80. The Grade 80 reinforcement can replace the old ASTM A-615 Grade 60 steel specified in all Government Agency design specifications. The new Grade 80 will be more economical as it will require 20% less steel in construction. It will be safer as well as the new Grade 80 has much higher elongation than the older Grade 60. The higher strength steel further provides 'congestion relief' in Bridge piers which ensures better concrete compaction, thus making it ever safer. The new Grade 80 is prescribed in the ACI Code of 2014 and the BNBC 2015. The new Grade 80 is available under the Brand name **Maxima**.

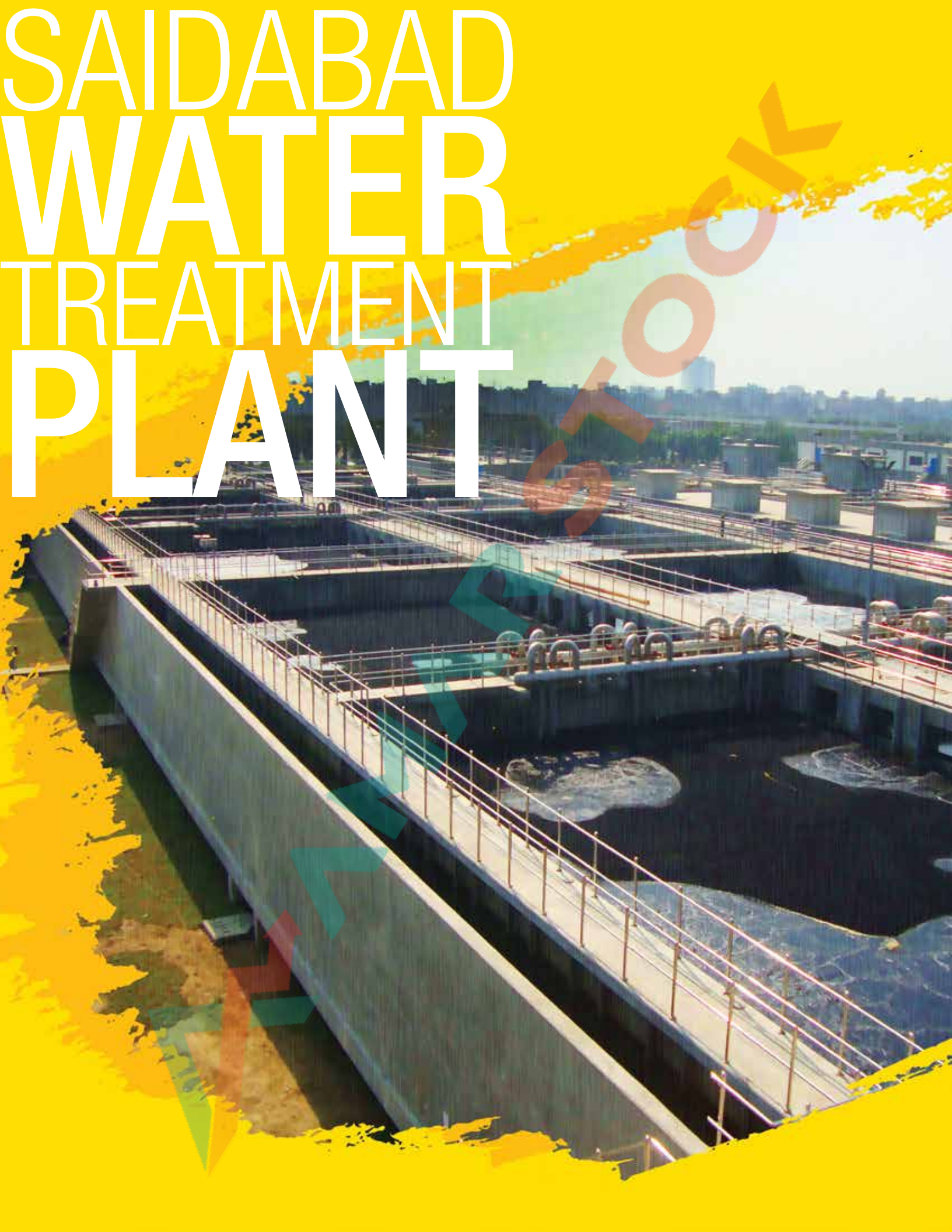
The country's growing infrastructure regarding new Bridges, Flyovers, and Rail Roads will provide ample scope for Grade 80 applications.

The company further launched in February 2016 ASTM 706 Grade 60 reinforcing steel. This new Grade 60 is for the design of Special Moment Resisting Frames (SMRF) for earthquake resistant structures. It has extra high elongation which enables the design of R.C. Buildings in which selected components of the Building are allowed to 'fail' by developing 'plastic hinges'. This design approach prevents catastrophic 'sandwich' collapse of buildings in the event of an earthquake. The use of ASTM Grade 706 Grade 60 steel has been advocated in the latest ACI Code of 2014 and BNBC 2015. The new Grade 60 is being marketed by BSRM under the Brand name **Ultima**.

The country's Key Point Installation (KPI) will be the primary users of Ultima. Hospitals, schools, airports, Fire Brigades will all need Special Moment Resisting Frames to survive large earthquakes.

TRAIL STOCK

SAIDABAD WATER TREATMENT PLANT



NOTICE OF THE 16TH ANNUAL GENERAL MEETING

Notice is hereby given that the 16th Annual General Meeting of shareholders of **BSRM Steels Limited** will be held on **Monday, December 03, 2018 at 9:30 am** at Shoronika Community Centre, 13 Love Lane, Chattogram to transact the following business and to adopt necessary resolutions:

1. To receive, consider and adopt the Audited Financial Statements of the Company for the year ended June 30, 2018 together with the Directors' Report and the Auditors' Report on those Financial Statements.
2. To re-elect the Director(s) of the Company.
3. To confirm the re-appointment of Managing Director.
4. To approve the appointment of Independent Director.
5. To declare and approve Dividend for the year ended June 30, 2018.
6. To appoint Auditors for the year ended June 30, 2019 and fix their remuneration.
7. 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
November 05, 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. **October 21, 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.

MARSTOCK

HATIR JHEEL PROJECT



CORPORATE AND CONTACT INFORMATION

COMPANY NAME
BSRM STEELS LIMITED

DATE OF INCORPORATION
20th July 2002

DATE OF COMMERCIAL OPERATION
1st April 2008

SHARE CAPITAL
Authorized capital BD Tk. 500.00 Crore
Paid Up Capital BD Tk. 341.775 Crore

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

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

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

COMPANY SECRETARY
Mr. Shekhar Ranjan Kar FCA

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

AUDITOR
A. Qasem & Co.
Chartered Accountants
Faruk Mahal (3rd Floor) 93, Agrabad C/A, Chattogram.

LOCATIONS
ROLLING PLANT
4, Fouzderhat Industrial Estate, Chattogram,
Tel: +88(031) 2770192-3

MELTING PLANT
202-205, Nasirabad Industrial Estate, Baizid Bostami Road, Chattogram.
Tel: +88-031-2581361-3

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

DHAKA CORPORATE OFFICE
Nasir Uddin Tower, 4th Floor, Bir Uttam Samsul Alam Road,
104/1 Kakrail, Dhaka-1000.
Tel: 88 02 8311994, 8313135, 9358135
Fax: 88 02 8312905, 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

Mirsharai
Sonaphar, Zorargonj, Mirsarai, Chattogram.

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

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



Standing from left: Mrs. Tehseen Zohair Taherali, Mr. Zohair Taherali

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

MARSTOCK

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) in 2016-2017 for paying highest tax in national exchequer.

MRS. TEHSEEN ZOHAIR TAHERALI

DIRECTOR

Mrs. Tehseen Zohair Taherali was born in 1970. She completed her Bachelors of Arts and Bachelors of English Language Teaching from Chattogram, Bangladesh. She was recognized as highest tax payer in 2015-2016 under women entrepreneur category in Chattogram.

She guides and directs the company regularly in strategic policy making decision as a Director. She is involved with many charitable organizations and is a highly regarded personality in the society.

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 2015 and he is the Chairman of the Audit Committee of the Company.

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. Tehseen Zohair Taherali	Mr. Mono Ranjan Dey FCA
Bangladesh Steel Re-Rolling Mills Limited	Chairman	Managing Director	Director	-	Independent Director
BSRM Wires Limited	Managing Director	Director	Chairman	Director	-
BSRM Recycling Industries Limited	Managing Director	Director	Chairman	Director	-
Chittagong Power Company Ltd.	Chairman & Managing Director	Director	Director	-	-
Bangladesh Steels Limited	Director	Managing Director	Chairman	Director	-
East Bengal Trading & Industrial Corporation Limited	Director	Managing Director	Chairman	Director	-
BSRM Ispat Limited	Director	Managing Director	Chairman	Director	-
BSRM Steel Mills Limited	Chairman	Managing Director	Director	Director	Independent Director
BSRM Logistics Limited	Chairman	Director	Managing Director	-	-
BSRM Real Estates Limited	Chairman	Managing Director	Director	Director	-
BSRM Metals Limited	Chairman	Managing Director	Director	Director	-
H. Akberali & Co.Limited	Chairman & Managing Director	Director	Director	Director	-
Karnafully Engineering Works Limited	Chairman	Director	Managing Director	Director	-
Section Steel Industries Limited	Managing Director	Chairman	-	-	-
Arco Industries Limited	Director	Director	Managing Director	Director	-

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



PADMA BRIDGE

CORPORATE STRUCTURE





ALIHUSSAIN AKBERALI FCA, CHAIRMAN

MESSAGE FROM THE CHAIRMAN

My Dear Shareholders,

Assalamualikum.

It is my privilege to welcome you all to the 16th Annual General Meetingof **BSRM Steels Limited**. I presume you all have seen our annual report on our website. We have passed another successful year 2017-2018 with net profit of Tk. 1,800 Million & EPS 5.27.

Financial performance:

This is a proud moment for all shareholders of BSRM Steels Limited that we are observing 10 years of brand product **Xtreme 500W.** I would like to present the following operational and financial results of the company:

Particulars	Unit	July'17 to June'18
Production	M. Ton	727,034
Sales	M. Ton	710,995
Capacity Utilization	%	103.90%
Revenue	BDT Tk. Million	48,289.93
Gross Profit	BDT Tk. Million	4,879.17
Net Profit after Tax	BDT Tk. Million	1,800.79
Final Dividend Declared		10% Stock & 10% Cash

All the indictors mentioned above shows that the Company is moving ahead and doing well. We hope it will perform even better in the years to come.

Bangladesh Economy:

Bangladesh is placed as one of the five fastest- growing economies in Asia and occupies 42nd position among global economies. At the current rate of growth it will move to 26th position by 2030. The economy grew 7.86% in the fiscal year 2017-2018 with industrial growth @12.06%. The government has undertaken various infrastructure projects and if these are implemented, the growth will accelerate in the fiscal year 2018-2019. The World Bank put forth a bright picture for the next two fiscal years. The global bilateral institution expects that Bangladesh will grow at an average of 6.7% a year over the fiscal years of 2018-2020. Overall investment to GDP ratio stood at 31.23% in the fiscal year 2017-2018 which was highest since last five years due to public spending on mega infrastructure projects now being implemented. Obviously economic growth will demand more high quality steel products for civil construction. As various construction projects are underway, demand for steel products will continue to remain high and will also increase in the years to come.

Sustainability:

Your company reviewed the long term strategy to for sustainable growth in the future. The company will continue to deploy resources in projects and investments that have the potential to create long term value for its shareholders. In line with these principles, the board of your company recommended 10% stock dividend for the year ended 30 June 2018 and increased profit retention rate for further growth. We maintain competitive price of our products for sustainable growth of the Company. Construction of a new billet plant under this Company with a capacity of 4,30,000 M.T is going ahead as per schedule. Our country needs adequate infrastructural support for business growth, and our Government has taken massive projects to overcome the situation.

Social Welfare:

The group has a separate wing to follow up and coordinate CSR related activities. Amongst other projects, we did the following CSR activities/ programs:

- Vocational Training, Chattogram.
- BSRM supports educational programmes in partnership with British Council, Bangladesh Military Academy and other institutions.
- BSRM supports Autism Welfare Foundation (AWF) by sponsoring education and assets transfer.
- Support 570 students Free Education at Burhani BSRM School, Chattogram.
- Strengthening Women's Ability for Productive New Opportunities (SWAPNO), Kurigram and Satkhira.
- BSRM Foundation Medical Center and Diagnostic Centre, Mirsharai.
- Donating Ambulance to Autistic children of PFDA-Vocational Training Centre.
- Keep Smiling, Cleft lip / Palate Kids – Sylhet.
- Forest Conservation – Fatikchari, Chattogram.
- Prevent women trafficking in Jashore Border area.
- Voluntary Service Overseas Bangladesh (VSOB), created and developed 358 crab farmers over the past 4 years, giving training and assets in Khulna Mongla.

We believe in adopting best practices of Corporate Governance and strive for continuous improvement. Our guiding principles and practices are summarized in the Report of Corporate Governance. These are articulated through Company's Code of Conduct, Values, and Corporate Governance Guidelines.

To conclude, I wish to convey my sincere thanks and acknowledgement for the co-operation and assistance extended by various Government bodies, the Company's Bankers, Dealers, Customers and Suppliers. I would also like to congratulate each & every member employee and shareholders of BSRM Group for their sincere and committed contribution, support and bestowing your trust on us. I look forward to your continued support and co-operation. I thank you all for attending today's Annual General Meeting of the Company.

Allah Hafiz,

Sincerely yours,



Alihussain Akberali FCA
Chairman

AMARSTOCK

চেয়ারম্যান-এর বক্তব্য

প্রিয় শেয়ারহোল্ডারগণ,

আসসালামু আলাইকুম

বিএসআরএম স্টিলস লিমিটেড-এর পক্ষ থেকে ১৬তম বার্ষিক সাধারণ সভায় আপনাদের সবাইকে সাদর আমন্ত্রণ। আশা করছি ইতিমধ্যেই আপনারা আমাদের ওয়েবসাইটে বার্ষিক প্রতিবেদনটি দেখেছেন। ২০১৭-১৮ অর্থবছরে ১৮০০ মিলিয়ন টাকা লাভ এবং ইপিএস ৫.২৭ টাকা নিয়ে আমরা আরো একটি সফল বছর পার করেছি।

আর্থিক মূল্যায়ন:

বিএসআরএম-এর ব্র্যান্ড প্রোডাক্ট এক্সট্রিম500W দশ বছরে পা দিয়েছে যা বিএসআরএম-এর সকল শেয়ারহোল্ডারদের জন্য একটি গর্বের ব্যাপার। আমি কোম্পানির অপারেশনাল এবং আর্থিক ফলাফল আপনাদের সামনে উপস্থাপন করছি।

বিবরণ	ইউনিট	জুলাই'১৭-জুন'১৮
উৎপাদন	মেট্রিক টন	৭২৭,০৩৪
বিক্রয়	মেট্রিক টন	৭১০,৯৯৫
উৎপাদন ক্ষমতার ব্যবহার	%	১০৩.৯০%
বিক্রয়	টাকা-মিলিয়নে	৪৮,২৮৯.৯৩
সর্বমোট মুনাফা	টাকা-মিলিয়নে	৪,৮৭৯.১৭
কর বাদ মুনাফা	টাকা-মিলিয়নে	১,৮০০.৭৯
ঘোষিত লভ্যাংশ		১০% স্টক এবং ১০% নগদ

কোম্পানি সামনে এগিয়ে যাচ্ছে এবং ভালো করছে, উল্লিখিত সূচকগুলো তারই নির্দেশনা দেয়। আশা করছি আসছে বছরে আমরা আরো ভালো করতে পারবো।

বাংলাদেশের অর্থনীতি:

এশিয়ার দ্রুত বর্ধমান অর্থনীতির তালিকায় বাংলাদেশ পঞ্চম এবং বৈশ্বিক অর্থনীতিতে ৪২তম জায়গা করে নিয়েছে। বাংলাদেশ যেভাবে এগিয়ে যাচ্ছে সেভাবে এগোতে থাকলে ২০৩০ সালে ২৬তম স্থানে উঠে আসবে বলে আশা করা যায়। ২০১৭-১৮ অর্থবছরে বাংলাদেশের অর্থনীতি এগিয়েছে ৭.৮৬%, সাথে সাথে এগিয়েছে শিল্প উন্নয়নও যা প্রায় ১২.০৬%। সরকার নানা ধরনের অবকাঠামোগত উন্নয়নের প্রকল্প হাতে নিয়েছে যা সফলভাবে শেষ হলে এগিয়ে যাওয়ার এই হার ২০১৮-১৯ অর্থবছরে আরো বাড়বে। বিশ্বব্যাংকও পরবর্তী দুই অর্থবছরের জন্য যে চিত্র প্রকাশ করেছে সেটাও বাংলাদেশের জন্য বেশ উজ্জ্বল। দ্যা গ্লোবাল বাইলেটারাল ইন্সটিউশন এর ভাষ্যমতে ২০১৮-২০ সালের মধ্যে বাংলাদেশ ৬.৭% হারে আরো এগিয়ে যাবে। জিডিপি অনুযায়ী বিনিয়োগ বেড়েছে প্রায় ৩১.২৩%, যা গত ৫ বছরের মধ্যে সর্বোচ্চ এবং নানা ধরনের বৃহৎ সব প্রকল্পের কাজও সফলভাবে চলছে। স্পষ্টতই অর্থনৈতিকভাবে এই অগ্রযাত্রার ফলে বেসরকারী নির্মাণপ্রকল্পসমূহে স্টিল-এর চাহিদা আরো বাড়বে। যেহেতু নির্মনাধীন নানা ধরনের প্রকল্পের কাজ চলছে তাই স্টিল-এর বাড়তি চাহিদা থাকবেই এবং আগামী বছরগুলোতে এই চাহিদা আরো বাড়বে।

সাস্টেইনেবিলিটি:

দীর্ঘমেয়াদী প্রবৃদ্ধির জন্য আপনাদের কোম্পানি সবধরনের কৌশল পর্যলোচনা করে দেখছে। নানা ধরনের প্রকল্পে কোম্পানি নানা ধরনের সম্পদ এবং অর্থ ব্যবস্থাপনা করছে যা দীর্ঘমেয়াদে শেয়ারহোল্ডারদের জন্য লাভজনক হবে। এই নীতিগুলোর সাথে সঙ্গতি রেখে, আপনাদের কোম্পানির বোর্ড ৩০ জুন ২০১৮-এ সমাপ্ত বছরের জন্য ১০% স্টক লভ্যাংশের সুপারিশ করেছে এবং ভবিষ্যতে আরো সম্প্রসারণের জন্য সঞ্চিতির হার বাড়ানো হয়েছে। আমরা আমাদের কোম্পানির ধারাবাহিক উন্নয়নের জন্য পণ্যের দাম বরাবরই প্রতিযোগিতামূলক রাখতে চেষ্টা করি। এই কোম্পানির অধীনে ৪,৩০,০০০ মে.টন ক্ষমতা সম্পন্ন একটি নতুন বিলেট প্ল্যান্ট নির্মাণকাজ অতি দ্রুত গতিতে এগিয়ে যাচ্ছে। আমাদের দেশে ব্যবসা বৃদ্ধির জন্য পর্যাপ্ত অবকাঠামোগত সহায়তা প্রয়োজন এবং আমাদের সরকার এই লক্ষ্যে বেশকিছু বড় প্রকল্প গ্রহণ করেছে।

সমাজ কল্যাণ:

বিএসআরএম গ্রুপের সিএসআর সম্পর্কিত কার্যক্রম অনুসরণ এবং সমন্বয় করার জন্য একটি আলাদা শাখা রয়েছে। অন্যান্য প্রকল্পগুলোর মধ্যে আমরা নিম্নলিখিত সিএসআর কার্যক্রম/প্রোগ্রামগুলো করেছি:

- ভোকেশনাল ট্রেনিং, চট্টগ্রাম
- ব্রিটিশ কাউন্সিল, বাংলাদেশ মিলিটারি একাডেমী এবং অন্যান্য প্রতিষ্ঠানের সাথে পার্টনারশিপে বিএসআরএম বিভিন শিক্ষা কার্যক্রমে সহযোগিতা করে
- বিএসআরএম শিক্ষা, সম্পদ ও উপকরণ প্রদানে স্পন্সর করার মাধ্যমে অটিজম ওয়েলফেয়ার ফাউন্ডেশন (AWF) কে সহায়তা করে
- বুরহানি বিএসআরএম স্কুল, চট্টগ্রাম-এর ৫৭০জন শিক্ষার্থীকে বিনামূল্যে শিক্ষা সহায়তা প্রদান
- উৎপাদনমুখী নতুন সুযোগ(স্বপ্ন) তৈরির মাধ্যমে কুড়িগ্রাম ও সাতক্ষীরার নারীদের উন্নয়নে শক্তিশালী ভূমিকা পালন
- বিএসআরএম ফাউন্ডেশন মেডিকেল সেন্টার ও ডায়গনস্টিক সেন্টার, মিরসরাই
- পিএফডিএ-ভোকেশনাল ট্রেনিং সেন্টার-এর অটিস্টিক শিশুদের অ্যাম্বুলেন্স দান
- কিপ স্মাইলিং, ঠোঁট কাটা/তালু কাটা শিশু- সিলেট
- বন সংরক্ষণ- ফটিকছড়ি, চট্টগ্রাম
- যশোর বর্ডার এলাকায় নারী পাচার রোধ
- ভলান্টিয়ার সার্ভিস ওভারসিজ বাংলাদেশ (ভিএসওবি), গত ৪ বছরে মোট ৩৫৮ জন কাঁকড়া চাষী তৈরি করা এবং মংলা,খুলনাতে তাদের প্রয়োজনীয় ট্রেনিং প্রদান ও অর্থনৈতিকভাবে সাহায্য করা

আমরা কর্পোরেট গভর্নেন্সের সবচেয়ে ভালো প্র্যাকটিসগুলো মেনে চলতে বিশ্বাসী এবং ক্রমাগত উন্নতির পথে কাজ করে যেতে চাই। কর্পোরেট গভর্নেন্সের রিপোর্টে আমাদের নির্দেশক নীতি এবং প্র্যাকটিসগুলো সংক্ষিপ্তভাবে তুলে ধরা হয়েছে। এগুলো কোম্পানির আচরণবিধি, আদর্শ ও কর্পোরেট গভর্নেন্সের নির্দেশিকা দ্বারা বর্ণিত।

সবশেষে, আমি আন্তরিক ধন্যবাদ ও কৃতজ্ঞতা জানাচ্ছি বিভিন্ন সরকারি সংস্থা, কোম্পানির ব্যাংকার, ডিলার, কাস্টমার ও সাপ্লায়ারদের তাদের সার্বিক সহায়তায় জন্য। বিএসআরএম গ্রুপের প্রত্যেক কর্মচারী ও শেয়ারহোল্ডারকে আমি অভিনন্দন জানাতে চাই আমাদের প্রতি তাদের আন্তরিক অবদান ও আস্থা বজায় রাখার জন্য। ভবিষ্যতেও আমি আপনাদের অব্যাহত সমর্থন ও সহযোগিতা আশা করছি। আজকের বার্ষিক সাধারণ সভায় অংশগ্রহণের জন্য আপনাদের সবাইকে অসংখ্য ধন্যবাদ।

আপনাদের,



আলীহোসাইন আকবরআলী এফসিএ
চেয়ারম্যান

AMAR STOCK



AAMEIR ALIHUSSAIN, MANAGING DIRECTOR

MANAGING DIRECTOR'S ROUND UP

Ladies and Gentlemen, On behalf of the Board of Directors, I would like to welcome you to the 16th Annual General Meeting of the Company. The Annual Report for the year that ended June 30, 2018 has been with you for some time now so, I shall take it as read.

The performance of BSRM Steels Limited in fiscal year 2017-2018 has been quite satisfactory. I am pleased to report that the Company has made Tk. 1.80 Billion profit this year. Sales stood Tk. 48,289.92 Million and EPS stood Tk. 5.27. We sold 710,995 MT of our products against our budgeted sales of 655,000 MT. Overall growth was profound.

However, fiscal year 2017-2018 was an important milestone for BSRM Steels Limited. We planned to increase our capacity of Billet production in BSRM Group to cater to the growing demand of our product. We are happy to report that our efforts have shown a positive and rewarding outcome in BSRM Steel Mills Limited. We shall have no external dependency for billets, which will help to reduce the risk of volatile situation of the international market. After revamping, efficiency of rolling unit of your company is steadily increasing and production has gone up to 103%. The merger with BISCO, a billet manufacturing unit of BSRM Group, has been completed. Setting up of a new billet plant and merger of subsidiary company will increase the productivity and profitability of the Company.

The World Bank, expects Bangladesh economy will grow by 6.7% a year over the fiscal years of 2018-2020, benefiting from strong domestic demand. The government's Seventh Five Year Plan, along with Vision 2021, sets strong developmental targets for the country. Bangladesh Government is trying to reach "Middle Income Country" status by 2021. A number of medium and large scale infrastructure projects have been under taken to reach this goal. We are increasing our production and delivery capacity to support the economic demand of the country.

I express my deep gratitude to the members of the Board of Directors, our bankers, our dealers and customers, shareholders, officials of National Board of Revenue, civil and military institutions, RJSC, BSEC, Dhaka Stock Exchange Limited and Chittagong Stock Exchange Limited. Their guidance, advice, co-operation and good wishes enabled us to achieve our goal. More importantly, a special thanks to all our employees who have worked hard to add more value for us every day.

Thanking you,



Aameir Alihussain
Managing Director

AMAR STOCK

ব্যবস্থাপনা পরিচালকের পক্ষ থেকে

প্রিয় শেয়ারহোল্ডারবৃন্দ,

পরিচালনা পর্ষদের পক্ষ থেকে আপনাদের ১৬তম বার্ষিক সাধারণ সভার শুভেচ্ছা জানাচ্ছি। ৩০ জুন ২০১৮ তারিখে শেষ হওয়া অর্থ বছরের আর্থিক প্রতিবেদনটি আমি এবার আপনাদের সামনে উপস্থাপন করছি।

বিএসআরএম স্টিলস্ লিমিটেড-এর কার্যক্রম ২০১৭-১৮ অর্থবছরে অত্যন্ত সন্তোষজনক ছিলো। আমি আনন্দের সঙ্গে জানাচ্ছি যে, এই অর্থবছরে কোম্পানি সর্বমোট ১.৮০ বিলিয়ন টাকা মুনাফা করেছে। সর্বমোট বিক্রয় হয়েছে ৪৮,২৮৯,৯২৫,৭৩৬ টাকা এবং ইপিএস গিয়ে দাঁড়ায় ৫.২৭ টাকায়। আমরা সর্বমোট ৭১০,৯৯৫ মেট্রিক টন পণ্য বিক্রয় করেছি যেখানে আমাদের লক্ষ্যমাত্রা ছিলো ৬৫৫,০০০ মেট্রিক টনের। সার্বিক প্রবৃদ্ধি ছিলো সন্তোষজনক।

যদিও ২০১৭-১৮ অর্থবছর বিএসআরএম স্টিলস্ লিমিটেড-এর জন্য ছিলো একটি গুরুত্বপূর্ণ বছর। আমাদের পণ্যের ক্রমবর্ধমান চাহিদা পূরণের লক্ষ্যে আমরা বিলেট উৎপাদনের ক্ষমতা বাড়ানোর পরিকল্পনা করেছিলাম। আমরা আপনাদের জানাতে পেরে আনন্দ বোধ করছি যে, আমাদের এই প্রচেষ্টা ইতিবাচক একটা ফলাফল তৈরি করতে পেরেছে। বিএসআরএম স্টিলস্ মিলস-এর অভূতপূর্ব সফলতায় এখন আর বিলেট উৎপাদনের জন্য আমাদের বাইরে কোথাও নির্ভরশীল হয়ে থাকতে হচ্ছে না, যা আন্তর্জাতিক বাজারের পরিবর্তনের সাথে সাথে কোনো ধরনের ঝুঁকির কারণ হয়ে দাঁড়াবে না। নতুন করে শুরু করার পরে, আপনাদের কোম্পানির উৎপাদনক্ষমতা ক্রমান্বয়েই বাড়ছে এবং উৎপাদন বেড়ে হয়েছে ১০৩%। বিএসআরএম গ্রুপের বিলেট উৎপাদনকারী প্রতিষ্ঠান বিসকো'র সাথে একত্রীকরণ সম্পন্ন হয়েছে। নতুন বিলেট প্ল্যান্ট প্রতিষ্ঠা এবং সাবসিডিয়ারি কোম্পানির সাথে একত্রীকরণ উৎপাদন এবং মুনাফা, দুই-ই বৃদ্ধি করেছে।

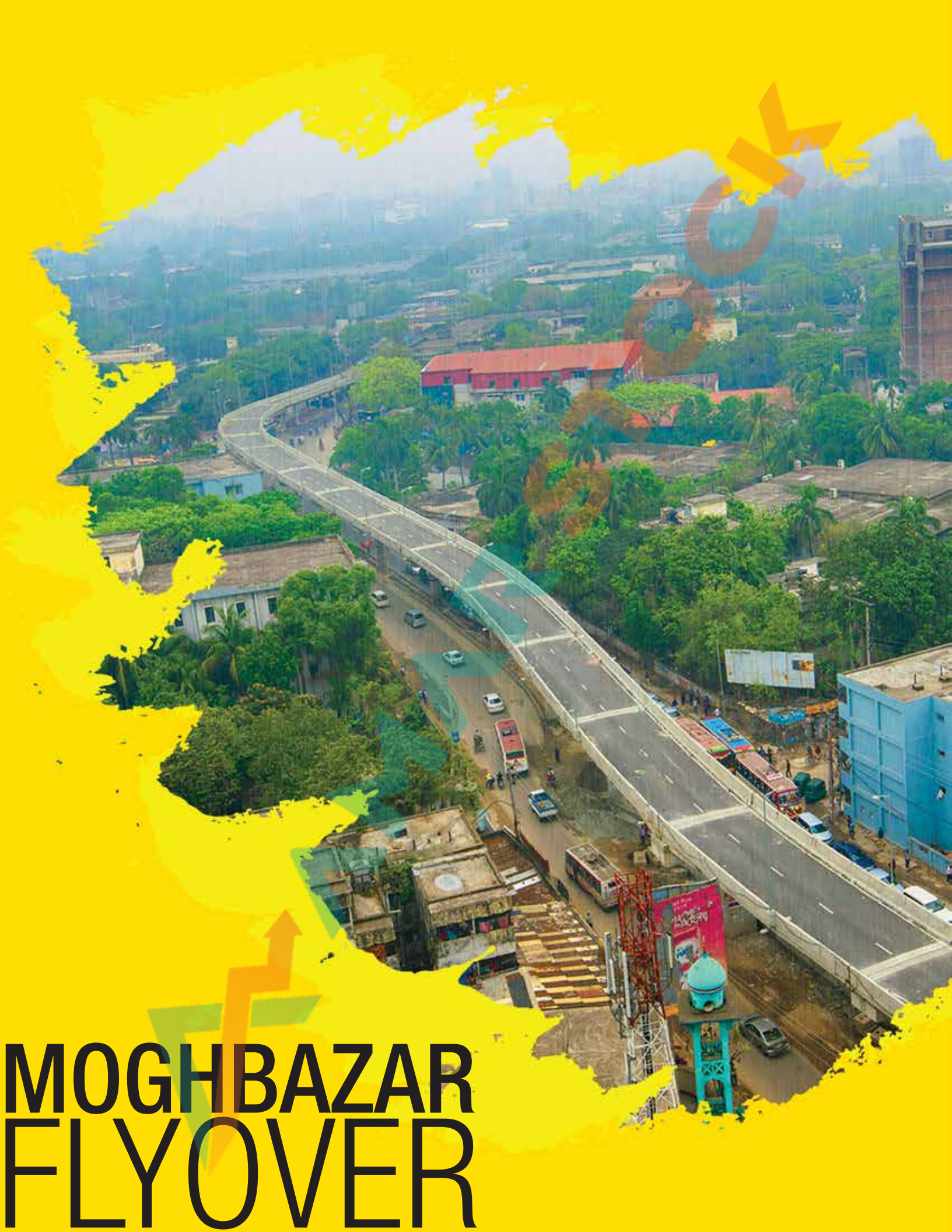
বিশ্বব্যাংক আশা করছে শক্তিশালী আভ্যন্তরীন চাহিদার ফলে ২০১৮-২০২০ সালের মধ্যে বাংলাদেশের অর্থনৈতিক প্রবৃদ্ধি আরও ৬.৭% বাড়বে। সরকারের ৭ম পঞ্চবার্ষিকী পরিকল্পনা, ভিশন ২০২১ দেশের উন্নয়নের শক্তিশালী একটি লক্ষ্যমাত্রা তৈরি করবে। বাংলাদেশ সরকার ২০২১ সালের মধ্যে মধ্যম আয়ের দেশ হিসেবে নিজেদের তুলে ধরতে চাইছে এবং সেই লক্ষ্যে নিরলসভাবে কাজ করে যাচ্ছে। বেশ কিছু মধ্যম এবং বড় কিছু অবকাঠামোগত প্রকল্প নেওয়া হয়েছে যেগুলো এই লক্ষ্য পূরণে কাজ করে যাচ্ছে। আমরা দেশের এই অর্থনৈতিক চাহিদা পূরণে আমাদের উৎপাদন এবং বন্টনের ক্ষমতা বাড়িয়ে তোলার লক্ষ্যে কাজ করছি।

আমি, আমাদের বোর্ড অফ ডিরেক্টর-এর সকল সদস্য, ব্যাংকার, ডিলার, ক্রেতা, শেয়ারহোল্ডার, আয়কর বিভাগের কর্মকর্তাগণ, বিএসইসি, আরজেএসসি, ডিএসই, সিএসসি এবং কাস্টমস'কে তাদের ক্রমাগত সমর্থন, পরামর্শ এবং অনুরপ্রেরণা প্রদানের জন্য কৃতজ্ঞতা জানাচ্ছি। তাদের সকলের নির্দেশনা, সহযোগিতা এবং শুভ কামনাই আমাদের লক্ষ্য পূরণের পাথেয় হয়ে থাকবে। সবশেষে আমি ধন্যবাদ জানাতে চাই, আমাদের সকল কর্মীকে যাদের পরিশ্রম আমাদের সবার জন্যই ক্রমাগত সাফল্য বয়ে এনেছে এবং ভবিষ্যতেও আনবে।

ধন্যবাদ,

আমীর আলীহোসাইন
ব্যবস্থাপনা পরিচালক

AMAR STOCK



MOGHBAZAR FLYOVER

DIRECTORS' REPORT

Dear Shareholders,

Assalamualikum.

I am glad to welcome you all at the 16th Annual General Meeting (AGM) of BSRM Steels Limited. This report covers the period of 12 months from July 1, 2017 to June 30, 2018. The report has been prepared in compliance with the Companies Act 1994 and Bangladesh Securities and Exchange Commission Notification No: BSEC/CMRRCD/2006-158/207/Admin/80 dated 03 June, 2018.

Review of 2016-17:

Industry out Look and Possible future development:

The world economy has been on an uptrend with a reported economic growth rate of 3.8% in 2017. With financial condition still supportive, global growth is expected to tick up to 3.2%-3.9% rate in both 2018 & 2019. The macroeconomic outlook in South Asia remains favorable, amid robust domestic demand and strong infrastructure investment.

GDP growth of Bangladesh is expected to strengthen to 6.6 per cent in 2018-2019, following an expansion of 7.86 per cent in 2017-2018. The economy of Bangladesh continued its growth in all important sectors in 2017-2018. Government expenditure as per the 2017-2018 budgets is providing additional fuel to domestic demand. Spending plans are mainly targeted at infrastructure which beyond the short-term boost to growth and will also improve the long-term competitiveness of the economy. This growth booster came from the industrial sector. Increasing growth of construction sector and increasing urbanization have driven the demand of steel in Bangladesh. Owing to the urbanization, improved living standard and increasing purchasing power, the construction sector of Bangladesh is passing a shining period.

We are pleased to inform you that, our Company is supplying specialized steel to Padma Multipurpose Bridge, Roopur Nuclear Power Plant, Mass Rapid Transit Project (Rail), Metro Rail, Rampal 1320MW Power Plant, First Dhaka Elevated Express Way, Payra 1320 MW Thermal Power Plant Project. Moreover, people are more quality and safety conscious. Resultantly, demand for quality steel like BSRM product is rising.

Operational and Financial Performance:

Some operational and financial data is given below for better understanding of the overall performance of the Company:

Operational Performance

Particulars	July'17 to June'18	July'16 to June'17	Jan'16 to Jun'16 *(6 months)*	2015	2014	2013	2012
Installed Capacity (M. Ton)	700,000	700,000	700,000	700,000	600,000	600,000	600,000
Production (M. Ton)	727,034	681,061	362,254	602,832	623,918	630,305	580,147
Capacity Utilization (%)	103.90	97.30	103.50	99.50	104.00	105.00	97.00
Sales (M. Ton)	710,995	692,504	373,747	604,513	679,803	601,935	579,377

The production efficiency of the mill is very impressive during the period of July 2017 to June 2018. BSRM Steels Limited again produced more than its installed capacity.

MARKET STOCK

Financial Performance:

Amount in BDT in million

Particulars	July'17 to June'18	July'16 to June'17*	Jan'16 to Jun'16 *(6 months)*	2015	2014	2013	2012
Sales	48,289.93	37,996.41	17,265.18	32,316.10	38,535.94	36,229.05	38,253.46
Gross Profit	4,879.17	4,557.30	3,114.69	4,368.65	2,807.32	3,250.15	1,888.44
Profit before interest, taxes, WPP&WF	3,180.65	3,273.60	2,379.86	3,257.93	1,892.83	2,314.39	1,160.39
Less: Interest & WPP&WF	(1,120.19)	(417.23)	(246.38)	(739.29)	(378.95)	(492.82)	136.42
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)	(431.48)
Net Profit	1,800.80	1,705.41	1,313.32	2,081.88	1,086.21	1,693.47	865.33
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	865.33
EPS	5.27	4.98	3.84	6.09	3.18	4.95	2.53

*Information of 2016-2017 shows consolidated financial data.

Other Financial Performance:

Amount in BDT in million

Particulars	July'17 to June'18	July'16 to June'17*	Jan'16 to Jun'16 *(6 months)*	2015	2014	2013	2012
Paid Up Capital	3,417.75	3,417.75	3,417.75	3,417.75	3,417.75	3,417.75	3,255.00
Share Holders' Equity	12,808.90	11,630.30	9,371.20	9,080.62	7,495.09	6,915.25	5,540.65
Current Liabilities	29,799.38	23,549.73	16,992.84	14,213.79	18,445.30	15,858.17	16,178.60
Non-current Liabilities	3,072.28	2,427.75	2,445.09	1,436.02	1,200.26	1,131.64	735.45
Addition to fixed assets & CWIP	1,163.89	1,163.89	83.78	758.16	227.39	296.23	347.75
Operating cash flow	990.21	364.43	3,093.49	5,766.33	(2,995.28)	4,595.39	(727.69)

*Information of 2016-2017 shows consolidated financial data.

Discussion on Cost of Goods sold, Gross Profit Margin and Net Profit Margin:

It has been discussed in Annexure- 2

Operation of Subsidiary Company:

The Company filed a petition to the Honorable High Court division of Supreme Court for merger of BISCO with BSRM Steels Limited in the year 2016. The Company received the certified copy of order of Honorable High Court on approval of the Scheme of amalgamation on 10th September 2017. As per approval of scheme of amalgamation the transferee (BSRM Steels Limited) company paid BDT 19.41 per share of BDT 10.00 each to the 5% shareholders of the transferor Company (BSRM Iron & Steel Co. Ltd). Accordingly, the following shareholders of the Transferor Company –BSRM Iron & Steels Co. Ltd got the following amount as per approved scheme of amalgamation:

Name of Shareholders	No of Share held	Value of Shares
Alihussain Akberali FCA	12,58,250	2,44,22,632.50
Aameir Alihussain	59,250	11,50,042.50
Zohair Taherali	2,47,090	47,96,016.90
Tehseen Zohair Taherali	25,500	4,94,955.00
Mrs. Bilkis Alihussain	44,910	8,71,703.10
H. Akberali & Co. Limited	36,49,050	7,08,28,060.50
VORTEX Investment Limited	2,15,950	41,91,589.50
Total	55,00,000	10,67,55,000

Operation of Associate Company: BSRM Steel Mills Limited

The Company has invested Tk. 1,000,000,000 in shares of BSRM Steel Mills Limited and holding 25.35% of equity. This associates started its production in June, 2016. Equipped with the world's largest induction furnace, the plant is capable to produce 862,500 M. Ton prime quality billets. The new plant supply us quality billet to produce our product. Some key financial information of this plant are appended below:

Description	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

Segment wise or product wise performance:

For management purposes, the company is organized into business units based on its products and has two reportable segments, as follows:

- The M.S Rod segment which produces different graded Rod and sell the same to several dealers, end users, other corporate users and some deemed export to EPZ based companies.
- The M.S Billets segment which produces different graded Billets and transfer the same to produce M.S Rod.

No operating segments have been aggregated to form the above reportable operating segments. Segment information is included in note 3.14 of the Audited Financial Statements.

BSRM Xtreme500W was the first high strength steel in Grade 500 introduced in Bangladesh construction market in 2008. BSRM Xtreme500W rapidly gained market share and is the undisputed market leader in this category. Besides Xtreme500W, the company also manufactures Grade 420D steel to meet the requirements of certain Govt. projects in the power sector. The company has decided to brand the Grade 420D as **'Ultima'**. The Company rolled out new Grade reinforcing steel conforming to the U.S. standard ASTM 706 Grade 80 in the 2016 which is more economical as it will require 20% less steel in construction. The new Grade 80 will be marketed under the Brand name **'Maxima'**.

Detailed product wise performances are as follows:

Products	Production (M. Ton)		Sales (M. Ton)	
	2017-2018	2016-2017	2017-2018	2016-2017
Xtreme500W	599,614	608,169	587,670	619,081
Others M. S Rod	127,420	72,895	123,325	73,423
M. S Billet	162,199	-	147,676	-
Total	**727,034**	**681,064**	**710,995**	**692,504**

Risks & Concerns:

Risk assessment and mitigation is an 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.

A summary of the significant risks and the way of managing risks adopted by our company is included in Annexure-1 and Note -41 of the Financial Statements.

Risk Management & Control Environment

Detail discussed in Annexure 1A.

Management Discussion& Analysis:

Board of Directors periodically discusses on operational & financial performance. A detailed report on discussion is included in Annexure-D.

Certification by the CEO & the CFO:

Declaration or 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-2

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

"ST-2" 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"**.

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 01, 2017 to June 30, 2018. Following table shows the attendance of directors in the meeting.

Name of the directors	Position	No. of meeting held during the year	No. of meeting attended
Mr. Alihussain Akberali FCA	Chairman	8	7
Mr. Aameir Alihussain	Managing Director	8	8
Mr. Zohair Taherali	Director	8	7
Mrs. Tehseen Zohair Taherali	Director	8	6
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 Managing Director and Directors being appointed and re-appointed:

a) Mr. Alihussain Akberali FCA and Mrs. Tehseen Zohair Taherali will retire by rotation at the conclusion of 16th Annual General Meeting as per section 97 & 98 of the Articles of Association of the Company and being eligible Mr. Alihussain Akberali FCA and Mrs. Tehseen Zohair Taherali, offer them-selves for re-appointment.

b) Mr. Aameir Alihussain, Managing Director, retired as per section 110 of the Companies Act 1994 and being eligible, offer himself for re-appointment.

c) Pursuant to the BSEC's directive and on discussion, Board Members have recommended to appoint Mr. Gobinda Chandra Paul FCA as the Independent Director of the Company with effect from 1st December 2018 for a period of next 3 (three) years. Mr. Gobinda Chandra Paul FCA was born in 1951 and has 40 years of experience in internal & external audit and assurance, developing internal control, Tax and VAT matters. He is a qualified Chartered Accountant and fellow member of ICAB. Currently, he is managing Partner of reputed Chartered Accountancy firm - Basu Banerjee Nath & Co.

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

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.

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 10 and 20 of the financial statements as per IFRS/BFRS.

Utilization of IPO proceeds and Financial Result after IPO:

Company had no unutilized IPO fund since 2009, Company is maintaining a stable financial performance.

Significant variance in the quarterly and annual Financial Statements:

There were no significant variance between Quarterly performance and overall annual performance. Throughout the year company was able to maintain a judicious performance both in operational and financial perspectives.

Remuneration of Directors including Independent Director:

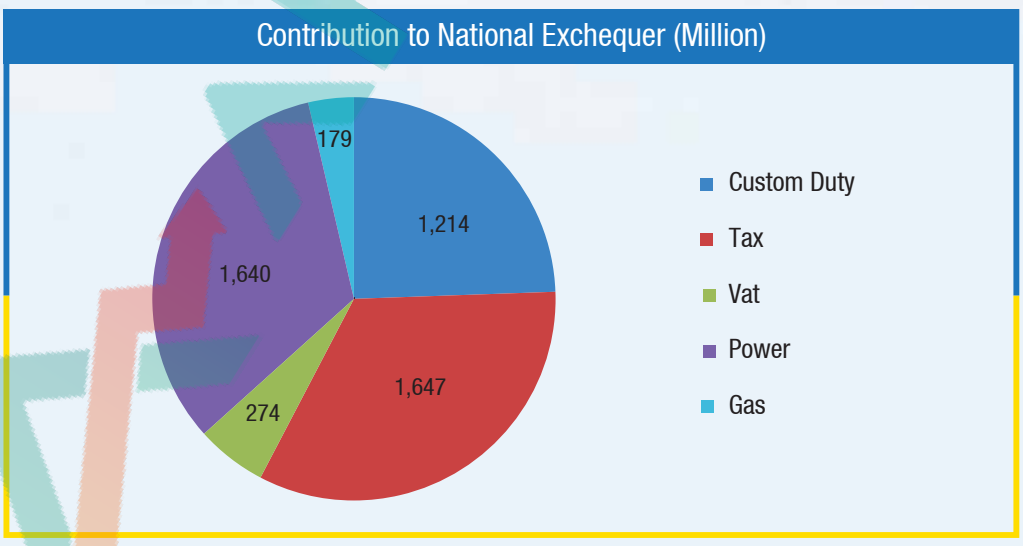
Directors were remunerated as per the decision of the Board and a detailed report of the Directors' Remuneration is included in Annexure-3 and Note 28.01 of Financial Statements.

Dividend:

The Board of Directors has recommended 10% Stock dividend & 10% cash dividend per share for the year ended June 30, 2018. The dividend on equity shares, if approved would be paid to those members whose name appears on the register of members as on record date. The company will continue to deploy capital in projects and investment that have the potential to create long term value for its shareholders. In line with these principles, the board of your company recommended stock dividend and kept portion of profit for further growth.

Contribution to National Exchequer:

Being a responsible corporate entity, BSRM is paying and facilitating collection of Government's revenue. In 2017-2018, BSRM Steels Limited collected and contributed Tk.4,954 million to the government exchequer as Income Tax, VAT and Duties along with utility bill which is appended below:



Corporate Social Responsibilities:

BSRM's commitment to connect business decisions to ethical, social and environmental concerns remains to be one of the strongest foundations 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 89 of Annual Report.

Award and Recognition:

It is our great pleasure to let you know that, we achieved some prestigious awards and few of them are mentioned below:

1. National Export Trophy – (BSRM Steels Ltd.) for 2013-14 & 2015-16.
2. President's Award for Industrial Development 2014 in the category of Large Scale Industry. – (BSRM Steels Ltd.)
3. Prestigious award for "Excellence in Supply Chain Relationship Management & Logistic Management" from Bangladesh Supply Chain Management Society.
4. ICAB National Awards for Best Presented Annual Reports for the year 2012, 2013, 2015 & Certificate of Merit for the year 2014, 2015.
5. ICSB National Gold Award for best Corporate Governance Excellence 2015 – (BSRM Ltd)
6. Awarded Tax Card from NBR for highest tax payment in 2015 –16, 2016–17 (BSRM Steels Ltd.)
7. Best Brand of Bangladesh in Steel Category in 2011, 2013, 2014, 2015 & 2016 & 2017 – (BSRM Group).
8. Best Enterprise of the year 2010 - (BSRM Group).
9. D & B Corporate Awards 2010 & 2012 – (BSRM Steels Ltd).
10. Pride of Chittagong (Chattagramer Ahonkar) 2012. (Mr. Alihussain Akberali FCA)
11. Divisional Environment Award 2013 – (BISCO Ltd.)
12. Certificate of Merit from South Asian Federation of Accountants (SAFA) in 2012, 2013 & 2015 – (BSRM Steels Ltd.)
13. 5th Standard Chartered-Financial Express CSR Award – (BSRM Group)
14. Japan Bangladesh Chamber of Commerce & Industry (JBCCI) Awards in 2014. – (BSRM Ltd.)
15. ICSB National Award (Silver Award) for Corporate Governance Excellence 2014. – (BSRM Steels Ltd)
16. Best Electricity Consumer (Industry) award for the year 2015 (BSRM Ltd.)
17. Mercantile Bank Awards (Industry & Commerce) for the year 2015. (BSRM Group).

Information Technology

BSRM Steels Limited is a customer oriented company since inception. Your Company has taken a group of IT initiatives 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. 93 in this report.

EMARKET

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. 93 in this report.

Code of Conduct:

The Board of Directors of the Company has adopted a Code of Conduct for the Directors. All the Directors have signed as acceptance to its compliance.

Auditors:

Present auditor M/S A. Qasem & Co., Chartered Accountants (A member firm of Ernst & Young Global), Faruk Mahal (3rd Floor), Plot# 93, Agrabad C/A will retire in 16th AGM and being eligible to conduct audit for the year 2018-19 and they have conveyed their willingness to accept for re-appointment for the said periods. The Board has recommended as the statutory Auditor for the year ended on June 30, 2019 subject to the approval of 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 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 BSRM Steels Limited 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 has 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) 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.

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

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

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i) A compliance status report with requirements of corporate governance as required by BSEC has been disclosed in Regulatory Compliance Report segment.

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

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

Acknowledgements:

We thank our customers, vendors, dealers, investors, Bangladesh Securities and Exchange Commission, Dhaka Stock Exchange Limited, Chittagong Stock Exchange Limited, CDBL, National Board of Revenue, RJSC, various government authorities, business associates and bankers for their continued support, co-operation and guidance in our business endeavor during the year. We place on record our appreciation for the contribution made by employee at all levels. Our resilience to meet challenges was made possible by their hard work, solidarity, co-operation and support. We are very proud of what we have achieved and as always, is grateful to all those who contributed to the success of our Company.

We are very confident that our Company's best days are ahead as we continue to build on our momentum making BSRM the clear market-leader.

Allah Hafiz,



Aameir Alihussain
Managing Director

AMARSTOCK

পরিচালকমণ্ডলীর প্রতিবেদন

প্রিয় শেয়ারহোল্ডারবৃন্দ,

আসসালামু আলাইকুম

আমি অত্যন্ত আনন্দের সাথে সবাইকে বিএসআরএম স্টিলস লিমিটেড-এর ১৬তম বার্ষিক সাধারণ সভায় স্বাগত জানাচ্ছি। এই প্রতিবেদনে ০১ জুলাই ২০১৭ থেকে ৩০ জুন ২০১৮ সাল পর্যন্ত ১২ মাসের পর্যালোচনা রয়েছে। প্রতিবেদনটি বাংলাদেশ কোম্পানি অ্যাক্ট ১৯৯৪ ও বাংলাদেশ সিকিউরিটিজ অ্যান্ড এক্সচেঞ্জ কমিশন কর্তৃক জারিকৃত নোটিশ বিএসইসি/সিএমআরআরসিডি-২০০৬-১৫৮/২০৭/অ্যাডমিন/৮০ মোতাবেক ০৩ জুন ২০১৮ তারিখে প্রস্তুতকৃত।

২০১৭-১৮ সালের পর্যালোচনা – শিল্পখাতের বিদ্যমান পরিস্থিতি ও ভবিষ্যৎ উন্নয়ন সম্ভাবনা:

২০১৭ সালের বৈশ্বিক অর্থনৈতিক প্রবৃদ্ধির হার ৩.৮%। ইতিবাচক আর্থিক পরিস্থিতির ফলে ২০১৮ ও ২০১৯ সালে প্রবৃদ্ধির হার ৩.২% - ৩.৯%-এ উন্নীত হওয়ার সম্ভাবনা রয়েছে। দক্ষিণ এশিয়ার সামষ্টিক অর্থনৈতিক পরিস্থিতি অনুকূল অবস্থায় রয়েছে এবং ব্যাপক অবকাঠামোগত বিনিয়োগ ও দেশীয় চাহিদার সম্ভাবনা আছে।

বাংলাদেশের জিডিপি প্রবৃদ্ধি ২০১৮-১৯ সালে ৬.৬% হারে বজায় থাকবে, যা ২০১৭-১৮ সালে ৭.৮৬% হারে বৃদ্ধি পেয়েছে। ২০১৭-১৮ সালে বাংলাদেশের সকল গুরুত্বপূর্ণ খাতে উল্লেখযোগ্য উন্নয়ন হয়েছে। ২০১৭-১৮ সালের বাজেটে সরকারী ব্যয় দেশীয় চাহিদা বৃদ্ধিতে সহায়ক ভূমিকা রেখেছে। ব্যয়-পরিকল্পনা মূলত অবকাঠামো খাতে স্বল্পমেয়াদী প্রবৃদ্ধির হার বাড়ানো ছাড়াও দীর্ঘমেয়াদী অর্থনৈতিক সক্ষমতা সৃষ্টির দিকে লক্ষ্য রেখে নেওয়া হচ্ছে। এই প্রবৃদ্ধি ত্বরান্বিত করার মূল শক্তি হলো শিল্পখাত। নির্মাণ খাতের বিকাশ এবং ক্রমবর্ধমান নগরায়নের ফলে বাংলাদেশে স্টিল-এর চাহিদা বেড়েছে। একইসাথে নগরায়ন, মানুষের জীবনযাত্রার মান এবং ক্রয়ক্ষমতার উন্নয়নের ফলে বাংলাদেশের নির্মাণ খাত এক সোনালি সময় পার করছে।

আমরা গর্বিত যে, আমাদের কোম্পানি বিএসআরএম পদ্মা বহুমুখী সেতু, রূপপুর পারমাণবিক বিদ্যুৎ কেন্দ্র, ম্যাস র‍্যাপিড ট্রানজিট প্রজেক্ট (রেল), মেট্রো রেল, রামপাল ১৩২০ মেগাওয়াট বিদ্যুৎ কেন্দ্র, প্রথম ঢাকা এলিভেটেড এক্সপ্রেস ওয়ে ও পায়রা ১৩২০ মেগাওয়াট থার্মাল বিদ্যুৎ কেন্দ্র নির্মাণে বিশেষায়িত স্টিল সরবরাহ করছে। এছাড়াও সময়ের চাহিদায় মানুষ এখন মান ও নিরাপত্তার বিষয়ে সচেতন। তাই সঙ্গত কারণেই বিএসআরএম-এর মতো মানসম্পন্ন স্টিল-এর চাহিদা বেড়ে চলেছে।

উৎপাদন এবং ও আর্থিক ফলাফল পর্যালোচনা:

কোম্পানির সার্বিক অবস্থা আরো ভালো করে বোঝার জন্য নিম্নে উৎপাদন ও আর্থিক উপাত্ত উপস্থাপন করা হলো:

উৎপাদন পর্যালোচনা:

বিবরণ	জুলাই '১৭ থেকে জুন '১৮	জুলাই '১৬ থেকে জুন '১৭*	জানু '১৬ থেকে জুন '১৬ (৬ মাস)	২০১৫	২০১৪	২০১৩	২০১২
স্থাপিত উৎপাদনক্ষমতা (মেট্রিক টন)	৭০০,০০০	৭০০,০০০	৭০০,০০০	৭০০,০০০	৬০০,০০০	৬০০,০০০	৬০০,০০০
উৎপাদন (মেট্রিক টন)	৭২৭,০৩৪	৬৮১,০৬১	৩৬২,২৫৪	৬০২,৮৩২	৬২৩,৯১৮	৬৩০,৩০৫	৫৮০,১৪৭
ব্যবহৃত উৎপাদন ক্ষমতা (%)	১০৩.৯০	৯৭.৩০	১০৩.৫০	৯৯.৫০	১০৪.০০	১০৫.০০	৯৭.০০
বিক্রয় (মেট্রিক টন)	৭১০,৯৯৫	৬৯২,৫০৪	৩৭৩,৭৪৭	৬০৪,৫১৩	৬৭৯,৮০৩	৬০১,৯৩৫	৫৭৯,৩৭৭

জুলাই ২০১৭ থেকে জুন ২০১৮ পর্যন্ত বিএসআরএম কারখানার উৎপাদনক্ষমতা খুবই উল্লেখযোগ্য। আরো একবার **বিএসআরএম স্টিলস লিমিটেড** তার উৎপাদনক্ষমতার তুলনায় বেশি উৎপাদন করেছে।

আর্থিক পর্যালোচনা:

মিলিয়ন টাকায়

বিবরণ	জুলাই '১৭ থেকে জুন '১৮	জুলাই '১৬ থেকে জুন '১৭*	জানু '১৬ থেকে জুন '১৬ (৬ মাস)	২০১৫	২০১৪	২০১৩	২০১২
বিক্রয়	৪৮,২৮৯.৯৩	৩৭,৯৯৬.৪১	১৭,২৬৫.১৮	৩২,৩১৬.১০	৩৮,৫৩৫.৯৪	৩৬,২২৯.০৫	৩৮,২৫৩.৪৬
মোট মুনাফা	৪,৮৭৯.১৭	৪,৫৫৭.৩০	৩,১১৪.৬৯	৪,৩৬৮.৬৫	২,৮০৭.৩২	৩,২৫০.১৫	১,৮৮৮.৪৪
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	১,১৬০.৩৯
বাদ: সুদ এবং ডব্লিউপিপি ও ডব্লিউএফ	(১,১২০.১৯)	(৪১৭.২৩)	(২৪৬.৩৮)	(৭৩৯.২৯)	(৩৭৮.৯৫)	(৪৯২.৮২)	১৩৬.৪২
যোগ/(বাদ): বারগেইন পারচেজ	১০.২০	-	-	-	-	-	-
যোগ/(বাদ): সহযোগী কোম্পানির লাভ/(ক্ষতি)-এর 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)	(৪৩১.৪৮)
নিট মুনাফা	১,৮০০.৮০	১,৭০৫.৪১	১,৩১৩.৩২	২,০৮১.৮৮	১,০৮৬.২১	১,৬৯৩.৪৭	৮৬৫.৩৩
একচুরিয়াল (ক্ষতি)/মুনাফা	(৩.৪০)	-	-	-	-	-	-
মোট সমন্বিত আয়	১,৭৯৭.৪০	১,৭০৫.৪১	১,৩১৩.৩২	২,০৮১.৮৮	১,০৮৬.২১	১,৬৯৩.৪৭	৮৬৫.৩৩
ইপিএস	৫.২৭	৪.৯৮	৩.৮৪	৬.০৯	৩.১৮	৪.৯৫	২.৫৩

*২০১৬-২০১৭ সালের প্রতিবেদনে সমন্বিত আর্থিক উপাত্ত তুলে ধরা হলো।

অন্যান্য আর্থিক তথ্যাদি:

মিলিয়ন টাকায়

বিবরণ	জুলাই '১৭ থেকে জুন '১৮	জুলাই '১৬ থেকে জুন '১৭*	জানু '১৬ থেকে জুন '১৬ (৬ মাস)	২০১৫	২০১৪	২০১৩	২০১২
পরিশোধিত মূলধন	৩,৪১৭.৭৫	৩,৪১৭.৭৫	৩,৪১৭.৭৫	৩,৪১৭.৭৫	৩,৪১৭.৭৫	৩,৪১৭.৭৫	৩,২৫৫.০০
শেয়ারহোল্ডারবৃন্দের ইক্যুইটি	১২,৮০৮.৯০	১১,৬৩০.৩০	৯,৩৭১.২০	৯,০৮০.৬২	৭,৪৯৫.০৯	৬,৯১৫.২৫	৫,৫৪০.৬৫
চলতি দায়	২৯,৭৯৯.৩৮	২৩,৫৪৯.৭৩	১৬,৯৯২.৮৪	১৪,২১৩.৭৯	১৮,৪৪৫.৩০	১৫,৮৫৮.১৭	১৬,১৭৮.৬০
দীর্ঘমেয়াদি দায়সমূহ	৩,০৭২.২৮	২,৪২৭.৭৫	২,৪৪৫.০৯	১,৪৩৬.০২	১,২০০.২৬	১,১৩১.৬৪	৭৩৫.৪৫
স্থায়ী সম্পদ ও সিডব্লিউআইপি-তে সংযোজন	১,১৬৩.৮৯	১,১৬৩.৮৯	৮৩.৭৮	৭৫৮.১৬	২২৭.৩৯	২৯৬.২৩	৩৪৭.৭৫
পরিচালন নগদ প্রবাহ	৯৯০.২১	৩৬৪.৪৩	৩,০৯৩.৪৯	৫,৭৬৬.৩৩	(২,৯৯৫.২৮)	৪,৫৯৫.৩৯	(৭২৭.৬৯)

*২০১৬-২০১৭ সালের প্রতিবেদনে সমন্বিত আর্থিক উপাত্ত তুলে ধরা হলো।

বিক্রিত পণ্যের খরচ, মোট মুনাফা এবং নিট মুনাফা মারজিন:

এ সম্পর্কে অ্যানেক্সার-২ আলোচনা করা হয়েছে।

সহায়ক কোম্পানির কার্যাবলি:

বিএসআরএম- স্টিল্‌স লিমিটেড এর সাথে বিসকো'র একত্রীকরণের জন্য কোম্পানি ২০১৬ সালে সুপ্রিম কোর্টের মাননীয় হাইকোর্ট ডিভিশন বরাবর একটি পিটিশন দাখিল করে। ১০ সেপ্টেম্বর ২০১৭ তারিখে কোম্পানি মাননীয় হাইকোর্ট-এর কাছ থেকে একত্রীকরণের পরিকল্পনা অনুমোদনের প্রত্যয়িত কপি গ্রহণ করে। অনুমোদিত একত্রীকরণের পরিকল্পনা অনুযায়ী হস্তান্তরিত সম্পত্তি গ্রহণকারী পক্ষ (বিএসআরএম স্টিল্‌স লিমিটেড) ৫% শেয়ারহোল্ডারদের শেয়ার প্রতি ১০ টাকার বিপরীতে শেয়ার প্রতি ১৯.৪১ টাকা হারে প্রদান করে হস্তান্তরকারী কোম্পানি (বিএসআরএম আয়রন এন্ড স্টিল কো. লি.)-কে। সেই অনুযায়ী একত্রীকরণের পরিকল্পনার অনুসরণে হস্তান্তরকারী কোম্পানি (বিএসআরএম আয়রন এন্ড স্টিল কো. লি.) তার শেয়ারহোল্ডারগণকে নিম্নলিখিত পরিমাণ অর্থ প্রদান করা হয়।

শেয়ারহোল্ডারবৃন্দের নাম	অধিকৃত শেয়ার সংখ্যা	শেয়ারমূল্য
আলীহোসাইন আকবরআলী এফসিএ	১২,৫৮,২৫০	২,৪৪,২২,৬৩২.৫০
আমির আলীহোসাইন	৫৯,২৫০	১১,৫০,০৪২.৫০
জোহাইর তাহেরআলী	২,৪৭,০৯০	৪৭,৯৬,০১৬.৯০
মিসেস. তেহসিন জোহাইর তাহেরআলী	২৫,৫০০	৪,৯৪,৯৫৫.০০
মিসেস. বিলকিস আলীহোসাইন	৪৪,৯১০	৮,৭১,৭০৩.১০
এইচ. আকবার আলী অ্যান্ড কো. লিমিটেড	৩৬,৪৯,০৫০	৭,০৮,২৮,০৬০.৫০
ভরটেক্স ইনভেস্টমেন্ট লিমিটেড	২,১৫,৯৫০	৪১,৯১,৫৮৯.৫০
মোট	৫৫,০০,০০০	১০,৬৭,৫৫,০০০

সহযোগী কোম্পানির কার্যাবলি: বিএসআরএম স্টিল মিলস লিমিটেড

বিএসআরএম স্টিল মিলস লিমিটেডের শেয়ারের জন্য কোম্পানি ১,০০০,০০০,০০০ টাকা বিনিয়োগ করেছে এবং এর ২৫.৩৫% ধারক। উক্ত সহযোগি প্রতিষ্ঠান তাদের উৎপাদন শুরু করেছিলো ২০১৬ সালের জুন মাসে। বিশ্বের সবচেয়ে বড় ইনডাকশন ফার্নেস দ্বারা উৎপাদিত এই প্ল্যান্ট ৮৬২,৫০০ মে. টন সর্বোৎকৃষ্ট মানের বিলেট উৎপাদন করতে সক্ষম। নতুন এই প্ল্যান্ট আমাদের তৈরি পণ্য উৎপাদনের জন্য গুণগত বিলেট সরবরাহ করে। এই প্ল্যান্টের কিছু মূল আর্থিক তথ্যাবলী নিম্নে উল্লেখ করা হলো:

বিবরণ	ইউনিট	২০১৭-১৮ সাল	২০১৬-১৭ সাল	২০১৫-১৬ সাল
উৎপাদন পরিমাণ	মে. টন	৮৬০,৫৪৩	৫৮৮,৫৩৬	১২১,৮৭১
ব্যবহৃত উৎপাদনক্ষমতা	%	৯৯.৮৩%	৬৮.২৮%	২৭.৯৫%
কর বাদ নিট মুনাফা/(ক্ষতি)	টাকা	৯৩৮,২৬৯,৮২৯	(৮৯০,৯২৯,৩৪৩)	(৮৭,৪৬৭,৬১৭)
ইপিএস	টাকা	২.৩৮	(২.২৬)	(০.২২)
এনএভি	টাকা	১৫.৬৩	১৩.২৫	১৫.৫১

পণ্য ভিত্তিক পর্যালোচনা:

সুষ্ঠু ব্যবস্থাপনার উদ্দেশ্যে কোম্পানি দুটি আলাদা পণ্য ভিত্তিক বিভাগে বিভক্ত, যা হলো:

- এম.এস রড বিভাগ যেখানে বিভিন্ন গ্রেড-এর রড উৎপাদন হয় এবং বণ্টনকারী, ভোক্তা, কর্পোরেট ক্রেতাদের কাছে বিক্রয় করা হয় এবং কিছু অংশ ইপিজেডভিত্তিক রপ্তানিকারক কোম্পানির নিকটে বিক্রয় করা হয়।
- এম.এস বিলেট বিভাগ যেখানে বিভিন্ন গ্রেড-এর বিলেট উৎপাদন করা হয় এবং এম.এস. রড উৎপাদনের জন্য সরবরাহ করা হয়।

এই দুই ধরনের বিভাগের বাইরে কোনো পরিচালনাভিত্তিক বিভাগ নেই। বিভাগভিত্তিক তথ্য অডিটকৃত আর্থিক প্রতিবেদনের নোট ৩.১৪-এ লিপিবদ্ধ আছে।

বিএসআরএম এক্সট্রিম৫০০ডব্লিউ বাংলাদেশের নির্মাণশিল্পের বাজারে সর্বপ্রথম ৫০০ গ্রেড-এর উচ্চমাত্রার শক্তিশালী স্টিল। খুব অল্প সময়ের মধ্যে বিএসআরএম এক্সট্রিম ৫০০ডব্লিউ বাজারের সর্বোচ্চ বিক্রিত স্টিল-এ পরিণত হয়েছে। কোম্পানি বাংলাদেশ সরকারের পাওয়ার সেক্টরের বিভিন্ন প্রকল্পের চাহিদা অনুযায়ী এক্সট্রিম ৫০০ডব্লিউ ছাড়াও ৪২০ডি গ্রেড Ultima-এর স্টিলও উৎপাদন করে থাকে। ২০১৬ সালে কোম্পানি নতুন গ্রেড-এর রিইনফোর্সিং স্টিল ইউএস স্ট্যান্ডার্ড এএসটিএম৭০৬ গ্রেড ৮০-এর উৎপাদন শুরু করেছে যার দ্বারা নির্মাণে ২০% কম স্টিল প্রয়োজন হয়, ফলে আর্থিক সাশ্রয় হয়। এই নতুন গ্রেড ৮০ স্টিল Maxima নামে বাজারজাত করা হবে।

পণ্য অনুযায়ী কার্যক্রমের বিবরণ নিম্নরূপ:

পণ্য	উৎপাদন (মে.টন)		বিক্রয় (মে.টন)	
	২০১৭-২০১৮	২০১৬-২০১৭	২০১৭-২০১৮	২০১৬-২০১৭
এক্সট্রিম ৫০০ডব্লিউ	৫৯৯,৬১৪	৬০৮,১৬৯	৫৮৭,৬৭০	৬১৯,০৮১
অন্যান্য এম.এস. রড	১২৭,৪২০	৭২,৮৯৫	১২৩,৩২৫	৭৩,৪২৩
এম.এস. বিলেট	১৬২,১৯৯	-	১৪৭,৬৭৬	-
মোট	৭২৭,০৩৪	৬৮১,০৬৪	৭১০,৯৯৫	৬৯২,৫০৪

ঝুঁকি ও উদ্বেগ:

ঝুঁকি মূল্যায়ন ও প্রশমন কার্যক্রম যেকোনো ব্যবসার অবিচ্ছেদ্য অংশ। মুনাফা বৃদ্ধি আর টেকসই প্রবৃদ্ধি অর্জনের 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।

উল্লেখযোগ্য ঝুঁকিসমূহ নির্ণয় এবং সেগুলো প্রশমনে কোম্পানি কর্তৃক নির্ধারিত পদ্ধতিসমূহ আর্থিক প্রতিবেদনের অ্যানেক্সার-১ এবং নোট-৪১-এ বর্ণিত আছে।

ঝুঁকি ব্যবস্থাপনা ও নিয়ন্ত্রণ:

বিস্তারিত আলোচনা অ্যানেক্সার-১এ-তে।

ব্যবস্থাপনা, আলোচনা ও বিশ্লেষণ:

পরিচালনা পর্ষদ ধারাবাহিকভাবে কার্যক্রম ও আর্থিক বিবরণের বিষয়ে বিশদ আলোচনা করেছে। এ বিষয়ে বিস্তারিত প্রতিবেদন অ্যানেক্সার-ডি তে সংযুক্ত করা হলো।

সিইও ও সিএফও কর্তৃক প্রত্যয়ন:

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

ক্রেডিট রেটিং

ক্রেডিট রেটিং ইনফরমেশন সার্ভিসেস লিমিটেড কর্তৃক কোম্পানির মূল্যায়ন নিম্নরূপ:

Long Term	Short Term
AA+	ST-2

এএ+ রেটিংকৃত কোম্পানিগুলো উন্নত পর্যায়ের অন্তর্ভুক্ত 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-২" 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।

পরিচালনা পর্ষদ:

১. পর্ষদের গঠন ও আয়তন

৩০ জুন ২০১৮ সালে পর্ষদের সদস্য সংখ্যা ছিলো ৫ জন। পর্ষদ-এ ছিলেন চেয়ারম্যান, ব্যবস্থাপনা পরিচালক, দুই জন 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। সভায় পরিচালকবৃন্দের উপস্থিতির বিবরণ নিম্নে দেয়া হলো।

পর্ষদ সদস্যের নাম	পদবী	উল্লিখিত সময়ে অনুষ্ঠিত সভার সংখ্যা	সভায় উপস্থিতির সংখ্যা
জনাব আলীহোসাইন আকবরআলী, এফসিএ	চেয়ারম্যান	৮	৭
জনাব আমির আলীহোসাইন	ব্যবস্থাপনা পরিচালক	৮	৮
জনাব জোহাইর তাহেরআলী	পরিচালক	৮	৭
মিসেস তেহসিন জোহাইর তাহেরআলী	পরিচালক	৮	৬
বাবু মনোরঞ্জন দে, এফসিএ	স্বতন্ত্র পরিচালক	৮	৮

সভায় অনুপস্থিত সদস্য ছুটিতে ছিলেন অথবা দেশের বাইরে ছিলেন।

৩. পরিচালক পুনঃনিয়োগের বিস্তারিত বিবরণ:

ক. কোম্পানি গঠনতন্ত্রের অনুচ্ছেদ ৯৭ ও ৯৮ অনুসারে জনাব আলীহোসাইন আকবরআলী এফসিএ এবং মিসেস তেহসিন জোহাইর তাহেরআলী ১৬তম বার্ষিক সাধারণ সভার শেষে পর্যায়ক্রমিকভাবে পদত্যাগ করবেন এবং যোগ্যতার ভিত্তিতে পুনঃনিয়োগের জন্য নিজেদেরকে মনোনীত করবেন।

খ. কোম্পানি আইন ১৯৯৪ এর অনুচ্ছেদ ১১০ অনুসারে জনাব আমির আলীহোসাইন ব্যবস্থাপনা পরিচালক পদ থেকে পদত্যাগ করেন এবং যোগ্যতার ভিত্তিতে পুনঃনিয়োগের জন্য নিজেকে মনোনীত করবেন।

গ. বাংলাদেশ সিকিউরিটিজ অ্যান্ড এক্সচেঞ্জ কমিশনের কর্পোরেট গভর্ন্যান্স কোড অনুযায়ী পরিচালনা পর্ষদ জনাব গোবিন্দ চন্দ্র পাল, এফসিএ-কে তিন বছরের মেয়াদে স্বতন্ত্র পরিচালক হিসেবে নিয়োগের সুপারিশ করে, যা ১ ডিসেম্বর ২০১৮ থেকে কার্যকর হবে। জনাব গোবিন্দ চন্দ্র পাল, এফসিএ, ১৯৫১ সালে জন্মগ্রহণ করেন এবং ইন্টারনাল এক্সটার্নাল অডিট অ্যান্ড অ্যাসুরেন্স, অভ্যন্তরীণ নিয়ন্ত্রণ ব্যবস্থা তৈরি, কর ও মূসক বিষয়ে তার ৪০ বছরের অভিজ্ঞতা রয়েছে। তিনি একজন চার্টার্ড অ্যাকাউন্ট্যান্ট ও আইসিএবি'র সদস্য। বর্তমানে তিনি স্বনামধন্য চার্টার্ড অ্যাকাউন্ট্যান্সি ফার্ম বাসু ব্যানার্জি নাথ অ্যান্ড কো.-এ ম্যানেজিং পার্টনার হিসেবে কর্মরত।

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

আভ্যন্তরীণ নিয়ন্ত্রণ ব্যবস্থা:

পরিচালনা পর্ষদ গ্রুপের একটি কার্যকর আভ্যন্তরীণ নিয়ন্ত্রণ ব্যবস্থা নিশ্চিত করে যা কোম্পানির সম্পত্তির সুরক্ষা দেয় এবং ধোঁকাবাজি, ভুল ও অন্যান্য অনিয়ম চিহ্নিত করে তা নিরসনের উপযুক্ত ব্যবস্থা বজায় রাখে। আভ্যন্তরীণ 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। আভ্যন্তরীণ নিয়ন্ত্রণ ও স্বচ্ছতা নিশ্চিত করার লক্ষ্যে কোম্পানি একটি আলাদা আভ্যন্তরীণ অডিট বিভাগ সৃষ্টি করেছে। অডিট কমিটি নিয়মিতভাবে আভ্যন্তরীণ অডিট বিভাগের প্রতিবেদন বিশ্লেষণ করে এবং সংশোধনমূলক ব্যবস্থা গ্রহণ করে।

অপ্রত্যাশিত/আশাতীত লাভ বা ক্ষতি

এ বছর কোন আশাতীত লাভ বা ক্ষতি নেই।

সংশ্লিষ্ট পক্ষের লেনদেনসমূহ:

সংশ্লিষ্ট পক্ষের লেনদেনসমূহ বাণিজ্যিক ভিত্তিতে করা হয়েছে। সংশ্লিষ্ট পক্ষের লেনদেনসমূহের বিস্তারিত তথ্য আইএফআরএস/বিএফআরএস অনুযায়ী আর্থিক বিবরণীর ১০, ২০ নম্বর নোটে প্রকাশিত হয়েছে।

আইপিও বিক্রয়লব্ধ অর্থের ব্যবহার এবং আইপিও পরবর্তী আর্থিক ফলাফল:

২০০৯ সাল থেকে কোম্পানির অব্যবহৃত কোনো আইপিও তহবিল নেই, কোম্পানি স্থিতিশীল আর্থিক ফলাফল ধরে রেখেছে।

ত্রৈমাসিক ও বার্ষিক প্রতিবেদনের মধ্যে উল্লেখযোগ্য পার্থক্য:

এ বছর ত্রৈমাসিক ও সার্বিক বার্ষিক কার্যক্রমের মধ্যে তেমন কোন উল্লেখযোগ্য পার্থক্য ছিলো না। বছরজুড়ে কোম্পানি পরিচালনা ও আর্থিক কার্যক্রমের দিক থেকে বিচক্ষণ ও দূরদর্শী কর্মকাণ্ড পরিচালিত করতে সমর্থ হয়েছে।

স্বতন্ত্র পরিচালকসহ পরিচালকবৃন্দের পারিশ্রমিক:

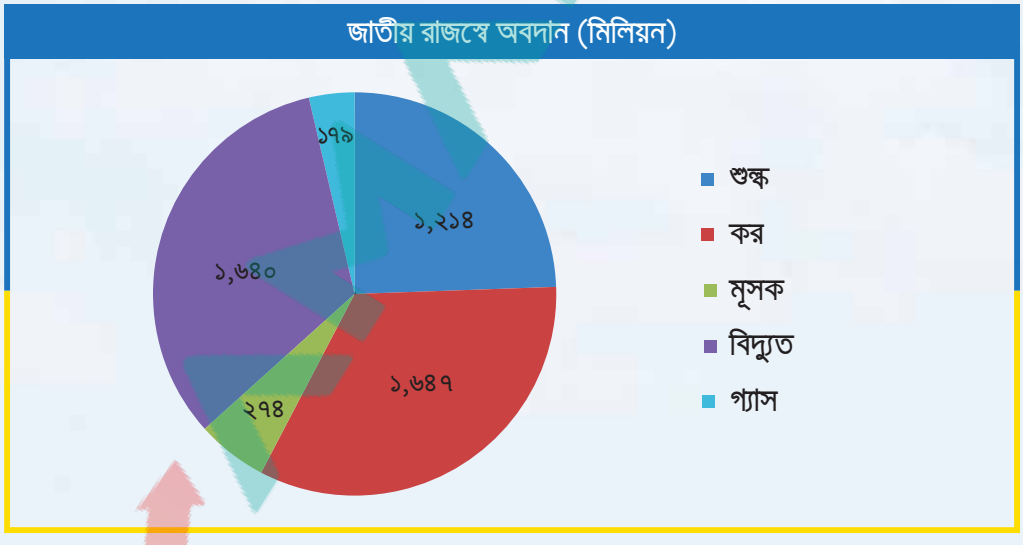
বোর্ডের সিদ্ধান্ত অনুযায়ী পরিচালকদের বেতন দেওয়া হয়েছে এবং পরিচালকদের বেতনের বিস্তারিত প্রতিবেদন আর্থিক বিবরণীর নোট ২৮.০১ ও অ্যানেক্সার-৩-এ সংযুক্ত করা হয়েছে।

লভ্যাংশ:

৩০ জুন, ২০১৮-এ বছর শেষে প্রতি শেয়ারে ১০% স্টক লভ্যাংশ এবং ১০% নগদ লভ্যাংশ প্রদানের পরামর্শ দিয়েছেন পরিচালক পর্ষদ। যেসব সদস্যের নাম সদস্য নিবন্ধনপত্রে তালিকাভূক্ত হয়েছে, অনুমোদন সাপেক্ষে তাদেরকে সমহারে লভ্যাংশ প্রদান করা হবে। কোম্পানি সেসব প্রকল্প এবং বিনিয়োগ ক্ষেত্রে বিনিয়োগ করবে যেখানে কোম্পানির শেয়ারহোল্ডারদের জন্য দীর্ঘমেয়াদি লাভের নিশ্চয়তা থাকবে। এই নীতিমালা অনুযায়ী আপনাদের কোম্পানি লভ্যাংশ সুপারিশ করেছে এবং ভবিষ্যত উন্নয়নেরর স্বার্থে লাভের অংশ আলাদা করে রেখেছে।

জাতীয় রাজস্বে অবদান:

দায়িত্বশীল কর্পোরেট প্রতিষ্ঠান হিসাবে বিএসআরএম সরকারী রাজস্ব প্রদান এবং সংগ্রহের ব্যবস্থা সহজ করতে সহায়তা করে আসছে। ২০১৭-২০১৮ সালে, বিএসআরএম স্টিলস লিমিটেড ৪,৯৫৪ মিলিয়ন টাকা যোগান দিয়ে সরকারি রাজস্ব যেমন, আয়কর, মূসক এবং শুল্কসহ অন্যান্য ইউটিলিটি বিল প্রদান করেছে যা নিম্নে উল্লেখ করা 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, গবেষণা-উন্নয়ন এবং পরিবেশ রক্ষায় কাজ করেছে। সামাজিক দায়িত্ব সংক্রান্ত কাজের বিবরণ বার্ষিক প্রতিবেদনের ৮৯ পৃষ্ঠায় করপোরেট সামাজিক দায়িত্বসমূহ অধ্যায়-এ বর্ণিত হয়েছে।

পুরস্কার এবং স্বীকৃতি:

আমরা আনন্দের সাথে আপনাদের জানাচ্ছি যে, আমরা বেশ কিছু সম্মানজনক পুরস্কার অর্জন করেছি এবং তার কয়েকটি নিচে উল্লেখ করা হলো:

১. ২০১৩-১৪ এবং ২০১৫-১৬ সালে জাতীয় রপ্তানি ট্রফি অর্জন
২. ২০১৪ সালে শিল্পোন্নয়নে বিশেষ অবদান রাখায় ভারি শিল্প বিভাগে রাষ্ট্রপতি পুরস্কার অর্জন- (বিএসআরএম স্টিলস লিমিটেড)
৩. বাংলাদেশ সাপ্লাই চেইন ম্যানেজমেন্ট সোসাইটির পক্ষ থেকে সম্মানজনক "এক্সিলেন্স ইন সাপ্লাই চেইন রিলেশনশিপ ম্যানেজমেন্ট অ্যান্ড লজিস্টিক ম্যানেজমেন্ট" পুরস্কার অর্জন
৪. প্রদর্শিত সেরা বার্ষিক প্রতিবেদন হিসেবে ২০১২, ২০১৩ ও ২০১৫ সালে আইসিএবি জাতীয় পুরস্কার ও ২০১৪ ও ২০১৫ সালে মেধাসনদ অর্জন
৫. ২০১৫ সালে সেরা কর্পোরেট গভর্ন্যান্স এক্সিলেন্স-এর জন্য আইসিএসবি ন্যাশনাল গোল্ড অ্যাওয়ার্ড অর্জন
৬. ২০১৫-১৬ এবং ২০১৬-১৭ সালে সর্বোচ্চ করদাতা হিসেবে জাতীয় রাজস্ব বোর্ড-এর ট্যাক্স কার্ড অর্জন (বিএসএরএম স্টিলস লি.)
৭. স্টিল ক্যাটাগরিতে ২০১১, ২০১৩, ২০১৪, ২০১৫, ২০১৬, এবং ২০১৭ সালের সেরা ব্র্যান্ড হিসেবে পুরস্কৃত (বিএসআরএম গ্রুপ)
৮. ২০১০ সালের বেস্ট এন্টারপ্রাইজ অব দ্য ইয়ার (বিএসআরএম গ্রুপ)
৯. ডি অ্যান্ড বি কর্পোরেট অ্যাওয়ার্ড ২০১০ ও ২০১২ (বিএসএরএম স্টিলস লি.)
১০. ২০১২ সালে আলী হোসেন আকবর আলী "চট্টগ্রামের গর্ব" উপাধিতে ভূষিত।
১১. বিভাগীয় পরিবেশ পুরস্কার ২০১৩ (বিসকো লি.)
১২. ২০১২, ২০১৩ ও ২০১৫ সালে সাউথ এশিয়া অ্যাকাউন্টেন্টস ফেডারেশন (সাফা)-এর মেধাসনদ অর্জন (বিএসএরএম স্টিলস লি.)
১৩. ৫ম স্ট্যান্ডার্ড চার্টার্ড-ফাইন্যান্সিয়াল এক্সপ্রেস সিএসআর পুরস্কার (বিএসআরএম গ্রুপ)
১৪. ২০১৪ সালে জাপান-বাংলাদেশ চেম্বার অব কমার্স এন্ড ইন্ডাস্ট্রি (জেবিসিসিআই) পুরস্কার (বিএসআরএম লি.)
১৫. ২০১৪ সালে সেরা কর্পোরেট গভর্ন্যান্স এক্সিলেন্স-এর জন্য আইসিএসবি ন্যাশনাল সিলভার অ্যাওয়ার্ড অর্জন
১৬. ২০১৫ সালে সর্বোচ্চ বিদ্যুৎ ভোক্তা (শিল্পখাত) পুরস্কার (বিএসআরএম লি.)
১৭. 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 আমাদের কোম্পানি তথ্য-প্রযুক্তি সংক্রান্ত বেশ কিছু পদক্ষেপ নিয়েছে। গ্রাহকের অভিযোগ গ্রহণ ও অনুসন্ধানে দ্রুত সাড়া দিতে আমরা স্বয়ংক্রিয় অভিযোগ ও সমাধান পদ্ধতি চালু করেছি। ব্যবসায়িক ঝুঁকি প্রশমন, কার্যক্ষমতা বৃদ্ধি ও স্টেকহোল্ডারদের প্রয়োজনীয় তথ্য সরবরাহ করতে আমরা নিয়মিত আমাদের ইআরপি সিস্টেম আধুনিকায়ন করি। এই প্রতিবেদনের "টেকসই প্রবৃদ্ধি" অধ্যায়ের ৯৩ পৃষ্ঠায় তথ্য-প্রযুক্তি সংক্রান্ত কাজের 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 ৯৩ পৃষ্ঠায় "টেকসই প্রবৃদ্ধি" অধ্যায়ে জনসম্পদের বিস্তারিত বিবরণ লিপিবদ্ধ রয়েছে।

আচরণবিধি:

কোম্পানি পরিচালনা পর্ষদের জন্য নির্দিষ্ট আচরণবিধি প্রণয়ন করেছে। সকল পরিচালক এই আচরণ বিধির অনুকূলে স্বাক্ষর করেছেন।

অডিটর

বর্তমান অডিটর মেসার্স এ. কাশেম অ্যান্ড কোং, চার্টার্ড অ্যাকাউন্ট্যান্ট, (আর্নেস্ট অ্যান্ড ইয়ং গ্লোবাল-এর একটি সদস্য প্রতিষ্ঠান), ফারুক মহল (৪র্থ তলা), প্লট# ৯৩, আগ্রাবাদ সি/এ, ১৬তম বার্ষিক সাধারণ সভা শেষে অবসরে যাবেন এবং উপযুক্ততার ভিত্তিতে ২০১৮-১৯ বছরের অডিট পরিচালনার জন্য পুনঃনিয়োগের ইচ্ছা ব্যক্ত করেছেন। পরিচালনা পর্ষদ আগামী ৩০ জুন ২০১৯ পর্যন্ত তাঁদের সংবিধিবদ্ধ অডিটর হিসেবে নিয়োগের সুপারিশ করেছে, যা আগামী বার্ষিক সাধারণ সভায় অনুমোদনের জন্য অপেক্ষমান।

প্রতিবেদন ও কর্পোরেট গভর্ন্যান্স-এ রিপোর্ট করা এবং অনুসরণ করা:

বাংলাদেশ সিকিউরিটিজ অ্যান্ড এক্সচেঞ্জ কমিশনের ৩ জুন ২০১৮ কর্পোরেট গভর্ন্যান্স-এর ওপর জারিকৃত নোটিশ বিএসইসি/সিএমআরআরসিডি/২০০৬-১৫৮/২০৭/অ্যাডমিন/৮০ এর নির্দেশনা অনুযায়ী কমপ্লায়েন্সের পরিস্থিতি এই প্রতিবেদনের অ্যানেক্সার-সি তে বর্ণিত।

পরবর্তী কার্যক্রম

আর্থিক অবস্থার পরবর্তী কোনো উল্লেখযোগ্য কার্যক্রম নেই যা এই প্রতিবেদনের সঠিক মূল্যায়নে কোনো প্রভাব ফেলতে পারে। ব্যবহারকারীদের সাহায্য করতে পারে।

পরিচালকের দায়িত্বসমূহের বিবৃতি:

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

- বিএসআরএম ব্যবস্থাপনা পর্ষদ কর্তৃক প্রস্তুতকৃত আর্থিক প্রতিবেদন কোম্পানির কার্যক্রম, ফলাফল, নগদপ্রবাহ এবং ইক্যুইটির পরিবর্তন সঠিক ও নির্ভুলভাবে উপস্থাপন করে।
- যথাযথ হিসাবের বই সংরক্ষণ করা হয়েছে।
- 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 (আইএএস)/বাংলাদেশ অ্যাকাউন্টিং স্ট্যান্ডার্ড (বিএএস)/ইন্টারন্যাশনাল ফাইন্যান্সিয়াল রিপোর্টিং স্ট্যান্ডার্ড (আইএফআরএস)/ বাংলাদেশ ফাইন্যান্সিয়াল রিপোর্টিং স্ট্যান্ডার্ড (বিএফআরএস)-এর নীতিমালা অনুসরণ করা হয়েছে এবং এই নীতিমালার সাথে সাংঘর্ষিক বিষয়সমূহ বাদ দেয়া হয়েছে।
- আভ্যন্তরীণ নিয়ন্ত্রণ ব্যবস্থা সুষমভাবে প্রস্তুত করার পাশাপাশি কার্যকরভাবে বাস্তবায়ন ও পর্যবেক্ষণ করা হয়েছে।
- কোম্পানির পরিচালনা এবং ক্রমাগত এগিয়ে যাওয়ার সক্ষমতা নিয়ে বিন্দুমাত্র সন্দেহ নেই এবং একটি চলমান প্রতিষ্ঠানের ভিত্তিতে বার্ষিক হিসাব তৈরি করা হয়েছে।
- গত ছয় বছরের মুখ্য কার্যক্রম ও আর্থিক উপাত্য অ্যানেক্সার-৪ এ প্রকাশ করা হয়েছে।
- শেয়ারহোল্ডিং-এর বিন্যাস অ্যানেক্সার-৫ এ প্রকাশ করা হয়েছে।
- বিএসইসি নির্দেশিত কর্পোরেট গভর্ন্যান্স প্রতিবেদন রেগুলেটরি কম্প্লায়েন্স রিপোর্ট অংশে প্রকাশিত।
- পরিচালকবৃন্দের প্রোফাইল এবং অন্যান্য প্রতিষ্ঠানের সাথে সম্পৃক্ততা পরিচালনা পর্ষদ অংশে প্রকাশিত।
- অন্তঃবর্তীকালীন ডিভিডেন্ড হিসেবে কোনো বোনাস শেয়ার বা স্টক ডিভিডেন্ড-এর ঘোষণা দেওয়া হয়নি।

কৃতজ্ঞতা স্বীকার:

বছরজুড়ে আমাদের ব্যবসায়িক প্রচেষ্টায় নিরবচ্ছিন্ন সমর্থন, সহযোগিতা এবং দিক-নির্দেশনার জন্য আমরা কৃতজ্ঞতা জানাই আমাদের ক্রেতা, বিক্রেতা, সাপ্লায়ার, বিনিয়োগকারী, বাংলাদেশ সিকিউরিটিজ অ্যান্ড এক্সচেঞ্জ কমিশন, ঢাকা স্টক এক্সচেঞ্জ লিমিটেড, চট্টগ্রাম স্টক এক্সচেঞ্জ লিমিটেড, সিডিবিএল, জাতীয় রাজস্ব বোর্ড, আরজেএসসি, অনান্য সরকারি প্রতিষ্ঠান, ব্যবসায়িক সহযোগী এবং ব্যাংকসমূহকে অশেষ অবদানের জন্য প্রশংসা জানাই বিএসআরএম-এর সর্বস্তরের সকল কর্মী ও ব্যবস্থাপনা সদস্যদের। তাদের কর্ম, সংহতি, সহযোগিতা এবং সমর্থন আমাদেরকে যেকোনো ঝুঁকির সম্মুখীন হওয়ার সাহস যুগিয়েছে। বরাবরের মতোই আমরা আমাদের অর্জন নিয়ে গর্বিত এবং তাদের প্রতি কৃতজ্ঞ যাদের অবদানে কোম্পানির আজকের এ সাফল্য এসেছে।

আমি বিশ্বাস করি আজকের মতো আগামী দিনেও বাংলাদেশের স্টিল ইন্ডাস্ট্রিতে বিএসআরএম তার শীর্ষ অবস্থান ধরে রাখবে।

আল্লাহ্ হাফিজ,

আমীর আলীহোসাইন
ব্যবস্থাপনা পরিচালক

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

BSRM STEELS LIMITED
DECLARATION BY CEO AND CFO

Dated: September 25, 2018

The Board of Directors
BSRM Steels 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 **BSRM Steels 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 the Bangladesh and any departure there from has been adequately disclosed;
2. The estimates and judgments related to the 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 the above, the company has been 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 exist 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 the financial statements for the year ended on **June 30, 2018** and that to the best of our knowledge and belief:

   a) These financial statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;

   b) These 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 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

Md. Moklesur Rahman Akhtar FCMA
Senior Manager & Chief Financial Officer

CERTIFICATE ON COMPLIANCE WITH CONDITIONS OF CORPORATE 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.Suhwardy Road
Chittagong. Phone No.: 622176

Date:.....

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

Report to the Shareholders of BSRM Steels Limited on compliance on the Corporate Governance Code

We have examined the compliance status to the Corporate Governance Code by **BSRM Steels 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

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		Remarks
		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).	√		

Condition No.	Title	Compliance Status		Remarks
		Complied	Not Complied	
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.	√		
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.	√		

Condition No.	Title	Compliance Status		Remarks
		Complied	Not Complied	
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	√		
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;			N/A
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;	√		

Condition No.	Title	Compliance Status		Remarks
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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:-			
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**	√		
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 & C**	√		

Condition No.	Title	Compliance Status		Remarks
		Complied	Not Complied	
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;	√		
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;			N/A
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;			N/A
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			N/A
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;			N/A
2(e)	The Audit Committee of the holding company shall also review the financial statements, in particular the investments made by the subsidiary company			N/A
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:	√		

Condition No.	Title	Compliance Status		Remarks
		Complied	Not Complied	
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 f or 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.	√		
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;	√		

Condition No.	Title	Compliance Status		Remarks
		Complied	Not Complied	
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.	√		
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

Condition No.	Title	Compliance Status		Remarks
		Complied	Not Complied	
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
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.	√		

Condition No.	Title	Compliance Status		Remarks
		Complied	Not Complied	
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;	√		
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.	√		

Condition No.	Title	Compliance Status		Remarks
		Complied	Not Complied	
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	√		
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** attatched in the directors' report whether the company has complied with these conditions or not.	√		

ANNEXURE-D

MANAGEMENT DISCUSSION AND ANALYSIS

The financial and operating results of the Company during the year 2017-18 are very impressive. The profitability, performance, liquidity of the Company are gradually improving. We are focusing on sustainability and efficiency. The overall Company's 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 has been summarized below:

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.

Accounting Policies and Estimates:

The details of accounting policies & estimates applied for the preparation of Financial Statements are described in note no. 2.00 of audited financial statements. There is no changes in accounting policies & estimates for the fiscal year 2017-2018.

Key Highlights on Financial performance and position of the Company:

It is observed from the below table that during the year revenue and net profit after tax increased by Tk. 10,293 million and Tk. 95 million respectively.

FINANCIAL PERFORMANCE:

BSRM Steels Limited — Taka in Million

Operational Results	July'17 to June'18	July'16 to June'17*	Jan'16 to Jun'16	2015	2014	2013
Revenue	48,289	37,996	17,265	32,316	38,535	36,229
Gross Profit	4,879	4,557	3,114	4,368	2,807	3,250
Profit after Tax	1,800	1,705	1,313	2,081	1,086	1,693
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

*Information of 2016-2017 shows consolidated financial data.

FINANCIAL POSITION:

Shareholders fund and NAV stood Tk 12,808 million & Tk. 37.48 respectively as of June 30,2018. We have invested Tk. 395.00 million for procuring Fixed Asset like land, Plant & Machinery and Building & Shed. Further, the company invested BDT 3,180 mn for its new billet producing plant which is shown as WIP.

Financial Performance of Peer Industry:

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	16.40	16.25	16.80
Net Operating Cash Flow	0.34	3.83	0.41	4.67	2.77	10.21

*Information of 2017-2018 shows Nine months financial data.

Bangladesh Steel Re-Rolling Mills Limited (BSRM) — Taka in Million

Operational Results	July'17 to June'18	July'16 to June'17*	Jan'16 to Jun'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)	63.70	55.75	52.84	55.28	54.10	53.09
Net Operating Cash Flow	(8.78)	(11.38)	(3.53)	(10.16)	(5.43)	0.53

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	44.60	41.06	45.63	58.93	53.69
Net Operating Cash Flow	0.18	2.08	1.45	(15.17)	2.89	(6.54)

*Information of 2017-2018 shows Nine months financial data.

Global and Local Economic Scenario:

Global growth is expected to tick up to a 3.2%-3.9% rate in both 2018 & 2019. GDP growth of Bangladesh is expected to strengthen to 6.6 per cent in 2018-2019 with industry growth 12.06%. Bangladesh will have $700 billion economy in 2030 from present 300 billion. Bangladesh Government aims to build a durable and sustainable energy, power and transportation infrastructure in order to be a prosperous nation by 2030. China will continue as the single biggest contributor to global growth over the next decade and by 2030, will become the world's largest economy. This huge potential of Bangladesh creates a golden 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. Further, a huge amount of investment is flowing in to Bangladesh Economic Zone.

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, energy crisis, port congestion, poor infrastructure etc creates obstacles for growth of steel industry. However, now some positive steps have been taken by the Government. LNG supply, Rooppur N. Plants will hopefully reduce energy 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 implemented. A dedicated team is regularly monitoring the Enterprise Risk and take corrective measures.

Future planning:

BSRM Steels Limited is planning to sell 7 lac M. Ton M. S Rod and 2 lac M. Ton. M. S Billet in 2018-2019. Our production target of Rolling Plant is 7.5 lac M. Ton and Melting Plant 2 lac M. Ton. We hope we shall achieve our projected target.



Aameir Alihussain
Managing Director

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RISK FACTORS AND CONCERNS

1. Business Risks

a) Risks associated with sourcing of Raw Materials

Against our production capacity of 7,00,000 MT MS Rod, we have our billet manufacturing plant having capacity of 2,20,000 MT. On the other hand BSRM Steel Mills Limited, an associate company of BSRM Steels Limited can meet rest of the required billets of the company. BSRM Steels Limited is going to establish it's another Melting Unit with a capacity of 430,000 MT per annum at Mirsarai, Chattogram which will start its commercial production during year 2019.

So group will be self-sufficient for its basic raw materials of billet.

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 BSRM Steels Limited 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 affected 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 to 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 caused 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 are continuously in attempts to 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 state-of-the-art plant and equipment 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 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 went go live in May 2018 which help senior management and Board members to have information from one central place.

4. Environmental Risks

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.

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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 also been incorporated to further the 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 risk and opportunity, enhancing the capacity to build value.

- Promoting risk awareness throughout the BSRM Ltd 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 will help BSRM 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.

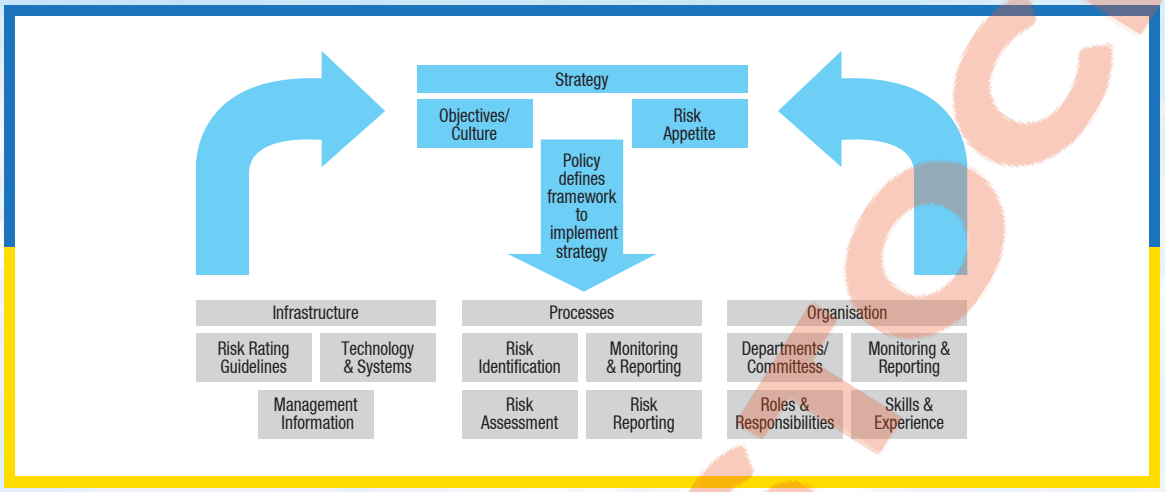
Key principles of ERM Framework

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

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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:



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

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COST OF GOODS SOLD, GP MARGIN AND NP MARGIN

COST OF GOODS SOLD (COGS):

Cost of goods sold (COGS) is the expense a company incurred in order to manufacture, create, or 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. 43,410 million against Tk. 33,439 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. The gross profit for year 2017-2018 increased by BDT 321.87 million compared to the last year 2016-2017.

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

During the year 2017-18 Gross Profit Margin was 10.10% which was 11.99% in 2016-17. Gross profit has decreased as the company had higher price of raw materials billets.

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 & WF

Net profit has stood Tk. 1,800.79 Million which was Tk1,705.41 Million in 2016-17. The sharp increase in Net profit was due to sale of Billet of melting unit.

ANNEXURE-3

REMUNERATION PAID TO DIRECTORS IN JULY, 2017- JUNE, 2018

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

Name	Position	Attendance Fees	Remuneration	Total Paid
Mr. Alihussain Akberali FCA	Chairman	34,500	34,500,000	34,534,500
Mr. Aameir Alihussain	Managing Director	34,500	30,000,000	30,034,500
Mr. Zohair Taherali	Director	25,875	11,400,000	11,425,875
Mrs. Tehseen Zohair Taherali	Director	17,250	6,600,000	6,617,250
Mr. Mono Ranjan Dey FCA	Independent Director	143,750	-	143,750
Total Taka		**255,875**	**82,500,000**	**82,755,875**

ANNEXURE-4

KEY OPERATING AND FINANCIAL DATA OF PRECEDING 6 YEARS

		July'17 to June'18	July'16 to June'17*	Jan'16 to June'16	2015	2014	2013	2012
Operations and Market:								
Production (Qty)	MT	727,034	681,064	362,254	602,832	623,918	630,305	580,147
% of Production Growth	%	6.75%	(6.13%)	20.18%	(3.38%)	(1.01%)	8.65%	10.79%
Sales (Qty)	MT	710,995	692,504	373,747	604,513	679,803	601,935	579,377
% of Sales Growth (Qty)	%	2.67%	(14.71%)	23.65%	(11.08%)	12.94%	3.90%	11.87%
Financial Results:								
Turnover	TK	48,289,925,736	37,996,410,539	17,265,182,648	32,316,100,562	38,535,936,754	36,229,050,933	38,253,464,657
Gross Profit	TK	4,879,167,782	4,557,295,000	3,114,694,122	4,368,653,415	2,807,324,502	3,250,148,580	1,888,439,411
Gross Profit %	%	10.10%	11.99%	18.04%	13.52%	7.28%	8.97%	4.94%
Earnings before interest, WPP&WF and Tax	TK	3,644,344,633	3,746,016,409	2,379,860,158	3,257,931,547	1,892,833,850	2,314,398,453	1,160,385,361
	%	7.55%	9.86%	13.78%	10.08%	4.91%	6.39%	3.03%
Net Profit after tax	TK	1,800,795,558	1,705,414,660	1,313,318,100	2,081,877,163	1,086,207,806	1,693,468,511	865,331,036
	%	3.73%	4.49%	7.61%	6.44%	2.82%	4.68%	2.26%
Earnings Per Share (EPS)**	TK	5.27	4.98	3.84	6.09	3.18	4.95	2.53
Financial Position:								
Current Ratio (Times)		1.06	1.08	1.13	1.06	1.01	0.97	0.92
Net Asset Value	TK	12,808,900,532	11,630,298,681	9,371,194,662	9,080,618,705	7,495,091,260	6,915,249,792	5,540,653,743
Net Asset Value Per Share	TK	37.48	34.03	27.42	26.57	21.93	20.23	17.02
Net operating Cash Flow Per Share **	TK	2.90	1.07	9.05	16.87	(8.76)	13.44	(2.24)
Paid -up Capital (In Crore)	TK	341.775	341.775	341.775	341.775	341.775	341.775	325.5

*Information of Financial Results & Financial Position of 2016-2017 shows consolidated financial data.
**As per BAS 33 Earnings per share are computed based on current year's number of outstanding shares.

THE PATTERN OF SHAREHOLDING AS ON 30 JUNE 2018

ANNEXURE - 5

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

Name	Relation	No. of Shares Held
Bangladesh Steel Re-Rolling Mills Limited	Affiliated Company	106,594,173
H. Akberali & Co. Limited	Affiliated Company	76,864,620
Total		183,458,793

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

Name	Relation	No. of Shares Held
Mr. Alihussain Akberali FCA	Chairman	34,987,995
Mr. Aameir Alihussain	Managing Director	6,835,500
Mr. Zohair Taherali (Nominated Director of Bangladesh Steel Re-Rolling Mills Limited)	Director	8,932,980
Mrs. Tehseen Zohair Taherali (Nominated Director of H. Akberali & Co. Limited)	Director	6,835,500
Mr. Mono Ranjan Dey FCA	Independent Director	130,410
Mrs. Sabeen Aameir	Wife of Mr. Aameir Alihussain	7,245
Mrs. Bilkis Alihussain	Wife of Mr. Alihussain Akberali	1,112,640
Mr. Shekhar Ranjan Kar FCA	General Manager Finance & Accounts and Company Secretary	27,279
Mr. Moklesur Rahman Akhtar FCMA	Senior Manager & Chief Financial Officer	Nil
Mr. Murtaza Zoher Bengali	Senior Manager Internal Audit & Compliance	Nil

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

Name	Relation	No. of Shares Held
M. Firoze	Adviser Marketing & Product Development	Nil
A.F.M Mizanur Rahman	General Manager Plant Operation	Nil
Jasim Uddin Ahmed	General Manager Business Projects	4,270
Shobhon Mahbub Shahabuddin	General Manager Corporate Affairs	Nil
Mohammed Reazul Kabir FCA	Assistant General Manager Finance & Accounts	1,865

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

Name	Relation	No. of Shares Held
Mr. Alihussain Akberali FCA	Chairman	34,987,995
Bangladesh Steel Re-Rolling Mills Ltd.	Affiliated Company	106,594,173
H. Akberali & Co. Limited	Affiliated Company	76,864,620


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BSRM
building a safer nation
BUILDING KANCHPUR-MEGHNA-GUMTI BRIDGES
WITH ULTIMATE SAFETY
The Government has initiated the construction of these 3 bridges to maximize the recently built 4-lane road and manage the pressure of increasing traffic. BSRM is gratified to the Government and other construction partners for using BSRM ULTIMA (Grade 60 Steel) exclusively for the project.
We, wholeheartedly, congratulate
our Honorable Prime Minister Sheikh Hasina
for her bold steps and felicitous initiative.
We are thankful to
• The Government of the People's Republic of Bangladesh • The Ministry of Communication • The Ministry of Road Transport and Bridges • ACE • DevCon • BCL
• Obayashi Corporation of Japan • Shimizu Corporation • JFE Engineering Corporation • IHI Infrastructure Systems Co. Ltd. • Japan Bridge & Structure Institute • Nippon Engineering Consultants Co. Ltd. • SMEC • Oriental Consultants Co. Ltd. • Japan International Cooperation Agency (JICA) and • The Government of Japan
BSRM Ultima



NORTH SOUTH UNIVERSITY

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 and 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 programs 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 Centre were 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 Household (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 MoLGRD&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.

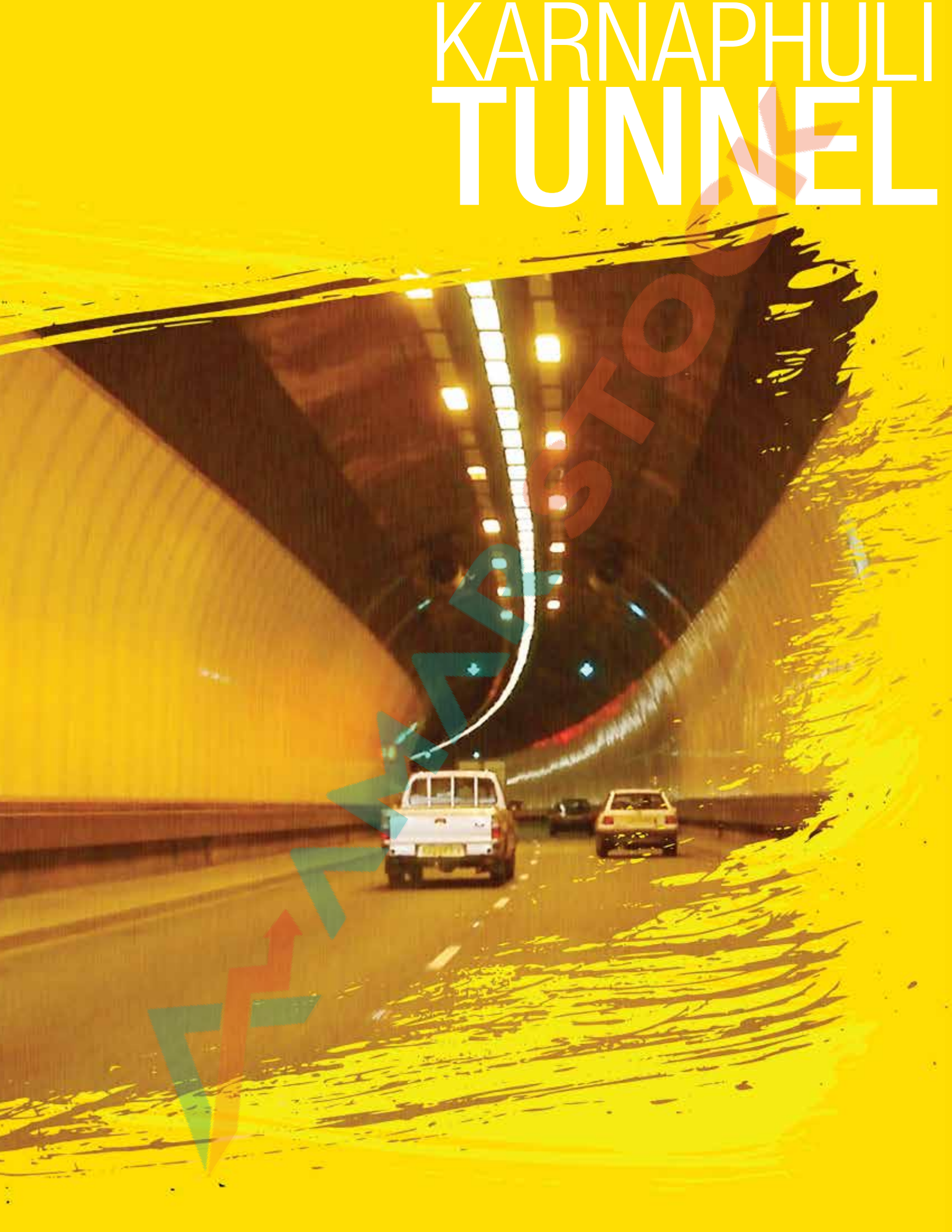
BSRM supports a few more programmes in partnership with NGOs serving over 2,000 households.

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.



KARNAPHULI TUNNEL



SUSTAINABLE GROWTH

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 Steels Limited 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.

PRIMARSTOCK

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.

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 enablement 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 up-gradation 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.

REGULATORY COMPLIANCE REPORT

Corporate Governance Report

We take pride in doing the right things the right way – and are committed to the highest standards and practices of corporate governance, professionalism as well as business integrity, accountability, transparency and ethics in our quest and commitment at all levels to the continuous enhancement of stakeholders value as evident that we have awarded several times by ICSB for the best practices of corporate governance in our organization. Good Governance is the cornerstone of sustainability and creation of long term value – both inherently underlying the structures and work processes of BSRM Steels Limited in its history of being a pioneer in the industries, we operate in and in turn one of the best steel industry in Bangladesh. Corporate Government 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 longterm 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 BSRM Steels Limited is firmly committed to upholding principles of sound corporate governance. The main objective of corporate governance is creation of lasting value for stakeholders. Transparency in business transaction and disclosure of information to regulatory bodies as part of its legal obligations 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 BSRM Steels Limited comprises of five members including Chairman, Managing Director and the board also has one independent director in compliance with the corporate Governance Guidelines of BSEC. The Directors possess a wide range of experience, expertise and specialized skills to assist in decision-making and leading the Company for the benefit of its shareholders. Board of Directors is performing the responsibilities, among others, setting the company's strategic objectives, providing leadership, supervision and safeguarding shareholders' interest.

Selection and appointment of new Directors

Directors should ensure that the Company is properly managed to protect and enhance shareholder value and to meet the Company's obligations to shareholders, to the industry and to the law. In carrying out this duty, the Board should always be mindful of the need for establishing a Board that enhances the efficient and effective running of the Company. In relation to the selection and appointment of new Directors (if any), the existing Board of Directors has the following duties and responsibilities:

- Regularly review the size and composition of the Board and the mix of expertise, skills, experience and perspectives that may be desirable to permit the Board to execute its functions.
- Identify any competencies not adequately represented and agree to the process necessary to be assured that a candidate nominated by the board members/ shareholders with those competencies is selected.
- Ensure that the Board maintains at least 5 Directors, with an independent Directorand have a reputable standing in the industry

The Directors are appointed by the shareholders in the Annual General Meeting (AGM). Casual vacancies, if any, are filled by the Board in accordance with the stipulations of the Companies Act, 1994 and the Articles of the Company.

Retirement and re-election of Directors

As per the Articles of Association of the Company, one-third of theDirectors are required to retire from the Board every year, comprising thosewho have been in the office the longest since their last election. A retiringDirector shall be eligible for re-election.

Qualification of Board members

The Board of Directors of BSRM Steels Limited consists of members who possess a wide variety of knowledge and experience in the arena of corporate the world. This ensures that together, they formulate the right policy for the development of the business. Two of the Directors in the Board are Chartered Accountants with prominent experience across key positions of finance and accounts, and who normally provides guidance in matters applicable to accounting and auditing-related issues to ensure compliance and reliable financial reporting. Respective qualification of Directors is appended in Directors' profile on page no 31 of this annual report.

The Role of the Board

The Board is responsible for the overall governance conduct and implementation of sound business strategies within the Company and has the powers and duties afforded within the milieu of relevant laws / regulations of the country, regulatory authorities, and professional institutes. In addition, the Board of Directors, both individually and collectively, strive to comply with best practices on environment, health, safety and ethical standards whilst ensuring that the interest of all stakeholder groups are considered when taking decision.

Audit Committee

BSRM Steels Limited has an Audit Committee as a sub-committee of the Board of Directors. This committee is assisting the Board of Directors 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. This committee is responsible to the Board of Directors and its duties and responsibilities are clearly set forth in writing. Audit Committee is reconstituted as per the guidelines of BSEC.

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 ensure the good corporate practices.

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

Nomination and Remuneration Committee (NRC)

BSRM Steels Limited has formed 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 has three members including one Independent Director.

A separate report of the NRC committee is included in the annual report.

Chairman of the Board and Managing Director

In BSRM Steels 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.

Directors' report to Shareholders

Board of Directors report on the performance, annual achievements and status of the company's activities to the shareholders. They are also conveying the future 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. Board of Directors clearly defined respective roles, responsibilities and duties of the CFO, Company Secretary and Head of Internal Audit& Compliance.

Internal Audit and Control

BSRM Steels Limited established an Internal Audit Department consisting of professional and knowledgeable employees. 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 and other regulatory requirements.

External Auditors

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

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 sit regularly for discussing and reviewing the activities of the company.

Certification on the Compliance of 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/s M.A. Mallick & Co., Chartered Accountants is included in **Anexure-B** the annual report.

REPORT OF THE AUDIT COMMITTEE

AUDIT COMMITTEE MEMBERS

Chairman:
Mr. Mono Ranjan Dey FCA

Members:
Mr. Alihussain Akberali FCA
Mr. Zohair Taherali

Secretary to Committee:
Mr. Shekhar Ranjan Kar FCA

Composition of the Committee

The Audit Committee is a sub-committee of the Board. The Committee currently consists of one Independent Director and two directors of the Company. The Chairman of the Committee is an Independent Director. The Company Secretary acts as the Secretary of the Committee. The quorum of the meeting shall not be filled until and unless the Independent Directors attends the meeting. All the members of the Audit Committee are financially literate as defined by the revised corporate governance guidelines and able to interpret financial statements. The Managing Director, Head of Accounts & Finance, Chief Financial Officer, Head of Internal Audit and Compliance attended the meeting as invitees.

Number of Committee Meeting

The Committee formally met four times during the period covering from July 2017 to June 2018 under review.

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 to provide independent observation of Company's financial reporting. The Committee assists the Board of Directors for implementing appropriate internal controls and functions relating to internal audit as well as ensures compliance with the requirements of Corporate Governance Guidelines promulgated by the BSEC.

Mandate and Role

The purpose, authority, composition, duties and responsibilities of the Audit Committee are defined in its Charter. The Committee has been mandated to:

- Review the annual, half-yearly and quarterly financial statements and other financial results, and upon its satisfaction of the review, recommended the same to the Board. The Audit committee also ensures the appropriateness of accounting policies and their adherence to statutory and regulatory compliance and applicable accounting standards.
- Monitor the financial reporting systems and choice of accounting policies and principles in place to ensure the integrity and the soundness of the information provided to the Board of Directors, Regulatory Authorities, Management and other Stakeholders.
- Identify, analyze and monitor the risks faced by the Company and examine the adequacy, efficiency and effectiveness of internal controls and procedures in place to avoid, mitigate or transfer such risks.
- Monitor all internal audit and inspection programs, review and approve the internal audit and compliance plan and follow-up on their findings and recommendations.
- The Committee oversee the hiring and performance of external auditors including approval of their remuneration, assessing their independence and re-appointment and removal of external auditors.

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- Hold meeting with the external or statutory auditors for review of the annual financial statements before submission to the board for approval.
- Review statement of significant related party transactions submitted by the management.
- Review the adequacy of Internal Audit functions and Management letter relating to Internal Control weakness issued by statutory auditors.
- Audit Committee review the Internal Auditor's Reports and observations.

Re-appointment of Auditors

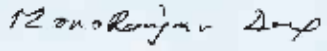
- The Chairman informed the meeting that retiring external Auditors of the Company M/s A. Qasem& Co., Chartered Accountants (A Member Firm of Ernst & Young Global), Faruk Mahal (3rd Floor), Plot#93, Agrabad C/A, Chittagong has expressed their willingness to be re-appointed as per directive of Bangladesh Securities & Exchange Commission (BSEC).On discussion, The Audit Committee has recommended the Board to re-appoint of M/s A. Qasem & Co., Chartered Accountants (A Member Firm of Ernst & Young Global), Faruk Mahal (3rd Floor), Plot#93, Agrabad C/A, Chittagong as Statutory Auditors of BSRM Steels Limited for the year 2018-2019 and fixation of Audit Fees subject to approval of the shareholders in the next Annual General Meeting.

Reporting of the Committee

The Audit Committee reports directly to the Board of Directors. On discharging its responsibilities, the audit committee ensure the followings:

- Financial statements have been prepared and presented in compliance with all laws, regulations & standards as applicable.
- Adequate internal checks and balances supported by proper MIS are in place for detections of errors, frauds and other deficiencies to provide reasonable safeguard and the financial position of the company is adequately managed.

On behalf of the Audit Committee



Mono Ranjan Dey FCA
Chairman of the Audit Committee and Independent Director

September 25, 2018

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REPORT OF THE NOMINATION AND REMUNERATION COMMITTEE (NRC)

This Nomination and Remuneration Policy is being formulated in compliance with Notification No. BSEC/CMRR D/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 **BSRM Steels Limited** is comprised of the following members:

Name	Position
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 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 executive.

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;

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Meeting of NRC:

The Committee formally met for the first time in June, 2018 after constitution of the NRC. The NRC of BSRM Steels Limited ensured/ observed the following activities:

1. Set up a 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

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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.

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 theBoard 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 otherremuneration 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 & Independent Director
Dated: 25th September, 2018



ROOPPUR NUCLEAR POWER PLANT

BANGLADESH ASSOCIATION OF PUBLICLY LISTED COMPANIES

Ref. No: CM-2018/066

BAPLC

*Date of issue :*February 20, 2018

Renewed Certificate

This is to certify that

BSRM STEELS LIMITED

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

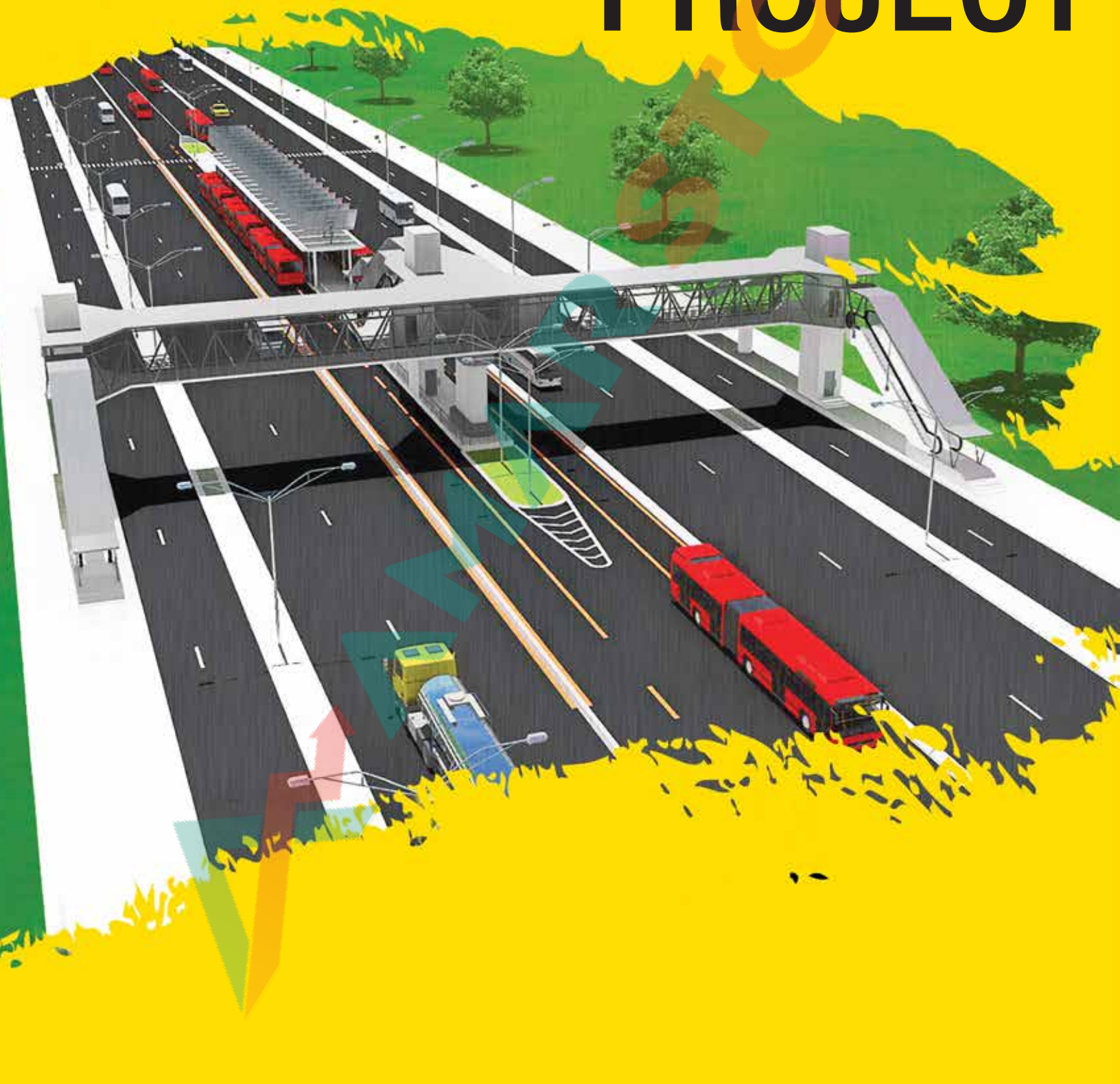
This certificate remains current until 31st December **2018.**

Bangladesh Association of Publicly Listed Companies ★ BAPLC

Secretary-General
(Acting)

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BRT PROJECT



AUDITORS' REPORT
&
AUDITED FINANCIAL STATEMENTS
OF
BSRM STEELS LIMITED

FOR THE YEAR ENDED 30JUNE 2018

AMARSTOCK

A. QASEM & CO.
Chartered Accountants Since 1953

Faruk Mahal (3rd Floor)
Plot # 93, Agrabad Com. Area
Chittagong, Bangladesh.

Phone : +880-31-715656
+880-31-718066
E-mail : qasem@globalctg.net

Independent Auditors' Report
To the Shareholders of BSRM Steels Limited

Report on the financial statements

We have audited the accompanying financial statements of **BSRM Steels Limited** ("the Company") which comprise the statement of financial position as at 30 June 2018 and 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 International Financial Reporting Standards (IFRS), the Companies Act 1994, the Securities & Exchange Rules, 1987 and 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.

Auditors' responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing (ISA). Those standards require that we comply with relevant 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 the auditors' 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, the auditors consider internal control relevant to the entity's preparation and fair presentation of the financial statements 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 present fairly, in all material respects, the financial position of **BSRM Steels Limited** as at 30 June 2018 and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS) and other applicable laws and regulations.

Other matter

The financial statements of BSRM Steels Limited for the year ended 30 June 2017 were audited by another auditor who expressed an unmodified opinion on those statements on 12 August 2017.

Report on Other Legal and Regulatory Requirements

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

(a) We have obtained all the information and explanations 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 financial statements dealt with by the report are in agreement with the books of account and returns.

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

Place: Chattogram
Date: September 25, 2018

A. Qasem & Co.
Chartered Accountants

A member firm of Ernst & Young Global Limited
EY refers to the global organization, and/or one or more of the independent member firms of Ernst & Young Global Limited

EY Building a better working world

BSRM STEELS LIMITED
Statement of Financial Position
As At June 30, 2018

	Notes	As at 30 June	
		2018	2017
		Taka	Taka
ASSETS:			
Non-Current Assets:			
Property, plant & equipment	4	9,563,331,957	9,675,744,016
Intangible Assets	5	27,629,844	31,927,564
Capital work-in-progress	6	2,841,135,643	1,071,402,734
Investment in associates	7	1,562,913,138	1,325,036,459
Total Non-Current Assets		**13,995,010,582**	**12,104,110,773**
Current Assets:			
Inventories	8	14,451,900,658	8,980,713,497
Trade & Other Receivables	9	6,460,423,147	4,354,600,097
Due from related companies	10	6,970,340,553	9,648,559,106
Advances, deposits and prepayments	11	2,954,281,030	1,945,407,207
Short Term Investments	12	323,908,621	496,529,288
Cash and cash equivalents	13	524,690,721	77,855,172
Total Current Assets		**31,685,544,730**	**25,503,664,368**
Total Assets		**45,680,555,312**	**37,607,775,141**
EQUITY:			
Share Capital	14.02	3,417,750,000	3,417,750,000
Revaluation Reserve		2,613,852,170	2,601,996,609
Retained Earnings		6,777,298,362	5,503,470,464
Non-controlling interest		-	107,081,608
Total Equity		**12,808,900,532**	**11,630,298,681**
LIABILITIES :			
Non-Current Liabilities:			
Long term loans	15.03	1,777,555,668	1,117,900,968
Defined benefit obligations-Gratuity	16	136,970,002	98,761,816
Deferred tax liabilities	17	1,157,754,016	1,211,086,834
Total Non-Current Liabilities		**3,072,279,686**	**2,427,749,618**
Current Liabilities:			
Trade payable	18	5,767,311,018	103,026,404
Short term loan	19	19,295,024,003	20,849,871,633
Current portion of Long term loans	15.02	1,093,625,713	496,382,365
Due to related companies	20	1,540,077,748	59,622,907
Liabilities for expenses	21	461,123,854	314,217,165
Provision for income tax	22	957,113,965	1,074,981,753
Provision for WPPF and Welfare Fund	23	109,253,966	136,181,349
Other liabilities	24	575,844,827	515,443,266
Total 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**

The accompanying notes 1 to 42 form an integral part of these financial statements.

Managing Director **Director** **Company Secretary**

Signed as per our separate report of same date.

Place: Chattogram
Date : September 25, 2018

A. Qasem & Co. Chittagong Chartered Accountants

A. Qasem & Co.
Chartered Accountants

AMARSTOCK

BSRM STEELS LIMITED
Statement of Profit or Loss & Other Comprehensive Income
For the year ended June 30, 2018

	Notes	For the year ended 30 June 2018 Taka	2017 Taka
Revenue	25	48,289,925,736	37,996,410,539
Cost of goods sold	26	(43,410,757,954)	(33,439,115,539)
Gross profit for the year		**4,879,167,782**	**4,557,295,000**
Selling and Distribution Expenses	27	(1,304,112,525)	(938,883,694)
Administrative Expenses	28	(409,221,690)	(367,152,978)
		3,165,833,567	**3,251,258,328**
Other Operating Income	29	14,814,291	22,332,934
Net Operating profit for the year		**3,180,647,858**	**3,273,591,262**
Finance Costs	30	(2,039,113,061)	(1,528,142,105)
Finance Income	31	1,027,369,378	977,094,415
Net Profit Before Tax and WPPF and Welfare Fund		**2,168,904,175**	**2,722,543,572**
Contribution to WPPF and Welfare Fund	23	(108,445,209)	(136,181,349)
		2,060,458,966	**2,586,362,223**
Profit on Bargain Purchase	32	10,196,786	-
Share of profit of associates (Net of tax)	33	237,876,679	(225,874,590)
Net Profit before Tax		**2,308,532,431**	**2,360,487,633**
Income tax expenses/benefits:			
Current Tax		(552,700,219)	(683,917,742)
Deferred tax	17	44,963,346	28,844,769
Net Profit after Tax		**1,800,795,558**	**1,705,414,660**
Other comprehensive income not to be reclassified to profit or loss			
Actuarial (loss)/gain on defined benefit plans	16	(3,392,066)	-
Total comprehensive income for the year, net of tax		**1,797,403,492**	**1,705,414,660**
Total comprehensive income attributable to:			
Owners of the company		**1,797,403,492**	1,702,491,540
Non-controlling interest		-	2,923,119
		1,797,403,492	**1,705,414,660**
Earnings per share (EPS)	34	**5.27**	**4.98**

The accompanying notes 1 to 42 form an integral part of these financial statements.

Managing Director **Director** **Company Secretary**

Signed as per our separate report of same date.

Place: Chattogram
Date : 25 SEP 2018

A. Qasem & Co.
Chartered Accountants

BSRM STEELS LIMITED
Statement of Changes in Equity
For the year ended June 30, 2018

Particulars	Share Capital	Revaluation Reserve	Retained Earnings	Total	Non-controlling interests	Total equity
Balance as at July 01, 2016	**3,417,750,000**	**2,123,842,107**	**3,829,602,555**	**9,371,194,662**		**9,371,194,662**
Transfer against difference in depreciation between cost and revalued amount		(19,831,501)	26,442,001	6,610,500		6,610,500
Total comprehensive income for the period July 2016 to June 2017			1,648,035,691	1,648,035,691		1,648,035,691
Cash dividend for the year			(683,550,000)	(683,550,000)		(683,550,000)
Balance as at June 30, 2017	**3,417,750,000**	**2,104,010,606**	**4,820,530,247**	**10,342,290,853**	**-**	**10,342,290,853**
Consolidated Balance as at June 30, 2017	**3,417,750,000**	**2,601,996,609**	**5,503,470,464**	**11,523,217,073**	**107,081,608**	**11,630,298,681**
Balance as at July 01, 2017	**3,417,750,000**	**2,104,010,606**	**4,820,530,247**	**10,342,290,853**	**-**	**10,342,290,853**
Acquisition of BISCO		524,195,793	652,888,151	1,177,083,944	-	1,177,083,944
Net profit after tax for the year ended 30 June, 2018	-	-	1,800,795,558	1,800,795,558	-	1,800,795,558
Transfer against difference in depreciation between cost and revalued amount	-	(14,354,229)	19,138,972	4,784,743	-	4,784,743
Actuarial (loss)/gain on defined benefit plans	-	-	(3,392,066)	(3,392,066)	-	(3,392,066)
Final dividend paid	-	-	(512,662,500)	(512,662,500)	-	(512,662,500)
Balance as at June 30, 2018	**3,417,750,000**	**2,613,852,170**	**6,777,298,362**	**12,808,900,532**	**-**	**12,808,900,532**

A. QASEM & CO. Chittagong CHARTERED ACCOUNTANTS

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BSRM STEELS LIMITED
Statement of Cash Flows
For the year ended June 30, 2018

		2018 Taka	2017 Taka
a.	**Cash flows from operating activities**		
	Receipts from customers against sales	47,363,113,218	37,168,500,979
	Cash Paid to Suppliers, Operating and Other Expenses	(44,676,586,111)	(35,580,032,468)
	Payment of interest-Net	(1,011,743,683)	(849,239,332)
	Income Tax Paid	(684,574,633)	(374,796,539)
	Net cash (used in)/generated by operating activities	**990,208,791**	**364,432,640**
b.	**Cash flows from investing activities**		
	Acquisition of property, plant and equipment	(395,231,794)	(284,409,671)
	Addition of Capital work-in-progress	(1,762,957,118)	(1,080,252,250)
	Proceeds from sale of property, plant and equipment	13,240,109	3,766,042
	Increase in short term investments	(6,921,240)	(103,377,015)
	Advance for capital expenditures	-	(131,299,969)
	Net cash (used in)/generated by investing activities	**(2,151,870,043)**	**(1,595,572,863)**
c.	**Cash flows from financing activities**		
	Dividend paid	(512,662,500)	(683,397,579)
	Receipt/(Re-payment) of long term loan	1,198,041,650	(456,658,234)
	Receipts/(Re-payment) of Short term loan	(1,577,390,041)	5,042,868,361
	Loan received from /(paid to) affiliated companies and others	2,611,217,873	(2,769,857,419)
	Decrease in Non-controlling interest	(106,755,000)	-
	Net cash provided by /(used in) financing activities	**1,612,451,982**	**1,132,955,129**
d.	**Net increase in cash and cash equivalent (a+b+c)**	**450,790,729**	**(98,185,094)**
e.	**Opening cash and cash equivalents**	73,899,991	176,040,266
f.	**Closing cash and cash equivalent (d+e)**	**524,690,721**	**77,855,172**

A. QASEM & CO. Chittagong CHARTERED ACCOUNTANTS

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1.00 Corporate Information

BAS 1.10(e)
BAS 1.113
BAS 1.51(a)
BAS 1.51(b)
BAS 1.138(a)
BAS 1.138(b)

BSRM Steels Limited (hereinafter referred to as 'BSL', 'the company' was incorporated on 20 July, 2002, vide the certificate C-No. 4392 of 2002 as a Private Limited Company in Bangladesh under Companies Act 1994. The company was converted to a Public Limited Company on 20 December 2006. The Company is listed with Dhaka Stock Exchange (DSE) and Chittagong Stock Exchange (CSE) as a publicly traded company. Trading of the shares of the company started in two stock exchanges from 18 January 2009.

The company has set up its rolling mill at 4,Fouzderhat Industrial Estate, Latifpur, Sitakunda, Chittagong and commenced commercial production from 1 April 2008. The registered office of the company is situated at Ali Mansion, 1207/1099, Sadarghat Road, Chittagong, Bangladesh.

The Honourable High Court Division of Supreme Court of Bangladesh has approved the amalgamation of BSRM Iron & Steel Co. Ltd. ("BISCO) with BSRM Steels Limited ("BSRM") on 03 August, 2017 and after receiving the approval from The Honourable 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 the provision of section 228 & 229 of the Companies Act 1994 by transferring all assets and liabilities of BSRM Iron & Steel Co. Ltd. to BSRM Steels Limited.

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

2.00 BASIS OF PREPARATION

2.01 Statement of Compliance

BAS 1.16

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).

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.

A. QASEM & CO. Chittagong CHARTERED ACCOUNTANTS

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:

A. The Income Tax Ordinance, 1984
B. The Income Tax Rules, 1984
C. The Value Added Tax Act, 1991
D. The Value Added Tax Rules, 1991
E. The Securities and Exchange Ordinance, 1969
F. The Securities and Exchange Rules, 1987
G. Securities and Exchange Commission Act, 1993
H. The Customs Act, 1969
I. Bangladesh Labour Law, 2006

2.04 Authorization for Issue

These financial statements for the year ended June 30, 2018 have been authorized for issue by the Board of Directors on September 25, 2018. BAS 1.51(c) BAS 10.17

2.05 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. BAS 1.112(a) BAS 1.117(a)

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. BAS 1.51(d) BAS 1.51(e)

2.07 Going Concern BAS 1.25

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.

2.08 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 estimates.

Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of revision and future periods if the revision affects both current and future periods.

In the process of applying entities accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the financial statements. BAS 1.122

A. QASEM & CO. Chittagong CHARTERED ACCOUNTANTS

Property, plant and equipment	Note: 4.00
Intangible asset	Note: 5.00
Inventories	Note: 8.00
Trade and other receivables	Note: 9.00
Defined benefit obligations-Gratuity	Note: 16.00
Deferred tax liabilities	Note: 17.00
Liabilities for expenses	Note: 21.00
Provision for income tax	Note: 22.00
Contingent liabilities	Note: 38.00

2.09 Investments in Associates

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies. BAS 28.3

The company's investment in associates is accounted for in the Financial Statements using the Equity Method. Under the equity method, the 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 which is classified as non-current assets in the statement of financial position. The investor's share of investee's profit or loss is recognized in the investor's profit or loss. BAS 28.10

The statement of profit or loss reflects the company's share of the results of operations of the associate. In addition, when there has been a change recognised directly in the equity of the associate, the company recognises its share of any changes, when applicable, in the statement of changes in equity. Unrealised gains and losses resulting from transactions between the company and the associate are eliminated to the extent of the interest in the associate. BAS 1.82 (c)

The financial statements of the associate are prepared for the same reporting period as the Company.

2.10 Business Combination

Amalgamation with BSRM Iron & Steels Co. Ltd. (BISCO) BFRS 3.59-60

On 1 October 2017, the Company has acquired the remaining 5% shares of BISCO representing 5,500,000 shares to complete the amalgamation scheme, thereby transferring all assets and liabilities to BSRM Steels Limited. Pursuant to the merger agreement, the Company has paid a cash consideration of Tk 19.41 per share which was valued using the net asset value method. The Company has acquired BISCO to obtain synergy benefits, as the raw materials used by BSRM Steels Limited are manufactured in the melting unit of BISCO. BFRS 3.B64(a) BFRS 3.B64(b) BFRS 3.B64 (c) BFRS 3.B64(d)

The acquisition has resulted in a bargain purchase of BDT 10,196,787. Details are summarised in note 32. BFRS 3.34

2.11 Comparative Information

The financial statements provides Comparative information in respects of the previous period for all amount reported in the current period's financial statements. Comparative figures have been rearranged wherever considered necessary to ensure better comparability with the current period without causing any impact on the profit and value of assets and liabilities as reported in the financial statement. BAS 1.38

As the company has merged with its subsidiary and for the preparation of single entity financial statements, previous year's comparative figure has been taken from consolidated financial statements wherever necessary to compare with current year figure.



2.12 Consistency of presentation

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 applied in preparing the financial statements for the year ended 30 June 2017.

3.00 SIGNIFICANT ACCOUNTING POLICIES

3.01 Current versus non-current classification

The Company presents assets and liabilities in the statement of financial position based on current/non-current classification. BAS 1.60

An asset is current when it is: BAS 1.66

- Expected to be realised or intended to sold or consumed in the normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period

Or

- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in the normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period BAS 1.69

Or

- 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 non-current assets and liabilities. BAS 1.56

3.02 Fair Value Measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either: BFRS 13.9

• In the principal market for the asset or liability

Or

• In the absence of a principal market, in the most advantageous market for the asset or liability

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. BFRS 13.73

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.

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Fair-value related disclosures for financial instruments and non-financial assets that are measured at fair value or where fair values are disclosed, are summarised in the following notes:

- **Property, plant and equipment under revaluation model Note 4**

3.03 Property, Plant and Equipment

Items of property, plant and equipment is stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of replacing part of the plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met. BAS 16.30 BAS 16.15 BAS 16.16

The cost of an item of property, plant and equipment comprises:

- It's purchase price, import duty and non-refundable taxes (after deducting trade discount and rebates) BAS 16.16
- 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. BAS 16.22

When significant parts of plant and equipment are required to be replaced at intervals, the Group depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in profit or loss as incurred. The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met.

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.

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. 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. BAS 16.73(b) BAS 16.73(c)

Asset Category	Useful Lives
Plant & Machinery	7-25
Motor Vehicle	6-15
Furniture and Fixtures	5
Office Equipment	5
Factory Buildings	20
Roads and Pavements	20
IT Equipment	5

A. QASEM & CO. Chittagong CHARTERED ACCOUNTANTS

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal (i.e., at the date the recipient obtains control) or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit or loss when the asset is derecognised. BAS 16.67 BAS 16.68 BAS 16.71

3.04 Revaluation of Property, Plant and Equipment

Land and factory building of the company was revalued by Rahman RahmanHuq,Chartered Accountants with assistance from Asian Surveyors Ltd.,28 Dilkhusha C/A,Dhaka as at 31 May 2012. These assets were revalued using the market value approach for land and depreciated replacement cost approach for factory building.As per revaluation report, the revaluation surplus stood at Tk. 2,329,019,189. This revaluation has been recognized in the books of the company in 2012.

Total 401.43 decimals land situated at Fouzdarhat, Boalkhali, Kumira and land purchased from Modern Karilin Silk Mills Ltd. were registered in the name of the company but yet to be mutated and were not considered for revaluation.

Further disclosure relating to revaluation of property, plant and equipment are also provided in the following note:

- **Property, plant and equipment (Revaluation model) Note 4.00**

A revaluation surplus is recorded in OCI and credited to the asset revaluation surplus in equity. However, to the extent that it reverses a revaluation deficit of the same asset previously recognised in profit or loss, the increase is recognised in profit and loss. A revaluation deficit is recognised in the statement of profit or loss, except to the extent that it offsets an existing surplus on the same asset recognised in the asset revaluation surplus. BAS 16.39 BAS 16.40

An annual transfer from the asset revaluation surplus to retained earnings is made for the difference between depreciation based on the revalued carrying amount of the asset and depreciation based on the asset's original cost. Additionally, accumulated depreciation as at the revaluation date is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset. Upon disposal, any revaluation surplus relating to the particular asset being sold is transferred to retained earnings. BAS 16.41

3.05 Intangible Asset

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses. Internally generated intangibles, excluding capitalised development costs, are not capitalised and the related expenditure is reflected in profit or loss in the period in which the expenditure is incurred. BAS 38.24 BAS 38.74 BAS 38.54 BAS 38.57

The useful lives of intangible assets are assessed as either finite or indefinite. BAS 38.88

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets BAS 38.97 BAS 36.9 BAS 38.104

with finite lives is recognised in the statement of profit or loss in the expense category that is consistent with the function of the intangible assets.

Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis. BAS 38.107 BAS 38.108 BAS 38.109

An intangible asset is derecognised upon disposal (i.e., at the date the recipient obtains control) or when no future economic benefits are expected from its use or disposal. Any gain or loss arising upon derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit or loss. BAS 38.113

A summary of the intangible assets is, as follows:

BAS 38.118(a)(b)

	Trade Mark	Oracle eBS Software
Useful lives	Finite (20 years)	Finite (10 years)
Amortisation method used	Amortised on a straight-line basis	Amortised on a straight-line basis
Internally generated or acquired	Acquired	Acquired

3.06 Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. BAS 23.8 BAS 23.5

3.07 Inventories

Inventories are measured at the lower of cost and net realizable value. BAS 2.36(a) BAS 2.9

Costs incurred in bringing each product to its present location and condition are accounted for, as follows: BAS 2.10

- Raw materials: purchase cost on a weighted average basis BAS 2.25
- Finished goods and work in progress: cost of direct materials and labour and a proportion of manufacturing overheads based on the normal operating capacity, but excluding borrowing costs. BAS 2.12 BAS 2.13

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale. BAS 2.6

3.08 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. BAS 32.11

i) Financial assets BFRS 7.21

Recognition and measurement

The company initially recognizes loans and receivables and deposits on the date that they are originated. All other financial assets are recognized initially on the date at which the company become a party to the contractual provisions of the instruments.

A. QASEM & CO. Chittagong CHARTERED ACCOUNTANTS

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. BAS 39.9

A financial asset is classified as at fair value through profit or loss if it is held for trading which is acquired or incurred principally for the purpose of selling or repurchasing it in the near term.

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturity that an entity has the positive intention and ability to hold to maturity. These assets are initially recognised at fair value plus any transaction costs. Subsequent to initial recognition, they are measured at amortised cost using the effective interest method. BAS 39.44 BAS 39.46(b)

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, loans and receivables are measured at amortised cost using the effective interest method. BAS 39.44 BAS 39.46(a)

Available-for-sale financial assets are those 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 recognized initially at fair value plus any directly attributable transaction costs and subsequent to initial recognition at fair value other than impairment losses are recognized in other comprehensive income. BAS 39.55(b)

ii) Financial liabilities

Recognition and measurement BAS 39.43

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value plus transaction costs that are directly attributable to the issue of the financial liability.

BAS 39.14

An entity shall recognise a financial liability in its statement of financial position when, and only when, the entity becomes a party to the contractual provisions of the instrument.

BAS 39.AG34-35

Loans and borrowings, derivatives and payables are recognised as liabilities when the entity becomes a party to the contract and, as a consequence, has a legal obligation to pay cash.

BAS 39.47
BAS 39.47(a)
BAS 39.47(b)
BAS 39.47(c)
BAS 39.47(d)

After initial recognition, an entity shall measure all financial liabilities at amortised cost using the effective interest method except for financial liabilities at fair value through profit or loss, financial liabilities that arise when a transfer of a financial asset does not qualify for de-recognition, financial guarantee contracts and commitments to provide a loan at a below-market interest rate.
Financial liabilities that are designated as hedged items are subject to the hedge accounting.

3.09 Cash and cash equivalents

Cash and short-term deposits in the statement of financial position comprise cash at banks and on hand and short-term deposits with a maturity of three months or less, which are subject to an insignificant risk of changes in value. BAS 7.6 BAS 7.7

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the company's cash management. BAS 7.46

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3.10 Provisions, Contingent liability and Contingent assets

General

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Company expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit or loss net of any reimbursement. BAS 37.14 BAS 37.53 BAS 37.54

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Contingent liabilities

Contingent liability is a present obligation that arises from past events but is not recognised because it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation and the amount of the obligation cannot be measured with sufficient reliability. BAS 37.10

An amount of Tk. 23,053,915.27 was claimed by Customs, Excise and VAT authority, Bondor Circle, Narayangonj vide nothi no. 04/VAT/Warehouse (02)/ Bondor circle/2012/207 dated 03 November, 2014 for trade VAT on sale of 115,269 MT finished goods. The company filed a writ petition no.10833 of 2014 before the Honourable High Court Division of the Supreme Court of Bangladesh and the court stayed the claim. In view of above, no provision for this claim has been made in the financial statements.

3.11 Employee Benefits

The company maintain both defined contribution plan and defined benefit plan for its eligible permanent employees.

Defined Contribution plan

The company maintains a recognised provident fund for all eligible permanent employees in which both employee and employer contributes 10% of basic pay. The said fund is manged by the board of trustees.

Defined benefit plan

The company maintains an unfunded gratuity scheme and provision in respect of which is made annually for the employees. Gratuity benefit shall be payable on the basis of company service and the last drawn basic salary of the employee as per the following table at the end of retirement, death in service or leaving employment: BAS 19.135 BAS 19.136

Service length	Benefit
Less than 5 years of service	Nil
Equal to or more than 5 years of service	Two months' last drawn basic salary for each year of service.

The company has taken actuarial assumption to determine the present value of the defined benefit obligation and measure actuarial gain or loss. The valuation has been conducted by Z. Halim & Associates and they have applied Projected Unit Credit Method to determine the present value of defined benefit obligation. BAS 19.144 BAS 19.67

Workers profit participation and welfare funds

The company also recognised a provision for workers profit participation and welfare funds @ 5% of net profit before tax as per Bangladesh labour law 2006.

3.12 Revenue

Revenue from sale of goods is measured at the fair value of the consideration received or receivable taking into account the amount of any trade discounts and volume rebates allowed by the entity. BAS 18.10

Revenue is recognized when the significant risks and rewards of ownership have been transferred to the buyer, recovery of the consideration is problem 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 measure reliably. BAS 18.14(a) BAS 18.14(b) BAS 18.14(c) BAS 18.14(d) BAS 18.14(e)

3.13 Earnings Per Share

Basic earnings per share (EPS) is calculated by dividing the profit or loss for the year by the weighted average number of ordinary shares outstanding during the year. BAS 33.10

Diluted EPS is calculated by dividing the net profit attributable to ordinary equity holders of the Fund by the weighted average number of ordinary shares outstanding during the year. BAS 33.31

3.14 Segment information

For management purposes, the company is organised into business units based on its products and has two reportable segments, as follows: BAS 1.138(b) BFRS 8.22(a) BFRS 8.22(b)

- The M.S Rod segment which produces different graded Rod and sell the same to several dealers, end users, other corporate users and some deemed export to EPZ based companies.
- The M.S Billets segment which produces different graded Billets and transfer the same to produce M.S Rod.

No operating segments have been aggregated to form the above reportable operating segments.

The Company Secretary and Group CFO is the Chief Operating Decision Maker (CODM) and monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on profit or loss. Also, the company's financing (including finance costs and finance income) and income taxes are managed on aggregately and are not allocated to operating segments. BFRS 8.27(b)

Assets and Liabilities of the company are maintained aggregately due to that, those are not provided to the Chief Operating Decision Maker and are not allocated to operating segments. BFRS 8.23

Transfer prices between operating segments are on an arm's length basis in a manner similar to transactions with third parties.

Year ended 30 June 2018	M.S Rod	M.S Billets	Total Segments	Adjustment	Total	
			Amount in Millions			
Revenue						
External customers	40,701	7,588	48,289		48,289	BFRS 8.23(a)
Inter-segment		747	747	(747)	-	BFRS 8.23(b)
Total Revenue	**40,701**	**8,335**	**49,037**	**(747)**	**48,289**	

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Income/(Expenses)						
Cost of inventories recognised as an expense	(36,034)	(7,739)	(43,773)	718	(43,055)	BFRS 8.23(f)
Employee benefits expenses	(505)	(157)	(663)		(663)	BFRS 8.23(f)
Depreciation and amortisation	(56)		(56)		(56)	BFRS 8.23(i)
Selling and distribution cost	(1,150)		(1,150)		(1,150)	BFRS 8.23(f)
Administrative costs	(198)		(198)		(198)	BFRS 8.23(f)
Share of profit of an associate				238	238	BFRS 8.23(g)
Segment Profit	2,756	438	3,194	(886)	2,308	BFRS 8.23

Reconciliation of profit

	2018
Segment profit	**3,194**
Inter-segment sales	(29)
Other operating income	14
Finance Costs	(2,039)
Finance Income	1,027
Contribution to WPPF and welfare fund	(108)
Profit on bargain purchase	10
Share of profit of an associate	238
Profit before tax	**2,308**

Geographic Information

	2018
Revenue from external customers	
Country if Domicile	48,160,129,934
Foreign Countries	129,795,803
Total	**48,289,925,736**

The revenue information above is based on the locations of the customers.
Revenue from one customer amounted to 7,484,088,405 arising from sales in the M.S Billets segment which is 15.5% of total sales. BFRS 8.34
Non-current assets information has not presented in the financial statements and is not available according to the geographical area.

3.15 Capital management

For the purpose of the Company's capital management, capital includes issued capital. BAS 1.134 BAS 1.135
The primary objective of the Company's capital management is to maximise the shareholder value.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Company has financial covenants to maintain the gearing ratio 70:30 or better. The Company includes within net debt, interest bearing loans and borrowings less cash and cash equivalents.

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	2018
Interest bearing loan	2,871,181,381
Short term loan	19,295,924,003
Less: Cash and Cash equivalents	(524,690,721)
Net Debt	**21,642,414,663**
Equity	12,808,900,532
Total Capital	**12,808,900,532**
Capital and net debt	**34,451,315,195**
Gearing Ratio	**62.82%**

3.16 Event 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. BAS 10.21

3.17 Standards issued but not yet effective

The institute of Chartered Accountants of Bangladesh (ICAB) has decided to adopt the International Financial Reporting Standards (IFRS) instead of Bangladesh Financial Reporting Standards (BFRS) and which will be effective for annual period beginning on or after 1 January, 2018.

The management of the company will prepare and present the financial statements from next years in accordance with International Financial Reporting Standards (IFRS) as adopted by ICAB. The new and amended standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Company's financial statements are disclosed below. The Company intends to adopt these new and amended standards and interpretations, if applicable, when they become effective.

IFRS 16 Leases

IFRS 16 was issued in January 2016 and it replaces IAS 17 Leases, IFRIC 4 Determining whether an Arrangement contains a Lease, SIC-15 Operating Leases-Incentives and SIC-27 Evaluating the Substance of Transactions Involving the Legal Form of a Lease. IFRS 16 sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model similar to the accounting for finance leases under IAS 17. The standard includes two recognition exemptions for lessees – leases of 'low-value' assets (e.g., personal computers) and short-term leases (i.e., leases with a lease term of 12 months or less). At the commencement date of a lease, a lessee will recognise a liability to make lease payments (i.e., the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e., the right-of-use asset). Lessees will be required to separately recognise the interest expense on the lease liability and the depreciation expense on the right-of-use asset.

Lessees will be also required to re-measure the lease liability upon the occurrence of certain events (e.g., a change in the lease term, a change in future lease payments resulting from a change in an index or rate used to determine those payments). The lessee will generally recognise the amount of the re-measurement of the lease liability as an adjustment to the right-of-use asset.

Lessor accounting under IFRS 16 is substantially unchanged from today's accounting under IAS 17. Lessors will continue to classify all leases using the same classification principle as in IAS 17 and distinguish between two types of leases: operating and finance leases.

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IFRS 16, which is effective for annual periods beginning on or after 1 January 2019, requires lessees and lessors to make more extensive disclosures than under IAS 17.

BFRS 9 Financial Instruments

In July 2014, the IASB issued the final version of BFRS 9 Financial Instruments that replaces BAS 39 Financial Instruments: Recognition and Measurement and all previous versions of BFRS 9. BFRS 9 brings together all three aspects of the accounting for the financial instruments project: classification and measurement; impairment; and hedge accounting. BFRS 9 is effective for annual periods beginning on or after 1 January 2018, with early application permitted. Except for hedge accounting, retrospective application is required, but providing comparative information is not compulsory. For hedge accounting, the requirements are generally applied prospectively, with some limited exceptions.

BFRS 15 Revenue from Contracts with Customers

BFRS 15 was issued in May 2014 and establishes a five-step model to account for revenue arising from contracts with customers. Under BFRS 15, revenue is recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer.

The new revenue standard will supersede all current revenue recognition requirements under BFRS. Either a full retrospective application or a modified retrospective application is required for annual periods beginning on or after 1 January 2018. Early adoption is permitted.

BAS 7 Disclosure Initiative – Amendments to BAS 7

The amendments to BAS 7 Statement of Cash Flows are part of the IASB's Disclosure Initiative and require an entity to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes. On initial application of the amendment, entities are not required to provide comparative information for preceding periods. These amendments are effective for annual periods beginning on or after 1 January 2017, with early application permitted.

AAR STOCK

4.00 PROPERTY, PLANT & EQUIPMENT : At Revaluation Model

Particulars	Land and Land Development	Plant & Machinery	Motor Vehicles	Factory Building	Furniture & Fixtures	Office Equipment	Roads and Pavements	Computer and IT equipment	TOTAL
Balance as on 01 July, 2016	**2,354,098,097**	**4,139,422,164**	**95,122,688**	**1,774,950,586**	**48,405,768**	**66,194,631**	**12,626,433**	**30,376,881**	**8,521,197,248**
Additions during the year	192,385,441	71,934,519	13,764,159	6,819,954	3,418,198	4,190,492	4,301,133	10,327,690	**307,141,586**
Disposals		-	(10,946,155)		(4,204,738)	(272,875)		(38,500)	**(15,462,268)**
Balance as on 30 June, 2017	**2,546,483,538**	**4,211,356,683**	**97,940,692**	**1,781,770,540**	**47,619,228**	**70,112,248**	**16,927,566**	**40,666,071**	**8,812,876,566**
Balance as on 01 July, 2017	**2,546,483,538**	**4,211,356,683**	**97,940,692**	**1,781,770,540**	**47,619,228**	**70,112,248**	**16,927,566**	**40,666,071**	**8,812,876,566**
Acquisition during the year (BISCO)	741,432,616	2,419,975,471	65,709,488	577,330,856	11,861,818	22,298,005	40,898,689	8,116,158	**3,887,623,101**
Additions during the year	96,940,323	186,495,603	17,524,015	38,242,465	16,330,654	30,327,127	239,358	9,132,249	**395,231,794**
Disposals	-	(17,075,566)	(14,854,975)	-	(614,768)	(675,665)	-	(178,000)	**(33,398,974)**
Balance as on 30 June, 2018	**3,384,856,477**	**6,800,752,191**	**166,319,220**	**2,397,343,861**	**75,196,932**	**122,061,715**	**58,065,612**	**57,736,478**	**13,062,332,487**
DEPRECIATION									
Balance as on 01 July, 2016	-	1,154,956,669	44,828,050	291,703,910	22,719,877	29,647,491	4,260,151	14,147,340	**1,562,263,488**
Charge during the year	-	174,267,186	16,263,512	74,169,580	11,648,819	12,157,776	914,681	7,876,425	**297,297,979**
Disposals	-	-	(7,017,720)		(2,793,430)	(169,261)	-	(23,126)	**(10,003,537)**
Balance as on 30 June, 2017	-	**1,329,223,855**	**54,073,842**	**365,873,490**	**31,575,266**	**41,636,006**	**5,174,832**	**22,000,639**	**1,849,557,930**
Balance as on 01 July, 2017	-	**1,329,223,855**	**54,073,842**	**365,873,490**	**31,575,266**	**41,636,006**	**5,174,832**	**22,000,639**	**1,849,557,930**
Opening Balance of BISCO	-	953,201,343	37,651,016	171,222,700	10,163,511	18,995,146	12,545,317	6,184,978	**1,209,964,011**
Charge during the year	-	310,450,754	19,760,281	91,130,539	10,177,530	15,620,610	2,415,657	10,082,082	**459,637,454**
Disposals	-	(6,474,376)	(12,454,341)	-	(551,427)	(541,122)	-	(137,598)	**(20,158,864)**
Balance as on 30 June, 2018	-	**2,586,401,576**	**99,030,798**	**628,226,729**	**51,364,880**	**75,710,640**	**20,135,806**	**38,130,101**	**3,499,000,530**
CARRYING AMOUNT									
As At 30.06.2017	**2,546,483,538**	**2,882,132,828**	**43,866,850**	**1,415,897,050**	**16,043,962**	**28,476,242**	**11,752,734**	**18,665,432**	**6,963,318,636**
As At 30.06.2018	**3,384,856,477**	**4,214,350,615**	**67,288,422**	**1,769,117,132**	**23,832,052**	**46,351,075**	**37,929,806**	**19,606,377**	**9,563,331,957**
CONSOLIDATED CARRYING AMOUNT									
As At 30.06.2017	**3,287,916,154**	**4,374,107,170**	**72,895,633**	**1,827,939,457**	**19,649,249**	**31,873,333**	**40,307,855**	**21,055,165**	**9,675,744,016**
As At 30.06.2018	**3,384,856,477**	**4,214,350,615**	**67,288,422**	**1,769,117,132**	**23,832,052**	**46,351,075**	**37,929,806**	**19,606,377**	**9,563,331,957**

Allocation of Depreciation:	Note	30-06-2018
Cost of sales	**26.04**	407,341,310
Selling & distribution expenses	**27**	23,703,252
Administrative expenses	**28**	28,592,892
		459,637,454

A. QASEM & CO. Chittagong CHARTERED ACCOUNTANTS

4.01 PROPERTY, PLANT & EQUIPMENT : At Cost Model

Particulars	Land and Land Development	Plant & Machinery	Motor Vehicles	Factory Building	Furniture & Fixtures	Office Equipment	Roads and Pavements	Computer and IT equipment	TOTAL
COST									
Balance as on 01 July, 2016	**532,450,287**	**4,139,422,164**	**95,122,688**	**1,418,640,574**	**48,405,768**	**66,194,631**	**12,626,433**	**30,376,881**	**6,343,239,426**
Additions during the year	192,385,441	71,934,519	13,764,159	6,819,954	3,418,198	4,190,492	4,301,133	10,327,690	**307,141,586**
Disposals	-	-	(10,946,155)	-	**(4,204,738)**	(272,875)	-	(38,500)	**(15,462,268)**
Balance as on 30 June, 2017	**724,835,728**	**4,211,356,683**	**97,940,692**	**1,425,460,528**	**47,619,228**	**70,112,248**	**16,927,566**	**40,666,071**	**6,634,918,744**
Balance as on 01 July, 2017	**724,835,728**	**4,211,356,683**	**97,940,692**	**1,425,460,528**	**47,619,228**	**70,112,248**	**16,927,566**	**40,666,071**	**6,634,918,743**
Acquisition during the year	**217,236,823**	**2,419,975,471**	**65,709,488**	**577,330,856**	**11,861,818**	**22,298,005**	**40,898,689**	**8,116,158**	**3,363,427,307**
Additions during the year	96,940,323	186,495,603	17,524,015	38,242,465	16,330,654	30,327,127	239,358	9,132,249	**395,231,794**
Disposals	-	(17,075,566)	(14,854,975)	-	(614,768)	(675,665)	-	(178,000)	**(33,398,974)**
Balance as on 30 June, 2018	**1,039,012,874**	**6,800,752,191**	**166,319,220**	**2,041,033,849**	**75,196,932**	**122,061,715**	**58,065,612**	**57,736,478**	**10,360,178,871**
DEPRECIATION									
Balance as on 01 July, 2016	**-**	**1,154,956,669**	**44,828,050**	**338,319,630**	**22,719,877**	**29,647,491**	**4,260,151**	**14,147,340**	**1,608,879,207**
Charge during the year	-	174,267,186	16,263,512	47,727,579	11,648,819	12,157,776	914,681	7,876,425	**270,855,978**
Disposals	-	-	(7,017,720)	-	(2,793,430)	(169,261)	-	(23,126)	**(10,003,537)**
Balance as on 30 June, 2017	**-**	**1,329,223,855**	**54,073,842**	**386,047,209**	**31,575,266**	**41,636,006**	**5,174,832**	**22,000,639**	**1,869,731,648**
Balance as on 01 July, 2017	**-**	**1,329,223,855**	**54,073,842**	**386,047,209**	**31,575,266**	**41,636,006**	**5,174,832**	**22,000,639**	**1,869,731,648**
Opening Balance of BISCO	**-**	**953,201,343**	**37,651,016**	**171,222,700**	**10,163,511**	**18,995,146**	**12,545,317**	**6,184,978**	**1,209,964,011**
Charge during the year	-	310,450,754	19,760,281	71,991,567	10,177,530	15,620,610	2,415,657	10,082,082	**440,498,481**
Disposals	-	(6,474,376)	(12,454,341)	-	(551,427)	(541,122)	-	(137,598)	**(20,158,864)**
Balance as on 30 June, 2018	**-**	**2,586,401,576**	**99,030,798**	**629,261,476**	**51,364,880**	**75,710,640**	**20,135,806**	**38,130,101**	**3,500,035,277**
CARRYING AMOUNT									
As At 30.06.2017	**724,835,728**	**2,882,132,828**	**43,866,850**	**1,039,413,319**	**16,043,962**	**28,476,242**	**11,752,734**	**18,665,432**	**4,765,187,095**
As At 01.07.2018	**1,039,012,874**	**4,214,350,615**	**67,288,422**	**1,411,772,373**	**23,832,052**	**46,351,075**	**37,929,806**	**19,606,377**	**6,860,143,594**
CONSOLIDATED CARRYING AMOUNT									
As At 30.06.2017	**942,072,551**	**4,374,107,171**	**72,895,633**	**1,451,455,726**	**19,649,248**	**31,873,334**	**40,307,855**	**21,055,163**	**6,953,416,681**
As At 30.06.2018	**1,039,012,874**	**4,214,350,615**	**67,288,422**	**1,411,772,373**	**23,832,052**	**46,351,075**	**37,929,806**	**19,606,377**	**6,860,143,594**

A. QASEM & CO. Chittagong CHARTERED ACCOUNTANTS

ALMASTOCK

			30 June 2018	30 June 2017
			Taka	Taka
5.00	**Intangible asset**			
	Computer Software (Oracle ERP)	5.01	27,536,840	24,755,762
	Trade Mark	5.02	93,004	99,269
			27,629,844	24,855,031
	BSRM Iron & Steel Co. Ltd.		-	7,072,533
			27,629,844	**31,927,564**
5.01	**Computer Software**			
	Cost			
	Opening balance		33,581,355	33,581,355
	Add: Acquisition of BISCO		9,536,000	-
	Closing balance		43,117,355	33,581,355
	Amortisation			
	Opening balance		8,825,593	5,487,738
	Add: Opening Balance of BISCO		2,701,867	-
	Add: Charged during the year		4,053,056	3,337,855
	Closing balance		15,580,516	8,825,593
	Net Book Value		**27,536,840**	**24,755,762**
5.02	**Trade Mark**			
	Cost			
	Opening balance		125,300	125,300
	Add: Addition during the year		-	-
	Closing balance		125,300	125,300
	Amortisation			
	Opening balance		26,031	19,766
	Add: Charged during the year		6,265	6,265
	Closing balance		32,296	26,031
	Net Book Value		**93,004**	**99,269**
6.00	**Capital work-in-progress**			
	Opening balance		882,398,624	25,653,243
	Add: Additions during the year	6.01	2,223,693,744	931,348,810
			3,106,092,367	957,002,053
	Less: Capitalized during the year		(264,956,724)	(74,603,429)
			2,841,135,643	882,398,624
	BSRM Iron & Steel Co. Ltd.		-	189,004,110
			2,841,135,643	**1,071,402,734**

6.01 Details of Capital work-in -progress

Particulars	Opening Balance	Additions	Capitalized during the year	Closing Balance
Civil Construction	760,466,661	1,772,323,222	(99,468,559)	2,433,321,324
Plant & Machinery	115,679,763	414,122,518	(135,487,532)	394,314,749
Motor Vehicle	179,000	6,612,257	(6,791,257)	-
Office Equipment	6,073,200	17,136,176	(23,209,376)	-
Software	-	13,499,571	-	13,499,571
	882,398,624	**2,223,693,744**	**(264,956,724)**	**2,841,135,643**

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.

AMARSTOCK

		30 June 2018 Taka	30 June 2017 Taka
7.00 Investment in associates:			
BSRM Steel Mills Limited (BSML)	7.01	1,562,913,138	1,325,036,459
		1,562,913,138	**1,325,036,459**

The Company has a 25.35% interest in BSRM Steel Mills Limited, which has set up an automatic steel melting plant for manufacturing M.S. Billets of different quality and sell the same to steel rolling mills. BSRM Steel Mills Limited (BSML), was incorporated as a private limited company and was subsequently converted to a Public Limited Company on 12 November 2013. The Company's interest in BSRM Steel Mills Limited is accounted for using the equity method in the financial statements.

Paid up Capital of BSML is BDT 394.43 Crore divided into 39.44 Crore Ordinary Shares of Tk. 10 each. BSRM Steels Limited has acquired 100,000,000 nos. of Ordinary Shares of Tk. 10 each of BSML i.e. 25.35% in 2015. BSML commenced commercial production on 16 June 2016.

7.01 Movement of Investment in Associate		
Opening balance	1,325,036,459	1,550,911,049
Addition during the year		
Investment in associate	-	-
Share of profit / (loss) of equity accounted Investee (associates)	237,876,679	(225,874,590)
Excess of proportionate net assets' value of associates over acquisition cost	-	-
Adjusted / disposal during the year	237,876,679	(225,874,590)
Cash dividend received	-	-
Closing balance	**1,562,913,138**	**1,325,036,459**

	No. of shares	
7.02 Movement of Shareholding in Associate		
Opening balance	100,000,000	100,000,000
Number of shares acquired	-	-
Number of bonus share received	-	-
Closing balance	**100,000,000**	**100,000,000**
Total number of shares in associates	**394,435,400**	**394,435,400**
Percentage of shares of associates by BSRM Steels Limited	**25.35%**	**25.35%**

7.03 Summary of financial information of equity accounted investee		
Ownership	**25.35%**	**25.35%**
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
Accumulated loss	(72,550,981)	(1,010,820,810)
Revaluation reserve	2,292,879,671	2,292,879,671
Equity attributable to owners of the company	**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 and 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 income	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)**
Profit attributable to the owners of the company	**938,269,829**	**(890,929,343)**

A. QASEM & CO. Chittagong CHARTERED ACCOUNTANTS

			30 June 2018 Taka	30 June 2017 Taka
8.00	**Inventories:**			
	Raw materials	**8.01**	7,355,414,386	2,422,415,357
	Finished goods	**8.02**	5,280,805,592	3,227,291,888
	Store and Spares	**8.03**	1,798,608,261	1,361,401,189
	Fuel and Lubricants		17,072,419	4,305,842
			14,451,900,658	7,015,414,275
	BSRM Iron & Steel Co. Ltd.		-	1,966,382,642
	Unrealized profit elimination		-	(1,083,420)
			14,451,900,658	**8,980,713,497**
8.01	**Raw Materials**			
	Raw Materials-MS Scrap		3,074,906,084	-
	Raw Materials-Billets		3,992,121,698	2,343,433,793
	Raw Materials-Packing Materials		51,479,895	27,420,731
	Raw Materials-Direct Consumables		236,906,709	51,560,832
			7,355,414,386	**2,422,415,357**
8.02	**Finished Goods**			
	Finished Goods-Own production (Rod)		5,090,273,226	3,206,608,673
	Finished Goods-Own production (Billets)		92,565,314	-
	Finished Goods-Procured		97,967,052	18,129,531
	Finished Goods-Others		-	2,553,684
			5,280,805,592	**3,227,291,888**
8.03	**Stores and Spares**			
	Mechanical stores		918,137,995	702,257,574
	M.S. Roll		21,961,672	31,001,271
	Electrical stores		409,913,851	269,991,915
	General stores		20,273,024	15,142,486
	Civil stores		264,236,263	319,016,271
	Others		164,085,456	23,991,672
			1,798,608,261	**1,361,401,189**

8.04	**Quantitative movement of raw materials and finished goods (Melting Unit)**	**Metric Ton**	**Metric Ton**
	Raw Materials		
	Opening balance	50,803	-
	Add: Purchase during the year	221,567	-
	Available for consumption	272,370	-
	Less: Consumed/Sold	(183,267)	-
	Closing balance	**89,103**	**-**
	Finished Goods		
	Opening Balance	2,449	
	Add: Purchase during the year	162,199	
	Available for consumption	164,648	-
	Less: Transfer to Rolling Mills	(15,175)	-
	Less: Sales	(147,676)	-
	Closing balance	**1,797**	**-**

8.05	**Quantitative movement of raw materials and finished goods (Rolling Unit)**	**Metric Ton**	**Metric Ton**
	Raw Materials		
	Opening balance	57,528	78,375
	Add: Purchased/imported during the year	753,870	159,237
	Add: Transfer from Melting Shop	15,175	520,088
	Available for consumption	826,573	757,700
	Less: Consumed /Sold/returned during the year	(748,185)	(700,172)
	Closing balance	**78,388**	**57,528**

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		30 June 2018	30 June 2017
		Taka	Taka
Finished Goods			
Opening balance		72,483	75,706
Add: Produced during the year		727,034	681,064
Add: Purchased/imported during the year		6,384	8,217
Stock available for sale		805,901	764,987
Less: Sold during the year		(710,995)	(692,504)
Less: Move order for repair		(3,301)	-
Closing balance		**91,605**	**72,483**
9.00 Trade & Other Receivables			
Trade Receivables	9.01	5,779,898,258	3,083,992,846
Other Receivables	9.02	680,524,889	364,608,242
		6,460,423,147	3,448,601,088
BSRM Iron & Steel Co. Ltd.		-	931,599,921
Less:Intra group receivables		-	(25,600,912)
		6,460,423,147	**4,354,600,097**
9.01 Trade Receivables:			
BSRM		932,563,230	-
BSRM Logistics Limited		14,150	14,150
BSRM Steel Mills Limited		62,040	-
BSRM Recycling		17,172,160	-
Chittagong Power Company Limited		204,000	204,000
Other customers		4,829,882,678	3,083,774,696
Net Trade Receivables		**5,779,898,258**	**3,083,992,846**
9.02 Other Receivables:			
Interest receivables		245,163,402	278,100,470
Accrued Interest from FDR		48,426,109	5,501,561
DEDO and Other Receivables		386,935,378	81,006,211
		680,524,889	**364,608,242**
9.03 Ageing of Trade receivables			
Due within 3 months		5,174,964,938	2,711,562,159
Due within 6 months		328,352,260	191,238,526
Above 6 months		276,581,060	181,192,161
		5,779,898,258	**3,083,992,846**
10.00 Due from related companies:			
Bangladesh Steel Re-Rolling Mills Limited		4,871,551,354	6,815,692,516
BSRM Iron & Steel Co. Ltd.		-	666,305,803
Chittagong Power Company Limited		622,851,469	469,933,750
BSRM Logistics Limited		194,947,734	265,150,935
BSRM Ispat Limited		547,296,225	436,814,028
BSRM Metals Limited		72,285,997	63,967,690
H. Akberali & Co. Limited		541,067,086	197,079,123
BSRM Steel Mills Limited		-	1,098,897,899
BSRM Recycling Industries Limited		61,351,294	23,742,633
BSRM Wires Limited		58,989,394	-
		6,970,340,553	10,037,584,376
BSRM Iron & Steel Co. Ltd		-	277,280,533
Less: Inter-company elimination		-	(666,305,803)
		6,970,340,553	**9,648,559,106**

These represent short term loans given to these related companies as and when required to meet funding requirement. All transactions were done through account payee cheque and interests were charged on all related companies balances.

A. QASEM & CO. Chittagong CHARTERED ACCOUNTANTS

		30 June 2018	30 June 2017
		Taka	Taka
11.00 Advances, deposits and prepayments:			
Advances	11.01	2,904,859,098	1,532,330,724
Deposits	11.02	43,177,610	24,402,082
Prepayments	11.03	6,244,323	6,616,915
		2,954,281,030	1,563,349,721
BSRM Iron & Steel Co. Ltd.		-	382,057,486
		2,954,281,030	**1,945,407,207**
11.01 Advance:			
Staff loan		1,442,545	705,438
Advance against salary		160,101	91,466
Advance Income tax		1,125,509,039	569,502,422
Advance against expenses		47,435,472	41,926,286
Bank guarantee margin		5,350,090	2,354,429
Advance against L/C		95,164,775	59,387,246
LC Margin		36,426,933	7,221,421
Advance against fixed asset		289,995,481	144,164,991
Trade VAT account (Godown)		21,717	7,845
VAT chargeable account (Godown)		13,745,768	5,201,647
VAT current account		331,232,453	34,649,844
Advance against land		29,688,816	22,631,196
Advance for house rent		2,061,758	1,537,404
Share money deposit to Chittagong Power Company Ltd.		500,000,000	500,000,000
Advance for purchase of spare parts and other materials		426,624,149	142,949,092
		2,904,859,098	**1,532,330,724**
11.02 Deposits:			
Bangladesh Ansar and VDP		1,531,263	1,260,752
Bangladesh Railway		140,000	-
Bangladesh Telecommunication Limited (BTCL)		26,000	24,000
Brothers Proukosoli Workshop		480,000	-
Chittagong WASA		200,000	-
Chittagong Club Limited		90,000	-
City Cell		15,000	15,000
Cma Cgm Bangladesh Shipping Ltd		1,060,000	-
GBX Logistics Ltd		1,205,000	-
Linde Bangladesh Ltd		1,160,000	-
Maersk Bangladesh Limited		1,162,447	-
Power Development Board		24,710,120	4,308,620
Ranks Tel		10,000	10,000
Karnaphuli Gas Distribution Co. Limited		10,526,780	18,118,710
Central Depository Bangladesh Limited		500,000	500,000
BOC Bangladesh Limited		16,000	16,000
Others		345,000	149,000
		43,177,610	**24,402,082**

The directors consider that all the above advances and deposits are either adjustable or recoverable in cash or in kind and accordingly that no provision against them are required at this stage.

11.03 Prepayments		
BSTI License fees	1,725,245	3,450,490
Insurance	4,519,078	3,166,425
	6,244,323	**6,616,915**

A. QASEM & CO. Chittagong CHARTERED ACCOUNTANTS

		30 June 2018	30 June 2017
		Taka	Taka
12.00 Short Term Investment			
Investments in Fixed Deposit Receipts	12.01	323,908,621	245,502,751
		323,908,621	245,502,751
BSRM Iron & Steel Co. Ltd.		-	251,026,537
		323,908,621	**496,529,288**

12.01 Investments in Fixed Deposit Receipts

Name of banks	Purpose	Period	Rate of interest		
Bank Asia Limited	LC Margin	1 year	6.25-8%	20,865,852	-
The City Bank Limited	LC Margin	6 months	3-5.5%	9,535,000	-
Habib Bank Limited	LC Margin	6 months	5%	1,898,248	-
NCC Bank Limited	LC Margin	6 months	7.50%	11,489,159	-
United Commercial Bank Limited	LC Margin	1 year	5.00%	78,873	-
Commercial Bank of Ceylon PLC	LC Margin	1 year	5.50%	15,000,000	-
Lanka Bangla Finance & Investment Ltd	Investment	1 year	9.75%	2,677,500	-
IDLC Finance Limited	Investment	1 year	6.50%	2,717,691	2,567,493
Dhaka Bank Limited	Investment	1 year	5.00%	9,277,154	8,880,052
Mercantile Bank Limited	BG & LC Margin	1 year	5-6.00%	3,288,597	3,140,470
Standard Chartered Bank	LC Margin	6 months - 1 year	3-5.00%	207,004,004	202,958,950
BD Finance & Investment Co Ltd.	Investment	1 year	9.50%	3,862,395	3,590,419
IFIC Bank Limited	LC Margin	6 months - 1 year	5.50%	305,932	291,646
IPDC of Bangladesh Limited	Investment	1 year	7.00%	4,496,508	4,250,500
Al Arafah Islami Bank Ltd	LC Margin	6 months	6.50%	5,359,000	8,237,527
AB Bank Limited	LC Margin	6 months	7.00%	-	8,504,695
One Bank Limited	Investment	6 months	6.00%	3,256,708	3,081,000
Pubali Bank Limited	LC Margin	6 months	6.00%	22,796,000	-
				323,908,621	**245,502,751**

13.00 Cash & Cash Equivalents:			
Cash in Hand	13.01	6,661,241	3,698,375
Cash at Banks	13.02	139,066,577	(30,293,928)
Fixed Deposit Receipts	13.03	378,962,904	100,495,544
		524,690,721	73,899,991
BSRM Iron & Steel Co. Ltd.		-	3,955,181
		524,690,721	**77,855,172**

13.01 Cash in Hand:

Head office	166,366	246,934
Bhatiary Shipyard	19,999	-
Factory office	1,250,000	1,012,762
Dhaka office	2,750,627	1,181,237
Sylhet office	100,000	156
Comilla office	65,000	65,000
Khulna office	72,161	119,072
Bogra office	146,235	305,359
Rangpur office	170,000	8,329
Barishal office	9,989	80,240
Mymensingh office	137,203	55,440
Jungal office	158,811	510,400
Noakhali office	50,000	50,000
Cox's Bazar office	20,000	17,063
Khulna warehouse office	98,651	46,383
Baroaulia	250,913	-
BISCO Factory	1,100,000	-
Benapole Warehouse office	95,287	-
	6,661,241	**3,698,375**

A. QASEM & CO. Chittagong CHARTERED ACCOUNTANTS

AMARSTOCK

				30 June 2018	30 June 2017
				Taka	Taka
13.02	**Cash at Banks:**				
Name of the Banks	**Branches**	**Account Types**	**Currency**		
Agrani Bank Limited	Laldighi East	Current Deposit	BDT	500,889	121,850
Agrani Bank Limited-(BISCO)	Laldighi East	Current Deposit	BDT	165,675	-
Al Arafa Islami Bank Limited	Agrabad	Current Deposit	BDT	4,048,192	4,716
Al Arafa Islami Bank Limited- (BISCO)	Agrabad	Current Deposit	BDT	765	-
Bank Asia Limited	Agrabad	Current Deposit	BDT	36,316	49,279
Bank Asia Limited- (BISCO)	Agrabad	Current Deposit	BDT	48,026	-
BASIC Bank Limited	Dewanhat	Current Deposit	BDT	1,741,834	285,812
Commercial Bank of Ceylon PLC	Agrabad	Current Deposit	BDT	1,275,936	241,502
Dhaka Bank Limited	Jubilee Road	Current Deposit	BDT	1,179,473	1,000,171
Dutch Bangla Bank Limited	Jubilee Road	Current Deposit	BDT	4,803,653	867,142
Dutch Bangla Bank Limited-(BISCO)	Jubilee Road	Current Deposit	BDT	125,213	-
Eastern Bank Limited	Agrabad	Current Deposit	BDT	45,208,336	305,004
Habib Bank Limited	laldighi	Current Deposit	BDT	1,889,818	600,975
HSBC	Agrabad	Current Deposit	BDT	(37,439,575)	(37,556,723)
IFIC Bank Limited	Agrabad	Current Deposit	BDT	33,953	8,098
IFIC Bank Limited- (BISCO)	Agrabad	Current Deposit	BDT	25,001	-
Islami Bank Bangladesh Limited	Jubilee Road	Current Deposit	BDT	35,827,526	5,354,329
Islami Bank Bangladesh Limited- (BISC	Jubilee Road	Current Deposit	BDT	335,090	-
Jamuna Bank Limited	Khatunganj	Current Deposit	BDT	51,953	117,711
Jamuna Bank Limited- (BISCO)	Khatunganj	Current Deposit	BDT	68,650	-
Janata Bank Limited	Laldighi East	Current Deposit	BDT	61,124	-
Mutual Trust Bank Limited- (BISCO)	Dilkusha	Current Deposit	BDT	33,019	-
Mercantile Bank Limited	Jubilee Road	Current Deposit	BDT	567	1,443
National Bank Limited	Jubilee Road	Current Deposit	BDT	719,674	4,486
National Bank Limited- (BISCO)	Jubilee Road	Current Deposit	BDT	17,413	-
NCC Bank Limited- (BISCO)	Agrabad	Current Deposit	BDT	59,098	-
NCC Bank Limited	Agrabad	Current Deposit	BDT	148,282	142,515
One Bank Limited	Agrabad	Current Deposit	BDT	36,907,300	-
Prime Bank Limited	O.R Nizam Road	Current Deposit	BDT	665,895	3,140,264
Premier Bank Limited	Agrabad	Current Deposit	BDT	79,483	1,871
Shahjalal Islami Bank Limited	Jubilee Road	Current Deposit	BDT	3,414,717	16,967
Shahjalal Islami Bank Limited- (BISCO)	Jubilee Road	Current Deposit	BDT	5,270	-
Social Islami Bank Limited	Jubilee Road	Current Deposit	BDT	7,847,783	90,494
Sonali Bank Limited	Kalibari	Current Deposit	BDT	(1,835,827)	759,418
South East Bank Limited	Pahartali	Current Deposit	BDT	6,715,566	27,453
Standard Chartered Bank	Agrabad	Current Deposit	BDT	(47,699,990)	(35,597,293)
State Bank of India	Chittagong	Current Deposit	BDT	53,899	86,326
The City Bank Limited	Agrabad	Current Deposit	BDT	5,843,053	21,188,134
The City Bank Limited	VIP Road	Current Deposit	BDT	3,352,867	1,484,931
The City Bank Limited- (BISCO)	Agrabad	Current Deposit	BDT	133,869	-
Trust Bank Limited- (BISCO)	CDA Avenue	Current Deposit	BDT	85,226	-
Trust Bank Limited- (BISCO)	CDA Avenue	Current Deposit	BDT	9,713	205,042
United Commercial Bank Limited	Jubilee Road	Current Deposit	BDT	5,658,212	38,294
United Commercial Bank Limited- (BIS	Jubilee Road	Current Deposit	BDT	4,139	-
Uttara Bank Limited	Agrabad	Current Deposit	BDT	201,255	49,627
Meghna Bank Limited- (BISCO)	Gulshan	Current Deposit	BDT	238,311	-
HSBC- Dividend	Agrabad	Current Deposit	BDT	3,375,491	5,289,564
Meghna Bank Limited- (BISCO)	Gulshan	Current Deposit	BDT	6,090,415	66,365
SBAC Bank Limited	Agrabad	Current Deposit	BDT	16,643	113,538
Mutual Trust Bank Limited	CDA Avenue	Current Deposit	BDT	10,396,510	17,712
NRB Bank Limited	Agrabad	Current Deposit	BDT	3,400,594	60,567
EXIM Bank Limited	Jubilee Road	Current Deposit	BDT	1,429,623	8,119
First Security Islami Bank Limited	Sadarghat	Current Deposit	BDT	9,712,442	-
Standard Bank Limited	Agrabad	Current Deposit	BDT	70,514	-
Rupali Bank Limited	Corporate Branch	Current Deposit	BDT	4,114,426	-
Sonali Bank LImited	Laldighi	Current Deposit	BDT	11,437	-
HSBC	Agrabad	Current Deposit	USD	1,152,447	1,110,367
NCC Bank Limited	Agrabad	Current Deposit	USD	15,627,467	-
Eastern Bank Limited	Agrabad	Escrow	USD	1,021,926	-
				139,066,577	**(30,293,928)**

All bank balances are reconciled with bank statements and negative balances shown in the bank book represent book overdraft.

A. QASEM & CO. Chittagong CHARTERED ACCOUNTANTS

				30 June 2018	30 June 2017
				Taka	Taka
13.03 Fixed Deposit Receipts:					
Name of banks	**Purpose**	**Period**	**Rate of interest**		
Bank Asia Limited	L/C Margin	3 months	5-5.25%	14,436,222	-
Dutch Bangla Bank Limited	L/C Margin	3 months	5.00%	36,360,810	-
Dhaka Bank Limited	L/C Margin	3 months	4.00%	25,960,637	8,026,300
IFIC Bank Limited	L/C Margin	3 months	5-6.50%	37,776,893	7,859,913
Jamuna Bank Limited	L/C Margin	3 months	8.0%	15,793,570	-
Mercantile Bank Limited	BG & L/C Margin	3 months	5.00%	26,517,111	1,249,853
NCC Bank Limited	L/C Margin	3 months	5.00%	33,402,660	8,531,421
National Bank Limited	L/C Margin	3 months	9.00%	14,050,000	-
Prime Bank Limited	L/C Margin	3 months	4.50%	-	1,155,048
Pubali Bank Limited	L/C Margin	3 months	7.00%	3,098,000	-
Trust Bank Limited	L/C Margin	3 months	4.50-5.50%	50,249,421	12,293,551
The City Bank Limited	L/C Margin	3 months	3.50-4.50%	47,938,595	25,786,087
United Commercial Bank Ltd.	L/C Margin	3 months	4.75%	53,378,985	35,593,372
Uttara Bank Limited	L/C Margin	3 months	5.00%	20,000,000	-
				378,962,904	**100,495,544**

14.00 Share Capital:

14.01 Authorized capital:		
475,000,000 Ordinary shares @ Tk. 10 each	4,750,000,000	4,750,000,000
25,000,000 Preference Shares @ Tk. 10 each	250,000,000	250,000,000
	5,000,000,000	**5,000,000,000**
14.02 Issued, subscribed and paid-up capital:		
145,000,000 Ordinary shares @ Tk. 10 each	1,450,000,000	1,450,000,000
104,500,000 Ordinary shares @ Tk. 10 each fully paid-up for consideration other than cash	1,045,000,000	1,045,000,000
21,750,000 Ordinary shares @ Tk. 10 each fully paid up as Bonus Shares (For the year 2009)	217,500,000	217,500,000
54,250,000 Ordinary shares @ Tk. 10 each fully paid up as Bonus Shares (For the year ended 2010)	542,500,000	542,500,000
16,275,000 Ordinary shares @ Tk. 10 each fully paid up as Bonus Shares (For the year ended 2012)	162,750,000	162,750,000
	3,417,750,000	**3,417,750,000**

14.03 Classification of shares by holding:

Class by number of shares	No. of Holders	No. of Shares	Holding (%)
Less than 500	3,449	495,731	0.15%
From 501 to 5000	5,542	8,766,639	2.57%
From 5,001 to 10,000	1,004	3,669,565	1.07%
From 10,001 to 20,000	262	3,682,185	1.08%
From 20,001 to 30,000	87	2,173,949	0.42%
From 30,001 to 40,000	41	1,437,426	0.42%
From 40,001 to 50,000	39	1,798,152	0.53%
From 50,001 to 100,000	69	5,036,756	1.47%
From 100,001 to 1,000,000	99	33,259,065	9.73%
From 10,000,001 to above	24	281,455,532	82.35%
	10,616	**341,775,000**	**100%**

14.04 Shareholding Position:	**30/Jun/18**		**30/Jun/17**	
Name of shareholders:	**Percentage of holdings**	**No. of Shares**	**Percentage of holdings**	**No. of Shares**
Sponsor Shareholders	16.85%	57,591,975	16.85%	57,591,975
Foreign Shareholders	0.28%	944,268	0.36%	1,217,981
Other Shareholders (Related Parties)	53.68%	183,458,793	53.68%	183,458,793
Other Shareholders (General)	29.19%	99,779,964	29.11%	99,506,251
	100%	**341,775,000**	**100%**	**341,775,000**

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			30 June 2018 Taka	30 June 2017 Taka
15.00	**Long term loans:**			
	Prime Bank Limited	**15.04**	82,970,890	15,654,714
	Eastern Bank Limited- Syndicate term loan	**15.05**	1,055,164,280	-
	IDLC Finance Limited	**15.06**	612,796,197	-
	Jamuna Bank Limited	**15.07**	10,967,138	
	Meghna Bank Limited	**15.08**	6,742,866	
	Redeemable Zero Coupon Bond	**15.09**	1,102,540,010	1,576,051,889
			2,871,181,381	**1,591,706,603**
15.01	**Long term loans-Maturity analysis**			
	Due within one year-Current portion	**15.02**	1,093,625,713	496,382,365
	Due after more than one year-Non-current portion	**15.03**	1,777,555,668	1,117,900,968
			2,871,181,381	**1,614,283,333**
15.02	**Long term loans - Current portion**			
	Prime Bank Limited		26,554,811	2,639,374
	IDLC Finance Limited		436,718,810	-
	Jamuna Bank Limited		10,967,138	
	Meghna Bank Limited		6,742,866	
	Redeemable Zero Coupon Bond		612,642,088	493,742,992
			1,093,625,713	**496,382,365**
15.03	**Long term loans - Non-current portion**			
	Prime Bank Limited		56,416,079	13,015,340
	Eastern Bank Limited- Syndicate term loan		1,055,164,280	
	IDLC Finance Limited		176,077,387	-
	Redeemable Zero Coupon Bond		489,897,922	1,082,308,897
			1,777,555,668	1,095,324,237
	BSRM Iron & Steel Co. Ltd.		-	22,576,731
			1,777,555,668	**1,117,900,968**

A. QASEM & CO. Chittagong CHARTERED ACCOUNTANTS

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15.04 Terms of Prime Bank Limited

Total loan facilities: Tk. 15,845,433.24

Interest rate:
Interest rate is 9.75% per annum.

Disbursement:
The full disbursement was made on May 29, 2017.

Repayments
The loan is repayable in equal monthly installment starting from June 25, 2017 and each month thereafter for 5 years.

Securities:

i. Izarah agreement for Capital Machinery/Equipment and 01 (one) post-dated cheque covering total value of Izara facility and 6 (six) nos of post-dated cheque covering each installment for total value of Izarah.

Purpose:
To pay expenditures of construction work of storage shed, storage bed and floor development at Khulna warehouse.

15.05 Eastern Bank Limited- Syndicated term loan

Lenders:
The company entered into a separate syndicated loan agreement for the BMRE on 03 April 2017 with Eastern Bank Limited, the lead arranger and 4 (four) other Banks and 2 (two) Financial Institutions.

Total loan facilities: Tk. 426.500 crore.
Total loan facilities: USD. 2.500 crore.
Interest rate:BDT

Interest rate is 8.25%-8.5% per annum calculated on quarterly basis and variable depending on the situation of money

Interest rate:USD
Interest rate is 3 months LIBOR+ 3.75% per annum calculated on quarterly basis and variable depending on the situation of money market.

Disbursement:
The first disbursement was made on 19 June 2018.

Repayments:
This term loan is repayable in 20(twenty) equal quarterly installments commencing from the end of 15th month of the first draw down date.

Securities:

i. Registered Mortgage over the project land measuring 9.6 acres.and all civil construction thereon supported by registered General power of Attorney.
ii. Fixed and floating charge over machinery, plant and equipment.
iii. Lien on shares of BSRM Steels Limited(owned by directors / shareholders value of which will be 110% of equivalent fair value of the project land measuring 12.4 acres that can not be mortgaged due to regulatory restrictions.
iv. Corporate guarantee of the sister concerns of H. Akberali & Co. Limited.
v. Implementation guarantee from the Sponsors.
vi. Demand promissory note from the company.

Purpose:
To import required plant and machinery for installation of Billet Manufacturing Unit and to meet up cost of land development, building and civil contruction, fabrication works.



15.06 Terms of IDLC Finance Limited

Total loan facilities: Tk. 300,000,000

Interest rate:
Interest rate is 9.50% per annum.

Disbursement:
The full disbursement was made on July 24, 2017.

Repayments
The loan is repayable in equal monthly installment starting from August 24, 2017 and each month thereafter for 5 years.

Securities:

i. Personal Guarantee
ii. Post dated cheque covering the entire principal amount
iii. Corporate guarantee of H. Akberali & Co. Ltd.

Purpose:
To meet expense for industrial land development for the under implementation melting mill, civil and electrical works and repair and maintenance of machinery.

15.07 Terms of Jamuna Bank Limited

Total loan facilities: Tk. 100,000,000

Interest rate:
Interest rate is 12.50% per annum.

Disbursement:
The full disbursement was made on January 01, 2018.

Repayments
The loan is repayable in equal monthly installment starting from January 01, 2018 and each month thereafter for 1 years.

Securities:

i Documents of title to goods.
ii Un-dateded cheque for entire L/C limit.
iii Usual charge documents.
iv Personal Guarantee

Purpose:
To import capital machinery.

15.08 Terms of Meghna Bank Limited

Total loan facilities: Tk. 46,400,000

Interest rate:
Interest rate is 11.00% per annum.

Disbursement:
The full disbursement was made on October 01, 2017.

Repayments
Repayment to be made in 16 equal quarterly installments commencing from 15th month from the date of disbursement.

Securities:

i. 10% of L/C margin
ii Hypothecation on machinery to be imported through bank.
iii Personal Guarantee of all directors of the Company backed by Board resolution
iv Corporate Gurantee of BSRM Steels ltd.
v Usual charge documents.
vi Post dated cheque.

Purpose:
To import 4 pieces 28 MT furnace for Billet maufacturing unit.

A. QASEM & CO. Chittagong CHARTERED ACCOUNTANTS

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	2018 Taka	2017 Taka
15.09 Redeemable Zero Coupon Bond		
Opening Balance	1,576,051,890	1,967,501,209
Add: Accrued interest	139,130,142	28,919,895
Less: Interest payment	(137,879,446)	-
Less: Principal payment	(474,762,576)	(420,369,214)
Carrying amount	**1,102,540,010**	**1,576,051,890**

15.09.01 Details of the Zero coupon bond

The company obtained consent from Bangladesh securities and Exchange Commission (BSEC) vide consent letter reference: BSEC/CI/2015 dated on 28 Dec 2015 for issuing 2,450,592 nos. of redeemable zero coupon bond of TK. 1,000 each to institutional investors through private placement.

Tenure:
From 6th month and upto 4 years from the issue date (TBD).

Purpose:
Capital expenditure, refinance and equity investment in power project of the group under the name 'Chittagong Power Company Limited'.

Subscription and issue:
Total 2,450,568 nos. of bonds were subscribed on 25 April 2016 and 16 May 2016 for Taka 1,999,981,083 and were issued accordingly on those days.

Discount rate:
The discount rate is 9.5% per year and interest is payable half-yearly.

Listing:
Unlisted.

Transferability
Freely transferable subject to the terms and condition of term documents.

Redemption:
In equal instalment starting from the end of the 6th month from the issue date and each 6 month thereafter till expiry (4 years).

Securities:
Unsecured

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		2018	2017
		Taka	Taka
16.00	**Defined benefit obligations - Gratuity**		
	Balance as at 01 July, 2017	72,632,738	57,366,281
	Add: Liability acquired through acquisition of BISCO	28,983,310	-
	Add: Current service cost	35,748,860	
	Add: Past service cost- Plan amendments	-	18,563,850
	Add: Interest cost	-	-
	Less: Payment made during the year	(3,786,972)	(3,297,393)
	Acturial loss	3,392,066	-
	Closing plan liability as per actuary	136,970,002	72,632,738
	BSRM Iron & Steel Co. Ltd.	-	26,129,078
		136,970,002	**98,761,816**

The company has carried out actuarial investigation as on 30 June, 2018 by professional actuarial valuer Z. Halim & Associates. As per the valuation the defined benefit obligation stands BDT. 136,970,000 as on 30 June, 2018. The valuer has proposed contribution of at least 15.9% of basic payroll until the next investigation is carried out.

Significant actuarial assumptions

Discount Rate	8%
Salary Growth	8%
Year of Mortality rate	2006-2008

17.00	**Deferred Tax Liabilities**		
	Opening balance	801,274,097	840,590,872
	Add: Acquisition of BISCO	406,228,008	-
	Provided during the year		
	Investments in associates	76,640,674	(45,174,918)
	Taxable/(deductible) temporary difference of PPE and intangible asset (excluding land)	(115,663,863)	16,285,257
	Provision for Gratuity	(5,940,158)	(3,816,614)
	Total	(44,963,346)	(32,706,275)
	Adjusted during the year		
	Impact of depreciation on revaluation surplus	(4,784,743)	(6,610,500)
	Total	(4,784,743)	(6,610,500)
	Closing Balance	**1,157,754,016**	**801,274,097**
	BSRM Iron & Steel Co. Ltd	-	409,812,737
	Consolidated Closing Balance	**1,157,754,016**	**1,211,086,834**

17.01 **Reconciliation of deferred tax liabilities/ (assets)**

	Carrying amount	Tax base	Tax rate	Taxable/ (Deductible) temporary difference	Deferred tax liabilities/ (assets)
	Taka	Taka		Taka	Taka
Property, plant and	6,206,012,319	1,888,356,761	25%	4,317,655,558	1,079,413,891
Provision for Gratuity	(136,970,002)	-	25%	(136,970,002)	(34,242,501)
Deferred tax liability on	1,562,913,138	1,000,000,000	20%	562,913,138	112,582,628
Total deferred tax liabilities					**1,157,754,016**

18.00	**Trade Payables**		
	BSRM Steel Re-Rolling Mills Limited	323,188	-
	BSRM Logistics Limited	12,636,366	21,131,827
	Chittagong Power Company Limited	-	(638,244)
	BSRM Wires Limited	44,622,409	-
	BSRM Steel Mills Limited	5,657,949,387	-
	BSRM Ispat Limited	266,950	266,950
	Others	51,512,719	58,434,177
		5,767,311,018	79,194,710
	BSRM Iron & Steel Co. Ltd.	-	49,432,606
	Less:Intra group elimination	-	(25,600,912)
		5,767,311,018	**103,026,404**

			2018 Taka	2017 Taka
19.00	**Short Term Loans**			
	Loan against trust receipts (LATR)	19.01	117,603,089	55,024,722
	Time loans	19.02	2,484,059,755	6,613,430,308
	Demand loan	19.03	10,152,769,301	8,436,395,408
	Bank overdraft and cash credit	19.04	1,892,114,409	1,723,167,781
	Factoring Loan against sales invoice		19,975,377	16,238,167
	Liability for accepted bills for payment	19.05	4,628,502,072	1,070,136,387
			19,295,024,003	17,914,392,773
	BSRM Iron & Steel Co. Ltd.		-	2,935,478,860
			19,295,024,003	**20,849,871,633**
19.01	**Loan Against Trust Receipts (LATR)**			
	Bank Asia Limited		6,372,563	-
	Premier Bank Limited		-	24,520,030
	Prime Bank Limited		70,071,765	-
	Pubali Bank Limited		16,367,476	-
	Shahjalal Islami Bank Limited		637,646	-
	Uttara Bank Limited		24,153,639	30,504,692
			117,603,089	**55,024,722**
19.02	**Time Loans**			
	Bank Asia Limited		-	1,325,722,271
	HSBC Limited		-	345,000,000
	IPDC Limited		613,301,835	355,769,229
	Jamuna Bank Limited		1,036,300,302	846,661,904
	Mercantile Bank Limited		-	2,021,842,983
	Prime Bank Limited		173,444,837	1,206,038,088
	Shahjalal Islami Bank Limited		661,012,781	512,395,833
			2,484,059,755	**6,613,430,308**
19.03	**Demand Loans**			
	Bank Asia Limited		100,725,438	22,951
	BRAC Bank Limited		500,000,000	-
	Commercial Bank of Ceylon plc		902,439,167	1,216,802,431
	Eastern Bank Limited		1,697,800,000	1,083,700,741
	HSBC		615,297,198	-
	IDLC Finance Limited		-	202,284,722
	IFIC Bank Limited		150,950,000	350,802,083
	National Credit and Commerce Bank Limited		-	972,997,119
	National Finance Limited		302,800,000	-
	One Bank Limited		-	579,246,111
	Standard Chartered Bank		2,304,549,310	1,770,065,405
	The City Bank Limited		1,024,013,889	1,109,049,609
	Trust Bank Limited		1,034,069,299	698,534,653
	Uttara Bank Limited		1,520,125,000	452,889,583
			10,152,769,301	**8,436,395,408**

A. QASEM & CO. Chittagong CHARTERED ACCOUNTANTS

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		2018 Taka	2017 Taka
19.04	**Bank overdraft and Cash Credit**		
	AB Bank Limited- OD	(35,740,499)	29,537,043
	AB Bank Limited- OD (BISCO)	(7,113)	-
	Bank Al Falah Limited- OD	290,648,798	234,774,223
	Basic Bank Limited- OD	419,111,351	215,186,800
	BRAC Bank Limited- OD	19,087,097	374,408,921
	BRAC Bank Limited- OD	(31,602)	-
	Dhaka Bank Limited- OD	22,690,121	49,407,652
	Dutch Bangla Bank Limited- OD	121,516,508	172,894,328
	IFIC Bank Limited- OD (BISCO)	97,476,256	-
	Janata Bank Limited- OD (BISCO)	653,158	-
	Mutual Trust Bank Limited- OD	30,596	-
	National Credit and Commerce Bank Limited- CC	285,370,644	327,505,616
	National Credit and Commerce Bank Limited- SOD	51,613,230	128,942,573
	One Bank Limited- OD- (BISCO)	(140,744)	-
	Premier Bank Limited- SOD	30,098,010	10,658,425
	Premier Bank Limited- CC	221,482,257	(1,299,242)
	Pubali Bank Limited- OD	(3,022,884)	10,719,870
	Standard Bank Limited- OD	2,024,500	-
	South Bangla Agriculture & Commerce Bank Limited- SOD	223,603,819	2,993,379
	State Bank of India- CC	142,278,587	132,058,667
	Uttara Bank Limited- CC	3,372,320	35,379,526
		1,892,114,409	**1,723,167,781**
19.05	**Liability for accepted bills for payment (ABP)**		
	AB Bank Limited	-	154,549,227
	Agrani Bank Limited	477,630,546	-
	Al-Arafah Islami Bank Limited	66,026,946	125,876,511
	Bank Al-Falah Limited	60,694,516	-
	Bank Asia Limited	40,608,548	-
	BRAC Bank Limited	13,955,353	-
	Commercial Bank of Ceylon	26,469,770	-
	City Bank Limited	127,759,565	-
	Dhaka Bank Limited	256,191,291	139,370,728
	Dutch Bangla Bank Limited	235,838,508	-
	Eastern Bank Limited	653,264,487	39,618,664
	IFIC Bank Limited	410,118,114	-
	Islami Bank Bangladesh Limited	63,929,338	29,914,250
	Jamuna Bank Limited	45,770,739	-
	Mercantile Bank Limited	247,596,508	25,866,679
	National Bank Limited	237,971,105	-
	NCC Bank Limited	242,957,241	-
	One Bank Limited	-	42,952,800
	Prime Bank Limited	151,561,569	52,556,011
	Pubali Bank Limited	465,659,948	-
	Standard Chartered Bank	360,437,858	-
	Trust Bank Limited	133,389,820	158,921,623
	United Commercial Bank Limited	310,670,299	300,509,896
		4,628,502,072	**1,070,136,387**
20.00	**Due to related companies**		
	BSRM Wires Limited	-	15,547,452
	BSRM Steel Mills Limited	1,540,077,748	-
		1,540,077,748	15,547,452
	BSRM Iron & Steel Co. Ltd.	-	710,381,258
	Less:Intra group elimination	-	(666,305,803)
		1,540,077,748	**59,622,907**

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 account payee cheques.

A. QASEM & CO. Chittagong CHARTERED ACCOUNTANTS

		2018 Taka	2017 Taka
21.00	**Liabilities for expenses**		
	Advertisement expenses	101,561,232	59,481,389
	Audit Fees	450,000	592,400
	Brokerage and commission	25,048,040	23,696,418
	C & F Bill and others	1,228,561	225,364
	Carrying expenses	137,624,392	84,054,420
	Consultancy fees	5,397,430	2,074,486
	Domiciliary expenses	1,576,425	793,159
	Gas bill payable	14,508,409	15,066,438
	Liability against supply of goods/services	137,354,778	81,388,112
	Liability against fixed asset	11,432,718	6,953,384
	Others	6,732,015	4,570,077
	Printing and Stationeries	3,857,211	1,023,286
	Rent payables	172,113	75,539
	Salary and Allowances	6,633,256	2,398,766
	Sales promotion expenses	7,489,142	4,262,871
	Travelling expenses	58,132	1,535,857
		461,123,854	288,191,966
	BSRM Iron & Steel Co. Ltd.	-	26,025,199
		461,123,854	**314,217,165**
22.00	**Provision for income tax**		
	Opening balance	897,748,213	1,350,541,113
	Add: Acquisition of BISCO	191,240,166	
	Add: Provided during the period		
	Against current period	552,700,219	634,659,347
		552,700,219	634,659,347
		1,641,688,598	1,985,200,460
	Less: Adjusted with advance income tax paid at source	(684,574,633)	(1,087,452,247)
	Closing Balance	957,113,965	897,748,213
	BSRM Iron & Steel Co. Ltd	-	177,233,540
	Consolidated Closing Balance	**957,113,965**	**1,074,981,753**
23.00	**Provision for WPPF and Welfare Fund**		
	Opening balance	130,308,597	198,906,493
	Add: Provided during the year	108,445,209	130,308,597
	Add: Acquisition of BISCO	808,757	-
	Less: Paid during the year	(130,308,597)	(198,906,493)
	Closing Balance	109,253,966	130,308,597
	BSRM Iron & Steels Co. Ltd	-	5,872,752
	Consolidated Closing Balance	**109,253,966**	**136,181,349**
23.01	**Provision made during the year for WPPF and Welfare Fund**		
	Profit before tax and WPPF and Welfare Fund	2,168,904,175	2,722,543,572
	Cash dividend received from investment in associates	-	-
	Profit applicable for WPPF and Welfare Fund	2,168,904,175	2,722,543,572
	Contribution to WPPF and Welfare Fund at 5%	**108,445,209**	**136,181,349**

A. QASEM & CO. Chittagong CHARTERED ACCOUNTANTS

		2018	2017
		Taka	Taka
24.00	**Other liabilities**		
	Advance against sales	286,350,304	375,161,220
	Security deposit	27,960,476	26,970,146
	Income Tax Deducted at Source	-	2,613,668
	VAT Deducted at source	-	2,193,249
	Earnest/Retention money	63,789,438	28,936,292
	Liability against fractional bonus share	1,163,929	1,163,929
	Unclaimed dividend	17,386,033	16,767,756
	Liability against share application money	7,581,814	7,581,814
	Interest payable	168,321,364	27,942,567
	Provision for doubtful debts	621,777	621,777
	Provident fund	2,669,693	1,720,534
		575,844,827	491,672,953
	BSRM Iron & Steel Co. Limited	-	23,770,313
		575,844,827	**515,443,266**

A. QASEM & CO. Chittagong CHARTERED ACCOUNTANTS

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		2018	2017
		Taka	Taka
25.00 Revenue			
Local sales		45,044,400,230	31,787,086,110
Export sales		3,245,525,505	896,485,836
		48,289,925,736	32,683,571,946
BSRM Iron & Steel Co. Ltd.		-	8,184,295,006
Less: Intra group sales by subsidiary		-	(2,871,456,413)
		48,289,925,736	**37,996,410,539**

Total export sales for the period was USD 39,258,392.43 against export of 62,341.74 MT of goods.

26.00 Cost of sales			
Cost of sales-Billet	**26.01**	7,178,566,876	-
Cost of sales-MS Rod	**26.02**	35,951,648,362	28,141,587,698
Cost of sales- Finished goods procured from outside	**26.03**	280,542,716	303,075,319
		43,410,757,954	28,444,663,017
BSRM Iron & Steel Co. Ltd		-	7,864,825,517
Less:Intra group sales by subsidiary to BSRM Steels Limited		-	(2,871,456,415)
Add:Provision for unrealized profit on closing inventory		-	1,083,420
		43,410,757,954	**33,439,115,539**

26.01 Cost of sales- Billet			
Opening stock of scrap		1,563,619,640	-
Add: Purchase during the year		7,242,872,442	-
Less: Closing stock of scrap		(3,074,906,084)	-
Raw materials consumption-Scrap		**5,731,585,998**	**-**
Opening stock of Direct Consumable		167,320,706	-
Add: Purchase during the year		488,121,559	-
Less: Closing stock of Direct Consumable		(144,465,091)	-
Direct Consumable Consumption		**510,977,175**	**-**
Add: Factory overhead	**26.04**	1,639,581,208	-
Cost of Billet Manufactured		**7,882,144,381**	**-**
Add: Opening stock of Billet FG		106,723,422	-
Less: Closing stock of Billet FG		(92,565,314)	-
Transfer to Rolling Mills		(717,735,613)	-
Cost of sales -Billet		**7,178,566,876**	**-**

26.02 Cost of sales- MS Rod			
Opening stock of raw materials-Billet		2,421,315,878	2,361,027,966
Add: Purchase during the year		36,972,004,861	27,287,169,332
Transfer from Melting Shop		717,735,613	-
Less: Closing stock of raw materials-Billet		(4,136,043,212)	(2,422,415,357)
Raw materials consumed-Billet		**35,975,013,141**	**27,225,781,941**
Add: Factory overhead	**26.04**	1,860,299,774	1,682,005,748
Cost of Goods Manufactured		**37,835,312,915**	**28,907,787,689**
Add: Opening stock of finished goods		3,206,608,673	2,440,408,682
Less: Closing stock of finished goods		(5,090,273,226)	(3,206,608,673)
Cost of sales -own production		**35,951,648,362**	**28,141,587,698**

26.03 Cost of sales- finished goods procured from outside			
Opening stock of finished goods		20,683,215	23,845,916
Add: Finished goods purchased from outside		379,734,289	299,912,618
		400,417,505	**323,758,534**
Less: Move Order for Project/Repair		(21,907,737)	-
Less: Closing stock of finished goods		(97,967,052)	(20,683,215)
Cost of sales- finished goods procured from outside		**280,542,716**	**303,075,319**

A. QASEM & CO. Chittagong CHARTERED ACCOUNTANTS

		2018	2017
		Taka	Taka
26.04 Factory Overheads:			
Car allowance		4,023,900	2,272,405
Carrying charges-Finished goods		17,606,358	40,489,162
Carrying charges-Raw materials		345,478,518	216,214,495
Consulting fees		6,235,554	2,740,021
Conveyance expenses		14,447,127	8,161,958
Depreciation	4.00	407,341,310	247,421,094
Electrical store consumption		80,216,960	51,067,599
Entertainment		6,670,787	3,707,843
Fees and renewals		700,987	516,694
Fuel and Lubricants		126,927,759	103,640,785
Gas		177,040,112	146,476,851
General store consumed		8,222,884	7,717,401
Gratuity		21,577,562	4,961,536
Guest house expenses		1,325,452	591,431
Guest house rent		1,415,163	1,866,342
Insurance expenses		4,277,971	3,762,534
Land revenue		-	43,350
Management fees		109,055,533	102,159,679
Mechanical store consumption		232,217,229	147,259,709
Medical expenses		3,589,951	2,079,588
Motor car expenses		490	85,219
Other store consumption		198,864,107	484,928
Overtime		9,396,933	1,802,842
Paper and periodical		9,936	10,570
Postage and telegram		58,345	48,290
Power		1,321,835,629	387,154,566
Printing and stationery		8,870,375	5,269,348
Rental expenses		16,672,295	10,624,440
Repairs and Maintenance		35,636,330	14,819,901
Salaries and allowances		287,091,090	158,337,681
Testing charges		274,650	51,800
Travelling expenses		1,578,645	2,558,431
Utility expenses		13,136,043	575,846
Wages		38,084,999	7,031,409
		3,499,880,982	**1,682,005,748**
27.00 Selling and distribution expenses			
Advertisement		371,019,358	236,108,824
Bad debts		248,292	38,876
Brokerage and commission		127,345,811	119,986,096
Car allowance		5,191,981	3,659,529
Carriage on sales		421,560,796	215,827,852
Conveyance expenses		4,078,444	5,756,552
Depreciation	4.00	23,703,252	22,112,792
Electricity expenses-Depot		4,274,418	2,663,670
Entertainment		21,933,969	54,015,301
Export charges		5,807,260	2,243,619
Fees and renewals		575,940	250,432
Generator rent & fuel		188,189	182,791
Gratuity expenses		10,610,255	5,170,185
Internet expenses		636,166	375,217
Medical expenses		897,894	705,173
Motor cycle allowance		3,557,438	2,151,477
Office expenses		-	648,775
Paper and periodicals		99,304	66,719
Printing charges		20,772,905	13,396,622
Repair and maintenance		1,390,123	1,112,888
Royalty expenses	27.01	88,072,562	92,518,939

A. QASEM & CO. Chittagong CHARTERED ACCOUNTANTS

AMARSTOCK

	2018 Taka	2017 Taka
Salaries and allowances	119,109,191	104,082,576
Sales promotion expenses	55,109,932	40,832,403
Stationery expenses	257,934	411,963
Testing charges	2,736,618	1,708,349
Travelling expenses	9,460,370	9,954,856
Warehouse rent	5,474,123	2,901,220
	1,304,112,525	938,883,694
BSRM Iron & Steel Limited	-	-
	1,304,112,525	**938,883,694**

27.01 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 2015 according to Trademark License Agreement between the Company and HACL effective from the aforesaid date.

28.00 Administrative Expenses:

Advertisement Expenses		1,231,414	1,389,608
Amortization of Intangible asset		4,059,321	3,344,120
Audit fees		738,550	940,910
Board Meeting expenses		255,875	244,375
Car allowance		4,056,821	3,653,464
Conveyance expenses		1,556,373	874,572
CSR expenses		27,947,263	29,345,426
Depreciation	**4.00**	28,592,892	27,764,092
Director's remuneration	**28.01**	82,500,000	66,000,000
Donation and subscriptions		168,187	695,344
Electricity expenses		1,980,498	1,728,566
Entertainment		6,418,294	6,641,708
Fees and renewals		9,877,187	4,817,459
Generator expenses		16,680	20,069
Gratuity expenses		3,561,043	8,432,129
Guest house rent		725,410	-
Insurance expenses		32,223	2,875
Internet expenses		1,487,934	1,308,749
Land revenue		679,495	159,320
Leave assistance		1,345,000	1,331,500
Legal expenses		1,012,825	1,200,535
Medical expenses		3,433,763	2,504,586
Motor car expenses		4,194,925	3,882,890
Motor cycle allowance		597,275	370,202
Office rent		10,928,534	7,303,864
Paper and Periodicals		720,537	1,061,100
Postage expenses		576,409	977,300
Printing expenses		1,070,092	22,800
Professional and consulting fee		13,784,915	7,283,733
Repair and maintenance		4,822,592	5,522,711
Salaries and allowances		173,022,666	126,093,239
Stationery expenses		1,203,189	2,974,302
Telephone expenses		5,673,186	4,154,944
Training expenses		2,707,992	1,806,179
Travelling expenses		8,242,332	6,354,709
		409,221,690	330,207,378
BSRM Iron & Steel Co. Ltd.		-	36,945,600
		409,221,690	**367,152,978**

A. QASEM & CO. Chittagong CHARTERED ACCOUNTANTS

		2018	2017
		Taka	Taka

28.01 Details of Directors' remuneration paid during the period are as follows:

Directors' Name	Gross Remuneration	Income Tax Deducted	Net Paid
	Taka	Taka	Taka
Mr. Alihussain Akberali-Chairman	34,500,000	10,350,000	24,150,000
Mr. Aameir Alihussain-Managing Director	30,000,000	9,000,000	21,000,000
Mr. Zohair Taherali-Director	11,400,000	3,420,000	7,980,000
Mrs. Tehseen Zohair Taherali- Director	6,600,000	1,980,000	4,620,000
	82,500,000	**24,750,000**	**57,750,000**

29.00 Other Operating Income

Gain/(loss) on sale of non-current assets	(6,556,198)	(1,692,689)
Miscellaneous income	13,860,165	4,744,265
Tender money	(2,298)	-
Truck/Trailor Rental income	7,750,000	-
Other miscellaneous income	(237,378)	-
	14,814,291	3,051,576
BSRM Iron & Steel Co. Ltd.	-	19,281,358
	14,814,291	**22,332,934**

30.00 Finance Costs:

Interest on OD, cash credit	136,746,314	86,180,987
Interest on LATR	54,628,890	12,297,903
Interest on Demand and Time loan	1,354,927,135	1,007,780,408
Interest on Term loan	38,130,880	141,081
Bank charges & others	27,123,566	10,732,028
Bank Guarantee Commission	1,127,670	1,131,584
Interest on redeemable zero coupon bond	139,130,142	183,857,747
Agency fees	20,598,789	11,619,140
Foreign exchange loss on translation	1,864,515	14,191,665
Interest on balance due to inter companies	264,835,160	-
	2,039,113,061	1,327,932,542
BSRM Iron & Steel Co. Ltd.	-	200,209,564
	2,039,113,061	**1,528,142,105**

31.00 Finance income

Foreign currency exchange gain/(loss)	31.01	4,121,344	(2,012,538)
Interest on trade debtors		4,583,351	9,307,328
Interest income from FDR		65,998,073	14,883,720
Interest on short term deposit (STD)		-	3,989
Rebate on interest on bank loan		841,000	5,597,364
Interest on balance due from inter companies		951,825,610	933,455,194
		1,027,369,378	961,235,057
BSRM Iron & Steel Co. Ltd.		-	15,859,358
		1,027,369,378	**977,094,415**

31.01 Foreign currency exchange gain/(loss)

Realized foreign currency transaction gain/(loss)	4,121,344	(2,012,538)
	4,121,344	**(2,012,538)**

32.00 Profit on bargain purchase

Percentage acquired of BSRM Iron & Steel Co. Ltd.	5%	-
Net Assets of BSRM Iron & Steel Co. Ltd.	2,339,035,730	-
Consideration paid to acquire 5%	106,755,000	-
Less: Net Assets acquired	(116,951,786)	-
Profit on bargain purchase	**(10,196,786)**	-

On 1 October 2017, the Company has acquired the remaining 5% shares representing 5,500,000 shares to complete the amalgamation scheme with BSRM Iron & Steel Co. Ltd., thereby transferring all assets and liabilities to BSRM Steels Limited. Pursuant to the merger agreement, the Company has paid a cash consideration of Tk 19.41 per share which was valued using the net asset value method.

A. QASEM & CO. Chittagong CHARTERED ACCOUNTANTS

	2018 Taka	2017 Taka
33.00 Share of profit/(loss) of associate (Net of tax)		
Net profit/(loss) attributable to the shareholders of associate	938,269,829	(890,929,343)
Percentage of holding	25.35%	25.35%
Net profit/(loss) attributable to BSRM Steels Ltd.	237,876,679	(225,874,590)
	237,876,679	**(225,874,590)**
34.00 Earnings per share		
Basic earnings per share (EPS)		
Profit attributable to the ordinary shareholders	1,800,795,558	1,702,491,540
Number of ordinary shares at the year end	341,775,000	341,775,000
Weighted Average number of shares outstanding during the year	341,775,000	341,775,000
Basic earnings per share (EPS)	**5.27**	**4.98**

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.

35.00 Net Asset Value Per Share (NAV)		
Total Assets	45,680,555,312	37,607,775,141
Less: Total Liabilities	(32,871,654,780)	(25,977,476,460)
Net Asset Value (NAV)	**12,808,900,532**	**11,630,298,681**
Number of ordinary shares outstanding during the period	341,775,000	341,775,000
Net Assets Value (NAV) per share	**37.48**	**34.03**
36.00 Net operating cash flow per share		
Net operating cash flows (From statement of Cash Flows)	**990,208,791**	**364,432,640**
Number of ordinary shares outstanding during the period	**341,775,000**	**341,775,000**
Net operating cash flow per share	**2.90**	**1.07**



37.00 Related party transactions

During the year, 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	Shareholder	Short term loan	4,871,551,354	Dr.	
BSRM Ispat Limited	Sister Company	Short term loan	547,296,225	Dr.	
BSRM Steel Mills Limited	Associate	Short term loan	(1,540,077,748)	Cr.	
BSRM Logistics Limited	Sister Company	Short term loan	194,947,734	Dr.	Market
BSRM Metals Limited	Sister Company	Short term loan	72,285,997	Dr.	price/Negotiated price
H. Akberali & Co. Limited	Sister Company	Short term loan	541,067,086	Dr.	
Chittagong Power Company Ltd.	Sister Company	Short term loan	622,851,469	Dr.	
BSRM Wires Limited	Sister Company	Short term loan	58,989,394	Dr.	
BSRM Recycling Industries Limited.	Sister Company	Short term loan	61,351,294	Dr.	

37.01 Details of transactions

Name of inter companies	Opening balances		Transaction during the year (Net)	Amount owed by related parties*	Amount owed to related parties*
Bangladesh Steel Re-Rolling Mills Lim	6,815,692,516	Dr.	(1,945,562,015)	4,871,551,354	
BSRM Ispat Limited	436,814,028	Dr.	110,482,197	547,296,225	
BSRM Steel Mills Limited	1,098,897,899	Dr.	(2,638,975,647)		(1,540,077,748)
BSRM Logistics Limited	244,033,258	Dr.	(49,085,524)	194,947,734	
BSRM Metals Limited	63,967,690	Dr.	8,318,307	72,285,997	
H. Akberali & Co. Limited	197,079,123	Dr.	343,987,963	541,067,086	
Chittagong Power Company Ltd.	470,775,994	Dr.	152,075,475	622,851,469	
BSRM Wires Limited	(15,547,452)	Cr.	74,536,846	58,989,394	
BSRM Recycling Industries Limited.	23,742,633	Dr.	37,608,661	61,351,294	

These amounts are classified as Due to and Due from related companies, respectively (see Notes 10 and 20)

A. QASEM & CO. Chittagong CHARTERED ACCOUNTANTS

	2018 Taka	2017 Taka
38.00 Contingent liabilities		
38.01 Bank guarantees		
IFIC Bank Limited	84,130,345	84,130,345
HSBC	832,468	805,932
Mercantile Bank Limited	43,816,050	158,513,266
	128,778,863	**243,449,543**
38.02 Claim against trade VAT by Customs, Excise & VAT authority		
Claim against trade VAT by Customs, Excise & VAT authority	23,053,915	23,053,915
	23,053,915	**23,053,915**

An amount of Tk. 23,053,915.27 was claimed by Customs, Excise and VAT authority, Bondor Cirlce, Narayangonj vide nothi no. 04/VAT/Warehouse (02)/Bondor circle/2012/207 dated 3rd November 2014 for trade VAT on sale of 115,269 MT finished goods. The company filed a writ petition no. 10833 of 2014 before the Hon'ble High Court Division of the Supreme Court of Bangladesh and the court stayed the claim. In view of above, no provision for this claim have been made in the financial statements.

39.00 Production Capacity		
Licensed Capacity (In M. Ton)- yearly	700,000	700,000
Installed Capacity (In M. Ton)- yearly	700,000	700,000
Production (In M. Ton)	727,034	681,064
Capacity utilized- (%)	103.9%	97.3%

The above mentioned production capacity represents the normal production capacity of the company only.

40.00 Employees		
Number of employees whose monthly salary was below Tk. 3,000	-	-
Number of employees whose monthly salary was above Tk. 3,000	974	624
	974	**624**

A. QASEM & CO. Chittagong CHARTERED ACCOUNTANTS

41.00 Financial instruments- 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 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.

41.01 Credit risk
41.02 Liquidity risk
41.03 Market risk

Risk management framework

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.

41.01 Credit risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments.

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:

	2018	2017
	Taka	Taka
Investments in FDRs (Short term and long term)	702,871,525	345,998,295
Advances and deposits	2,954,281,030	1,563,349,721
Trade and other receivables	6,460,423,147	3,448,601,088
Due from related companies	6,970,340,553	10,037,584,376
Cash at banks	139,066,577	(30,293,928)
	17,226,982,832	**15,365,239,552**

41.01.02 Ageing of trade and other receivables

The ageing of gross value at the reporting date that was not impaired was as follows:

	2018	2017
	Taka	Taka
Due for 3 months	5,174,964,938	2,711,562,159
Due for 3 to 6 months	328,352,260	191,238,526
Due for above 6 months	276,581,060	181,192,161
	5,779,898,258	**3,083,992,846**

A. QASEM & CO. Chittagong CHARTERED ACCOUNTANTS

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 table below summarises the maturity profile of the Company's financial liabilities based on contractual payments.

Non-derivative financial liabilities	Carrying amount	Interest rate	Contractual cash flows		
			Within 12 months	1 to 5 years	More than 5 years
	Taka		Taka	Taka	Taka
As at June 30, 2018	Taka		Taka	Taka	Taka
Long term loans	2,871,181,381	9.5% - 10.50%	1,093,625,713	1,777,555,668	-
Trade payables	5,767,311,018	N/A	5,767,311,018	-	-
Short term loans	19,295,024,003	10.15% - 13.25%	19,295,024,003	-	-
Liabilities for expenses	1,540,077,748	N/A	1,540,077,748	-	-
Defined benefit obligations- Gratuity	136,970,002	10%	136,970,002	-	-
Provision for WPPF and Welfare fund	109,253,966		109,253,966	-	-
Other liabilities	575,844,827	N/A	575,844,827	-	-
	30,295,662,945		**28,518,107,277**	**1,777,555,668**	**-**

Non-derivative financial liabilities	Carrying amount	Interest rate	Contractual cash flows		
			Within 12 months	1 to 5 years	More than 5 years
As at June 30, 2017	Taka		Taka	Taka	Taka
Long term loans	1,591,706,604	11%-14.50%	496,382,366	1,095,324,238	-
Trade payables	79,194,710	N/A	79,194,710	-	-
Short term loans	17,914,392,772	10% - 11%	17,914,392,772	-	-
Liabilities for expenses	288,191,966	N/A	288,191,966	-	-
Defined benefit obligations- Gratuity	72,632,738	10%	-	72,632,738	-
Provision for WPPF and Welfare fund	130,308,597		130,308,597	-	-
Other liabilities	491,672,953		491,672,953	-	-
	20,568,100,340		**19,400,143,364**	**1,167,956,976**	**-**

41.03 Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Financial instruments affected by market risk include loans and borrowings, deposits and derivative financial instruments.

(a) Currency risk exposure and its management

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities (when revenue or expense is denominated in a foreign currency) To manage this exposure, the company is adapted direct risk reduction methods based on matching receipts and payments on assets and liabilities.

A. QASEM & CO. Chittagong CHARTERED ACCOUNTANTS

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
	USD	Taka	USD
Foreign currency denominated assets			
Cash and cash equivalents	210,673	17,801,840	13,649
Trade and other receivables	3,136,958	265,072,951	1,766,678
	3,347,631	**282,874,791**	**1,780,327**
Foreign currency denominated liabilities			
Liability for accepted bills for payment (ABP)	54,775,172	4,628,502,072	13,790,417
	54,775,172	**4,628,502,072**	**13,790,417**
Net exposure	**(51,427,542)**	**4,911,376,863**	**(12,010,090)**

The following significant exchange rate is applied during the period:

Exchange rate of US Dollar	**84.50**

(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 forecast sales and purchases.

	30 June 2018		30-Jun-17
	Profit or loss		Profit or loss
	Strengthening	Weakening	Strengthening
	Taka	Taka	Taka
USD (2% movement)	(9,170,091,598)	9,170,091,598	(25,548,602)

(b) Transaction risk

Transaction risk is the risk that the company will incur exchange losses when the accounting results are translated into the home

(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

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.

	2018
	Taka
Fixed- rate instruments	
Financial assets	7,673,212,078
Financial liabilities	(22,166,205,384)
	(14,492,993,306)
Variable- rate instruments	
Financial assets	Nil
Financial liabilities	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 Events after reporting date:

42.01 Proposed Dividend:

The Board of Directors at the meeting held on September 25, 2018 has recommended 10% stock dividend and 10% cash dividend for the year 2017-18.

A. QASEM & CO. Chittagong CHARTERED ACCOUNTANTS

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KEEPING WATER UNTAINTED WITH XTREME SAFETY

KHULNA WATER SUPPLY PROJECT

Is being built with BSRM Xtreme 500W

Project Implemented by: Khulna Water Supply & Sewerage Authority
Designer: AECOM & SMEC Joint Venture
EPC Contractor: China Harbor Engineering Company Ltd.

Funded by: JICA Japan International Cooperation Agency

BSRM
building a safer nation

APOLLO HOSPITALS DHAKA



SHAREHOLDERS' INFORMATION

ANNUAL GENERAL MEETING (AGM)

No. of AGM : 16th AGM
Date : December 03, 2018
Venue : Shoronika Community Centre, 13 Love Lane, Chattogram.
Time : 9:30 AM

FINANCIAL CALENDAR

Financial Period: July 01, 2017 to June 30, 2018.
During the periods mentioned, the operational results of the company were announced on:

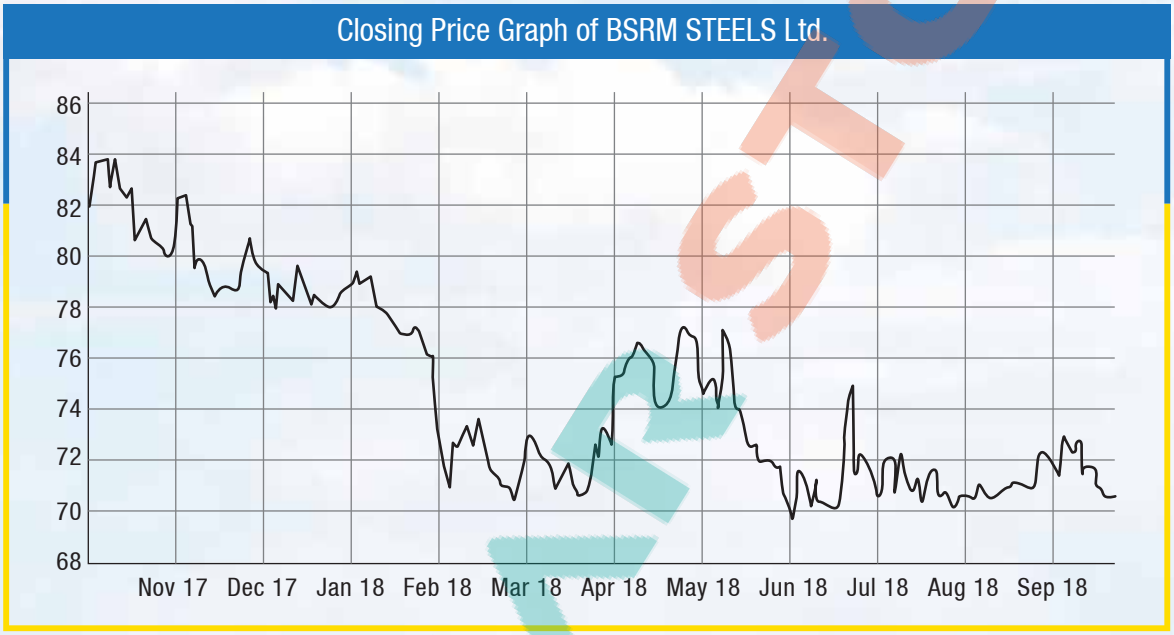


BESTOCK

RECORD DATE

The record date is 21st October, 2018.

BSRM STEELS SHARE PERFORMANCE ON STOCK EXCHANGES



Movement of share price on Dhaka Stock Exchange Ltd. (DSE) for last One year

LISTING

The company's shares are listed at the Stock Exchanges at Dhaka and Chittagong of Bangladesh.

FACE VALUE PER SHARE: Tk. 10/=

CLOSING PRICE OF PER SHARE

Closing Price of per share of your company as at 30th June 2018 was Taka 70.10

DIVIDEND		
Year	Rate of Dividend	Form of Dividend
2017-18	10% and 10%	Stock & Cash respectively (Recommended)
2016-17	15%	Cash (Final)
2016-17	20%	Cash (Interim)
2015	30%	Cash
2014	15%	Cash
2013	15%	Cash
2012	10% and 5%	Cash and Stock respectively
2011	15%	Cash
2010	20 %	Stock (Bonus)
2009	15%	Stock (Bonus)

EPS	
Year	Taka
2017-18	5.27
2016-17	8.66 (18 Months)
2015	6.09
2014	3.18
2013	4.95
2012	2.53
2011	2.46
2010	2.82
2009	1.68

MARKET CAPITALIZATION	
Year	Taka in million
2017-18	23,958
2016-17	31,067 (18 months)
2015	30,247
2014	29,974
2013	23,480
2012	22,101
2011	38,572
2010	57,200
2009	14,670

INVESTOR CORRESPONDENCE

Mail to: BSRM Steels 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



Shareholders alongwith members of Board at 15th AGM



Mr. Alihussain Akberali FCA, Chairman of the Company along with Company Secretary and other Directors addressed number of issues to the shareholders at 15th 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"

GLOSSARY OF TERMS

Terms	Brief description
The Company / Parent	BSRM Steels Limited
Associate	BSRM Steel Mills 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 multiple by Ordinary number of Shares

AMARSTOCK

BSRM OFFICE MAP



SHAREHOLDERS' NOTE

AMAR STOCK

SHAREHOLDERS' NOTE

AMAR STOCK

SHAREHOLDERS' NOTE

AMARSTOCK

BSRM Steels Limited

Registered office: Ali Mansion, 1207/1099 Sadarghat Road, Chittagong.

PROXY FORM

I/We---------- (Name)

of ---------- (Address)

a Shareholder of BSRM Steels Limited ("the company") hereby appoint,

Mr. /Ms. ----------

(Name)

of ---------- (Address)

as my /our proxy , to attend on my/our behalf at the 16th Annual General Meeting (AGM) of the Company to be held on December 3, 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 witness

Signature of the Proxy
Folio /BO ID No:

Dated ----------

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, Chittagong not later than 48 hours before the time fixed for the holding of the meeting.

Signature Verified

Authorized Signature
BSRM Steels Limited

BSRM Steels Limited

Registered office: Ali Mansion, 1207/1099 Sadarghat Road, Chittagong.

ATTENDANCE SLIP

I hereby record my presence at the 16th Annual General Meeting of BSRM Steels Limited on December 3, 2018.

Name ----------

BO ID | | | | | | | | | | | | | | | | |

Signature Verified

Signature

Authorized Signature
BSRM Steels Limited

Note: Please complete this Attendance Slip and deposit at the registration counter on the day of the meeting.


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