ANNUAL REPORT
2017-2018



SINCE 1984
RSRM
STEEL FOR THE NATION

Ratanpur Steel Re-Rolling Mills Ltd.



যে ৫ টি কারণে

RSRM X POWER TMT
THINK TOMORROW

সবার সেরা

BUET TESTED

SUPERIOR BENDABILITY
সহজে বাঁকানো যায়

HIGH CORROSION RESISTANCE
সহজে মরিচা ধরে না

GREATER DUCTILITY
সবচেয়ে বেশি ভূকম্পন সহনীয়

IDEAL PROPERTY BALANCE
সব উপাদানের সুষম বণ্টন

BETTER WELDABILITY
সহজে জোড়া লাগে

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RSRM
STEEL FOR THE NATION
Ratanpur Steel Re-Rolling Mills

ANNUAL REPORT 2017-2018



Ratanpur Steel Re-Rolling Mills Ltd.

SAMAR STOCK

RSRM

Ratanpur Steel Re-Rooling Mills Ltd. (RSRM) was established in January 1984 to meet the growing demand for high quality M.S. deformed bars in the country. The mill is situated in the heart of the progressive Baizid Bostami Industrial Area, Chittagong.

Creating new steel from recycled steel reduces CO2. In 2003 we started to manufacture quality billets from recycled scrap under our go green initative. In 2006 throughout the world recycled steel made up more than 496 million metric tons, this saved an estimated 894 million metric tons of CO2.



Today, RSRM is widely recognized as one of the leading steel manufacturers in the country and has embarked upon a series of initiatives aimed at increasing its production capacity of world class proudcts.

Other necessary ancillaries like main power sub-station and emergency water supply, natural gas supply station, machine shop with CNC machine, pollution control system, well equipped quality control department, cranes of different capacities including crawler cranes for material handiling etc.

RSRM rebars are supplied in size 8,10,12,16,20,25,32,40 and 50 mm diameters and also in a fixed length of 12 meters. RSRM provides bars of different size, length & grade as required by client.

Letter of Transmittal

Date: 03 December 2018

All Valued Shareholdersof Ratanpur Steel Re-Rolling Mills Limited
Bangladesh Securities and Exchange Commission
Registrar of Joint Stock Companies & Firms
Dhaka Stock Exchange Ltd.
Chittangong Stock Exchange Ltd

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

We are pleased to enclose a copy of the Annual Report of Ratanpur Steel Re-Rolling Mills Limited (RSRM) together with the Audited Financial Statements, Report of the Board of Directors and Auditor's Report thereon for the year ended June 30, 2018 for your information and records.

Yours sincerely

Mohammad Moin Uddin
Company Secretary (Acting)

AMARSTOCK

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Our Vision

To be the trend setter and the powerforce of the steel re-rolling industry with education, training and skills development



Our Mission

We are more than a company, it is a mission that understands its responsibility in contributing to a better tomorrow and a strong tomorrow.We will continue to be the first name in the region's steel industry by harnessing our assets and resources to achieve profitable growth, operational and organizational excellence and good corporate citizenship.



VALUES

Quality
Providing products and services to our customers, constantly improving our processes, reducing wastage, minimizing costs, investing in systems and technology through constent technological upgradsand developing our resources for creating skilled workforce.

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 dealing and good governance and risk management processes.

Business Relationship
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 even with challenges.

Leadership
Be a role model, setting landmark through our products, processes and people, persistently moving ahead of competition by differentiating our products and processes, increasing our market share.

Customer Satisfaction
It is our pleasure to all customers at every stage of our dealings by truly understanding their needs, offering best products and services.

Business Augmentation
Improving the quality of products and services, efficiency of processes, anticipating and responding to the changing business and environmental needs using experience within the organization.

Economic Analysis
Developing high-strength products aiming to reduce the customer's material consumption and ensuring competitive prices through superior strength, easy workability at site and reduces costs for the consumer.

Social Care
Acknowledge our obligations towards the society and we have taken some initiatives for the betterment of the society, building capability and making facilities available to the underprivileged.



Our Objectives and Corporate Focus

Our Objectives

Our objectives are to conduct business operation based on market mechanism within the legal & social frame work with aims to attain the mission reflected by our vision with customer satisfaction, technology and cost reduction.

Corporate Focus

Our vision, our mission and our objectives are to emphasise on the quality of product, process and services leading to augmentation of the company with corporate governance practices.

Pride And Commitment

We believe in creating value and providing better quality of life for people across the humanity. Our ission is to create performance driven culture characterized by competence pride and commitment.

People And Pride

We also look for sincerely at young people with their full of energy and dynamism with a vision to grow our people -our pride. Art of Steel Rolling is no doubt a team effort where the skill, competence and dedication of ever member. Whether he is the workman or the director at the Board comes to play. And it's our privilege and pride that we have a highly motivated team that has enabled us to boost productivity and quality.

Awards & Recongnitions



The ICSB National Award for Corporate Governance 2014 Competition Organized by the Institute of Chartered Secretaries of Bangladesh (ICSB), Our Company has been awarded the Bronze Award in the Engineering Companies Category.





RSRM has been recognized as the Best Brand of Bangladesh in 2013 by Bangladesh Brand Forum.



Corporate Awards 2012" to Ratanpur Steel Re-Rolling Mills Limited (RSRM) under Steel Category and ranked Dun & Bradsteel South Asia Middle East Limited (DNBSAME) awarded "D&B Corporate Awards 2012 as the best known brand in the steel category.

Performance at a Glance for 2017-2018

Revenue	Tk. 7,660 million
Gross Profit	Tk. 1,277 million
Operating Profit	Tk. 1,180 million
Profit before Tax	Tk. 949 million
Net Profit after Tax	Tk. 713 million
Earnings per Share	Tk. 7.05 million
NAV per Share	Tk. 44.74 million
NOCF per Share	Tk. 1.00 million

AMARSTOCK

Key Financial Highlights

A. STATEMENT OF FINANCIAL POSITION FOR THE PRECEDING 6 YEARS:

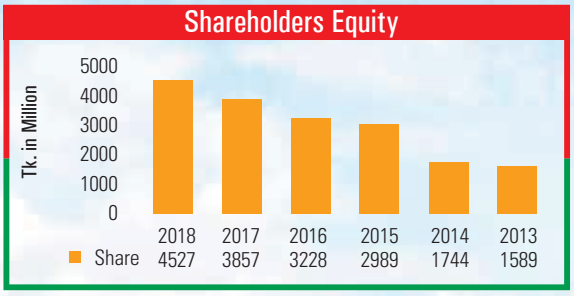
Particulars	30-Jun-18	30-Jun-17	30-Jun-16	30-Jun-15	30-Jun-14	30-Jun-13
Assets Employed						
Non-Current Assets:	2,039,415,801	2,102,641,069	1,992,197,082	2,001,603,148	2,064,962,612	2,118,020,703
Net Current Assets	2,630,279,677	1,895,496,477	1,376,673,927	1,130,959,923	(101,492,583)	(281,638,046)
Total Assets Employed	**4,669,695,478**	**3,998,137,546**	**3,368,871,009**	**3,132,563,071**	**1,963,470,029**	**1,836,382,657**
Finance By						
Shareholders' Equity:	**4,527,478,325**	**3,857,261,553**	**3,228,027,693**	**2,989,561,262**	**1,744,278,182**	**1,589,320,327**
Share Capital	1,011,890,880	864,864,000	786,240,000	655,200,000	296,000,000	296,000,000
Share Premium	750,000,000	750,000,000	750,000,000	750,000,000	-	-
Revaluation Surplus	943,950,000	943,950,000	943,950,000	943,950,000	943,950,000	943,950,000
Retained Earnings	1,821,637,445	1,298,447,553	747,837,693	640,411,262	504,328,182	349,370,327
Non-Current Liabilities:	**142,217,153**	**140,875,994**	**140,843,317**	**143,001,809**	**219,191,847**	**247,062,329**
Long Term Portion of Lease Liabilities	-	-	9,344,401	28,656,598	50,599,842	87,385,400
Deferred Tax Liability	142,217,153	140,875,994	131,498,915	114,345,211	168,592,005	159,676,930
Total Capital Employed	**4,669,695,478**	**3,998,137,547**	**3,368,871,010**	**3,132,563,071**	**1,963,470,029**	**1,836,382,656**
Operational Results						
Revenue (Net off VAT)	7,659,678,631	7,488,695,752	5,377,411,796	5,503,171,247	4,766,995,506	5,253,806,261
Gross Profit:	1,276,991,453	1,257,365,287	650,543,192	549,442,969	465,001,928	515,265,026
Profit from Operations	1,179,881,891	1,177,732,537	586,037,340	469,186,852	389,122,952	453,643,321
Profit befor Interest, Taxes & Depreciation Allowance	1,199,416,273	1,191,872,688	629,963,379	519,783,685	446,180,514	507,791,688
Net Profit Before Income Tax	948,694,612	939,753,450	371,608,018	269,424,868	209,829,235	279,533,825
Net Profit After Tax:	713,459,972	707,857,860	271,226,432	272,583,080	154,957,856	166,740,993

Key Financial Highlights

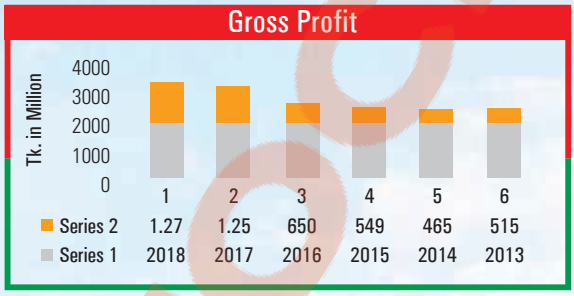
	Ratios						
	Particulars	30.06.2018	30.06.2017	30.06.2016	30.06.2015	30.06.2014	30.06.2013
1	Gross margin ratio - %	16.67	16.79	12.10	9.98	9.75	9.81
2	Net Profit Ratio - %	9.31	9.45	5.04	4.95	3.25	3.17
3	EBITDA Margin to Sales - %	15.66	15.92	11.71	9.45	9.36	9.67
4	Return on Shareholder's Equity - %	15.76	18.35	8.40	9.12	8.88	10.49
5	Return on Capital Employed %	0.24	0.28	0.17	0.15	0.19	0.24
6	Current ratio (Times)	2.27	2.02	1.85	1.68	0.96	0.89
7	Quick /Acid Test ratio (Times)	1.34	1.00	0.85	0.64	0.34	0.23
8	Inventory turnover ratio (Times)	0.86	3.56	2.82	2.84	2.56	3.31
9	Total asset turnover ratio (Times)	1.22	1.38	1.10	1.15	1.05	1.30
10	Earnings Per Share (EPS) (Taka)	7.05	8.18	3.45	4.36	5.24	5.63
11	Dividend Per Share (DPS) - Taka	1.20	2.20	2.00	2.50	2.50	-
12	Dividend Payout Ratio	0.17	0.27	0.58	0.57	0.48	-
13	Dividend Cover Ratio	5.88	3.72	1.72	1.74	2.09	-
14	Net Assets Value (NAV) per share - Taka	44.74	44.60	41.06	45.63	58.93	53.69
15	Net Operating Cash Flow per share - Taka	1.00	2.08	1.45	(15.17)	2.89	(6.54)
16	Debt Equity ratio (Times)	0.49	0.52	0.55	0.61	1.72	1.71
17	Interest Coverage Ratio	6.13	5.90	2.89	2.44	2.24	2.75
18	Average Number of Employees	530	530	505	508	546	498

Key Performance Indicator

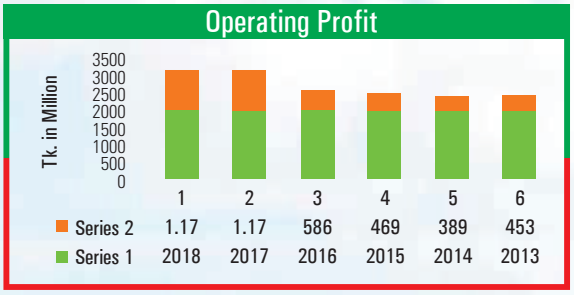
Shareholders Equity



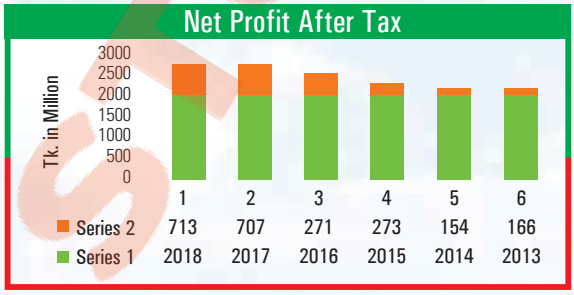
Gross Profit



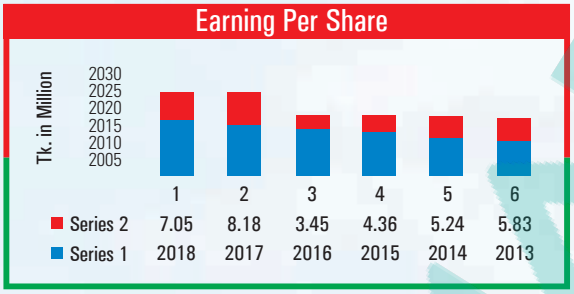
Operating Profit



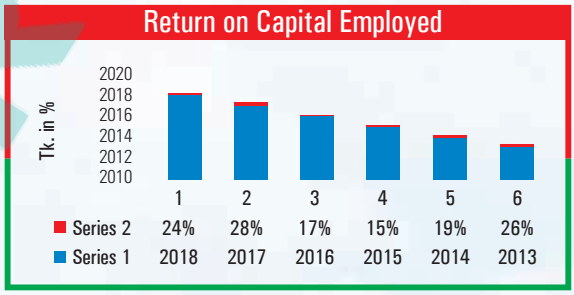
Net Profit After Tax



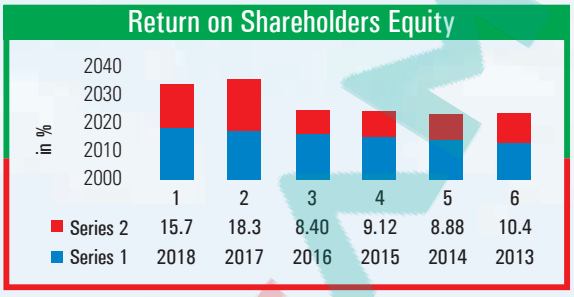
Earning Per Share



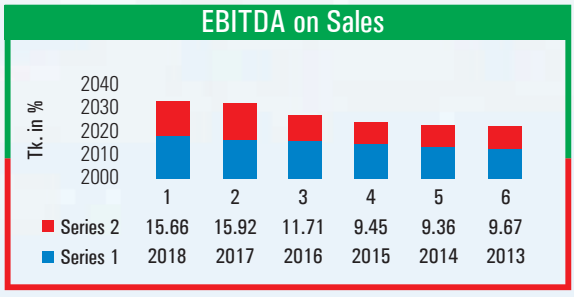
Return on Capital Employed



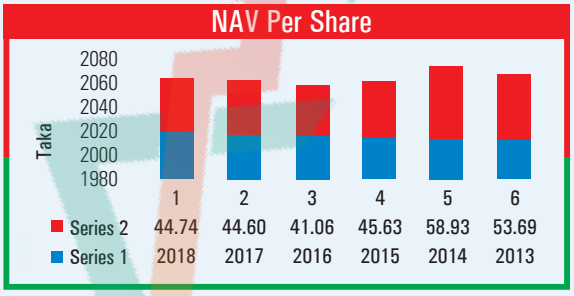
Return on Shareholders Equity



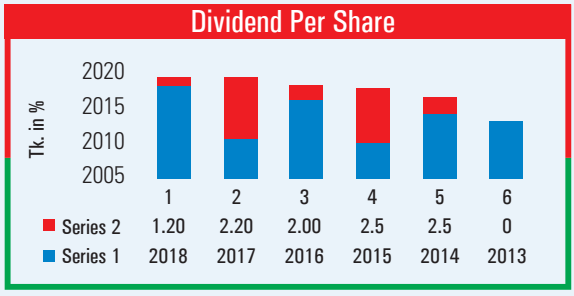
EBITDA on Sales



NAV Per Share

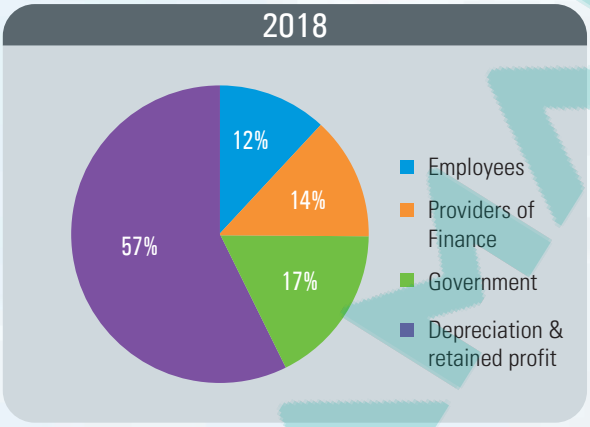


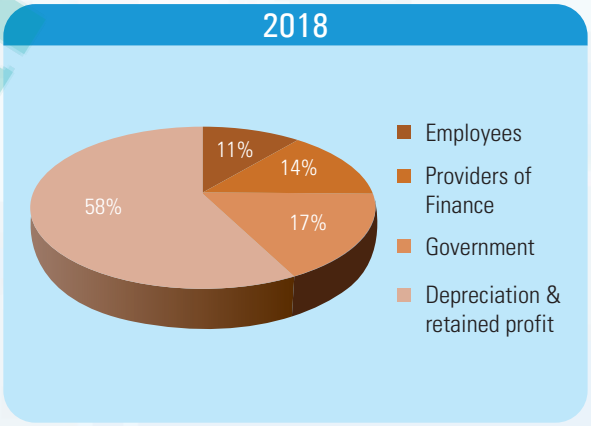
Dividend Per Share



Value added statement & EVA

	2018 Taka	%	2017 Taka	%
Value Added:				
Revenue	7,659,678,631		7,488,695,752	
Other Income	1,136,500		807,818	
	7,660,815,131		7,489,503,570	
Less : Paid to suppliers for materials and services	6,303,173,779		6,149,911,506	
	1,357,641,352	100	1,339,592,064	100
Distributed as follows:				
EMPLOYEES				
Wages, Salaries, bonus, and other benefits	158,225,080	12%	147,719,375	11%
PROVIDERS OF FINANCE	184,889,048	14%	191,799,234	14%
GOVERNMENT	235,234,640	17%	231,895,591	17%
	578,348,768	43%	571,414,200	43%
RETAINED FOR REINVESTMENT & FUTURE GROWTH				
Depreciation & Amortization	65,832,612	5%	60,320,004	5%
Retained Profit	713,459,972	53%	707,857,860	53%
	779,292,584	57%	768,177,864	57%
	1,357,641,352	100%	1,339,592,064	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.

Calculation of EVA	2018	2017
Net Operating profit after Tax (NOPAT)	713,459,972	707,857,860
Total Capital Employed	4,669,695,478	3,998,137,846
Cost of Capital in %	3.98%	4.13%
Cost of Capital (COC)	185,949,178	165,040,724
EVA = NOPAT - COC	**527,510,794**	**542,817,136**

PRODUCT AND MARKETS

RSRM Produces 500W (TMT), 400W and 300W grade steel using most advanced and latest technology suitable for the production of Thermo – Mechanically Treated (TMT) reinforcement bar renowned worldwide for its special features of having high strength with high elongation percent and toughness which is not possible in other ordinary reinforcement bars of conventional processes.

TMT bars are made from good quality plain carbon mild steel billets and when these billets are hot rolled in automatic rolling mill, bars leaving last finishing stand are rapidly quenched and carefully controlled by optimizing the water pressure for their pearlitic core and tough surface of tempered marten site . The process involves rapid quenching of the hot bars through a series of water jets after they roll out of mill stand, the bars cooled, allowing the core and surface temperature to equalize. The bar core cools down slowly to turn into a ferrite – pearliest aggregate. Thus the bars attain the property of higher strength, ductility and toughness due to the formation to tempered marten site of outer surface with a ductile core giving following properties and benefits:

- Superior product with consistent properties.
- High strength combined with high ductility.
- Better corrosion resistance.
- Better resistance to high temperature in case of fire hazards.
- Better fatigue resistance.
- Better weld ability without loss of strength of welded joints.
- Easy manufacturing of different strengths of rebar's from nearly the same steel grades.
- Significant saving in steel consumption around 15% – 20 % when using TMT rebar 's in place of CTD and saves more than 30 % consumption over the bars made from ship breaking scraps , indicating economical .
- Easy and less construction time i.e. economical.
- Lastly an less choice for seismic zones due to excellent ductility properties. This is of great importance for Bangladesh because more than 70% area of the country falls in the seismic hazard category.

We are dedicated in offering the right product package & are keen to provide the best product & services that will fulfill customer needs. We have the best sales force serving you 24/7. We have our own transport and we deliver products anywhere in Bangladesh. We always believe in making heartiest relationships not links, that's why we are very confident that our offer will fulfill requirements and our relationship with clients ensures best possible service. We ensure-

- Strick adherence to SOP standards procedures.
- Strick adherence to sampling & testing of steel Chemistry.
- Advanced products through technological upgrads.
- Detailed sampling of finished products.
- Rolling in negative tolerance
- Timly dispatches to the customers.
- Strict cost cutting in products in process to deliver value to the customers.
- Ensuring systemic working procedures and
- High team motivation to meet the company's vision.

We hope and believe our unrest service and facilities will help our clients to be with us ever more.

NOTICE OF THE 33rd ANNUAL GENERAL MEETING

It is hereby NOTICE that the 33rdAnnual General Meeting (AGM) of the Ratanpur Steel Re-Rolling Mills Ltd. will be held on 17th December 2018 at 11.00.A.M. at Shaheen Golf & Country Clud, Airport Road, Patenga, Chittagong, to transact the following agenda:

AGENDA

1. To Consideration and adoption of the Directors' Report and the Audited Financial Statements of the company for the year ended June 30, 2018;
2. To approve declared dividend for the year ended June 30, 2018 as recommended by Board of Directors;
3. Re- appointment of Managing Director
4. Retirement/Reappointment of existing Directors;
5. Appointment of Independent Director;
6. Appointment of Auditors for the year ended June 30, 2019 and fix their remuneration;
7. Appointment of Professional Accountant for issuing certificate regarding Compliance of Corporate Governance Code.
8. Any other business with the permission of the chair.

By order of the Board

03 December 2018
Dhaka.

Mohammad MoinUddin
Company Secretary (Acting)

Notes:

- Shareholders whose name appears in the share register of the company or in the Depository Registers as on **"Record Date" i.e. 22 November 2018** are eligible 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, 291, Fakirapool, 9th floor,(Jamidarbari) Apt # B-9, Inner-Circular Road, Arambagh, Dhaka-1000 not later than 48 hours before the AGM.
- Shareholders are requested to update their **12 digit ETIN** information through their respective Depository Paticipant (DP) before the AGM date.
- The Annual Report 2017-2018 and Proxy Form are available at the Company's **Website: www.rsrmbd.com.**
- Annual Report will also be sent to the individual email address of the shareholder's mentioned in their respective BO account.

"Admission to the meeting room will be strictly on production of attendance slip".

Special Notes: No benefit or gift in cash or kind shall be given to the shareholders as per Bangladesh Securities and Exchange Commission's Circular No. SEC/CMRRCD/2009-193/154 dated October 24, 2013.

CORPORATE & CONTRACT INFORMATION

COMPANY NAME
Ratanpur Steel Re-Rolling Mills Limited

HEAD OFFICE
Nahar Mansion, 116 C.D.A Avenue, Muradpur, Chittagong.
Phone: 88-031-652255-57, Fax: 88-031-650001.
Website: www.rsrmbd.com

DATE OF INCORPORATION
April 22, 1986

DHAKA OFFICE
Rupayan Golden Age (7th Floor), 99, Gulshan Avenue, Gulshan - 2,
Dhaka - 1212, Te: +88 02 9892936, 9890457, 8812521,
Fax: +88 02 8828292, Website: www.rsrmbd.com

DATE OF COMMERCIAL OPERATION
1 July 1986

FACTORY
175-176, BaizidBostami I/A, BaizidBostami Road, Chittagong, Tel: +880 31 2580380 – 4, 682580,683196
Fax: +880 31 681474

SHARE CAPITAL
Authorized Capital BDT 500.00 Crore
Paid-up Capital BDT 101.189Crore

SHARE DEPARTMENT:
291 Fakirer Pool (Jamidar Bari), Apartment No. B-9 (9th Floor), Inner-Circular Road, Arambag Dhaka-1000, Tell : +88 02 7195840, 7195841, Fax : +88 02 7191745, e-mail : sharedept@rsrmbd.com, Website : www.rsrmbd.com

BOARD OF DIRECTORS
Mrs. ShamsunNaharRahman, Chairman
Mr. MaksudurRahman, Managing Director
Mr. Md. YounusBhuiyan, Director
Mr. Md. MizanurRahman, Director
Mr. MarzanurRahman, Director
Mr. KaziSanaulHoq, Director (Nominated by ICB)
Mr. Dr. Jamaluddin Ahmed, FCA,Independent Director
Major General Mohammad Ashab Uddin
ndc,Psc,(Retd.), Independent Director

AUDITOR
Ahmed Zaker& Co.
Chartered Accountants
522, SK. Mujib Road, Agrabad C/A, Chittagong.

Audit Committee
Mr. Dr. Jamaluddin Ahmed, FCA, Chairman
Mr. Md. YounusBhuiyan, Member
Mr. Md. MizanurRahman, Member
Mr. MarzanurRahman, Member
Mr. Mohammad MoinUddin, Secretary (acting)

Company Secretary
Mr. Mohammad MoinUddin (acting)

NRC Committee
Mr. Dr. Jamaluddin Ahmed, FCA, Chairman
Mr. Md. Younus Bhuiyan, Member
Mr. Md. Mizanur Rahman, Member
Mr. Marzanur Rahman, Member
Mr. Mohammad Moin Uddin, Secretary (acting)

MRS. SHAMSUN NAHAR RAHMAN

Chairman



Mrs. Shamsun Nahar Rahman, wife of Mr. MaksudurRahman. She is the director of the company since inception having 35 years of business experience. She is also Director- Planning of the company.

MR. MAKSUDUR RAHMAN

Managing Director



Mr. Maksudur Rahman the Managing Director of the company, was born in 1950. He is a graduate and having 45 years of business experience. He is the founder of the RSRM group and the Ratanpur Steel Re-Rolling Mills Limited is one of the concerns of the RSRM group. Upon completion of his Graduation Mr. Rahman started his business in the year 1972 and established a steel Re-rolling Mills in Chittagong in the name of Ratanpur Steel Re-Rolling Mills Limited in the year 1986. After realizing the business risk diversification regarding back ward linkage Mr. Rahman planned to start scrap ship breaking in the year 1990 and till now he is one of the pioneer business man in Chittagong regarding scrap ship breaking and he owned two high-tech scrap ship breaking yard. In the mean-time he is known as one of the intelligent business entrepreneurs' in the country. Mr. Rahman retained multi-dimensional business knowledge and he knows better how to reduce the systematic risk in the business. As a result his foot print on the various back ward and forward linkage in the industry as well as business.



MR. MD. YOUNUS BHUIYAN

Director

Mr. Md. Younus Bhuiyan was born in 1964. He is a graduate having 35 years of Business Experience. He is the younger brother of Mr. MaksudurRahman. From the very beginning of the RSRM group he was involved with this group and one of the key management personell of this group. He is involved with the operational activities of the company.



MR. MD. MIZANUR RAHMAN

Director

Mr. Md. Mizanur Rahman was born in 1982. He is a graduate having 10 years of business experience. He is the elder son of Mr. MaksudurRahman.Having knowledge of cutting edge technology in the steel industry. He is looking after present business operation of the RSRM group. With change management concept he is trying to create a corporate environment and ensure accountability in the business function among the business unit in the group. The concept of decentralization of work is coming from him and the RSRM group having new business logo and other communication strategy regarding brand promotion and business relationship with stake holders is developing overnight.

MR. MARZANUR RAHMAN

Director



Mr. Marzanur Rahman was born in 1986. He is a graduate in mechanical engineering and business management from UK having 8 years of business experience. He is the younger son of Mr. MaksudurRahman. Having knowledge of cutting edge technology in the steel industry and he is looking after present business operation of the RSRM group.

MR. KAZI SANAUL HOQ

Director



Kazi Sanaul Hoq has joined as Managing Director of Investment Corporation of Bangladesh (ICB) on 10 August, 2017. He started his career as a Senior Officer in ICB on 25 October 1984 and served different position in the same organization. Before his joining he acted as Managing Director at RajshahKrishiUnnayan Bank (RAKUB), During his service life he served different Banks and Financial Institutions. He served as Managing Director (Current Charge) and Deputy Managing Director at Agrani Bank Ltd. In addition to that KaziSanaulHoq served as general manager at BDBL and RAKUB. He also served as CEO at ICB Securities Trading Company Ltd. He completed his B. Com (Hon's) and M. Com degree in Accounting from The University of Dhaka.

He has been contributing his professional expertise as the Chairman of ICB Capital Management Ltd. Apart from that he is now serving as the Director of British American Tobacco Bangladesh Company Limited (BATBC), Linde Bangladesh Limited, GlaxoSmithKline Bangladesh Ltd. (GSK), Renata Limited, Bangladesh KrishiGobeshona Endowment Trust (BKGET), Credit Rating Information and Services Ltd. (CRISL), Standard Bank Limited, Standard Bank Securities Limited, SBL Capital Management Limited, National Tea Company Limited (NTC), Apex Tannery Limited, Apex Footwear Limited, Central Depository Bangladesh Ltd. (CDBL), United Power Generation and Distribution Company Limited (UPGDCL), The Aramit Limited, The Aramit Thai Aluminum Limited, Advanced Chemical Industries Limited (ACI), Industrial Infrastructure Development and Finance Fund Limited (IIDFC), Bangladesh Institute of Capital Market (BICM), The Acme Laboratories Limited, The Peninsula Chittagong Limited, Ratanpur Steel Re-rolling Mills Limited (RSRM) and Heidelbarg Cement Bangladesh Limited.



MR. DR. JAMALUDDIN AHMED, FCA

Independent Director

Dr. Jamal Uddin Ahmed is professionally a chartered Accountant and the fellow member of the Institute of chartered Accountants of Bangladesh (ICAB) since 1990. He was vice President of (ICAB) (2006, 2007) and president (2010). He was awarded PhD in Accounting from Cardiff Business School, University of Wales, under commonwealth Scholarship in 1996, and secured first class in Masters Degree and Bachelors with Honours from Accounting Department of Dhaka University. He was a partner at HodaVasiChowdhury& Co. An Independent Firm of Deloitte Touche&Tohmatus. He has many years experience in the financial sector of Bangladesh and has used his expertise and experience to carryout numerous research work and publications.

He was Member, Board of Directors of Dhaka Stock Exchange Ltd. (2010), Janata Bank Ltd. (2008-2014), Janata capital Investment company Ltd. (2010 to date), Grameen phone Ltd. a subsidiary of Telenor Norway (2010 to date), Essential Drugs company Ltd. (2008 to date). Grameen IT Ltd. (2012-2013). Bangladesh Telecommunications company Ltd. (2010), Dhaka water and sewerage anther (2010-2013). And power Grid Company of Bangladesh Ltd. (2004 to date) as well as chairman, Audit committee of Dhaka water and sewerage Authority (2010-2013). Power Grid Company of Bangladesh Ltd. (2007 to date), Janata Bank Ltd. (2010-2014), Gameen phone Ltd. (2011 to date) and Essential Drugs company Ltd. (2011 to date). He was also financial Advisor to the Board audit committee (2014 to 2015), and Running / active Director of the Bangladesh Bank Board. (March 2016 to date).



MAJOR GENERAL MOHAMMAD ASHAB UDDIN, ndc, Psc (Retd)

Independent Director

Major General Mohammad AshabUddin, ndc, psc (Retd) served as the Ambassador of Bangladesh to the State of Kuwait and the Republic of Yemen from the year 2013 to 2016.He was born in Sylhet on 10th January 1959 and commissioned in the Bangladesh Army in 1979 .He achieved Bachelor of Artsdegree from the Chittagong University, obtained Master of Arts degree on PoliticalScience and Master of Defence Studies from the National University, Bangladesh. He also received Master of Philosophy (M Phil) from the University of Madras, India.Major General Mohammad AshabUddinndc, psc (retd), a professional military officer, has turned into a capable and efficient diplomat who skilfully welded a strong relation between Bangladesh and Kuwait with honesty, hard work and sheer patriotism and has brilliantly been leading the Bangladesh community to a better picture since his appointment.

Prior to join as Ambassador, General Ashab commanded two infantry battalions, two infantry brigades and was General Officer Commanding (GOC) of two Infantry Divisions and Area Commander, Savar and Chittagong Area. He was also the Director Military Training and Commandant of Defense Services Command and Staff College, Mirpur.GeneralAshab worked in international environment and participated in UN peacekeeping operation in Mozambique. He was responsible for administration, financeand ceremonial aspects of the mission where many countries participated. He wasawarded UN medal for his outstanding performance and devotion



KEY MANAGEMENT

- **Mr. Md. Shafiqul Islam,** Executive Director, Marketing & Sales
- **Mr. Mrinal Kanti Mondal,** Chief Financial Officer
- **Mr. Mohammad Moin Uddin,** Company Secretary (Acting)
- **Shafique Uddin Ahmed, ACA,** Head of Internal Audit & Compliance (HIAC)
- **LT CDR M A Ahad, PSC,BN (Retd.),** GM-Production & Miantanance
- **Mr. Mohammad Rashed Iqbal,** GM- HR & Admin
- **Mr. Md. Serajul Islam,** Consultant (Lab) Quality Control
- **Mr. Mohammad Ali,** Chief Engineer- Electrical
- **Mr. Abdul Khaleque,** Senior Engineer Mechanical
- **Mr. Dewan Mabood Ahmed,** Manager-Commercial
- **Mr. Md. Osman Gani,** Head of IT



MESSAGE FROM THE CHAIRMAN

Shamsun Nahar Rahman
Chairperson

Assalamualaikum and Good Morning to all our Shareholders

On behalf of myself and the Board of Director, I would like to welcome you all to do this 33rd Annual General Meeting of your company.

By now you have already received copies of the Annual Report 2018. I assume you have reviewed the report and consider as read.

Your company is a manufacturer and supplier of M.S Deformed Bar. The company's technology and manufacturing expertise, deliver quality products with competitive price to the customers.

Your company focuses on its quality, trust, dependability, social conscientiousness with leadership and customer satisfaction for augmentation of the company.

Performance of the financial year 2017-2018

The Company earned pre-tax profit of Tk. 948,694,612.00 while after tax net profit stood at Tk. 713,459,972.00 with EPS of Tk. 7.05 for the year as against pre-tax profit and after –tax profit respectively of Tk. 939,753,449.00 and Tk. 707,857,859.00 with EPS of Tk. 8.18 for the previous year. The Net Asset Value (NAV) and the Net Operating Cash Flow per Share (NOCFPS) for the year stood at Tk.44.74 and Tk. 1.00 respectively before consideration of dividend as against that for the previous year Tk. 44.60 and 2.08 respectively.

Achievement of Company year 2017-2018

It is also our privilege to let you know, this year we are did remarkable business with some reputed multinational construction & engineering companies as given below:

AbddulMonem Ltd.	PWD R & H	1. 200MW Power Plant Project Guripur, Doudkandi, Comilla 2. JMB 4 Lane CO6 (Khulna-Dhaka Highway Road) Pachchar, Shibchar, Madaripur
Mir AkhterHossain Ltd.	PDB BRIDGE AUTHORITY BANGLADESH	1. Matarbari Power Plant, Moheshkhali, Cox's Bazar 2. Construction of 99m long Pc girder Bridge on Dayarampur UP-Borboriahat road (Bagatipara)at CH.3100M on Boral River,Natore. 3. Dhaka Elevated Express Way(DEE)PPP Project, Dhaka
Property Development Ltd.	PADMA BRIDGE ROAD PROJECT MES MES	1. Postogola to vanga high way road(-8 Project) Sreenagar, Munshigonj 2. Female Singlemen Barrack, Kurmitola Air Force Project Dhaka Cant Dhaka. 3. Nautical Base at BNS-SHER-E-BANGLA, Kalapara, Patuakhali.
Libas textiles ltd	INDUSTRY	1. LIBAS TEXTILES FACTORY BUILDING PROJECT, Village: Nischintopur, PO-Mouchak, PS-Kaliakoir, Gazipur 2. Libas Tower Project Chamak Vintage ,Plot-15/B,Road-08,Gulshan -1,Dhaka
Spectra Engineers Ltd	R & H	Bhulta 4 Lane Flyover-Narayangonj Railway Overpass Comolla Chittagong CDA Outer Ring Road Project. (Chowchala Anser Camp, Kattoli Bridge, Kalusha Bridge, Chorpara Potenga Bridge.

Sheltech Ceramics Ltd.&Sheltech Engineering Ltd.	INDUSTRY	1.Sheltech Ceramic Factory, Bhola 2. New Zealand Dairy Products Ltd.(Factory Natore&Bhulta Project) 3. Green Textiles Ltd. Valuka Project 4. SQ Group,Valuka Project.
Barger Paints Bangladesh Ltd.	INDUSTRY	1.Berger Factory,Nabinagor,Savar 2. Berger Factory,Kalurghat,CTG
National Development Engineers Ltd. (NDE)	PRIME BANK HQ PADMA BRIDGE ROAD PROJECT PDB	1. Prime Bank Head Office.Prime Bank Tower,Gulshan-1 2.MES=Project,Jazira Cantonment Building ,Soriotpur 3. Power plant ProjectPayr abondorPotuakhali
Banga Builders Ltd.	PWD HED	Dhaka Metroploton Police Headquarter,BAILY Road Ramna Dhaka 2.HealthVhabanMohakhali Dhaka.
Esla Construction Company (BD) Ltd	REAL ESTATE DEVELOPER	BijoyRakeen City ,Mirpur,Dhaka
Max Infrastructure Ltd.	PDB	Rupur Nuclear Power Plant,Ishwardi,Pabna
Comprehensive Holdings Ltd	MES PWD Mercantile Bank	1.Army Medical College Building,Bogra. 2.GanderiaThana,Gandaria,Dhaka,Mirpur14,Dhaka Police Line. 3. MBL Centre,SatmasjidRoad,Dhaka.
Wahid Construction Ltd.	PADMA BRIDGE ROAD PROJECT DAMEC	1.Dhaka Khulna Highway,Road Project(N8),KamarKhola,MawaMunshigonj. 2. Sheikh Hasina National Burn & Plastic Surgery Institution,Dhaka Medical College & Hospital Dhaka
Dipon Infrastructure Services Ltd.	PDB TEXTILE MES	1.Sirajgonj 400 MW CC Power Plant, Sirajgonj 2.Dr. M.A Wazed Mia Textile Engr. College,PirgonjRangpur. 3.MESJaniraProject,Janira Cantonment ,Shariyatpur.
Mazidsons Constructions Ltd.	MES PWD	1.B –Type Air(CTG) ,baf Base ZarulHaque,Patenga Chittagong 2.MIST Tower-4 MirpurCantonment,Mirpur Dhaka 3. Multipurpose Hall ,Navy Hospital Gate,NewMooring,Chittagong. 4. SM Barrak,Navy Hospital Gate, New Mooring,Chittagong. 5.Khilkhet Navy Colony,Dhaka.
G.K.B & Company PVT. LTD	PWD	RajoshshoVhabonAgargaon Dhaka

Steel Industry in Bangladesh

The economy of Bangladesh is a rapidly developing market-based economy. Over the last few years the economy has grown at 6%-7.8% per annum a massive 12% growth in the industrial sector lead by construction and small-scale manufacturing efforts targeted at the domestic market. Prospects indeed look bright for the nation. However, infrastructural weaknesses remain. Proper national development is only possible through expansion of industrial capacity and infrastructural support by mean of self- sufficiency.

Steel as a Manufacturing industry will play a significant role in this journey and therefore it is very important for policy makers and the government to facilitate a robust infrastructure and development plan for strong sustainability of steel industry. RSRM is committed to engage in a constructive manner with all stockholders to evolve such a framework.

Prospect of Steel Industry in Future

Apart from that, we have seen that the construction sector of Bangladesh has grown at calculated average growth rate (CAGR) of 12.2% over last 10 years. This growth is expected to continue in the coming years. The real state sector has been facing a temporary slowdown of demand due to overall macroeconomic pressure and contraction policy of government. But this situation is now also getting solved. The local manufacturers believe the steel industry should continue to grow above 10% in the next few years, riding on government programs centering its vision for 2021, though government steel consumption has gone down significantly, it is planning few very big projects like padma Multipurpose Bridge and Metro Rail and Many flyovers, Tunnel (under the karnafuli river) and concrete casting of roads and highways,Dhaka water supply network, Khulna 800MW LNG based power plant, Sub regional transport facility, flood and river bank erosion risk management and many others projects going and coming up. These projects increase the demand in near future. Successful implementation of these projects will hold a very good potential for top line growth, as steel in particular feature prominently as raw materials of these projects.

Corporate Social Responsibilities

The company is focused not only on the execution of the plant facilities but also on the socio-economy infrastructure needs of an industrial enterprise of this scale. The company is committed to addressing the developmental needs and aspiration of the communities in the areas of safety, education and skill building of social benefits as practices of Corporate Social Responsibility (CSR) to name some projects are; "Go Green" (Tree Plantation) with joint collaboration with "Bangladesh Poribesh Forum", Earthquake Campaign to create awareness in more than 300 schools around country, Building Passengers Shade in Bus Stands and providing Safety Road Sign. Further we have continuous participation in education sector by giving scholarships to School /University Student.

Finally, I would like to thank all our shareholders and also our customers, suppliers, vendors, project contractors and lenders for their unstinted support to the company during the year. I would also like to thank all the employees for their tireless commitment to enhancing the performance and wellbeing of the company. Further I would like to give special thanks to Auditors, BSEC, RJSC, DSE, CSE and other business associates including the Government and the various authorities for their continuous supporting in our journey.

ALLAH HAFIZ
With best regards

Shamsun Nahar Rahman
Chairperson

চেয়ারম্যানের বিবৃতি

আমার এবং পরিচালক পর্ষদের পক্ষ থেকে সকল শেয়ার হোল্ডারগণের প্রতি আস্সালামু আলাইকুম ও শুভ সকাল।
আশা করি আপনারা কোম্পানির বার্ষিক প্রতিবেদন ২০১৮ হাতে পেয়ে পড়েছেন ও পর্যালোচনা করেছেন। আপনাদের কোম্পানি এম,এস ডিফরম্ড বার প্রস্তুতকারী ও সরবরাহকারী একটি প্রতিষ্ঠান। কোম্পানির দক্ষ জনবল ও প্রযুক্তির পাশাপাশি বিপনন ও সরবরাহের মাধ্যমে মানসম্পন্ন এম,এস ডিফরম্ড বার প্রতিযোগতা মূলক মূল্যে সরবরাহ করে আসছে।

আপনাদের কোম্পানি বিশেষভাবে নজর রাখেন গুণগতমান, গ্রাহকের বিশ্বাস ও আস্থাশীলতা, সামাজিক দায়িত্ববোধ, নেতৃত্ব এবং গ্রাহক সন্তুষ্টির উপর।

২০১৭-২০১৮ অর্থবছরের ফলাফল পর্যালোচনাঃ

আয়কর পূর্ব মুনাফা টাকা ৯৪৮,৬৯৪,৬১২.০০ আয়কর পরবর্তী মুনাফা টাকা ৭১৩,৪৫৯,৯৭২.০০। শেয়ার প্রতি আয় টাকা ৭.০৫। গত বৎসরে আয়কর পূর্ব মুনাফা ও আয়কর পরবর্তী মুনাফা যথাক্রমে টাকা ৯৩৯,৭৫৩,৪৪৯.০০ ও টাকা ৭০৭,৮৫৭,৮৫৯.০০ এবং শেয়ার প্রতি মুনাফা ছিল টাকা ৮.১৮। লভ্যাংশ প্রদানের পূর্বে শেয়ার প্রতি নীট সম্পদ মূল্য ও চলমান নগদ তারল্য যথাক্রমে টাকা ৪৪.৭৪ ও টাকা ১.০০ দাঁড়ায়। গত বৎসরে শেয়ার প্রতি নীট সম্পদ মূল্য ও চলমান নগদ তারল্য যথাক্রমে টাকা ৪৪.৬০ ও টাকা ২.০৮ ছিল।

২০১৭-২০১৮ অর্থবছরে কোম্পানির অর্জনঃ

আপনাদের আনন্দের সাথে জানাচ্ছি যে, এই বছর বেশ কয়েকটি আন্তজাতিক কোম্পানীর সহিত বিভিন্ন কাজ করেছি। যার বিবরণ নিচে বর্নিত হইল:

AbddulMonem Ltd.	PWD R & H	1. 200MW Power Plant Project Guripur, Doudkandi, Comilla 2. JMB 4 Lane CO6 (Khulna-Dhaka Highway Road) Pachchar, Shibchar, Madaripur
Mir AkhterHossain Ltd.	PDB BRIDGE AUTHORITY BANGLADESH	1. Matarbari Power Plant, Moheshkhali, Cox's Bazar 2. Construction of 99m long Pc girder Bridge on Dayarampur UP-Borboriahat road (Bagatipara)at CH.3100M on Boral River,Natore. 3. Dhaka Elevated Express Way(DEE)PPP Project, Dhaka
Property Development Ltd.	PADMA BRIDGE ROAD PROJECT MES MES	1. Postogola to vanga high way road(-8 Project) Sreenagar, Munshigonj 2. Female Singlemen Barrack, Kurmitola Air Force Project Dhaka Cant Dhaka. 3. Nautical Base at BNS-SHER-E-BANGLA, Kalapara, Patuakhali.
Libas textiles ltd	INDUSTRY	1. LIBAS TEXTILES FACTORY BUILDING PROJECT, Village: Nischintopur, PO-Mouchak, PS-Kaliakoir, Gazipur 2. Libas Tower Project Chamak Vintage ,Plot-15/B,Road-08,Gulshan -1,Dhaka
Spectra Engineers Ltd	R & H	Bhulta 4 Lane Flyover-Narayangonj Railway Overpass Comolla Chittagong CDA Outer Ring Road Project. (Chowchala Anser Camp, Kattoli Bridge, Kalusha Bridge, Chorpara Potenga Bridge.

Sheltech Ceramics Ltd.&Sheltech Engineering Ltd.	INDUSTRY	1.Sheltech Ceramic Factory, Bhola 2. New Zealand Dairy Products Ltd.(Factory Natore&Bhulta Project) 3. Green Textiles Ltd. Valuka Project 4. SQ Group,Valuka Project.
Barger Paints Bangladesh Ltd.	INDUSTRY	1.Berger Factory,Nabinagor,Savar 2. Berger Factory,Kalurghat,CTG
National Development Engineers Ltd. (NDE)	PRIME BANK HQ PADMA BRIDGE ROAD PROJECT PDB	1. Prime Bank Head Office.Prime Bank Tower,Gulshan-1 2.MES=Project,Jazira Cantonment Building ,Soriotpur 3. Power plant ProjectPayr abondorPotuakhali
Banga Builders Ltd.	PWD HED	Dhaka Metroploton Police Headquarter,BAILY Road Ramna Dhaka 2.HealthVhabanMohakhali Dhaka.
Esla Construction Company (BD) Ltd	REAL ESTATE DEVELOPER	BijoyRakeen City ,Mirpur,Dhaka
Max Infrastructure Ltd.	PDB	Rupur Nuclear Power Plant,Ishwardi,Pabna
Comprehensive Holdings Ltd	MES PWD Mercantile Bank	1.Army Medical College Building,Bogra. 2.GanderiaThana,Gandaria,Dhaka,Mirpur14,Dhaka Police Line. 3. MBL Centre,SatmasjidRoad,Dhaka.
Wahid Construction Ltd.	PADMA BRIDGE ROAD PROJECT DAMEC	1.Dhaka Khulna Highway,Road Project(N8),KamarKhola,MawaMunshigonj. 2. Sheikh Hasina National Burn & Plastic Surgery Institution,Dhaka Medical College & Hospital Dhaka
Dipon Infrastructure Services Ltd.	PDB TEXTILE MES	1.Sirajgonj 400 MW CC Power Plant, Sirajgonj 2.Dr. M.A Wazed Mia Textile Engr. College,PirgonjRangpur. 3.MESJaniraProject,Janira Cantonment ,Shariyatpur.
Mazidsons Constructions Ltd.	MES PWD	1.B –Type Air(CTG) ,baf Base ZarulHaque,Patenga Chittagong 2.MIST Tower-4 MirpurCantonment,Mirpur Dhaka 3. Multipurpose Hall ,Navy Hospital Gate,NewMooring,Chittagong. 4. SM Barrak,Navy Hospital Gate, New Mooring,Chittagong. 5.Khilkhet Navy Colony,Dhaka.
G.K.B & Company PVT. LTD	PWD	RajoshshoVhabonAgargaon Dhaka

বাংলাদেশে স্টিল শিল্পঃ

বাংলাদেশের বর্ধনশীল অর্থনৈতিক অবস্থা অনেকাংশে বাজার ব্যবস্থার উপর নির্ভরশীল। গত কয়েক বৎসর ধরে অর্থনৈতিক প্রবৃদ্ধি ৬% হইতে ৭.৮% পর্যন্ড় হচ্ছে। কিন্তু পাশাপাশি শিল্পক্ষেত্রে প্রবৃদ্ধি হয়েছে ১২% এ অর্জন সম্ভব হয়েছে আবাসন শিল্প ও ছোট আকারের শিল্প কারখানা নির্মাণ কাজের উপর নির্ভর করে। আমাদের লক্ষ্যমাত্রা জাতীয় অবকাঠামোগত উন্নয়ণের উপর নির্ভরশীল। আপাততঃ অবকাঠামোগত উন্নতি কিছুটা ধীরগতি হলেও সরকারের আগামী দিনের অবকাঠামোগত উন্নতির পরিকল্পনা আমাদের এই শিল্প উন্নতিতেও সহায়তা করবে।

যেকোন দেশের উন্নয়নের জন্য স্টিল শিল্প গুরুত্বপূর্ণ ভূমিকা রাখে। নীতি নির্ধারকদের অবকাঠামোগত উন্নয়নের নীতি নির্ধারণের মাধ্যমে এই শিল্প উন্নয়নে শাক্তিশালী ভূমিকা রাখতে পারে। সকল সংশিষ্টদের পাশাপাশি আরএসআরএম এই কাঠামোগত উন্নয়নে ভূমিকা রাখার জন্য বদ্ধ পরিকর।

বাংলাদেশে স্টিল শিল্পের ভবিষ্যৎঃ

এছাড়াও আমরা দেখেছি গত দশ বৎসর যাবত বাংলাদেশে নির্মান শিল্পে প্রবৃদ্ধি হয়েছে গড়ে ১২.২%। আশা করি আগামীতেও এধারা অব্যাহত থাকবে। সামষ্টিক অর্থনীতির চাপের কারণে আবাসন শিল্পে ধীরগতি রূপ নেয়। যার ফলে স্টিল শিল্পেরও ধীরগতি হয়। যদিও এই অবস্থার সমাধান হচ্ছে। বর্তমান সরকারের ২০২১ ভিশনের উপর নির্ভর করে দেশীয় স্টিল প্রস্তুতকারকগণ বিশ্বাস করেন আগামীতে ১০% এর উপর প্রবৃদ্ধি এই শিল্পে চলমান থাকবে। যদিও সরকারিভাবে স্টিলের ব্যবহার বিশেষভাবে কমেছে। তথাপি সরকার বেশকিছু বড় আকারে প্রকল্প হাতে নিচ্ছে যেমনঃ বহুমুখী পদ্মাসেতু, মেট্রো রেলপথ, ফ্লাইওভার, কর্ণফুলী নদীর তলদেশে ট্যানেল নির্মান, কংক্রিট কাষ্টিং সড়ক ও মহাসড়ক এই ধরনের বড় আকারের প্রকল্পসমূহ অদূর ভবিষ্যতে স্টিলের চাহিদা বৃদ্ধি করবে। উক্ত প্রকল্প সমূহ বাবায়নে স্টিলের সর্বোচ্চ চাহিদার সাথে সাথে ব্যবহার নিশ্চিত হবে নির্মান কাজের প্রধান উপাত্ত হিসাবে।

কর্পোরেট সামাজিক দায়িত্ব ঃ

কোম্পানি শুধু উৎপাদন ও বিক্রয় বা ব্যবসায়িক উন্নতির উপর মনোনিবেশ করে না, পাশাপাশি আর্থ-সামাজিক অবকাঠামোর উন্নতির প্রতিও দৃষ্টি রাখে। কোম্পানি নিরাপত্তা, শিক্ষা, দক্ষতা বৃদ্ধি ইত্যাদি সামাজিক বিষয়ের প্রতি লক্ষ্য রাখে। উক্ত বিষয়ে আমাদের কিছু প্রকল্প যথাঃ বাংলাদেশ পরিবেশ ফোরামের সাথে যৌথভাবে গাছ লাগানো "সবুজায়ন", সারাদেশে তিনশত প্রাইমারী স্কুলের শিক্ষার্থীদের ভূমিকম্পের সম্পর্কে সর্তকীকরণ শিক্ষা প্রদান করা, যাত্রী ছাউনী নির্মাণ, রাস্তা নিদের্শক এবং স্কুল বিশ্ববিদ্যালয় ছাত্র/ছাত্রীদের শিক্ষাবৃত্তি প্রদান করা ইত্যাদি।

অবশেষে সকল শেয়ারহোল্ডারবৃন্দ, গ্রাহকবৃন্দ, সরবরাহকারী, ঠিকাদারগণ, ঋণদাতা প্রতিষ্ঠানসমূহ সকলকে ধন্যবাদ জানাই আমাদের সার্বিক সহযোগিতার জন্য। আরও ধন্যবাদ জানাতে চাই আমাদের সকল কর্মচারী ও কর্মকর্তাদের অক্লান্ড় পরিশ্রমের জন্য। বিশেষভাবে ধন্যবাদ জানাতে চাই নিরীক্ষক, বি এস ই সি, আর জে এস সি, ডি এস ই, সি এস ই এবং অন্যান্য সকল সরকারী ও বেসরকারী কর্তৃপক্ষ যারা আমাদের সার্বিক সহযোগিতা করেছেন।

আপনাদের সকলের জন্য শুভ কামনা
আল্লাহ্ হাফেজ

শামসুন নাহার রহমান
চেয়ারম্যান



MESSAGE FROM THE MANAGING DIRECTOR

Maksudur Rahman
Managing Director

Assalamualaikum and Good Morning to all our Honorable Shareholders

Welcome you all to this 33rd Annual General Meeting of Ratanpur Steel Re-Rolling Mills Ltd. For the financial year 2017-2018 earned after tax profit Tk. 713,459,972.00 with EPS of Tk.7.05 and Net Operating Cash Flow per Share (NOCEPS) Tk. 1.00 and NAV stood at Tk.44.74

In the financial year 2017-2018 your company utilized 76.07% production capacity and produced 142,394 MT of MS Deformed bar with compare to financial year 2016-2017 it was 73.00% utilization of capacity and produced 136,664 MT of MS Deformed bar.

The Company is focusing on brand promotional activities to reach wide range of customers from urban to rural areas of the country. In the financial year 2017-2018 the company incurred Tk. 25,369,870.00, the previous year it was Tk. 13,252,630.00 to grow our market and keep sustainability with the competitor in the market. We will get benefits from this promotion in the near future and will bring more customers and business.

Planning by the present Government of Bangladesh, some large projects include Padma Multipurpose Bridge and Metro Rail and Many Flyovers, Tunnels (under Karnaphuli River) and concrete casting of roads and highways,Dhaka water supply network, Khulna 800MW LNG based power plant, Sub regional transport facility, flood and river bank erosion risk management and many others projects going and coming up. These projects will increase the demand in near future. Successful implementation of these projects will hold a very good potential for top line growth, as steel in particular feature prominently as raw materials of these projects. These projects increase the demand in near future and at the same time we have 24% unutilizedcapacity in our hand to meet the incremental demand of MS Deformed Bar.

Practices of Corporate Social Responsibility (CSR) are maintained to grow with the community as required by the present society. The company is taking some initiatives such as "Go Green" (Tree Plantation), Earthquake Campaign (Creating people awareness regarding Earthquake through school student). Passenger shade (waiting shade for bus stoppage). Safety sign (road sign for warning information in-front of level crossing, road ramp and various risky areas to reduce road accident).Seminars and workshops: We used to participate in national and international seminars as a sponsor such as steel mint events, 2nd coal, steel & raw material conference which helps our universities to interact with foreign tests and enrich our academic departments. We give scholarships to students to inspire better education. We always give the best effort to contribute in education, technology and health and safety sector of the country.

We always keep our concentration and focus on our sales and distribution channel to give the best service to the customers. We are continuously exploring new market to fulfill the demand of quality product (MS Deformed Bar).

Finally, I would like to thanks all our shareholders and stakeholders for their ultimate commitment / support towards us.

ALLAH HAFEZ
With best regards

M. Rahman

MaksudurRahman
Managing Director

ব্যবস্থাপনা পরিচালকের বিবৃতি

আস্‌সালামু আলাইকুম ও শুভ সকাল সকল শেয়ার হোল্ডারবৃন্দদের প্রতি।

স্বাগতম, রতনপুর স্টিল রি-রোলিং মিলস্ লিমিটেড-এর ৩৩তম বার্ষিক সাধারন সভায়। ২০১৭-২০১৮ অর্থ বৎসরের আয়কর পরবর্তী লাভ টাকা ৭১৩,৪৫৯,৯৭২.০০যার প্রেক্ষিতে শেয়ার প্রতি মুনাফা টাকা ৭.০৫ এবং চলমান নগদ তারল্য টাকা ১.০০ ও শেয়ার প্রতি নীট সম্পদ দাঁড়ায় টাকা ৪৪.৭৪।

২০১৭-১৮ অর্থ বৎসরে আপনাদের কোম্পানীর উৎপাদন ক্ষমতার ৭৬.০৭%ব্যবহারের কারণে উৎপাদিত হয়েছে ১৪২,৩৯৪ মেঃ টন এম এস ডিফরম্ড বার। যেখানে ২০১৬-১৭ অর্থ বৎসরে উৎপাদন ক্ষমতার ৭৩.০০% ব্যবহার হওয়ায় উৎপাদিত হয়েছিল ১৩৬,৬৬৪ মেঃ টন এম এস ডিফরম্ড বার।

গ্রাহকের পরিমান বৃদ্ধির লক্ষ্যে দেশের সর্বত্র তথা শহর হতে গ্রাম পয্ন্র্ড় আমাদের উৎপাদিত পন্য পরিচিতির জন্য কোম্পানি বিশেষ প্রচারনার ব্যবস্থা নিয়েছে। অর্থ বৎসর ২০১৭-১৮ এ টাকা ২৫,৩৬৯,৮৭০.০০ এবং গত অর্থ বৎসরে টাকা ১৩,২৫২,৬৩০.০০ বিজ্ঞাপন খাতে ব্যয় করা হয়েছে। যার ফলে অদূর ভবিষ্যতে গ্রাহকের পরিমান বৃদ্ধি এবং কোম্পানির প্রসার হবে এবং সুফল পাওয়া যাবে।

সরকার ভৌত অবকাঠামোর উন্নয়নের জন্য বেশ বড় ধরণের প্রকল্পের উদ্যোগ নিয়েছেন, যেমনঃ বহুমুখী পদ্মাসেতু, মেট্রো রেলপথ, ফ্লাইওভার, কর্ণফুলী নদীর তলদেশে ট্যানেল নির্মান, কংক্রিট কাষ্টিং সড়ক ও মহাসড়ক, ঢাকা পানি সরবরাহ পদ্ধতি, খুলনা ৮০০ মেগাওয়াট এল এন জি ব্যবহার ভিত্তিকবিদ্যুৎ প্রকল্প, উপ-আঞ্চলিক পরিবহন প্রকল্প, বন্যা ও সমুদ্র-উপকূলীয় বাধ প্রকল্পইত্যাদি। এই প্রকল্পগুলি ভবিষ্যতে আমাদের অব্যবহৃত ২৭% উৎপাদন ক্ষমতা ব্যবহার করার সুযোগ তৈরি করবে।

বর্তমান সমাজিক চাহিদা অনুসারে আমাদের কোম্পানীও সামাজিক দায়িত্ববোধ থেকে কিছু পদক্ষেপ নিয়েছে, যেমনঃ গাছ লাগানো, ভূমিকম্পের উপর ক্যাম্পেইন, যাত্রী ছাউনী, নিরাপদ রোড সাইন, দূর্ঘটনার সচেতনতা, বিভিন্ন সেমিনার ও আলোচনা সভা শিক্ষাবৃত্তি ইত্যাদি। আমরা সর্বদাই শিক্ষা, প্রযুক্তি, স্বাস্ত্য, নিরাপত্তা বিষয়ে জন সচেতনতার উপর বিশেষভাবে কাজ করছি।

আমরা সর্বদা গ্রাহকদের ভালো সেবা দেওয়ার জন্য বিশেষভাবে মনোনিবেশ করে থাকি এবং সবসময় নতুন বাজার তৈরি ও গুণগত পন্য (এম,এস ডিফরম্ড বার)সরবরাহ করার জন্য বদ্ধ পরিকর।

অবশেষে আমি সকল শেয়ারহোল্ডারবৃন্দ ও আমাদের পৃষ্ঠপোষকদের সর্বাত্ত্বক সহযোগিতার জন্য ধন্যবাদ জানাই।

আলাহ্ হাফেজ

M. Rahman

মাকছুদুর রহমান
ব্যবস্থাপনা পরিচালক

Director's Report

Dear Fellow Shareholders:

On behalf of the members of the board of Directors of your company and on my behalf, I am glad to welcome you all to the 33rd Annual General Meeting (AGM) of Ratanpur Steel Re-Rolling Mills Ltd. This report covers the period of 12 months from July 1, 2017 to June 30, 2018. Our Members of the Board are pleased to present Directors' Report, Audited Financial Statements for the year ended 30 June 2018 and Auditors' Report thereon before you for your consideration and approval. This 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 year 2017-18

Industry Outlook and Possible Future Development

The world financial system has been on an uptrend with a reported financial 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 7.8 per cent in 2018-2019, following an expansion of 7.3 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.

The steel industry's domestic market is changing rapidly and more drastically than ever. In facing this challenge, we are working with our core corporate value of sustainable business growth. Some major competitors have also entered in to the market. Now customers are also quality conscious, to cope up with this challenges we are always positive. Moreover, now urbanization is a growing trend and people are migrating to the cities. Demand for high rise buildings, roads, bridges, flyovers, tunnelsand Metrorail are increasing. Quality steel products are needed for these infrastructure constructions as people are more concerned about the safety of life, health and environment. Naturally demand for quality steel product is rising. Your company has about 24% unutilized capacity to meet up such incremental demand.

Operational and Financial Review

Operational Performance:

Particulars	2018	2016	2015
Production Capacity (MT)	187,200	187,200	187,200
Production (MT)	142,394	136,664	106,831
Capacity Utilization (%)	76.07%	73.00%	57.07%
Sale Qty (MT)	138,800	139,380	105,150

Financial Performance:

Particulars	2018	2017	2016
Sales	7,659,678,631	7,488,695,752	5,377,411,796
Gross Profit	1,276,991,453	1,257,365,287	650,543,192
Profit before Interest, Taxes &WPPF	1,179,881,891	1,177,732,537	586,037,340
Less: Interest & WPPF	231,187,278	237,979,080	214,429,324
Less: Tax expenses & Provision for Income Tax	235,234,640	231,895,591	100,381,587
Net Profit	713,459,972	707,857,860	271,226,430

We have enumerated the details last five years financial performance of the company in Annexure-4.

Discussion on Cost of Goods Sold, Gross Profit Margin and Net Profit Margin
Board of Directors periodically discusses on the increase/decrease of cost of goods sold, gross and net profit and takes immediate measures on the analysis as required. A detailed report on discussion is included in Annexure-1

Operation of Subsidiary Industry
The company has not engage with any company as subsidiary (legal form)

Operation of Associate Company
The company has not engage with any company as Associate (legal form)

Segment-wise or Product-wise Performance
Company has one location of producing products which vary in sizes. No operating segments have been aggregated to form the above reportable segments.

Details Product wise performance are as follows:

	2018 MT	2017 MT
Sales During the Period		
MS Rod	131,570	128,796
Misroll & Others	7,230	10,584
	138,800	139,380
Production (MS Rod Misroll & Others)	142,394	136,664

Risks & Concerns
Risk assessment and mitigation is the integral part of any business. The Board of directors is regularly monitoring, assessing and identifying potential risk and threats to our profitability and growth. Our Risk Management capabilities are supported by a strong management structure and information system, regular analysis of market and economic scenario and policies to face the challenges.

Risk Management & Control Environment:
A summary of the significant risk and the way of managing risks adopted by our company is included in Annexure-2.

Management Discussion & Analysis:
Board of Directors periodically discusses on operational & financial performance. A Details 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
Emerging Credit Rating Limited (ECRL) assigned rating as below:

Long Term	Short Term
A-	ST-2

The entities rated A- are adjudged to be of strong safety and have strong credit quality. This Level of rating indicates a corporate entity with a sound credit profile. Risks are modest and may vary slightly from time because of economic conditions.

"ST-2" indicates high certainly of timely payment. Liquidity factors are strong and supported by good fundamental protection factors. Risk factors are very small.

Board of Directors

A. On 30th June 2018, The board of Directors is composed of 8 (Eight) directors including Chairman, Managing Director, 4 (Four) Directors and Two Independent Director.

B. Board Meeting and attendance
The Board meeting 6 times during this year. Following table shows the attendance of Directors in the meeting.

The Board met 6 times during this year. 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 attend
Mrs. Shamsun Nahar Rahman	Chairman	6	6
Mr. Maksudur Rahman	Managing Director	6	6
Mr. Md. Younus Bhuiyan	Director	6	4
Mr. Md. Mizanur Rahman	Director	6	6
Mr. Marzanur Rahman	Director	6	6
Mr. Kazi Sanaul Hoq	Director (Nominated by ICB)	6	4
Mr. Dr. Jamaluddin Ahmed FCA	Independent Director	6	6
Major General Mohammad Ashab Uddin, ndc, psc (Retd)	Independent Director	6	3

C. Details of directors being appointed/ re-appointed
In accordance with The Articles of Association of the company one third of the total members of directors is to retire by rotation. The board of directors has been recommended for re-appointment of Mr. Md. Mizanur Rahman and Mr. Marzanur Rahman as Directors in the 33rd AGM of the company upon retirement from the post of directors by rotation.

Mr. Maksudur Rahman, Managing Difrector, retired as per section 110 of the Companies Act 1994 and being eligible, offer himself for re-appointment. And the board of directors has been recommended for re-appointment of Mr. Maksudur Rahman as Managing Director with effect from 14th November 2017 in the 33rd AGM of the company upon retirement from the post.

The board of directors has been also recommended to appoint Mr. Kazi Sanaul Hoq, as Corporate Director, nominated by Investnment Corporation of Bangladesh (ICB) with effect from 3rd December 2017 in the 33rd AGM of the company.

The board of directors has been also recommended to appoint Mr. Major General Mohammad Ashab Uddin, ndc, Psc (Retd.) as the Independent Dirfector of the Company with effect from 3rd January 2018 in the 33rd AGM of the company.

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:
Basis of the related party transactions with the company has been elaborated in the audited financial statements for the financial year June, 2018 in note 30 in accordance with relevant Bangladesh Accounting Standards (BAS).

Utilization of IPO proceeds and Financial Result after IPO:
IPO proceeds through 25,000,000 shares @ of Tk. 10/- each at an offer price Tk. 40/- each including premium of Tk. 30/- per share is total TK. 1000,000,000/-. Utilization of IPO proceeds of the Company for Tk 227,750,231 for working capital, Tk 750,000,000 for loan re-payment and Tk 22,249,769 for IPO expence which is total 1,000,000,000. The utilization of the fund of working capital our company increases in sales revenue and net profit are increases in this financial year 2015 after IPO compare to financial year 2014.

Significant Variance between 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 perspective.

Remuneration of Directors Including Independent Directors:
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 27 of Audited Financial Statements.

Dividend:
Your directors are pleased to recommend 12% Cash dividend on equity shares for the year ended 30 June 2018 for consideration and approval by the shareholders in the 33rd annual General meeting. The dividend on equity shares, If approved, would be paid to those members whose name appear on the register of members as on record date.

Contribution of National Exchequer:
RSRM is paying and facilitating collection of government's revenue in the financial 2017-2018; we paid and collected & deposited a significant amount of Income Tax, VAT & Duties. All due and applicable taxes were paid, collected and deposited in time. During the year 2017-2018, RSRM contributed to the government exchequer along with utility a sum of about Taka 120.36 Million.

Corporate Social Responsibilities:

The Company is focused not only on the execution of the plant facilities but also on the socio-economic infrastructure needs of an industrial enterprise of this scale. The Company is committed to addressing the developmental needs and aspiration of the communities in the areas of safety, education and skill building of social benefits as practices of Corporate Social Responsibility (CSR) to name a few projects are: "Go Green" (Tree Plantation) with joint collaboration with "Bangladesh Poribesh Forum", Earthquake Campaign to create awareness in more than 300 schools around the country, Building Passenger Shade in Bus Stands and providing Safety Road Sign. Further we have continues participation in education sector by giving scholarships to School and University Student.

Award & Recognition:

RSRM received following award as recognition as details:

1. The ICSB National Award for Corporate Governance 2014 Competition Organized by The Institute of Chartered Secretaries of Bangladesh (ICSB), Our Company has been awarded The Bronze Award in the Engineering Sector.
2. Corporate Awards 2012" to Ratanpur Steel Re-Rolling Mills Limited (RSRM) under Steel Category and ranked Dun & Bradsteel South Asia Middle East Limited (DNBSAME) awarded "D&B Corporate Awards 2012 as the best known brand in the steel category.
3. RSRM has been recognized as the Best Brand of Bangladesh in 2013 by Bangladesh Brand Forum.

Information Technology (IT):

Information Technology (IT) is the main tool for coping up with new technology in the globalized world. We have already one step ahead for the adopting of real time integration in our business. Now we are able to operate and manage our business and to connect our customers faster.

Human Resource Management:

RSRM retain experienced professionals. Experience help to lead an organization like steel mills for produce demanded and supplying to the customers. RSRM arranged a recurring training for employees and other supporting staff on the job off the job.

Code of conduct:

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

Auditor

Present auditor Ahmed Zaker & Co., Chartered Accountants, (A Correspondent members of Morison Ksi, UK.) will retire in 33rd AGM and being not eligible to audit for the year 2018-19 and any eligible Chartered Accountants nominated by shareholders in the 33rd AGM conveyed their willingness to accept for appointment and reappointment.

Reporting and Compliance of Corporate Governance

Status of compliance with the requirements/conditions of Bangladesh Securities and Exchange Commission (BSEC) Notification no.: Notification No. BSEC/CMRRCD/ 2006-158/207/Admin/80, dated 03 June 2018 on corporate governance has been included in the report in Annexure-6.

Subsequent Events

Even after Reporting Date

Recommended Dividend for the year 2017-2018

The Board of Directors of the company in its 360th Meeting held on 28.10.2018 commencing at 4.00 P.M and closing 7.30 P.M recommended dividend for the year ended 30th June 2018 @12% Cash and fixed Record Date 22 November for 33rd AGM.

Economic scenario:

The economy of Bangladesh is a rapidly developing market-based economy. Over the last few years the economy has grown at 6%-7.8% per annum a massive 12% growth in the industrial sector led by construction and small-scale manufacturing efforts is the largest contribution to such economic growth. However, infrastructural weaknesses still remain major challenges for future industrial development. Proper national development is only possible through expansion of industrial capacity and infrastructural support by means of self-sufficiency. Rationing of GAS and Electricity supply to the steel re-rolling mills by the Government were main challenges for us.

Steel as a foundation industry will play a significant role in this journey and therefore it is very important for policy makers and the government to facilitate a robust supply side framework as an enabler for a vibrant steel industry in the country. RSRM is committed to engage in a constructive manner with all stakeholders to evolve such a framework.

Apart from that, the construction sector of Bangladesh has grown at a calculated average growth rate (CAGR) of 12.2% over the last 10 years. This growth is expected to continue in the coming years. The real estate sector has been facing a temporary slowdown of demand due to overall macroeconomic pressure and contraction policy of government. But this situation is now also getting solved. The local manufacturers believe the steel industry should continue to grow above 10% in the next few years, riding on government programs centering its vision for 2021, though government steel consumption has gone down significantly, as planned few very big projects like Padma Multipurpose Bridge and Metro Rail and Many Flyovers, Tunnels (under the karnaphuli river) and concrete casting of roads and highways, Dhaka water supply network, Khulna 800MW LNG based power plant, Sub regional transport facility, flood and river bank erosion risk management and many others projects going and coming up. These projects will increase the demand in near future. Successful implementation of these projects holds a very good potential for top line growth, as steel in particular feature prominently as raw materials of these projects.

Market & Challenges:

Bangladesh Brand Forum has awarded RSRM the "BEST BRAND 2013 in the category of MS Rod" in Bangladesh. The domestic market for MS Deformed Bar is entering in new era of this century for the following reasons:

- Rural demand picking up.
- Investment planned by Government in the transportation sectors, especially construction of flyover, Padma Bridge, Metro Rail etc.
- Construction of power plants.
- Construction of mills and factories.
- Service oriented projects by Government like Dhaka Water Supply Network.

We are committed to meet our promise to customers and customers' satisfaction largely depended on quick delivery. We have taken number of measures for prompt delivery. Mechanized and digitalized systems have been introduced for efficient and quick delivery.

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 Ratanpur Steel Re-Rolling Mills Ltd. fairly present its state of affairs, the result of its operations, cash flows and changes in equity.
b) Proper books of Account of the Company have been maintained.
c) Appropriate accounting policies have been consistently applied in preparation of the financial statements and that the accounting estimates are based on reasonable and prudent judgment.

d) International Accounting Standards (IAS)/ Bangladesh Accounting Standards (BAS)/ 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.
e) The system of internal control is sound 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 accounts have been prepared on going concern basis.
g) The significant deviations from last year in the operation results of the company have been highlighted in the report and reasons thereof have been explained.
h) The key operating and financial data for the last five years is disclosed in Annexure-4.
i) The pattern of shareholding is disclosed in Annexure-5.
j) A compliance status report with requirements of corporate governance as required by BSEC has been disclosed in Regulatory Compliance Report segment.
k) Directors' profile and their directorship and business interest in other organizations have been disclosed in Board of Directors segment.
l) There was no declaration of bonus share or stock dividend as interim dividend

Gratitude:

We express our sincere thanks and appreciation to all honorable shareholders, our customers, Bangladesh Securities and Exchange Commission, Dhaka Stock Exchange Limited, Chittagong Stock Exchange Limited, National Board of Revenue, RJSC, various government authorities, trade bodies and all bankers and financial institution for their support, co-operation and guidance in our business endeavor. In this occasion we also want express our heartiest congratulations to all our staffs and management members whose perseverance and professionalism, hard works contribute to maintain our strong competitive position.

On behalf of the Board

Shamsun Nahar Rahman
Chairperson

পরিচালকবৃন্দের প্রতিবেদন

প্রিয় শেয়ারহোল্ডারবৃন্দ,
কোম্পানির পরিচালকমন্ডলী ও আমার পক্ষ হতে আপনাদের সকলকে রতনপুর স্টীল রি-রোলিং মিলস্ লিঃ এর ৩৩তম বার্ষিক সাধারণ সভায় স্বাগত জানাই। 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।

২০১৭-২০১৮ সালের কার্যক্রম 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 উনড়বয়ন 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 উনড়বয়নের ফলে বাংলাদেশের নির্মাণ খাত এক সোনালি সময় পার করছে।

পূর্বের তুলনায় ইস্পাত শিল্পের অভ্যন্তরীন বাজার দ্রুত ও ব্যাপকভাবে পরিবর্তিত হচ্ছে। এই চ্যালেঞ্জ মোকাবেলার জন্য আমরা আমাদের মূলনীতি তথা অর্থবহ ব্যবসায়িক বিকাশকে বিশেষ গুরত্ব আরোপ করছি। সাম্প্রতিকালে কিছু নতুন প্রতিযোগী বাজারে প্রবেশ করেছেন, একই সাথে ভোক্তারা পণ্যের মান সম্পর্কে অনেক বেশী সচেতন। এই সব প্রেক্ষপটে আমরা সর্বদা ইতিবাচক। এছাড়া নগরায়ণ ও মানুষের শহরমুখী হবার প্রবণতার ফলে বহুতল দালান, রাস্তা-ঘাট, ব্রীজ, উড়াল সড়ক, মেট্রোরেল ইত্যাদির চাহিদা বাড়ছে। ফলে এসব ভৌত অবকাঠামো নির্মাণের জন্য মান সম্মত ইস্পাতের চাহিদা বাড়ছে, কারণ মানুষ এখন স্বাস্থ্য, নিরাপত্তা ও পরিবেশ নিয়ে অনেক বেশী সচেতন। আপনাদের সদয় অবগতির জন্য জানাচ্ছি যে, আপনাদের কোম্পানিতে ৭৩% উৎপাদন ক্ষমতা ব্যবহারের মাধ্যমে বাজার চাহিদা পূরণ করার চেষ্টা করছে।

উৎপাদন পর্যালোচনা

বিবরণ	২০১৮	২০১৭	২০১৬
উৎপাদন মতা (মে.টন)	১৮৭,২০০	১৮৭,২০০	১৮৭,২০০
উৎপাদন (মে.টন)	১৪২,৩৯৪	১৩৬,৬৬৪	১০৬,৮৩১
উৎপাদন মতার ব্যবহার (%)	৭৬.০৭%	৭৩.০০%	৫৭.০৭%
বিক্রয় (মে.টন)	১৩৮,৮০০	১৩৯,৩৮০	১০৫,১৫০

আর্থিক পর্যালোচনা

পরিমান টাকায়

বিবরণ	২০১৮	২০১৭	২০১৬
বিক্রয়	৭,৬৫৯,৬৭৮,৬৩১	৭,৪৮৮,৬৯৫,৭৫২	৫,৩৭৭,৪১১,৭৯৬
মোট মুনাফা	১,২৭৬,৯৯১,৪৫৩	১,২৫৭,৩৬৫,২৮৭	৬৫০,৫৪৩,১৯২
সুদ, আয়কর ও শ্রমিক তহবিল অনুদান পূর্ব লাভ	১,১৭৯,৮৮১,৮৯১	১,১৭৭,৭৩২,৫৩৭	৫৮৬,০৩৭,৩৪১
বাদ, সুদ ও শ্রমিক তহবিলের অনুদান	২৩১,১৮৭,২৭৯	২৩৭,৯৭৯,০৮০	২১৪,৪২৯,৩২৪
বাদঃ আয়কর	২৩৫,২৩৪,৬৪০	২৩১,৮৯৫,৫৯১	১০০,৩৮১,৫৮৭
নীট মুনাফা	৭১৩,৪৫৯,৯৭২	৭০৭,৮৫৭,৮৬০	২৭১,২২৬,৪৩১

বিগত তিন বছরের তুলনামূলক চিত্র Annexure-4 এ বর্ণিত আছে।

বিক্রিত পণ্যের খরচ, মোট মুনাফা এবং নিট মুনাফা মারজিন
পরিচালনা পর্ষদ পর্যাযক্রমে বিক্রিত পণ্যের খরচ, মোট মুনাফা এবং নিট মুনাফা মারজিন এর বৃদ্ধি/ হ্রাসের উপর আলোচনা করছে এবং যেমন প্রয়োজন তাৎক্ষণিক ভাবে তার প্রয়োজনীয়. পদক্ষেপ নিচ্ছে। এর বিস্তারিত প্রতিবেদন Annexure-1 এ অন্তর্ভুক্ত করা হয়েছে।

সহায়ক কোম্পানির কার্যাবলি:
কোম্পানিটি অন্য কোন কোম্পানির সহায়ক হিসেবে নিযুক্ত নয়। (Legal form)

সহযোগী কোম্পানির কার্যাবলি:
কোম্পানিটি অন্য কোন কোম্পানির সহযোগী হিসেবে নিযুক্ত নয়। (Legal form)

পণ্য ভিত্তিক পর্যালোচনা:
কোম্পানি বিভিন্ন মাপের পন্য এক জায়গায় উৎপাদ করে। এর বাইরে আমাদের কোন পরিচালনা ভিত্তিক বিভাগ নাই।

পণ্য অনুযায়ী কার্যক্রমের বিবরণ নিম্নরূপ:

বিক্রয়ঃ	২০১৮ (মেঃ টঃ)	২০১৭ (মেঃ টঃ)
এম এস রড	১৩১,৫৭০	১২৮,৭৯৬
মিসরোল ও অন্যান্য	৭,২৩০	১০,৫৮৪
	১৩৮,৮০০	১৩৯,৩৮০
উৎপাদন এম এস রড, মিসরোল ও অন্যান্য	১৪২,৩৯৪	১৩৬,৬৬৪

ঝুঁকি ও উদ্বেগ:
ঝুঁকি মূল্যায়ন ও প্রশমন কার্যক্রম যেকোনো ব্যবসার অবিচ্ছেদ্য অংশ। মুনাফা বৃদ্ধি আর টেকসই প্রবৃদ্ধি অর্জনের লক্ষ্যেআমাদের পরিচালনা পর্ষদ নিয়মিত ঝুঁকি ও হুমকির সম্ভাবনা নির্ণয়, পর্যবেক্ষণ ও মূল্যায়ন করে থাকেন। নতুন সময়ের দাবিঅনুযায়ী শক্তিশালী ব্যবস্থাপনা কাঠামো, তথ্য ব্যবস্থাপনা আর বাজার, অর্থনৈতিক পরিস্থিতি ও নতুন পলিসির নিয়মিতবিশ্লেষণের মাধ্যমে আমাদের ঝুঁকি ব্যবস্থাপনার সক্ষমতা নিশ্চিত করা হয়।

ঝুঁকি ব্যবস্থাপনা ও নিয়ন্ত্রণ:
গুরুত্বপূর্ণ ঝুকি বিষয়ক বিবরন এবং ঝুকি নিয়ন্ত্রন করার উপায় কোম্পানি গ্রহন করেছে-এর একটি সারাংশ Annexure-2 তে অন্তর্ভুক্ত করা হয়েছে।

সিইও ও সিএফও কর্তৃক প্রত্যয়ন:
প্রধান নির্বাহী কমর্ক র্তা ও প্রধান অর্থ কর্মকর্তা দ্বারা পরিচালনা পর্ষদকে প্রদত্ত ৩(৩) শর্ত অনুযায়ী প্রয়োজনীয় ঘোষণা বা প্রত্যয়ন অ্যানেক্সর-এ তে সংযুক্ত করা হলো।

ক্রেডিট রেটিংঃ
এমারজিং ক্রেডিট রেটিং লিঃ (ECRL) কর্তৃক মূল্যায়ন নিচে দেয়া হলোঃ

দীর্ঘমেয়াদী	স্বল্পমেয়াদী
A-	ST-2

"A-" বলতে বোঝায় উচ্চমান, সর্বোচ্চ নিরাপত্তা, উচ্চমানের ঋণ দেয়ার ব্যাপারে কোন বড় ধরনের ঝুকি নাই। ঁঝঞ-২চ দিয়ে বুঝায় যে, সময়মত ঋণ পরিশোধের সর্বোচ্চ নিরাপত্তা, পর্যাপ্ত তারল্য প্রবাহ ও কম ঋন ঝুঁকি।

পরিচালক মন্ডলীঃ

ক. পরিচালক পর্ষদের আকার।

৩০ জুন ২০১৮ সালে পর্ষদের সদস্য সংখ্যা ছিলো ৮ জন, যার মধ্যে একজন চেয়ারম্যান, একজন ব্যবস্থাপনা পরিচালক, চারজন পরিচালক এবং দুইজন ইনডিপেন্ডেট পরিচালক।

খ. পর্ষদ সভা ও উপস্থিতি:

আলোচ্য বছরে ৬ টি পর্ষদসভা হয়েছিল যাতে অংশগ্রহন ছিল নিম্নরূপ:

পরিচালকবৃন্দের নাম	পদবী	অনুষ্ঠিত মোট সভার সংখ্যা	সভায় উপস্থিতির সংখ্যা
জনাবা শামসুন নাহার রহমান	চেয়ারনম্যান	৬	৬
জনাব মো: মাকছুদুর রহমান	ব্যবস্থাপনা পরিচালক	৬	৬
জনাব মো: ইউনুস ভুঁইয়া	পরিচালক	৬	৪
জনাব মো: মিজানুর রহমান	পরিচালক	৬	৬
জনাব মারজানুর রহমান	পরিচালক	৬	৬
জনাব কাজী সানাউল হক	পরিচালক	৬	৪
জনাব ডঃ জামালউদ্দিন আহমেদ	ইনডিপেন্ডেট পরিচালক	৬	৬
জনাব মেজর জেনারেল মোহাম্মদ আসাব উদ্দিন এনডিসি, পিএসসি (অবসর)	ইনডিপেন্ডেট পরিচালক	৬	৩

পরিচালক পুনঃনিয়োগের বিস্তারিত বিবরণ:
কোম্পানী আর্টিকেল এসোসিয়েশন অনুযায়ী পর্যায়ক্রমিক ভাবে মোট পরিচালক সংখ্যার এক-তৃতীয়াংশ হিসাবে জনাব মিজানুর রহমান ও জনাব মারজানুর রহমান পরিচালকদ্বয় ৩৩তম বার্ষিক সাধারন সভায় সমাপ্তি হতে অবসর নিবেন। পূনঃনিয়োগের যোগ্য বিধায় পূনরায় নির্বাচিত হতে আগ্রহ প্রকাশ করেছেন।

কোম্পানি আইন ১৯৯৪ এর অনুচ্ছেদ ১১০ অনুসারে জনাব মাকসুদুর রহমান ব্যবস্থাপনা পরিচালক পদ থেকে পদত্যাগ করেন এবং যোগ্যতার ভিত্তিতে পুঃনিয়োগের জন্য নিজেকে মনোনীত করবেন এবং পরিচালনা পর্ষদ জনাব মাকসুদুর রহমানকে ব্যবস্থাপনা পরিচালক হিসেবে পুঃনিয়োগের জন্য সুপারিশ করেন যা ১৪ নভেম্বর ২০১৭ থেকে কার্যকর হবে ।

পরিচালনা পর্ষদ, জনাব কাজী সানাউল হক (যিনি ইনভেস্টমেন্ট কর্পোরেশন অব বাংলাদেশ (আইসিবি) এর দ্বারা মনোনীত) কে কর্পোরেট ডিরেক্টর হিসেবে নিয়োগের জন্য ৩৩তম এজিএম এ সুপারিশকরা হল। যা ৩ ডিসেম্বর ২০১৭ থেকে কার্যকর হবে।

পরিচালনা পর্ষদ, জনাব মেজর জেনারেল মোহাম্মাদ আসহাব উদ্দিন,এনডিসি,পিএসসি(রিঃ)কে ইন্ডিপেন্ডেন্ট ডিরেক্টর হিসেবে নিয়োগের জন্য ৩৩তম এজিএম এ সুপারিশ করেছে। যা ৩রা জানুয়ারি ২০১৮ থেকে কার্যকর হবে।

আভ্যন্তরীণ নিয়ন্ত্রণ ব্যবস্থা ঃ
পরিচালনা পর্ষদ গ্রুপের একটি কার্যকর আভ্যন্তরীণ নিয়ন্ত্রণ ব্যবস্থা নিশ্চিত করে যা কোম্পানির সম্পত্তির সুরক্ষা দেয় এবংধাঁকাবাজি, 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 উপাত্তসংগ্রহে আমরা ইতোমধ্যে সর্বাধুনিক এন্টারপ্রাইজ রিসোর্স প্ল্যানিং (ইআরপি) চালু করেছি। আভ্যন্তরীণ নিয়ন্ত্রণ ও স্বচ্ছতানিশ্চিত করার লক্ষ্যে কোম্পানি একটি আলাদা আভ্যন্তরীণ অডিট বিভাগ সৃষ্টি করেছে। অডিট কমিটি নিয়মিতভাবেআভ্যন্তরীণ অডিট বিভাগের প্রতিবেদন বিশ্লেষণ করে এবং সংশোধনমূলক ব্যবস্থা গ্রহণ করে।

ব্যবসায় Extra-Ordinary লাভ বা লোকসান ঃ
২০১৪ সালে কোম্পানীর ব্যবসায় Extra-Ordinary কোন লাভ বা লোকসান ছিল না।

Related Party এর সাথে লেনদেন ঃ
Bangladesh Accounting Standard (BAS) অনুয়ায়ী নিরীক্ষিত হিসাব বিবরনী নোট ৩০, Related Party এর সাথে লেনদেন সম্পর্কে বিস্তারিত অলোচনা করা হয়েছে।

প্রাথমিক গণ প্রস্তাব (IPO)- এর অর্থের ব্যবহার এবং প্রাথমিক গণপ্রস্তাব-এর পরবর্তি ফলাফল ঃ
কোম্পনীর গণপ্রস্তাবের মাধ্যমে ২৫,০০০,০০০ শেয়ার প্রতিটি টাঃ ১০.০০ ও প্রিমিয়াম টাঃ ৩০.০০ সহ প্রতিটি শেয়ার টাঃ ৪০.০০ দরের মোট টাঃ ১,০০০,০০০,০০০ সংগৃহিত করে তৎমধ্যেটাঃ ২২৭,৭৫০,২৩১ কার্যকারী মূলধন, টাঃ ৭৫০,০০০,০০০ ঋণ পরিশোধ এবং গনপ্রস্তাবের খরচ বাবদ ২২,২৪৯,৭৬৯ ব্যবহৃত করেছে। ঋণ পরিশোধ মাধ্যমে ও কার্যকারী মূলধন ব্যবহার করিয়া কোম্পানী বিক্রয় ও নীট মুনাফা বৃদ্ধি হয়েছে ২০১৪-১৫ অর্থ বছরে।

ত্রৈমাসিক ও বার্ষিক ফলাফলের ব্যবধান ঃ
কোম্পনীর ত্রৈমাসিক ও বার্ষিক ফলাফলের মধ্যে ব্যবধান পরিলক্ষিত হয়নি। ২০১৭-১৮ অর্থবছরে কোম্পানীর উৎপাদন এবং আর্থিক কার্যক্রম সন্তোষজনক ছিল।

Independent Director সহ পরিচালকদের সম্মানী ভাতা ঃ
পরিচালক পর্ষদের সিদ্ধান্ত মোতাবেক কোম্পানীর পরিচালকবৃন্দ কোম্পানী হতে নিয়মিত ভাতা ও সম্মানী পেয়ে থাকেন যা এই প্রতিবেদনের সাথে এর এবং নিরীক্ষিত হিসাব বিবরনীর নোট ২৭ এ দেয়া আছে।

লভ্যাংশ ঃ
পরিচালকমন্ডলী ৩০শে জুন ২০১৮ এ সমাপ্ত বছরের জন্য ১২% নগদ লভ্যাংশ প্রদানের সুপারিশ করেছে। ৩৩তমবার্ষিক সাধারন সভায় শেয়ারহোল্ডারগন কর্তৃক অনুমোদন সাপেক্ষে কোম্পানীর জন্য নির্ধারিত রেকর্ড তারিখে থাকা শেয়ারহোল্ডারগনের মধ্যে এই লভ্যাংশ বিতরন করা হবে।

রাষ্ট্রীয় কোষাগারে অবদান ঃ
সরকারী রাজস্ব আহরনে আরএসআরএম প্রত্যক্ষ-পরোক্ষভাবে সহযোগিতা ও অবদান রেখে যাচ্ছে। কোম্পানী ২০১৭ সালে প্রযোজ্য সব ধরনের আয়কর, মূসক ও শুল্ক আদায় এবং প্রদান করেছে। ২০১৭-২০১৮অর্থ বছরে আরএসআরএম রাষ্ট্রীয় কোষাগারে প্রত্যক্ষ-পরোক্ষভাবে টাকা প্রায় ১২০.৩৬ মিলিয়ন রাজস্ব প্রদান করেছে।

সামাজিক দায়বদ্ধতা এবং কার্যক্রম ঃ
কোম্পানি শুধু উৎপাদন ও বিক্রয় বা ব্যবসায়িক উন্নতির উপর মনোনিবেশ করে না, পাশাপাশি আর্থ সামাজিক অবকাঠামোর উন্নতির প্রতিও দৃষ্টি রাখে। কোম্পানি নিরাপত্তা, শিক্ষা, দক্ষতা বৃদ্ধি ইত্যাদি সামাজিক বিষয়ের প্রতি লক্ষ্য রাখে। উক্ত বিষয়ে আমাদের কিছু প্রকল্প যথাঃ বাংলাদেশ পরিবেশ ফোরামের সাথে যৌথভাবে গাছ লাগানো "সবুজায়ন", সারাদেশে তিনশত প্রাইমারী স্কুলের শিক্ষার্থীদের ভূমিকম্পের সম্পর্কে সর্তকীকরণ শিক্ষা প্রদান করা, যাত্রী ছাউনী নির্মাণ, রাস্তা নিদের্শক এবং বিশ্ববিদ্যালয় ছাত্র/ছাত্রীদের শিক্ষাবৃত্তি প্রদান করা ইত্যাদি।

অর্জন ও স্বীকৃতি ঃ
১. Institute of Chartered Secrataries of Banglafdesh কর্তৃক Corporate Governance Compliance এর উপর ভিত্তি কওে ইঞ্জিনিয়ারিং সেক্টরে প্রধানকৃত বোঞ্জ পুরষ্কার অর্জন।
২. ২০১৩ সালে বাংলাদেশ ব্রান্ড ফোরাম হইতে সর্বোচ্চ পুরস্কার অর্জন।
৩. ২০১২ সালে ডি এন্ড বি কর্পোরেট পুরস্কার অর্জন।
ইহা আমাদেও কোম্পানীর জন্য অত্যন্ত সম্মানজনক।

তথ্য প্রযুক্তি ঃ
তথ্য প্রযুক্তি মূলমন্ত্র এই আধুনিক বিশ্ববাজারে। এই দিক থেকে আমরা একধাপ এগিয়ে তথ্য প্রযুক্তি ব্যবহারে। যার ফলে খুব সহজেই ব্যবসাকার্য পরিচালনা ও গ্রাহক সেবা দ্রুত করা সম্ভব।

মানবসম্পদ ব্যবস্থাপনা ঃ
আরএসআরএম সর্বদা অভিজ্ঞ ও পেশাদার লোকবল নিয়েই আছে। অভিজ্ঞ লোকবল দ্বারাই কেবল গুণগত মানসম্পন্ন পণ্য উত্পাদনরে মাধ্যমে গ্রাহকের চাহিদা অনুযায়ী সরবরাহ করে প্রতিষ্ঠানকে নেতৃত্বের পর্যায়ে নিয়ে যাওয়া সম্ভব। কর্মীবাহিনীর দক্ষতা বৃদ্ধির জন্য আমরা প্রয়োজনীয় প্রশিক্ষণ কার্যক্রম সর্বদাই পরিচালনা করে থাকি।

কোড অফ কন্ডাক্ট ঃ
পরিচালকমন্ডলী তাদের জন্য একটি Code of Conduct চালু করেছেন যা প্রতিটি পরিচালক কর্তৃক স্বাক্ষরিত।

নিরীক্ষক ঃ
বর্তমান বিধিবদ্ধ নিরীক্ষক আহমেদ জাকের এন্ড কোং চার্টার্ড একাউন্ট্যান্টস (A Correspondent member firm of Morison Ksi, UK) ৩৩ তম সাধারন সভায় অবসর গ্রহন করবে এবং নিয়ম অনুযায়ী তিনি আগামী বছরের জন্য নিরীক্ষাকার্য সম্পাদনের যোগ্য

বলে বিবেচিত হবেন না। আইনগতভাবে নতুন নিরীক্ষক হিসাবে যোগ্য চার্টার্ড একাউন্ট্যান্টস ফার্মকে শেয়ার হাল্ডারগনের মতামতের মাধ্যমে নিয়োগের জন্য অনুমোদন হইবে।

প্রতিবেদন ও কর্পোরেট গভর্ন্যান্স-এ রিপোর্ট করা এবং অনুসরণ করা:
বাংলাদেশ সিকিউরিটিজ অ্যান্ড এক্সচেঞ্জ কমিশনের ৩ জুন ২০১৮ কর্পোরেট গভর্ন্যান্স-এর ওপর জারিকৃত নোটিশবিএসইসি/সিএমআরআরসিডি/২০০৬-১৫৮/২০৭/অ্যাডমিন/৮০ এর নির্দেশনা অনুযায়ী কমপ্লায়েন্সের পরিস্থিতি এই প্রতিবেদনের অ্যানেক্সর-সি তে বর্ণিত।

স্থিতিপত্রের তারিখ পরবর্তী ঘটনাঃ
প্রস্তাবতি ডিভিডিন্ড ২০১৭-১৮অর্থবছরের জন্য পরচিালক পর্ষদ৩৬০তম র্বোড সভায. ১২% নগদ লভ্যাংশ প্রদানের সুপারিশ করেছেযাহা ৩৩তমবার্ষিক সাধারন সভায় শেয়ারহোল্ডারগন কর্তৃক অনুমোদন সাপেক্ষে কোম্পানীর জন্য নির্ধারিত রেকর্ড তারিখে থাকা শেয়ারহোল্ডারগনের মধ্যে এই লভ্যাংশ বিতরন করা হবে।

অর্থনৈতিক চিত্রঃ
বাংলাদেশের বর্ধনশীল অর্থনৈতিক অবস্থা অনেকাংশে বাজার ব্যবস্থার উপর নির্ভরশীল। গত কয়েক বৎসর ধরে অর্থনৈতিক প্রবৃদ্ধি ৬% হতে ৭.৮% পর্যন্ত হচ্ছে। কিন্তু পাশাপাশি শিল্পক্ষেত্রে প্রবৃদ্ধি হয়েছে ১২%, এ অর্জন সম্ভব হয়েছে আবাসন শিল্প ও ছোট আকারের শিল্প কারখানা নির্মাণ কাজের উপর নির্ভর করে। এই ধারা ভবিষ্যতের জন্য উজ্জ্বল। যাহোক অবকাঠামোগত দূর্বলতা এখনও রয়ে গেছে। যথোপযুক্ত জাতীয় উন্নয়ন তখনই সম্ভব যখন নিজস্ব উৎপাদন ক্ষমতা ও অবকাঠামোগত সহায়তা উপস্থিত থাকে। নিরবিচ্ছিন্ন গ্যাস ও বিদ্যুৎ সরবরাহই স্টীল শিল্পের জন্য বড় চ্যালেঞ্জ।

যেকোন দেশের উন্নয়নের জন্য স্টিল শিল্প গুরুত্বপূর্ণভূমিকা রাখে। নীতি নির্ধারকদের অবকাঠামোগত উন্নয়নের নীতি নির্ধারণের মাধ্যমে এই শিল্প বিস্ময়কর ভূমিকা রাখতে পারে। আরএসআরএম এই কাঠামোগত উন্নয়নে ভূমিকা রাখার জন্য বদ্ধ পরিকর।

এছাড়াও আমরা দেখেছি গত দশ বৎসর যাবত বাংলাদেশে নির্মান শিল্পে প্রবৃদ্ধি হয়েছে গড়ে ১২.২%। আশা করি আগামীতেও এধারা অব্যাহত থাকবে। সামষ্টিক অর্থনীতির চাপের কারণে আবাসন শিল্পে ধীরগতি রূপ নেয়। যার ফলে স্টিল শিল্পেরও ধীরগতি হয়। যদিও এই অবস্থার সমাধান হচ্ছে। বর্তমান সরকারের ২০২১ ভিশনের উপর নির্ভর করে দেশীয় স্টিল প্রস্তুতকারকগণ বিশ্বাস করেন আগামীতে১০% এর উপর প্রবৃদ্ধিএই শিল্পে চলমান থাকবে। যদিও সরকারিভাবে স্টিলের ব্যবহার বিশেষভাবে কমেছে। তথাপি সরকার বেশকিছু বড় আকারের প্রকল্প হাতে নিচ্ছে যেমন: বহুমুখী পদ্মাসেতু, মেট্রো রেলপথ, ফ্লাইওভার, কর্ণফুলী নদীর তলদেশে ট্যানেল নির্মান, কংক্রিট কাষ্টিং সড়ক ও মহাসড়ক এই ধরনের বড় আকারের প্রকল্পসমূহ অদূর ভবিষ্যতে স্টিলের চাহিদা বৃদ্ধি করবে। উক্ত প্রকল্প সমূহে স্টিলের সর্বোচ্চ চাহিদার সাথে সাথে ব্যবহার নিশ্চিত হবে নির্মান কাজের প্রধান উপাত্ত হিসাবে।

বাজার ও চ্যালেঞ্জঃ
বাংলাদেশ ব্র্যান্ড ফোরাম RSRM কে Best Rod Brand ২০১৩ পদকে ভূষিত করেছে।
বাংলাদেশ ইস্পাতের ব্যাপক সম্ভাবনা রয়েছে। কারণ-

- গ্রামীণ জনপদে উন্নতমানের ইস্পাত নির্মাণ সামগ্রীর চাহিদা বাড়ছে।
- যোগাযোগ ব্যবস্থায় সরকারি বিনিয়োগ বাড়ছে। বিশেষ করে উড়াল সড়ক, পদ্মা সেতু, মেট্রোরেল ইত্যাদি।
- বিদ্যুৎ কেন্দ্র নির্মিত হচ্ছে।
- কল কারখানা নির্মিত হচ্ছে।

গ্রাহকের সন্তুষ্টি বিধানে আমরা প্রতিজ্ঞাবদ্ধ। দ্রুত পণ্য সরবরাহের উপর গ্রাহকের সন্তুষ্টি অনেকাংশে নির্ভর করে। দ্রুত পণ্য সরবরাহ করার জন্য আমরা কিছু পদক্ষেপ গ্রহণ করেছি। যেমন উন্নত প্রযুক্তির মাধ্যমে সরবরাহ ব্যবস্থা নিশ্চিতকরণ।

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

- রতনপুর স্টীল রি-রোলিং মিলস্ লিঃএর 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 বিষয় সমূহ 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।
- কোম্পানীর কার্যক্রম ফলাফলের ক্ষেত্রে গত বছরের তুলনায় চলতি বছরে যেসব ব্যত্যয় রয়েছে সেগুলো বর্ণনা করা হয়েছে এবং তার কারণ ব্যাখ্যা করা হয়েছে।
- কার্যক্রম ও আর্থিক বিষয়ে পাঁচ বৎসরের উপাত্ত সংযোজন করা হয়েছে। (Annexure-৪ এ বিস্তারিত)
- কোম্পানীর শেয়ার ধরন সংক্রান্ত একটি প্রতিবেদন Annexure-৫ এ বর্ণনা করা হয়েছে।
- বাংলাদেশ সিকিউরিটিজ এন্ড এক্সচেঞ্জ কমিশনের কর্পোরেট সুশাসন সংক্রান্ত শর্তের প্রতিপালন বিবরণ সংযুক্তি করা হয়েছে।
- পরিচালনা পর্ষদের বৃত্তান্ত ও ব্যবসায়িক স্বার্থ এবং অন্যান্য প্রতিষ্ঠানের সাথে জড়িত থাকার তথ্য পরিচালক মন্ডলীর অংশে বিবৃত করা হয়েছে।
- অন্তঃবর্তীকালীন ডিভিডেন্ড হিসেবে কোনো বোনাস শেয়ার বা স্টক ডিভিডেন্ড-এর ঘোষণা দেওয়া হয়নি।

কৃতজ্ঞতা স্বীকার ঃ

আমরা সম্মানীত শেয়ারহোল্ডারবৃন্দ, আমাদের গ্রাহকগন, বাংলাদেশ সিকিউরিটিজ এন্ড এক্সচেঞ্জ কমিশন, ঢাকা স্টক এক্সচেঞ্জ লিমিটেড, চট্রগ্রাম স্টক এক্সচেঞ্জ লিমিটেড, জাতীয় রাজস্ব বোর্ড, RJSC, বিভিন্ন সরকারী প্রতিষ্ঠান, বানিজ্যিক সংস্থাসমূহ এবং ব্যাংক ও আর্থিক প্রতিষ্ঠান সমূহকে তাদের সমর্থন, সহযোগিতা ও পরামর্শের জন্য আন্তরিকভাবে ধন্যবাদ ও কৃতজ্ঞতা জানাচ্ছি। কর্মকর্তা ও কর্মচারীবৃন্দকে আন্তরকি ধন্যবাদ জানাই। তাদের পেশাদারিত্ত ও পরিশ্রমের জন্য এই অর্জন সম্ভব হয়েছে। সবাইকে অভিবাদন জানাই।

পরিচালকমন্ডলীর পক্ষে-

শামসুন নাহার রহমান
চেয়ারম্যান

Annexure – A
[As per condition No. 1(5)(xxvi)

Ratanpur Steel Re-Rolling Mills Ltd

Declaration by Managing Director or CEO & CFO on Financial Statements

Date: 28.10.2018

The Board of Directors
Ratanpur Steel Re-Rolling Mills Limited
Nahar Mansion, 116, CDA Avenue
Muradpur Chittagong

Subject: Declaration on Financial Statements for the year ended 30th June 2018 of Ratanpur Steel Re-Rolling Mills Limited

Pursuant to the condition No 1(5)(xxvi) imposed vide the Commission's Notifications No .BSEC/CMRRCD/ 2006-158/207/Admin/80, dated 03 June 2018 of the Bangladesh Securities and Exchange Commission Ordinance, 1969, we do hereby declare that:

1) The Financial Statements of Ratanpur Steel Re-Rolling Mills Limited for the year ended on 30th June 2018 have been prepared in compliance with International Accounting Standards (IAS) or International Financial Reporting Standards (IFRS), as applicable in the Bangladesh and any departure there from has been adequately disclosed;
2) The estimated and judgements 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 above, the Company has taken proper and adequate care in installing a system of internal control and maintenance of accounting records;
5) Our internal auditors have conducted periodic audits to provide reasonable assurance that the established policies and procedures of the company were consistently followed; and
6) The management's use of the going concern basis of accounting in preparing the financial statements is appropriate and there exists no material uncertainty related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern.

In this regards, we also certify that:-

(i) We have reviewed financial statements for the year ended 30th June, 2018 and 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 a 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

Maksudur Rahman
Managing Director

Mrinal Kanti Mondal
Chief Financial Officer

SHAHA & COMPANY
CHARTERED ACCOUNTANTS

PARTNERS :
H. S. Dhar, F.C.A
H. L. Barua, F.C.A, F.C.S.
Suranjit Dhar, FCA, FCCA, CGA

CHITTAGONG OFFICE:
"Ahmed Arcade" (2nd Floor)
42, Shahid Sohorowardee Road,
Kotwali, Chittagong.
Phone : 613789, 615854

DHAKA OFFICE :
67/9 Eastern Mansion
Suit # 5/7 (5th Floor)
Pioneer Road, Kakrial
Dhaka.
Phone : 9350148

Ref. :----------

Date :----------

Annexure – B

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

Certificate on Compliance with Conditions of Corporate Governance Code

Report tothe Shareholders of Ratanpur Steel Re-Rolling Mills Limited On Compliance onthe Corporate Governance Code

We have examined the compliance status to the Corporate Governance Code by RATANPUR STEEL RE-ROLLING MILLS LIMITED for the year ended on 30 June 2018. This Code relates to the Notification No. BSEC/CMRRCD/2006-158/207/Admin/80, dated 03 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 inensuring 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 adoptedby Institute of Chartered Secretaries of Bangladesh (ICSB) in so far asthose 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 Instituteof Chartered Secretaries of Bangladesh (ICSB) as required by this Code;

(c) Proper books and records have been kept by the company asrequired under the Companies Act, 1994, the securities laws andother relevant laws;and

(d) The Governance of the company is satisfactory.

Hari Sadhan Dhar FCA
Partner
SHAHA & COMPANY
Chartered Accountants

Chittagong
Dated: October 28, 2018

ANNEXURE – C

[As per condition No. 1 (5) (XXVii)]

COMPLIANCE REPORT ON CORPORATE GOVERNANCE CODE

Status of compliance with the conditions imposed by the Commission's Notification No. BSEC/CMRRC-D/2006-158/207/Admin/80, dated 3 June2018 issued under section 2CC of the Securities and Exchange Ordinance, 1969:

(Report Under Condition No-9)

Condition No.	Title	Compliance Status (Put √ in the appropriate column)		Remarks (if any)
		Complied	Not complied	
1	**BOARD OF DIRECTORS:**			
1(1)	**Size of the Board of Directors** The total number of members of a company's Board of Directors (hereinafter referred to as "Board" shall not be less than 5 (five) and more than 20 (twenty).	√		
1(2)	**Independent Directors** All companies shall have effective representation of independent directors on their Boards, so that the board, as a group, includes core competencies considered relevant in the context of each company; for this purpose, the companies shall comply with the following:-			
1(2)(a)	At least one fifth (1/5) of the total number of directors in the company's board shall be independent directors; any fraction shall be considered to the next integer or whole number for calculating number of independent director (s).	√		
1(2) (b)	**For the purpose of this clause "Independent Director" 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/associated companies.	√		

Condition No.	Title	Compliance Status (Put √ in the appropriate column)		Remarks (if any)
		Complied	Not complied	
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 engaged in internal audit services or audit firm conducting special audit or professional certifying compliance of this Code;	√		
1(2) (b)(viii)	Who is not 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); and	√		
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 and approved by the shareholders in the Annual General Meeting (AGM);	√		
1(2) (d)	The post of independent director(s) cannot 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) term 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 requirements and corporate laws and can make meaningful contribution to the 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 Tk. 100.00 million or of a listed company; or	-	-	N/A

Condition No.	Title	Compliance Status (Put √ in the appropriate column)		Remarks (if any)
		Complied	Not complied	
1(3) (b)(iii)	Former official of government are 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 & 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 or experiences 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;	√		
1(4) (c)	The Chairperson of the board shall be elected from among the non executive directors of the company;	√		
1(4) (d)	The Board shall clearly define respective roles and responsibilities of the Chairperson and the Managing Director and/or Chief Executive Officer;	√		
1(4) (e)	In the absence of the Chairperson of the Board, the remaining members may elect one of themselves from non-executive directors as Chairperson for that particular Board's meeting; the reason of absence of the regular Chairperson shall be duly recorded in the minutes.	√		
1(5)	**The Directors' Report to Shareholders** The Board of the company shall include the following additional statements or disclosures in the Directors' Report prepared under section 184 of the Companies Act, 1994 (Act No. XVIII of 1994):-			
1(5) (i)	Industry outlook and possible future developments in the industry;	√		
1(5) (ii)	Segment-wise or product-wise performance;	√		
1(5) (iii)	Risk and concerns including internal and external risk factors, threat to sustainability and negative impact on environment, if any;	√		

Condition No.	Title	Compliance Status (Put √ in the appropriate column)		Remarks (if any)
		Complied	Not complied	
1 (5) (iv)	A discussion on Cost of Goods sold, Gross Profit Margin and Net Profit Margin, where applicable;	√		
1(5) (v)	Discussion on continuity of any Extra-Ordinary activities and their implications (gain or loss);	-	-	N/A
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 others 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 of any significant variance occurs between Quarterly Financial performance and Annual Financial Statements;	-	-	N/A
1(5) (x)	A statement of Remuneration paid to the directors including independent directors;	√		
1(5) (xi)	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)	Proper books of account of the issuer company have been maintained;	√		
1(5) (xiii)	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)	International Accounting Standards (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;	√		
1(5) (xv)	The system of internal control is sound in design and has been effectively implemented and monitored;	√		
1(5) (xvi)	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)	There are no significant doubts upon the company's ability to continue as a going concern;	√		
1(5) (xviii)	Significant deviations from the last year's operating results of the company shall be highlighted and the reasons thereof should be explained;	√		

Condition No.	Title	Compliance Status (Put √ in the appropriate column)		Remarks (if any)
		Complied	Not complied	
1(5) (xix)	Key operating and financial data of at least preceding 5 (five) years are summarized;	√		
1(5) (xx)	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)	The pattern of shareholding shall be reported to disclose the aggregate number of shares (along with name wise details where stated below) held by:-	-	-	N/A
1(5)(xxiii) (a)	Parent or Subsidiary or Associated Companies and other related parties (name wise details).	-	-	N/A
1(5)(xxiii) (b)	Directors, Chief Executive Officer, Company Secretary, Chief Financial Officer, Head of Internal Audit and their spouses and minor children (name wise details)	√		
1(5)(xxiii)(c)	Executives; and	-	-	N/A
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 or re-appointment of a director the company shall disclose the following information to the shareholders:-**			
1(5)(xxiv) (a)	A brief resume of the directors.	√		
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.	-	-	N/A
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.	√		

Condition No.	Title	Compliance Status (Put √ in the appropriate column)		Remarks (if any)
		Complied	Not complied	
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.	√		
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 and Annexure-C.	√		
1(6)	**Meetings of the Board of Directors** The company shall conduct its Board meetings and record the minutes of the meetings as well as keep required books and records in line with the provisions of the relevant Bangladesh Secretarial Standards (BSS) as adopted by the Institute of Chartered Secretaries of Bangladesh (ICSB) in so far as those standards are not inconsistent with any condition of this Code.	√		
1(7)	**Code of Conduct for the Chairperson, other Board members and Chief Executive Officer**			
1(7) (a)	The Board shall lay down a code of conduct, based on the recommendation of the Nomination and Remuneration Committee (NRC) at condition No. 6, for the Chairperson of the Board, other board members and Chief Executive Officer of the company.	√		
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

Condition No.	Title	Compliance Status (Put √ in the appropriate column)		Remarks (if any)
		Complied	Not complied	
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.	-	-	N/A
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: Provided that the CS, CFO and/or the HIAC shall not attend such part of a meeting of the Board which involves consideration of an agenda item relating to their personal matters.	√		
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.	√		
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.	√		

Condition No.	Title	Compliance Status (Put √ in the appropriate column)		Remarks (if any)
		Complied	Not complied	
3(3) (b)	The MD or CEO and CFO shall also certify that there are, to the best of knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or in violation of the code of conduct for the company's Board or its members.	√		
3(3)(c)	The certification of the MD or CEO and CFO shall be disclosed in the Annual Report.	√		
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	√		
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 sub-committee 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.	√		

Condition No.	Title	Compliance Status (Put √ in the appropriate column)		Remarks (if any)
		Complied	Not complied	
5(2) (f)	The quorum of the Audit Committee meeting shall not constitute without at least 1 (one) independent director.	√		
5(3)	**Chairperson of the Audit Committee**			
5(3) (a)	The Board shall select 1 (one) member of the Audit Committee to be Chairperson of the Audit Committee, who shall be an independent director.	√		
5(3)(b)	In the absence of the Chairperson of the Audit Committee, the remaining members may elect one of themselves as Chairperson for that particular meeting, in that case there shall be no problem of constituting a quorum as required under condition No. 5(4)(b) and the reason of absence of the regular Chairperson shall be duly recorded in the minutes.	√		
5(3) (c)	Chairperson of the Audit Committee shall remain present in the Annual General Meeting (AGM): Provided that in absence of Chairperson of the Audit Committee, any other member from the Audit Committee shall be selected to be present in the annual general meeting (AGM) and reason for absence of the Chairperson of the Audit Committee shall be recorded in the minutes of the 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: Provided that any emergency meeting in addition to regular meeting may be convened at the request of any one of the members of the Committee.	√		
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.	√		

Condition No.	Title	Compliance Status (Put √ in the appropriate column)		Remarks (if any)
		Complied	Not complied	
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.	√		
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: Provided that the management shall disclose to the Audit Committee about the uses or applications of the proceeds by major category (capital expenditure, sales and marketing expenses, working capital, etc.), on a quarterly basis, as a part of their quarterly declaration of financial results: Provided further that on an annual basis, the company shall prepare a statement of the proceeds utilized for the purposes other than those stated in the offer document or prospectus for publication in the Annual Report along with the comments of the Audit Committee.	-	-	N/A
5(6)	**Reporting of the Audit Committee**			
5(6) (a)	**Reporting to the Board of Directors**			
5(6) (a)(i)	The Audit Committee shall report on its activities to the Board.	√		
5(6) (a)(ii)	The Audit Committee shall immediately report to the Board on the following findings, if any:-			
5(6)(a)(ii) (a)	Report on conflicts of interests.	-	-	N/A
5(6) (a)(ii)(b)	Suspected or presumed fraud or irregularity or material defect identified in the internal audit and compliance process or in the financial statements;	-	-	N/A
5(6) (a)(ii)(c)	Suspected infringement of laws, regulatory compliances including securities related laws, rules and regulations.	-	-	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

Condition No.	Title	Compliance Status (Put √ in the appropriate column)		Remarks (if any)
		Complied	Not complied	
5(6)(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 (Put √ in the appropriate column)		Remarks (if any)
		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: Provided that in absence of Chairperson of the NRC, any other member from the NRC shall be selected to be present in the annual general meeting (AGM) for answering the shareholder's queries and reason for absence of the Chairperson of the NRC shall be recorded in the minutes of the AGM.	√		
6(4)	**Meeting of the NRC**			
6(4) (a)	(a)The NRC shall conduct at least one meeting in a financial year.	√		
6(4) (b) (b)	The Chairperson of the NRC may convene any emergency meeting upon request by any member of the NRC.	√		
6(4) (c)	(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)	(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.	√		
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.	√		

Condition No.	Title	Compliance Status (Put √ in the appropriate column)		Remarks (if any)
		Complied	Not complied	
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.	√		
6(5) (b) (vi)	Developing, recommending and reviewing annually the company's human resources and training policies.	√		
6(5) (c)	The company shall disclose the nomination and remuneration policy and the evaluation criteria and activities of NRC during the year at a glance in its annual report.	√		
7	External or Statutory Auditors:-			
7(1)	The issuer company shall not engage its external or statutory auditors to perform the following services of the company, namely:-			
7(1) (i)	Appraisal or valuation services or fairness opinions.	√		
7(1)(ii)	Financial information systems design and implementation.	√		
7(1) (iii)	Book-keeping or other services related to the accounting records or financial statements.	√		
7(1) (iv)	Broker-dealer services	√		
7(1)(v)	Actuarial services	√		
7(1) (vi)	Internal audit services or special audit services.	√		
7(1)(vii)	Any service that the Audit Committee determines.	√		
7(1)(viii)	Audit or certification services on compliance of corporate governance as required under condition No. 9(1).	√		
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.	√	.	

Condition No.	Title	Compliance Status (Put √ in the appropriate column)		Remarks (if any)
		Complied	Not complied	
8(3)	The company shall make available the detailed disclosures on its website as required under the listing regulations of the concerned stock exchange(s).	√	-	
9	**Reporting and Compliance of Corporate Governance:-**			
9(1)	The company shall obtain a certificate from a practicing Professional Accountant or Secretary (Chartered Accountant or Cost and Management Accountant or Chartered Secretary) other than its statutory auditors or audit firm on yearly basis regarding compliance of conditions of Corporate Governance Code of the Commission and shall such certificate shall be disclosed in the Annual Report.	√		
9(2)	The professional who will provide the certificate on compliance of this Corporate Governance Code shall be appointed by the shareholders in the annual general meeting.	√		
9(3)	The directors of the company shall state, in accordance with the Annexure-C attached, in the directors' report whether the company has complied with these conditions or not.	√		

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 hasbeen summarized below:

Preparation of Financial Statements:

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

Accounting Policies and Estimates:

The details of accounting policies & estimates applied for the preparation of Financial Statements are described in note no. 3.00 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. 170 millionand Tk. 5.6 million respectively.

FINANCIAL PERFORMANCE:

Particulars	30-Jun-18	30-Jun-17	30-Jun-16	30-Jun-15	30-Jun-14	30-Jun-13
Operational Results						
Revenue (Net off VAT)	7,659,678,631	7,488,695,752	5,377,411,796	5,503,171,247	4,766,995,506	5,253,806,261
Gross Profit:	1,276,991,453	1,257,365,287	650,543,192	549,442,969	465,001,928	515,265,026
Profit from Operations	1,179,881,891	1,177,732,537	586,037,340	469,186,852	389,122,952	453,643,321
Profit befor Interest, Taxes & Depreciation Allowance	1,199,416,273	1,191,872,688	629,963,379	519,783,685	446,180,514	507,791,688
Net Profit Before Income Tax:	948,694,612	939,753,450	371,608,018	269,424,868	209,829,235	279,533,825
Net Profit After Tax:	713,459,972	707,857,860	271,226,432	272,583,080	154,957,856	166,740,993

FINANCIAL POSITION:

Shareholders fund and NAV stood Tk 4,527 million & Tk. 44.74 respectively as of June 30,2018.

Highlight of Financial Positions of Last 5 years are given below:

Particulars	30-Jun-18	30-Jun-17	30-Jun-16	30-Jun-15	30-Jun-14	30-Jun-13
Assets Employed						
Non-Current Assets:	2,039,415,801	2,102,641,069	1,992,197,082	2,001,603,148	2,064,962,612	2,118,020,703
Property Plant & Equipment	2,023,510,927	2,089,343,539	1,992,197,082	2,001,603,148	2,064,962,612	2,063,008,336
Capital Work-In-Progress	15,904,874	13,297,530	-	-	-	55,012,367
Current Assets:	4,696,332,948	3,759,680,971	3,003,792,077	2,801,575,583	2,684,574,070	2,192,672,783
Advances, Deposits and Prepayments	787,067,632	72,012,576	69,391,255	124,277,486	131,883,769	80,565,391
Inventories	1,936,265,900	1,886,507,482	1,613,896,280	1,739,842,561	1,751,235,595	1,613,125,611
Accounts Receivable	1,942,197,752	1,783,284,673	1,286,718,741	913,387,690	787,647,565	489,946,817
Cash and Cash Equivalents	30,801,664	17,876,240	33,785,801	24,067,846	13,807,142	9,034,964
Total Assets	6,735,748,749	5,862,322,040	4,995,989,159	4,803,178,731	4,749,536,683	4,310,693,485
Net Current Assets	2,630,279,677	1,895,496,477	1,376,673,927	1,130,959,923	(101,492,583)	(281,638,046)
Total Assets Employed	**4,669,695,478**	**3,998,137,546**	**3,368,871,009**	**3,132,563,071**	**1,963,470,029**	**1,836,382,657**
Finance By						
Shareholders' Equity:	**4,527,478,325**	**3,857,261,553**	**3,228,027,693**	**2,989,561,262**	**1,744,278,182**	**1,589,320,327**
Share Capital	1,011,890,880	864,864,000	786,240,000	655,200,000	296,000,000	296,000,000
Share Premium	750,000,000	750,000,000	750,000,000	750,000,000	-	-
Revaluation Surplus	943,950,000	943,950,000	943,950,000	943,950,000	943,950,000	943,950,000
Retained Earnings	1,821,637,445	1,298,447,553	747,837,693	640,411,262	504,328,182	349,370,327
Non-Current Liabilities:	**142,217,153**	**140,875,994**	**140,843,317**	**143,001,809**	**219,191,847**	**247,062,329**
Long Term Portion of Lease Liabilities	-	-	9,344,401	28,656,598	50,599,842	87,385,400
Deferred Tax Liability	142,217,153	140,875,994	131,498,915	114,345,211	168,592,005	159,676,930
Total Capital Employed	**4,669,695,478**	**3,998,137,547**	**3,368,871,010**	**3,132,563,071**	**1,963,470,029**	**1,836,382,656**

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 expectedto strengthen to 6.6 per cent in 2018-2019 with industry growth 12.06%. Bangladesh will have $700 billion economy in2030 from present 300 billion. Bangladesh Government aims to build a durable and sustainable energy, power andtransportation infrastructure in order to be a prosperous nation by 2030. China will continue as the single biggestcontributor to global growth over the next decade and by 2030, will become the world's largest economy. This hugepotential of Bangladesh creates a golden opportunity for steel industry in Bangladesh because all these developments willbe followed by massive infrastructural constructions and economic boom will be followed by rapid urbanization. Further, ahuge amount of investment is flowing in to Bangladesh Economic Zone.

Future planning:

RSRMSTEEL Applied Right Offer to enhance its production capacity 170,000 MT to fulfill the customer's dimand.

M. Rahman

Maksudur Rahman
Managing Director

Annexure – 1

Discussion on Cost of Goods Sold, Gross Profit Margin and Net Profit Margin

Management Discussion and Analysis are designed to provide readers with an overview of the business and an analysis on Cost of Goods Sold, Gross and Net Profit margin.

Particulars	2018	2017	Growth
	BDT	BDT	%
Cost of Goods Sold	6,382,687,177	6,231,330,465	2.42%
Gross Profit	1,276,991,453	1,257,365,287	1.56%
Net Profit	713,459,972	707,857,860	0.79%

Cost of goods sold (COGS)

Cost of goods sold (COGS for short) 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 product. COGS vary directly with sales and production; the more items we sell or make, the more stock or components we need to buy. Cost of Goods Sold in 2018 has been increased by 2.42% than 2017 due to increase use of raw materials and other indirect overhead.

Gross profit margin ratio

Gross profit is the difference between sales and the cost of goods sold. Gross Profit = Sales – Cost of Goods Sold. The gross profit margin is one indicator of the financial health of a business. Larger gross profit margins are better for business – the higher the percentage, the more the business retains of each Taka of sales for other expenses and net profit. Gross Profit Margin % = (Gross Profit ÷ Sales) x 100. During the year 2018, Gross Profit Margin was increased to 1.56% than 2017 due to increase in sales revenue 170 Million.

Net profit margin ratio

Net Profit is calculated by subtracting expenses including Tax and WPPF 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 of the company in the year 2018 has increased by Tk. 5.6 Million compared to 2017.

Annexure – 2

RISK FACTORS AND CONCERNS

1. Interest Rate Risk

Interest rate risk is the risk that Company faces due to unfavorable movement in the interest rates. Changes in the government's monetary policy, along with increased demand for loans/investments tend to increase the interest rates. Ratanpur Steel Re-Rolling Mills Limited (RSRM) has taken measures to ensure that the debt repayments are met on schedule, even if the interest rates were to rise. Even equity financing from IPO will reduce interest rate risk in future.

2. Exchange Rate Risk

Exchange rate risk occurs due to changes in foreign currency exchange rates. As the Company imports equipment from abroad and earns revenue in local currency, unfavorable volatility or currency fluctuation may affect the profitability of the Company. If exchange rate is decreased against local currency opportunity will be created for generating more profit. Appropriate and responsible hedging mechanisms are employed by RSRM in the past in case of significant taka devaluation in order to keep the cost minimum and same will be followed in future.

3. Industry Risks

I. Profitability may reduce

The Company is operating in a highly competitive industry with low profit & highly sensitive to the market. Moreover the Company faces competition from a number of private sector mills those are found to be very aggressive in the market. Inability of offering competitive products will hinder the Company's growth potential. RSRM has successfully accessed the market till date and is working on offering new and better quality products at competitive terms.

II. New Entrants may enhance competition

New entrants of similar/higher scale may push the Company in a competitive scenario. Implementation of similar project generally have a lead time of 5 (five) years and before the earliest entrant the Company will be able to consolidate its both financial as well as market position. Furthermore, with the track record of RSRM and its market reputation it will be very difficult for new comers to make inroads into the quality steels market. Hence, first-mover's advantage is big and RSRM, with its past experience and performance, will enjoy this advantage.

4. Market and Technology Related Risks

Technology always plays a vital role for each and every type of business. Better technology can increase productivity and reduce costs of production. Firms are exposed to technology risks when there are better technologies available in the market than the one used by the company which may cause technological obsolescence and negative operational efficiency. RSRM is aware of technological changes and has adopted new technology according to its needs. Furthermore, routine and proper maintenance of the equipment carried out by the Company ensures longer service life for the existing equipment and facilities.

5. Potential or Existing Government Regulations

The Company operates under Companies Act 1994, Customs Act 1969, and Labor Law 2006, Income Tax Ordinance 1984, Income Tax Rules 1984, Value Added Tax (VAT) Act 1991, Value Added Tax (VAT) Rules 1991 and other related regulations. Any abrupt changes of the policies made by the regulatory authorities may adversely affect the business of the company. Since the RSRM operates in Steel sector, the Government regulations are mostly investment-friendly. However, unless any policy change that may negatively and materially affect the industry as a whole, the business of the RSRM is expected not to be affected. As it is an emerging sector, it is highly expected that the Government will not frustrate the growth of the industry with adverse policy measures.

6. Operational Risks

Non-availability of materials/equipment/services may affect the smooth operational activities of the Company. On the other hand, the equipment may face operational and mechanical failures due to natural disasters, terrorist attacks, unforeseen events, lack of supervision and negligence, leading to severe accidents and losses. RSRM is equipped with power backup and security system, which reduce operational risk. Besides, the equipments have insurance coverage in order to get reasonable compensation for any damages. Apart from these, routine security check and proper maintenance of the equipment also reduce/eliminate the operational risk.

7. Availability of Power and Gas

Steel industries require huge and uninterrupted power supply. Any unfavorable change in power related regulations may affect the Company's business. The Company also requires Gas for heating billets and accordingly shortage of gas supply will affect the operation of the Company. RSRM has 16 MW power load connection through 132/33 KV substation with 132 KV National Gridline from PDB which ensures uninterrupted power supply. 4 MW/h is using by RSRM for its existing operation. Furthermore, RSRM gas connection is connected with main distribution line of Chittagong zone. So, Ratanpur Steel Re-Rolling Mills Limited is enjoying uninterrupted and sufficient electricity and gas supply.

8. Sourcing of Raw Materials

As steel market price is so variable, sourcing of raw material is so important. The main raw materials of RSRM are MS billets, which are supplying by Modern Steel Mills Ltd. under common directorship is existence between RSRM.

9. Distribution Risks

For any company, the most crucial wing is the distribution channel. Wide distribution network and control over the network is essential to make the quality product available to the consumer at right time and place. RSRM has strong presence all over the country since 1987. Sponsors'/ Directors' experience of more than two decades in this sector is considered the key of RSRM marketing and distribution network.

10. Risk associated with labor unrest

Smooth production is dependent on good relationship with the factory workers and their ability to provide high-quality services. In the event of disagreements with the workers, the company may experience adverse impact. Ratanpur Steel Re-Rolling Mills Limited maintains good atmosphere at the work place and provides all sort of facilities including safety to the workers as per law of the land.

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Annexure-3

Remuneration Paid to Director in the Financial Year 2017-2018

Members of the Board of director were entitle and paid as follow:

i) Payment information to Directorsas Perrequiremen to fschedule XI, partII, Para 4 of the Companies Act 1994

Name	Nature of Relationship	Remuneration
Mr.Maksudur Rahman	Managing Director	700,000
Mrs.Shamsun Nahar Rahman	Director	615,000
Md. Younus Bhuiyan **Total**	Director	650,000
		1,965,000

Annexure-4

Key operating and financial data of preceding 5 years

Ratanpur Steel Re-Rolling Mills Limited

Particulars		2018	2017	2016	2015	2014
Operations and Market						
Producton (Qty)	MT	142,394	136,664	106,831	103,402	85,398
% of Production Growth	%	4.19%	27.92%	3.32%	21.08%	-3.00%
Sales (Qty)	MT	138,800	139,380	105,150	101,142	80,081
% of Sales Growth	%	-0.41%	32.55%	3.92%	26.30%	-5.83%
Financial Result						
Turnover	TK	7,659,678,630	7,488,695,752	5,377,411,796	5,503,171,247	4,766,995,506
Gross Profit	TK	1,276,991,453	1,257,365,287	650,543,192	549,442,969	465,001,928
	%	1.56%	93.28%	18.40%	18.16%	9.75%
Earnings Before WPP & WF and Tax	TK	996,129,342	986,741,122	390,188,419	282,896,111	220,320,697
	%	0.95%	152.88%	37.95%	28.40%	4.62%
Net Profit after Tex	TK	713,459,972	707,857,860	271,226,431	272,583,080	154,957,856
	%	0.79%	160.98%	(0.50%)	75.91%	3.25%
Earnings per share	TK	7.05	8.18	3.45	4.36	5.24
Financial Position						
Current Ratio(Times)		2.27	2.02	1.85	1.68	0.96
Net Asset Value	TK	4,527,478,325	3,857,261,552	3,228,027,693	2,989,561,262	1,744,278,183
Net Asset Value per share	Tk	44.74	44.60	41.06	45.63	58.93
Net Operating Cash Flow Per Share	Tk	1.00	2.08	1.45	(15.17)	2.89
Paid-Up Capital (In Crore)	Tk	101,189,088	864,864,000	786,240,000	655,200,000	296,000,000

Annexure-5

THE PATTEN OF SHAREHOLDER AS ON 30 JUNE 2018

A) Parent/Subsidiary/Associaterd companies and other related parties

Name	Relation	No. of Share hold
Ratanpur Ship Recycling Ltd.	Institute	1,624,428

B) Directors/CEO/CS/CFO/ Head of internal Audit and Their Spouses and minor children

Name	Relation	No. of Share Held
Mrs. Shamsun Nahar Rahman	Chairman (Spouse of Mr. Maksudur Rahman)	5,882,408
Mr. Maksudur Rahman	Director and Managing Director	14,958,506
Mr. Md. Younus Bhuiyan	Director (Younger Brother of Mr. Maksudur Rahman)	5,284,609
Mr. Md. Mizanur Rahman	Director (Elder son of Mr. Maksudur Rahman)	2,077,920
Mr. Marzanur Rahman	Director (Younger son of Mr. Maksudur Rahman)	2,077,920
Investment corporation of Bangladesh (ICB)	Corporate Director (Kazi Sanaul Hoq - Nominated Director by ICB)	17,303,640
Dr. Jamaluddin Ahmed FCA	Independent Director	-
Major General Mohammad Ashab Uddin, Ndc,Psc,(Retd.)	Independent Director	-
Mrinal Kanti Mondal	Chief Financial Officer	-
Mr. Mohammad Moin Uddin	Company Secretary (acting)	-

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

Name	Relation	No. of Share Held
Mr. Shafiqul Islam	Executive Director-Marketing and Sales	-
Mr.LT CDR M A Ahad, PSC, BN(Retd.)	GM Production &Miantanance	-
Mr. Md. Serajul Islam	Consultant-Quality Control	-
Mr. Mohammad Ali	Chief Electrical Engineer	-
Mr. Mohammad Rashedlqbal	GM, HR and Admin	-

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

Name	Relation	No. of Share Held
Mr. MaksudurRahman	Director and Managing Director	14,958,506
Investment corporation of Bangladesh (ICB)	Corporate Director (KaziSanaulHoq - Nominated Director by ICB)	17,303,640

CORPORATE SOCIAL RESPONSIBILITY

RSRM is committed to addressing the development needs and aspiration of the communities in the areas of safety, education and skill building of social benefits as practices of Corporate Social Responsibility (CSR) flowing are some;



Tree Plantation Campaign

Under our go green initiative we held a promotional event where over two lac trees were plants in less than one hour. We covered a significant area which stretched from Teknaf to Mirsharai. The event generated a lot of awareness regarding our environment which is at great risk.



Earthquake Drill

Our country is at great risk from earthquake as around 70% of us live in seismic hazard areas. As we live with such a great danger hanging over our heads it is only natural that we teach ourselves how to be safe around earthquakes. Thus we are conducting a campaign on earth quack safety measures; so far we have reached around 260 schools.



Passenger shade

Like a development country of Bangladesh lots of people are using mass transportation facilities like bus. For helping of busy pedestrian and the bus commuter from the sun and raining we have build forty passenger shades in various bus stops.

Traffic jam

In our daily day to day lives traffic jam is a constant difficulty. Government estimate a loss of around TK. 15,000 crore annually because of traffic jams. To solve this complicated problem Government has put in several restrictions regarding the rules of the road and we were happy to lend a hand. We designed prominent roads signs which clearly conveyed the new restriction and eased the flow of traffic.





Scholarship Programs

There are many meritorious students in our country who require aid to pursue higher education. They have great potential and we feel it is our duty to help them out. That is why we have started a number of scholarships programs in universities like Bangladesh university of Engineering and Technology (BUET), Chittagong University of Engineering and Technology (CUET), Shahajala University of Science & Technology (SUST).

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Sustainable Business Growth

Environment, Human Resource and Information Technology

RSRM is involved in production and supply of MS Deformed Bar. For keeping our human resources safe and sound and to keep clean environment in the factory premises, we have taken initiatives to mitigate all problems.

Green Environment

We are using Water Treatment Plant (WTP) for recycling the water for reusing and to keep the environment free from pollution

Human Resource Development

We have professional and experienced team in each department which actually enables us to maintain our quality of product, sustainable growth, efficiency in production and marketing as well as to retain our market position.

Capacity building

For capacity building we regularly arrange training for all of our staffs. Both in house and outside training is arranged for them.

Safety, Health and Environment Policy

RSRM is ISO certified and obtained ISO-90001:2008 (QMS). Our company has comprehensive records for safety of all the company's data and information. As per law, all kinds of vouchers, Ledger, sales invoice and other books and records has been kept for 12 years.

Information Technology

We have professional and experienced team for cope up with information technology for ensuring security and data recovery we have reasonable due care in our systems.

REGULATORY COMPLIANCE REPORT

Corporate Governance Report

Corporate governance refers to the structures and processes for the direction and control of companies. Sound corporate governance is a fundamental part of the culture of the company and ensures long term success. Corporate governance concerns the relationships among the management, Board of Directors, controlling shareholders, minority shareholders and other stakeholders. Good corporate governance contributes to sustainable economic development by enhancing the performance of companies. The Board of Directors of Ratanpur Steel Re-Rolling Mills Limited is firmly committed to upholding principles of 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 RatanpurSteels Re-Rolling Mills Limited comprises of eiight members including Chairman, Managing Director and the board also has one corporate director and two independent directors 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 8 Directors, with ancorporate director and two 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 the Directors are required to retire from the Board every year, comprising those who 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 Ratanpur Steel Re-Rolling Mills 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. One of the Directors in the Board is 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 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

Ratanpur SteelRe-Rolling Mills 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 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.
- to review the adequacy of internal audit function etc.

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

Nomination and Remuneration Committee (NRC)

Ratanpur SteelRe-Rolling Mills 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 four 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

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

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 experienced persons on Accounts & Finance as Chief Financial Officer, Company Secretary and a qualified professional as 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 qualified 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

Ratanpur SteelRe-Rolling Mills 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 Ratanpur SteelRe-Rolling Mills Limited is appointed in every Annual General Meeting (AGM) by the Share-holders 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 Shaha& Company, Chartered Accountants is included in Anexure-B the annual report.

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REPORT OF THE AUDIT COMMITTEE

Ratanpur Steel Re-Rolling Mills Ltd. has an Audit Committee as a sub-committee of the Board of Directors, as recommended by Bangladesh Securities and Exchange Commission (BSEC). The Audit Committee assists 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. The committee is reporting to the Board of Directors on performing the clearly set forth responsibilities by the Board of Directors.

Committee Members

The Audit Committee of the company comprises four members. The Committee is chaired by an Independent Director and is supported by the Company Secretary, who attends the Committee's meetings as the Secretary of the Committee. Meeting of the Committee were attended by the Managing Director, Head of Accounts & Finance and executive of internal audit department of the Company on invitation.

The terms of reference of the audit committee has been determined by the Board in accordance with the BSEC notification.

Role of Audit Committee

Main activities of the audit committee are summarized below:

1. Overseeing and monitoring of financial reporting process, adoption of reporting standards and control risk management process.

Audit Committee is assisting in the oversight of the financial reporting process, including monitoring the adoption of reporting standards and internal control risks management process to ensure that appropriate financial reporting process and standards used and adequate activities/measures control to high risk areas are periodically evaluated and tested.

2. Review of Periodic Financial Statements

During the year, Audit Committee reviewed all periodical financial statements of the company. This review was made along with the Board of Directors. Their review ensured that the financial statements are prepared in compliance with legal and accounting standard requirements and that the financial statements were disclosed accurate, reliable and timely information of the company.Hold meeting with the external or statutory auditors for review of the annual financial statements before submission to the board for approval

3. Review of Internal Control Assessment

During the year, the committee revised and reviewed the internal control system and internal audit plan with an emphasis on minimizing of defects, losses and fraud. The committee also reviewed that the internal control was both adequate and effective.

4. Review of Internal Audit Report

During the year, the committee reviewed the activities of Internal Audit Department and take necessary actions on the basis of internal audit report.

5. Review the Related Party Transactions and Investment Activities of Subsidiary

The Committee also reviewed the related party's transactions submitted by management and investing activities as well as affairs of Subsidiary and it appears that all the due procedures and policies have been followed.

Meetings and attendance

During the year under review, the Committee held four meetings. The attendance of the members at these meeting is as under:

Name of the members	Position	No of meeting held whilst a committee member	Meeting attended
Mr. Dr. Jamal uddin Ahmed FCA	Chairman	4	4
Mr. Md. Younus Bhuiyan	Member	4	3
Mr. Md. Mizanur Rahman	Member	4	4
Mr. Marzanur Rahman	Member	4	4
Mr. Md. Jafar Imam	Secretary (left)	4	2
Mr. Mohammad Moin Uddin	Secretary (acting)	4	2

Re-appointment of Auditors

The Chairman informed the meeting that retiring external Auditors of the Company M/s Ahmed Zaker& Co., Chartered Accountants, 74, Sk. Mujib Road (3rd Floor), Agrabad C/A, Chittagong and has no option to be re-appointed as per directive of Bangladesh Securities & Exchange Commission (BSEC).On discussion, The Audit Committee will recommended the Board to appoint a new external auditor as Statutory Auditors of RatanpurSteel Re-Rolling Mills Limited for the year 2018-2019 and fixation of Audit Fees subject to approval of the shareholders in the Annual General Meeting.

Reporting of the Committee

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

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

Observations, findings and suggestions of the committee were communicated to the Board of Directors and the Board of Directors had taken appropriate measures on the report.

On behalf of the Audit Committee

Dr. Jamaluddin Ahmed FCA
Independent Director and Chairman of the Audit Committee
28 October 2018

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 Ratanpur Steel Re-Rolling Mills Limitedis comprised of the following members:

NRC Committee:

Chairman: Mr. Dr. Jamal uddin Ahmed, FCA Members: Mr. Md. Younus Bhuiyan Mr. Md. Mizanur Rahman Mr. Marzanur Rahman	Secretary (acting) to Committee: Mr. Mohammad Moin Uddin

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 andlong-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;

Meeting of NRC:

The Committee formally met for the first time in June, 2018 after constitution of the NRC. The NRC of Ratanpur Steel Re-Rolling Mills Limitedensured/ 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. 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.

Objective and Policy of the NRC:

Objective:

The objective of the policy is to ensure that

- the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors/top management team required to run the company successfully;
- relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
- remuneration to directors, top level executives reflecting short and long-term performance objectives appropriate to the working of the company and its goals.

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

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

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

Term / Tenure of Independent Director

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

The independent director(s) shall be appointed by the Board and approved by the shareholders in the Annual General Meeting (AGM). The post of independent director(s) cannot remain vacant for more than 90 (ninety) days and the tenure of office of an independent director shall be for a period of 3 (three) years, which may be extended for 1 (one) tenure only. Provided that a former independent director may be considered for reappointment for another tenure after a time gap of one tenure, i.e., three years from his or her completion of consecutive two tenures [i.e. six years]: Provided further that the independent director shall not be subject to retirement byrotation as per the Companies Act, 1994.

Evaluation

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

Removal

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

Retirement

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

Policy for Remuneration to Directors/ Top Level Executives:

a) The Remuneration to be paid to Managing Director / Other directors as approved by the NRC committee.
b) The Nomination and Remuneration Committee shall make such recommendations to the Board of Directors, as it may consider appropriate with regard to remuneration to Managing Director and other Directors.
c) The Non-Executive / Independent Director may receive meeting fees and such 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.

On behalf of the Audit Committee

Dr. Jamaluddin Ahmed FCA
Independent Director and Chairman of Nomination and Remuneration Committee
28 October 2018

AMARSTOCK

BANGLADESH ASSOCIATION OF PUBLICLY LISTED COMPANIES

Ref. No: CM-2018/186

BAPLC

Date of issue : April 19, 2018

Renewed Certificate

This is to certify that

RATANPUR STEEL RE-ROLLING MILLS LIMITED

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

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

Bangladesh Association of Publicly Listed Companies ★ BAPLC

Secretary-General
(Acting)



Auditors' Report & Financial Statements

For The Financial Year Ended 30 June 2018
of
Ratanpur Steel Re-Rolling Mills Limited

AHMED ZAKER & CO.
Chartered Accountants
(A Independent Member Firm of GGI)
Green City Edge (Level-10)
89, Kakrail, Dhaka-1000, Bangladesh

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF RATANPUR STEEL RE-ROLLING MILLS LIMITED

We have audited the accompanying Financial Statement of RATANPUR STEEL RE-ROLLING MILLS LIMITED which comprises with the Statement of Financial Position as at 30th June 2018 and Statement of Profit or Loss & Other Comprehensive Income for the year then ended and Statement of Changes in Equity and Statement of Cash Flows and summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Financial Statements:

Management of RATANPUR STEEL RE-ROLLING MILLS LIMITED is responsible for the preparation and fair presentation of these financial statements in accordance with Bangladesh Financial Reporting Standards (BFRS), Bangladesh Accounting Standards (BAS) as adopted by ICAB, the Companies Act 1994, the Securities & Exchanges Rules 1987 and other applicable laws and regulations. This responsibility includes; designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditors'Responsibility

Our responsibility is to express an independent opinion on these financial statements based on our audit. We conducted our audit in accordance with Bangladesh Standards on Auditing (BSA). Those standards require that we comply with ethical requirements and plan to perform the audit to obtain reasonable assurance 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 auditor's 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 auditor considers 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 prepared in accordance with Bangladesh Financial Reporting Standards (BFRS), Bangladesh Accounting Standards (BAS) as adopted by ICAB give a true and fair view of the state of the company's affairs as at 30th June 2018 and comply with the Companies Act 1994, the Securities & Exchanges Rules 1987 and other applicable laws and regulations. Further to our opinion in the above paragraph, we state that:

(i) 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;

(ii) In our opinion, proper books of account as required by law have been kept by **RATANPUR STEEL RE-ROLLING MILLS LIMITED** so far as it appeared from our examination of those books;

(iii) The Statement of Financial Position and Statement of Profit or Loss and Other Comprehensive Income and other notes with by the report are in agreement with the books of account and returns;

(iv) The expenditure incurred was for the purpose of the Company's business.

Ahmed Zaker & Co.
Chartered Accountants

Chattogram
Date: 28 Oct, 2018

Ratanpur Steel Re-Rolling Mills Limited
Statement of Financial Position
As on 30 June 2018

	Notes	Amount in BDT	
		30-Jun-18	30-Jun-17
Assets			
Non-Current Assets:		**2,039,415,801**	**2,102,641,069**
Property Plant & Equipment	4	2,023,510,927	2,089,343,539
Capital Work-In-Progress	4.02	15,904,874	13,297,530
Current Assets:		**4,696,332,948**	**3,759,680,971**
Advances, Deposits and Prepayments	5	787,067,632	72,012,576
Inventories	6	1,936,265,900	1,886,507,482
Accounts Receivable	7	1,942,197,752	1,783,284,673
Cash and Cash Equivalents	8	30,801,664	17,876,240
Total Assets		**6,735,748,749**	**5,862,322,040**
Equity and Liabilities			
Shareholders' Equity:		**4,527,478,325**	**3,857,261,553**
Share Capital	9	1,011,890,880	864,864,000
Share Premium		750,000,000	750,000,000
Revaluation Surplus of Land	4.01	943,950,000	943,950,000
Retained Earnings		1,821,637,445	1,298,447,553
Non-Current Liabilities:		**142,217,153**	**140,875,994**
Deferred Tax Liability	11	142,217,153	140,875,994
Current Liabilities:		**2,066,053,271**	**1,864,184,494**
Current Portion of Lease Liabilities	10	3,519,604	17,191,573
Short term Liabilities	12	1,568,158,042	1,453,574,424
Creditors and Accruals	13	64,008,556	123,912,313
Income Tax Liability	14	382,932,338	222,518,512
Liability for WPPF and Welfare Fund	15	47,434,731	46,987,672
Total Liabilities		**2,208,270,424**	**2,005,060,488**
Total Liabilities and Shareholders' Equity		**6,735,748,749**	**5,862,322,040**
Net Asset Value Per Share (NAV)	24	**44.74**	**44.60**

The annexed notes form and integtal part of these financial statements.

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

Signed in terms of our separate report of even date.

Ahmed Zaker & Co.
Chartered Accountants

Chattogram
Date: 28 Oct, 2018

Ratanpur Steel Re-Rolling Mills Limited
Statement of Profit or Loss and other Comprehensive Income
For the financial year ended 30 June, 2018

	Notes	Amount in BDT	
		30-Jun-18	30-Jun-17
Revenue (Net off VAT)	16.00	7,659,678,631	7,488,695,752
Cost of Goods Sold	17.00	(6,382,687,177)	(6,231,330,465)
Gross Profit		**1,276,991,453**	**1,257,365,287**
Operating Expenses		**(97,109,563)**	**(79,632,750)**
Administrative and Other Expenses	18.00	(36,403,330)	(30,319,434)
Selling and Distribution Expenses	19.00	(60,706,232)	(49,313,316)
Operating Profit		**1,179,881,891**	**1,177,732,537**
Finance Cost	20.00	(184,889,048)	(191,799,234)
Finance Income	21.00	1,136,500	807,818
Profit before WPPF and Income Tax		**996,129,343**	**986,741,122**
Contribution to WPPF and Welfare Fund @ 5%	15.00	(47,434,731)	(46,987,672)
Net Profit Before Income Tax		**948,694,612**	**939,753,449**
Tax Expenses			
Current Tax	14.00	(233,893,481)	(222,518,512)
Deferred Tax	11.00	(1,341,159)	(9,377,079)
Net Profit After Tax		**713,459,972**	**707,857,859**
Earnings Per Share (EPS)	22.00	**7.05**	**8.18**
Restated Earnings Per Share (Considering proposed 17% stock Bonus for the year ended 30th June 2017)	23.00	7.05	7.00

The annexed notes form and integtal part of these financial statements.

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

Signed in terms of our separate report of even date.

Ahmed Zaker & Co.
Chartered Accountants

Chattogram
Date: 28 Oct, 2018

Ratanpur Steel Re-Rolling Mills Limited
Statement of Changes In Equity
For the financial year ended 30 June, 2018

Amount in BDT

Particulars	Share Capital	Retained Earnings	Revaluation Reserve	Share Premium	Total Equity
For the financial year ended 30th June 2018					
Balance as on 01 July 2017	864,864,000	1,298,447,553	943,950,000	750,000,000	3,857,261,553
Profit / (Loss) after tax		713,459,972			713,459,972
Share Premium					-
Bonus Share	147,026,880	(147,026,880)			-
Cash Dividend		(43,243,200)			(43,243,200)
Balance as on 30 June, 2018	**1,011,890,880**	**1,821,637,445**	**943,950,000**	**750,000,000**	**4,527,478,325**
For the financial year ended 30th June 2017					
Balance as on 01 July 2016	786,240,000	747,837,693	943,950,000	750,000,000	3,228,027,693
Profit / (Loss) after tax		707,857,860			707,857,860
Bonus Share	78,624,000	(78,624,000)			-
Cash Dividend		(78,624,000)			(78,624,000)
Balance as on 30 June, 2017	**864,864,000**	**1,298,447,553**	**943,950,000**	**750,000,000**	**3,857,261,553**

The annexed notes form and integtal part of these financial statements.

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

Signed in terms of our separate report of even date.

Ahmed Zaker & Co.
Chartered Accountants

Chattogram
Date: 28 Oct, 2018

Ratanpur Steel Re-Rolling Mills Limited
Statement of Cash Flows
For the financial year ended 30 June, 2018

	Amount in BDT	
	30-Jun-18	30-Jun-17
A. Cash Flows from Operating Activities		
Collection from sales and other income	7,554,507,252	6,992,937,639
Payment for cost and other expenses	(7,340,548,617)	(6,538,270,001)
Cash generated from operation	**213,958,635**	**454,667,638**
Financing Cost	(44,955,503)	(191,799,234)
Income Taxes Paid	(67,767,483)	(83,227,883)
Net cash inflow /(outflow) from Operating Activities	**101,235,648**	**179,640,521**
B. Cash flows from Investing Activities		
Acquisition of property, plant & equipment	-	(157,466,461)
Investment in FDR	(3,454,298)	-
Capital work in progress	(2,607,344)	(13,297,530)
Net cash inflow /(outflow) from Investing Activities	**(6,061,642)**	**(170,763,991)**
C. Cash flows from Financing Activities		
Short term loan Repayment	(24,092,300)	-
Short term loan Received	-	68,070,381
Dividend Paid	(43,226,687)	(78,624,000)
Lease Loan Repayment	(14,929,596)	(14,232,473)
Net cash inflow /(outflow) from Financing Activities	**(82,248,583)**	**(24,786,091)**
D. Net increase/(Decrease) in cash & cash equivalents (A+B+C)	12,925,424	(15,909,561)
E. Cash and cash equivalents at the beginning	17,876,240	33,785,801
F. Cash and cash equivalents at the end (D+E)	**30,801,664**	**17,876,240**
Cash and cash equivalents as on 30 June, 2018		
Cash in Hand	9,021,100	3,223,443
Cash at Banks *(Note-8.01)*	21,780,564	14,652,797
	30,801,664	**17,876,240**
G. Net Operating Cash Flow Per Share	**1.00**	**2.08**

The annexed notes form and integtal part of these financial statements.

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

Signed in terms of our separate report of even date.

Ahmed Zaker & Co.
Chartered Accountants

Chattogram
Date: 28 Oct, 2018

Ratanpur Steel Re-Rolling Mills Limited
Notes, comprise a summary of significant accounting policies and other explanatory notes
For the financial year ended June 30, 2018

1.00 REPORTING ENTITY

1.01 Legal form of the entity

Ratanpur Steel Re-Rolling Mills Limited (hereinafter referred to as 'RSRM') was incorporated on 22April,1986 vide the certificate No C-15492/1058 of 1985 to 1986 as a private limited (a company limited by shares) company in Bangladesh under the companies Act; 1913. The company was converted to a public limited company on 12 June 2012 complied as per provision of companies act, 1994. The Company is listed with Dhaka Stock Exchange (DSE) and Chittagong Stock Exchange (CSE) as a publicly quoted company. Trading of the shares of the company started in two stock exchanges from 22 September, 2014

The company set up its Re-Rolling Mills factory at 176, Baizid Bostami I/A, Baizid Bostami road, Nasirabad, Chittagong and started its commercial operation/production from 01 July, 1986 The registered office of the company is situated at Nahar Mansion, 116, CDA Avenue, Muradpur, Chittagong.

1.02 Nature of the Business

The Principal activities of the company are to manufacture & sales of M.S Bar of various grades (60 Grade/500 W TMT) from MS Billet.

2.00 BASIS OF ACCOUNTING

Basis of Accounting is the bases in which the financial statements are prepared and presented. Set out below is an index of the basis of Accounting, the details of which are available on the following:

2.01 Statement of Compliance
2.02 Preparation and Presentation of Financial Statements
2.03 Basis of Reporting
2.04 Other Regulatory Compliances
2.05 Basis of Measurement
2.06 Going Concern
2.07 Reporting Period
2.08 Authorization for Issue
2.09 Consistency
2.10 Comparative Information
2.11 Functional and presentation currency
2.12 Use of Estimates and Judgments
2.13 Measurement of fair values
2.14 Financial Risk Management
2.14.1 Credit Risk
2.14.2 Liquidity Risk
2.14.3 Market Risk
2.14.4 Foreign Currency Risk
2.14.5 Transaction risk
2.14.6 Economic risk
2.14.7 Interest Rate Risk
2.15 Fair Values
2.16 Components of the Financial Statements
2.17 Applicable Accounting Standards & Financial Reporting Standards

2.01 Statement of Compliance

The financial statements have been prepared on a going concern basis following accrual basis of accounting except for Cash Flow Statement and the disclosures of information made in accordance with the requirements of the companies Act 1994, the Securities & Exchange Rules 1987 and 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 Preparation and Presentation of Financial Statements

The Board of Directors, whose are responsible for preparation and presentation of the financial statement including adequate disclosures, as well as they approved and authorized for issue of these said financial statements.

2.03 Basis of Reporting

This Financial Statements includes statement of financial position and Statement of Profit or Loss and Other Comprehensive Income, Statement of Changes in Equity & Notes to the accounts that have been prepared & presented in accordance with the BAS-1 "Presentation of Financial Statements" based on accrual basis of accounting following going concern assumption.

Statements of cash flow are prepared in accordance with the BAS 7 "Statement of Cash Flows". This Financial Statements are prepared and presented by the company for all stakeholders or external users in accordance with identified financial reporting framework.

2.04 Other Regulatory Compliances

As required by the company, the management complies with the following major legal provisions in addition to the Companies Act 1994 and other applicable laws and regulations:

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 Customs Act, 1969;
f) Bangladesh Labor Law, 2006; (Amendment 2015).
g) The Securities & Exchange Ordinance, 1969
h) The Securities & Exchange Rules, 1987

2.05 Basis of Measurement

The financial statements have been prepared on a going concern basis under the historical cost convention except for some classes of Property, Plant and Equipment (PPE) which are measured at revalued amount and therefore, do not take into consideration the effect of inflation. The accounting policies, unless otherwise stated, have been consistently applied by the company and are consistent with those of the previous year.

2.06 Going Concern

The company has adequate resources to continue its operations for the foreseeable future. For this reason the directors continue the procedures to adopt the going concern basis in preparing the Financial Statements. The current revenue generations and resources of the company are sufficient to meet the present obligation of its existing businesses and operations.

2.07 Reporting Period

The financial statements of the company cover twelve (12) months from 01 July, 2017 to 30 June, 2018.

2.08 Authorization for Issue

These financial statements have been authorized for issue by the Board of Directors on 28th October 2018

2.09 Consistency

Unless otherwise stated, the accounting policies and methods for computation used in preparation of the financial statements as at and for the period/year then ended are consistent with those policies and methods adopted in preparing the Financial Statements for the previous period/year then ended.

2.10 Comparative Information

Comparative information has been disclosed in accordance with BAS-1: Presentation of financial Statement in respect of the previous period for all numerical information in the current financial statements as below:

a) Statement of Financial Position as at the end of the preceding financial year;
b) Statement of Profit or Loss and other Comprehensive Income for the comparable year of preceding financial year;
c) Statement of Changes in Equity for the comparable period of preceding financial year; and
d) Statement Cash Flows for the comparable period of preceding financial year.

The narrative and descriptive information where it is relevant for understanding of the current year financial statement has also represented.

Re-arrangement

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 liability as reported in the financial statement.

2.11 Functional and presentation currency

These financial statements are prepared and presented in Bangladeshi currency (Taka), which is the Company's functional currency. All financial information presented in Taka has been rounded off to the nearest integer.

2.12 Use of Estimates and Judgments

The preparation of these financial statements, in conformity with BASs/BFRSs, required management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed according to going concern basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

In particular, information about significant areas of estimation of uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements are included in the following notes:

Note: 4	Property, plant and equipment
Note: 4.02	Capital Work in Progress
Note: 5	Advance, Deposits and Prepayments
Note: 6	Inventories
Note: 7	Accounts receivables
Note: 11	Deferred tax liability
Note: 13	Creditors & Accruals
Note: 14	Income tax liability
Note: 17 & 18	Depreciation to be charged

2.13 Measurement of fair values

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

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

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

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

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

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

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

If the inputs used to measure the fair value of an assets 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

2.14 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 companies policies for controlling risks and exposures.

The company management has overall responsibility for the establishment and oversight of the Company's risk management framework. The company's management policies are established to identify and analyze the risks faced by the Company to set appropriate risk limits and controls and to monitor risks and adherence to limit.

Risk management policies, procedures and systems are reviewed regularly to reflect changes in market conditions and the company's activities. The Company has exposure to the following risks from its use of financial instruments:

a) Credit risk
b) Liquidity risk
c) Market risk

The company is exposed to normal business risks from changes in market interest rates and currency exchange rates and from non-performance of contractual obligations by counterparties. The company does not hold or issue derivative financial instruments for speculative or trading purposes.

2.14.1 Credit Risk

Credit risk is the risk of a potential financial loss of the company resulting from the failure of a customer or counterparty to a financial instruments fails to meets its financial and contractual obligations to the company as and when they fall due.

Management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis.

In monitoring credit risk, debtors are grouped according to their risk profile, i.e. their legal status, financial condition, ageing profile etc. Accounts receivable are related to sale of Finished Goods.

Credit evaluations are performed on all customers requiring credit over a certain amount. At the reporting date, there were no significant concentrations of credit risk. The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the statement of financial position. However, due to the number of parties comprising the group's customer base, Management does not anticipate material losses from its debt collection.

2.14.2 **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.

The company monitors its liquidity risk and maintains a level of cash and cash equivalents deemed adequate by management to finance the company operations and to mitigate the effects of fluctuations in cash flows.

2.14.3 **Market Risk**

Market risk is the risk that changes in market prices such as foreign exchange rates, will affect the company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

2.14.4 **Foreign Currency Risk**

The company is exposed to currency risk on sales, purchases, borrowings and payables that are denominated in a currency other than the functional currencies of the company. To manage this exposure, the company has adopted direct risk reduction methods based on matching receipts and payments on assets and liabilities.

2.14.5 **Transaction risk**

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

2.14.6 **Economic risk**

Economic risk refers to the effect of exchange rate movements on the international competitiveness of the company

2.14.7 **Interest Rate Risk**

Interest rate risk arises from movement in interest rates. The company needs to manage interest rate risk so as to be able to repay debts as they fall due and to minimize the risks surrounding interest payments and receipts. The Company has no significant risk of fluctuations in interest rates.

2.15 **Fair Values**

The fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

The fair value of trade and other short-term receivables are taken to approximate their carrying value. The fair value of financial assets and liabilities are taken to their approximate their carrying value.

2.16 **Components of the Financial Statements**

According to the International Accounting Standards (IAS)-1 as adopted by ICAB as BAS-1 "Presentation of Financial Statements" the complete set of financial statements includes the following components.

a) Statement of financial position as at 30 June 2018;
b) Statement of profit or loss and other comprehensive income for the year ended 30th June 2018;
c) Statement of cash flows for the year ended 30 June 2018;
d) Statement of changes in equity for the year ended 30 June 2018;
e) Notes, comprise a summary of significant accounting policies and other explanatory information for the year ended 30 June 2018;

2.17 Applicable Accounting Standards & Financial Reporting Standards

The following BASs and BFRSs are applicable for the financial statements for the year under review:

Sl. No.	Name of the BAS	BAS's no.
1	Presentation of Financial Statements	1
2	Inventories	2
3	Statement of Cash Flows	7
4	Accounting policies, Changes in accounting Estimates and Errors	8
5	Events after the Reporting Period	10
6	Construction Contracts	11
7	Income Taxes	12
8	Property, Plant & Equipment	16
9	Leases	17
10	Revenue	18
11	Employee Benefits	19
12	The Effects of Changes in Foreign Exchange Rates	21
13	Borrowing Costs	23
14	Related Party Disclosures	24
15	Financial Instruments: Presentation	32
16	Earnings Per Share	33
17	Impairment of Assets	36
18	Provision, Contingent Liabilities and Contingent Assets	37
19	Intangible Assets	38
20	Financial Instruments: Recognition and Measurement	39

SL. No.	Name of the BFRS/IFRS	BFRS/ IFRS No
1	Financial Instruments: Disclosures	7
2	Operating Segments	8
3	Financial Instruments	9
4	Fair Value Measurement	13

3.00 SUMMARY SIGNIFICANT ACCOUNTING POLICIES

The specific accounting policies have been selected and applied by the company's management for significant transactions and events that have a material effect within the framework of BAS-1 "Presentation of Financial Statements" in preparation and presentation of financial statements have been consistently applied throughout the period and were also consistent with those used in earlier years.

For a proper understanding of the financial statements, these accounting policies are set out below in one place as prescribed by the BAS-1 "Presentation of Financial Statements". This recommendation of BAS-1 relating to the format of financial statements was also taken into full consideration for fair presentation.

Set out below is an index of the significant accounting policies, the details of which are available on the following:

3.01 Consistency
3.02 Property, Plant & Equipment
3.02.1 Recognition and Measurement
3.02.2 Subsequent Costs
3.02.3 Depreciation
3.02.4 Revaluation of Fixed Assets
3.03 Capital/Construction work in Progress
3.04 Intangible Assets

3.05 Inventories
3.05.1 Nature of Inventories
3.05.2 Valuation of the Inventories
3.06 Leased assets
3.07 Foreign Currency Transaction/ Translation
3.08 Financial Instruments
3.08.1 Accounts Receivable
3.08.2 Advances, Deposits and Prepayments
3.08.3 Cash and Cash Equivalents
3.08.4 Share Capital
3.08.5 Accounts Payable
3.09 Impairment
3.09.1 Financial Assets
3.09.2 Non-Financial Assets
3.10 Statement of Cash Flows
3.11 Provisions, Contingent Liabilities and Contingent Assets
3.12 Borrowing Costs
3.13 Taxation
3.13.1 Current Tax
3.13.2 Deferred Tax
3.14 Share Capital
3.15 Worker's profit participants & welfare funds
3.16 Revenue Recognition
3.17 Finance Income & Costs
3.17.1 Finance Income
3.17.2 Finance Costs
3.17.3 Other Operating Income
3.18 Earnings Per Share (EPS)
3.18.1 Basic Earnings per share
3.18.2 Diluted Earnings per Share (DEPS)
3.19 Measurement of Fair Values:
3.20 Event after the Reporting Period
3.21 Comparative Information
3.22 Finance Lease
3.23 Segment Reporting
3.24 Related Party Disclosures

3.01 Consistency

Unless otherwise stated, the accounting policies and methods of computation used in preparation of the financial statements as at and for the period/yearthen ended are consistent with those policies and methods adopted in preparing the Financial Statements for the previous period/year

3.02 Property, Plant & Equipment

3.02.1 Recognition and Measurement

Property, plant & Equipment are accounted for according to BAS 16 "Property, Plant and Equipment" at Historical cost less cumulative depreciation except land and land development which consider to carried at revalued amount, being fair values at the date of revaluation less subsequent impairment losses, if any.

Cost includes expenditures that are directly attributable to the acquisition of the assets. The cost of self-constructed or installed assets includes the cost of materials and direct labor, any other costs directly attributable to bringing the asset to the working condition for its intended use and the cost of dismantling and removing an item and restoring the site on which they are located.

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When parts of an item of Property, Plant and Equipment have different useful lives, they are accounted for as separate items (major components) of Property, Plant and Equipment.

3.02.2 Subsequent Costs

The cost of replacing part of an item of Property, Plant and Equipment is recognized in the carrying amount of the item, if it is probable that the future economic benefit embodied within the part will flow to the company and its cost can be measured reliably. The cost of the day to day servicing of Property, Plant and Equipment are recognized in profit and loss as incurred.

3.02.3 Depreciation

Land is held on a freehold basis and is not depreciated considering the unlimited life. In respect of all other property, plant and equipment, depreciation is recognized in the statement of profit or loss and other comprehensive income on the diminishing balance method over the estimated useful lives of property, plant and equipment.

Depreciation is charged on addition when it is ready for use and no depreciation is charged in the month of disposal. The depreciation method used reflects the pattern in which the assets economic benefits are consumed by the entity. The depreciation charge for each period is recognized as an expense unless it is included in the carrying amount of another asset.

Depreciation is charged in compliance with BAS: 16 (Property, Plant and Equipment). Depreciation is provided on a diminishing balance method at the rate(s) shown below:

Category	Rate
Land and land Development	0%
Factory Building & Civil Construction	4%
Plant & Machinery	7%
Logistics Equipment	7%
Furniture & Fixture	10%
Motor Vehicles	20%
Office Equipment	10%
Machinery under capital lease	7%

Depreciation methods, useful lives and residual values (if any) are reassessed at the reporting dates every year. Upon retirement of assets, the cost and related accumulated depreciation are eliminated from the accounts and resulting gain or loss is charged or credited to statement of profit or loss and other comprehensive income

3.02.4 Revaluation of Fixed Assets

The company revalued its land & land development on 12 April 2012 by Emerging Resources Ltd. following the resolution of the Board of Directors on 30 April 2012 to make a reflection of the present value of those assets in the financial statements as on 30 June 2012. The Company did not revalue its other assets as because the difference of present value and book value of such asset is insignificant.

3.03 Capital/Construction work in Progress

Construction work in progress is a general ledger account in which the costs are recorded that are directly associated with constructing an asset. This can be one of the largest fixed asset accounts, given the amount of expenditures typically associated with constructed assets. The account has a natural debit balance.

Once an asset is placed in service, all costs associated with it that are stored in the construction work in progress account are shifted into whichever fixed asset account is most appropriate for the asset. The most common fixed asset account to which these costs are shifted is Buildings, since most construction projects relate to that fixed asset. However, the account is also sometimes used for machinery, and as such would store the costs associated with buying, transporting, installing, and testing machinery.

While costs are being accumulated in the construction work in progress account, do not commence depreciating the asset, because it has not yet been placed in service. Once the asset is placed in service and shifted to its final fixed asset account, begin depreciating it. Thus, the construction work in progress is one of only two fixed asset accounts that are not depreciated. The other account that is not depreciated is the land account

3.04 Intangible Assets

Recognition and measurement

Intangible Assets that are acquired by the company and have finite useful lives are measured at cost less accumulated amortization and accumulated impairment losses, if any. Intengible Assets are recognized when all the conditions for recognition as per BAS 38 "Intangible Assets" are met. The cost of intangible Assets comprises its purchase price and directly attributable cost of preparing the assets for its intended use

Subsequent expenditure is capitalized only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditures are recognized in profit or loss as incurred.

Amortization is recognized in profit or loss on a straight line basis over the estimated useful lives of intangible assets, from the date that they are available for use.

Presently the company has no acquired intangible assets or internally generated intangible assets.

3.05 Inventories

3.05.1 Nature of Inventories

Inventories comprise Raw Materials (MS Billet), Packing Material, Stores and Spares, and Finished Goods (MS Rod)

3.05.2Valuation of the Inventories

Inventories are measured at the lower of cost and ex-factory net realizable value in compliance with "BAS 2: Inventories". The cost of inventories is based on weighted average principle and includes expenditure for acquiring the inventories and bringing them to their existing location and condition.

Net realizable value is estimated upon selling price in the ordinary course of business less estimated cost of completion. When the inventories are used, the carrying amounts of those inventories are recognized as an expense in the year in which the related revenue is recognized.

According to the requirement of BAS-2, Inventories are valued at the lower of cost or net realizable value.

Category	Valuation
Finished goods	Finished goods are valued at cost or net realizable value, whichever is lower.
Raw materials	Raw materials are valued at cost or net realizable value, whichever is lower.
Store items	Based on weighted average method.

3.06 Leased assets

The leased liability is considered as a Finance lease. So the interest expense on Lease liability is charged to the statement of profit or loss and other comprehensive income under finance cost.

3.07 Foreign Currency Transaction/Translation

Foreign currency transactions are translated into Bangladeshi Taka at the exchange rates ruling at the transaction dates according to BAS 21: The effect of changes in Foreign Exchange Rates". Monetary assets and liabilities denominated in the foreign currencies are translated at prevailing rates on the balance sheet (financial position) date.

Non monetary assets and liabilities denominated in foreign currencies, which are related at historical cost, are translated into Bangladesh Taka at the exchange date ruling at the date of transactions. Foreign exchange fluctuation gain/losses are charged to the statement of profit or loss and other Comprehensive Income for the respective period.

In the financial year 2017-2018, there is no foreign currency transaction happened except translation of foreign currency account of IPO refund warrant

3.08 Financial Instruments

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 trade date, which is the date of group becomes a party to the contractual provisions of the instrument.

The company derecognizes financial assets when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial assets in a transaction in which substantially all risks and rewards of ownership of the financial asset are transferred.

Financial Assets comprise accounts receivables; Advance, Deposits and Prepayments; Cash and Cash Equivalent,

The company recognizes all financial liabilities on the trade date which is the date the company becomes a party to the contractual provisions of the instruments. The company derecognizes a financial liability when its contractual obligations are discharged, cancelled or expired. Financial liabilities comprise Accounts payable and other financial obligation.

3.08.1 Accounts Receivable

Accounts receivable are recognized initially at invoice value which is the fair value of the consideration given in return. After initial recognition, these are carried at cost less impairment losses, if any, due to un-collectability of any amount so recognized.

Provision for doubtful debts is made based on the company policy. Bed debts are written off considering the status of individual debtors. Receivables from foreign currency transactions are recognized in Bangladeshi Taka using the exchange rates prevailing on the date of transaction.

3.08.2 Advances, Deposits and Prepayments

Advances are initially measured at cost. After initial recognition, advances are carried at cost less deductions, adjustments or charges to other account heads such as Property, Plant and Equipment; Inventory or Expenses

Deposits are measured at payment value.

Prepayments are initially measured at cost, after initial recognition, prepayments are carried at cost less charges to profit or loss.

3.08.3 Cash and Cash Equivalents

Cash and cash equivalents consist of cash in hand and demand deposits, together with short-term, highly liquid investments that are readily convertible to a known amount of cash, and that are subject to an insignificant risk of changes in value.

3.08.4 Share Capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares are recognized as a deduction from equity, net of any tax effect.

3.08.5 Accounts Payable

The company recognizes a financial liability when its contractual obligations arising from past events are certain and the settlement of which is expected to result in an outflow from the company of resources embodying economic benefits.

3.09 Impairment

3.09.1 Financial Assets

Financial Assets are impaired if objective evidence indicates that a loss event has occurred after initial recognition of the assets and that the loss event had a negative effect on the estimated future cash flows of that assets that can be estimated reliably.

Financial assets not classified as fair value through profit or loss, loans, receivables and investment in an equity accounted investee are assessed at each reporting date to determine whether there is objective evidence that it is impaired.

A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably

3.09.2 Non-Financial Assets

The carrying amounts of the company's non-financial assets, other than inventories and deferred tax assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists then the recoverable amount of the assets are estimated.

An impairment loss is recognized if the carrying amount of an asset or its related cash-generating unit (CGU) exceeds its estimated recoverable amount

3.10 Statement of Cash Flows

Statement of cash flows is prepared in accordance with "BAS 7: Statement of Cash Flows" and the cash flows from operating activities have been presented under Direct Method as required by the Securities and Exchange Rules 1987 and considering the provisions that "Enterprises are Encouraged to Report Cash Flow from Operating Activities using the Direct Method".

3.11 Provisions, Contingent Liabilities and Contingent Assets

As per "BAS 37: Provisions, Contingent Liabilities and Contingent Assets' a provision recognized on the date of statement of financial position if, as a result of past event Company has a present obligation that can be estimated reliably, and it is probable the outflow of economic benefits will be required to settle the obligation.

Contingent liabilities are current or possible obligations, arising from past events and whose existence is due to the occurrence or non- occurrence of one or more uncertain future events, which are not within the control of the company.

Contingencies arising from claim, litigation assessment, fines, penalties, etc. are recorded, it is probable that a liability has been incurred and the amount can be measured reliably accordance with "BAS 37: Provisions, Contingent Liabilities and Contingent Assets".

3.12 Borrowing Costs

Interest and other costs incurred by the company in connection with the borrowing of funds are recognized as expenses in the period in which they are incurred, unless such borrowing cost relates to acquisition/ construction of assets in progress that are capitalized as per BAS 23 "Borrowing Costs"

3.13 Taxation

3.13.1 Current Tax

Current tax is the expected tax payable on the taxable income for the financial year, using tax rates enacted or subsequently enacted after the reporting date and any adjustment to tax payable in respect of previous years.

The company has been maintaining provision for taxation using rates enacted at the reporting date as per Income Tax Ordinance, 1984. Provision for taxation is calculated on the basis of applicable current tax rate and in compliance with Finance Act. 2018.

3.13.2 Deferred Tax

Deferred tax liabilities are the amount of income taxes payable in the future periods in respect of taxable temporary differences. Deferred tax assets are the amount of income taxes recoverable in future periods in respect of deductible temporary differences.

Deferred tax assets and liabilities are recognized for the future tax consequences of timing differences arising between the carrying value of assets, liabilities, income and expenditure and their respective tax bases. Deferred tax assets and liabilities are measured using the tax rates and tax laws that have been enacted and substantially enacted at the statement of Financial Position date.

3.14 Share Capital

Paid-up-capital represents total amount contributed by the shareholders and bonus shares issued by the company to the ordinary shareholders. Incremental costs directly attributable to the issue of issue of ordinary shares are recognized as expenses as and when incurred.

Holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to vote at shareholders meetings.

3.15 Worker's profit participants & welfare funds

The company contributed 5% of net profit before charging the amount to the aforementioned fund in accordance with the requirement of section 234 of labor Act. 2006, (Amendment 2015).

3.16 Revenue Recognition

Revenue from sale of goods is measured at the fair value of the consideration received or receivable, net of returns and allowances, trade discounts and rebates, if any. Revenue from net sales of the company represents invoiced value of sales of M.S Rod, Cut pec & misroll etc which are recognized after considering the conditions, set in paragraph 14 of BAS 18: "Revenue". Revenue from the sale of goods is recognized when all the following conditions are satisfied:

a) The company has transferred to the buyer the significant risks and rewards of ownership of the goods;
b) The company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
c) The amount of revenue can be measured reliably;
d) It is probable that the economic benefits associated with the transaction will flow to the company; and
e) The cost incurred or to be incurred in respect of the transaction can be measured reliably.

3.17 Finance Income & Costs

3.17.1 Finance Income

Interest income from bank deposits and loan to related company (if any) is recognized in the profit or loss on accrual basis following specific rate of interest in agreement with banks and related companies.

3.17.2 Finance Costs

Interest expenses except expenses related to acquisition/ construction of assets, incurred during the yearare charged to Statement of Profit or Loss and Other Comprehensive income on accrual basis.

3.17.3 Other Operating Income

Other Operating Income includes interest income on delayed receipts from customers, gain / (loss) on sales of fixed assets and miscellaneous receipts. Other operating income is recognized as revenue income as and when realized.

3.18 Earnings Per Share (EPS)

The company calculates Earnings Per Share (EPS) in accordance with the Bangladesh Accounting Standard BAS 33 "Earnings Per Share" which has been shown on the face of statement of profit or loss and other Comprehensive Income.

3.18.1 Basic Earnings per share

This represents earnings for the period attributable to the ordinary shareholders. As there no preference dividend, minority interest or extraordinary items, the net profit for the year has been considered as fully attributable to ordinary shareholders. Basic earnings per share have been calculated by dividing the net profit or loss by the number of ordinary shares outstanding during the year.

3.18.2 Diluted Earnings per Share (DEPS)

Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and weighted average number of ordinary shares outstanding, for the effect of all dilutive potential ordinary shares. However, dilution of EPS is not applicable for these financial statements as there were no potential ordinary shares during the relevant period. But the present DEPS existing numbers of share outstanding.

3.19 Measurement of Fair Values:

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

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

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

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

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

Property, Plant and Equipment

The fair value of items of property, plant and equipment has been determined based on the depreciated replacement cost method and net realizable value method as applicable.

Equity and debt securities

Fair values of tradable equity and debt securities are determined by reference to their quoted closing price in active market at the reporting date which are categorized under 'Level 1' of the fair value hierarchy

3.20 Event after the Reporting Period

As per BSRS - 10 "Event after Balance Sheet Date" are arose event favorable and unfavorable, that occur between the end of the reporting year and the date when the financial statement are authorized for issue. Two types of events can be identified:

Those that are provide evidence of conditions that existed at the end of the reporting year (adjusting events after reporting date); and

Those that are indicative of conditions that arose after the reporting year (Non-adjusting events after balance sheet date).

Adjusting events are required to made necessary adjustment & in case of non-adjusting events, required adequate disclosures

3.21 Comparative Information

Comparative Information is disclosed in respect of the prior period/ year in accordance with BAS-1: Presentations of Financial Statements, for all numeric information in the financial statements and also the narrative and descriptive information where it is relevant for understanding of the current period's/years financial statements. Prior period's/ year's figure is rearranged wherever considered necessary to ensure comparability with the current period.

3.22 Finance Lease

Lease in terms of which the company assumes substantially all the risks and rewards of ownership are classified as finance leases. Upon initial recognition the leased assets is measured at an amount equal to the lower of its fair value and the present value of the minimum lease payments. Subsequent to initial recognition, the asset is accounted for in accordance with the accounting policy applicable to that asset.

Minimum lease payments made under finance lease are apportioned between the finance expense and the reduction of outstanding liability. The finance expense is allocated to each period during the lease term so as to produce a constant rate of interest on the remaining balance of the liability.

3.23 Segment Reporting

No segmental reporting is applicable to the company as required by "BFRS 08: Operating Segment" as the company operates in a single industry segment and within as geographical segment.

3.24 Related Party Disclosures

The company carried out a number of transactions with related parties in the normal course of businessand on arms' length basis. The information as required by BAS 24: Related Party Disclosures has been disclosed in a separate note to the accounts.

AMAR STOCK

		Amount in BDT	
		30-Jun-18	30-Jun-17
4.00	**Property Plant & Equipment**		
	At cost	**2,508,700,319**	**2,508,700,319**
	Land and land Development	1,048,750,000	1,048,750,000
	Factory Building & Civil Construction	402,531,158	402,531,158
	Plant & Machinery	793,428,390	793,428,390
	Logistics Equipment	77,810,979	77,810,979
	Furniture & Fixture	2,962,460	2,962,460
	Motor Vehicles	39,806,505	39,806,505
	Office Equipment	13,510,827	13,510,827
	Machinery under capital lease	129,900,000	129,900,000
	Accumulated Depreciation:	**485,189,392**	**419,356,780**
	Land and land Development	-	-
	Factory Building & Civil Construction	96,901,545	84,166,977
	Plant & Machinery	272,162,450	232,927,379
	Logistics Equipment	31,388,865	27,894,728
	Furniture & Fixture	1,674,077	1,530,924
	Motor Vehicles	25,857,344	22,370,054
	Office Equipment	6,541,675	5,767,325
	Machinery under capital lease	50,663,436	44,699,393
	Written down value	**2,023,510,927**	**2,089,343,539**

Details shown in Annexure-1.

4.01 Revaluation Surplus of Land

The company revalued its land & land development on 12 April 2012 by Emerging Resources Ltd. following the resolution of the Board of Directors on 30 April 2012 to make a reflection of the present value of those assets in the financial statements as on 30 June 2012. The Company did not revalue its other assets as because the difference of present value and book value of such asset is insignificant. Details of the revaluation of the assets are given below:

Particulars	Net Book value Taka (30.06.2011)	Revalued Amount (Taka)	Value Increase due to Revaluation (Taka)
Land & Land development	104,800,000	1,048,750,000	943,950,000

4.02	**Capital Work in Progress**		
	Opening Balance	13,297,530	-
	51 Plot Office Building	39,900	376,988
	Muradpur Office	2,567,444	12,920,542
		15,904,874	**13,297,530**
5.00	**Advances, Deposits and Prepayments**		
	Advances *(Note:5.1)*	775,771,661	62,639,398
	Deposits *(Note: 5.2)*	11,295,971	9,373,178
	Prepayments *(Note: 5.3)*		
		787,067,632	**72,012,576**
5.01	**Advance**		
	Factory Staff	3,980,188	3,865,184
	Advance Income Tax *(Note- 5.01.01)*	52,767,483	58,479,655
	Advance to Supplier Party	717,833,632	-
	Value Added Tax-Current Account	1,190,358	294,559
		775,771,661	**62,639,398**

		Amount in BDT	
		30-Jun-18	30-Jun-17
5.01.01	**Advance Income tax**		
	Opening	58,479,655	44,739,457
	Adjustment during the year	(58,479,655)	(44,739,457)
	Payment During the year	52,767,483	58,479,655
		52,767,483	**58,479,655**
5.02	**Deposits:**		
	Bangladesh Power Development Board	1,140,000	1,140,000
	FDR (Karnaphuli Gas Distribution Co. Ltd.)	6,162,371	6,310,048
	FDR (Others)	3,981,600	
	BTCL	12,000	12,000
	Lease Deposit	-	1,911,130
		11,295,971	**9,373,178**
6.00	**Inventories**		
	Finished Goods	1,008,483,672	869,071,392
	Raw Materials	889,623,487	980,179,200
	Spares Parts	38,158,741	37,256,890
		1,936,265,900	**1,886,507,482**
7.00	**Accounts Receivable**	**1,942,197,752**	**1,783,284,673**
7.01	**Ageing of Accounts Receivables are as follows:**		
	Less than 30 days	679,769,213	624,149,636
	Over 30 days but less than 60 days	504,971,416	410,155,475
	Over 60 days but less than 90 days	466,127,461	463,654,015
	Over 90 days	291,329,663	285,325,548
		1,942,197,752	**1,783,284,673**

The management believe that above receivables are good and fully realisable.

8.00	**Cash and cash equivalents**		
	Cash in Hand	9,021,100	3,223,443
	Cash at Banks *(Note-8.01)*	21,780,564	14,652,797
		30,801,664	**17,876,240**
8.01	**Cash at Banks**		
	AB Bank Limited # 4000	17,072	22,067
	AB Bank Limited # 4430	53,271	930,407
	Agrani Bank Ltd # 9069	627,265	155,864
	Al Arafa Islami Bank Limited # 3027(1331)	2,051,579	333,237
	Bank Asia # 240	14,292	36,195
	City Bank Limited # 6001	115,720	257,161
	Dutch-Bangla Bank Limited # 0963	1,587,270	1,501,155
	Exim Bank Limited # 2676	386,385	138,855
	First Security Islami Bank Limited # 2598	37,444	118,430
	HSBC # 004-111092-011	55,831	56,406
	ICB Islami Bank Limited # 3098	1,210	1,785
	Islami Bank Bangladesh Limited # 3718	492,416	248,412
	Janata Bank Limited # 2788	870,752	47,053
	Janata Bank Limited # 293	13,392	16,556
	Meghna Bank Limited # 0007	318,574	31,631
	Meghna Bank Limited # 0131	20,856	24,686
	Mercantile Bank Limited # 588	636,952	100,136

	Amount in BDT	
	30-Jun-18	30-Jun-17
National Bank Limited # 1876(New 915)	50,479	499,979
National Credit and Commerce Bank Limited # 804	119,435	170,338
One Bank Limited # 275	101,195	683,983
Premier Bank Limited # 1729	50,578	303,277
Pubali Bank Limited # 0724	2,601,603	542,905
Sonali Bank Limited # 17497	24,138	1,344,650
South Bangla Agriculture & Commerce Bank Limited # 45119	2,831,443	2,721,818
South Bangla Agriculture & Commerce Bank Limited # 0778	1,465,267	104,125
Southeast Bank Limited # 02091	2,915	3,501
Southeast Bank Limited # 45907	10,690	11,610
Southeast Bank Limited # 998	1,211,308	109,735
Social Islami Bank Limited -1342	200,945	-
Standard Bank Limited # 217	133,471	234,780
Trust Bank Limited # 1020	3,087,786	3,070,730
Trust Bank Limited # 277	780,188	87,413
Trust Bank Limited # 015	345,238	326,540
United Commercial Bank Limited # 238	1,388,875	341,500
United Commercial Bank Limited # 601(New 168)	63,871	64,446
United Commercial Bank Limited # 6785(new-158)	10,861	11,436
	21,780,564	14,652,797

9.00 Share Capital

Authorised Share Capital		
50,000,0000 Ordinary Shares of BDT 10 each	5,000,000,000	1,000,000,000
Authorised Share Capital are increased to 500 Crore.		
Issued, Subscribed and Paid-up capital		
29,600,000 Ordinary Shares of Tk. 10 each (For the year 2014)	296,000,000	296,000,000
35,920,000 Ordinary Share as at Tk. 10 each (For the year 2015)	359,200,000	359,200,000
131,040,000 Ordinary Shares as at Tk. 10 each (For the year 2016)	131,040,000	131,040,000
78,624,000 Ordinary Shares as at Tk. 10 each (For the year 2017)	78,624,000	78,624,000
14,702,688 Ordinary Shares as at Tk. 10 each (For the year 2018)	147,026,880	-
101,189,088 Ordinary Shares of BDT 10 each	1,011,890,880	864,864,000

(14,702,688 Bonus Share at Tk. 10 each has been issued for the year 2017-2018)

9.01 Classification of shares by holding class by number of shares

Class by Number of Shares	Number of Holders	Number of Shares	Holding (%)
Less than 500	4,710	1,007,297	1.00%
From 500 to 5,000	3,436	6,329,350	6.25%
From 5,001 to 10,000	507	3,734,719	3.69%
From 10,001 to 20,000	290	4,161,432	4.11%
From 20,001 to 30,000	114	2,810,780	2.78%
From 30,001 to 40,000	52	1,824,832	1.80%
From 40,001 to 50,000	42	1,930,130	1.91%
From 50,001 to 100,000	82	5,814,433	5.75%
From 100,001 to 1,000,000	55	12,978,447	12.83%
Above 10,00,000	15	60,597,668	59.89%
Total	**9,303**	**101,189,088**	**100%**

	Amount in BDT	
	30-Jun-18	30-Jun-17

9.02 Compositon of Shareholders at 30 June, 2018

Name of Shareholders	Number of Shares	Holding (%)
Sponsor Shareholders	47,585,003	47.026
Institute Shareholders	23,979,696	23.698
Other Shareholders	29,624,389	29.276
Total	**101,189,088**	**100.00**

9.03 Composition of Share holding as at 30 June, 2018

Name	Number of share	Holding (%)
ICB (Corporate Director, Nominated To Kazi Sanaul Hoq)	17,303,640	17.100
Mr. Maksudur Rahman (Managing Director)	14,958,506	14.783
Md. Younus Bhuiyan (Director)	5,284,609	5.223
Shamsun Nahar Rahman (Director)	5,882,408	5.813
Marzanur Rahman (Director)	2,077,920	2.054
Mizanur Rahman (Director)	2,077,920	2.054
Other Shareholders	53,604,085	52.974
Total	**101,189,088**	100.000

10.00 Lease Liability

IDLC Finance Lease Liability-1001 *(Note: 10.01)*	3,519,604	16,395,683
IDLC Finance Lease Liability-1002 *(Note: 10.02)*	-	795,891
	3,519,604	**17,191,573**

10.01 IDLC Finance Lease Liability-1001

Due Within one Year	3,519,604	16,395,683
Due After one year	-	-
	3,519,604	**16,395,683**

10.02 IDLC Finance Lease Liability-1002

Due Within one Year	-	795,891
Due After one year	-	-
	-	**795,891**

10.03 Terms of leased loan (IDLC)

Lender:
IDLC Finance Limited

Total lease facilities:
The lease loan amount was Eight crore and eighty lac on which 7.74 crore enjoyed by the company.

Interest rate:
Initial interst rate is 16.70% per annum for the one year from the date of disbursement. Thereafter the rate of interst shall be reviewed at annual intervals.

Loan term:
5 years

Monthly Installment:
Monthly Installment Revised at BDT 19,11,130 which effective from 14.11.2012

Disbursement:
Disbursement was made on 7th January 2013 and 14th Novemver, 2012.

Repayment:
The both Loan facility of IDLC finance will be repayable in 60 equal monthly installment.

Purpose:
The purpose of the loan is for the procurement of the capital machine

Security
a) Personal Gurantee from all Directors of the Company.

	Amount in BDT	
	30-Jun-18	30-Jun-17

11.00 Deferred tax Liability

Deferred tax liability has been calculated below at the applicable tax rate on the difference between the carrying value of property, plant and equipment as per financial statements and tax written down value and financial position's liability method for gratuity obligation.

Opening balance	140,875,994	131,498,915
Deffered tax liability /(assets) as on 30 June.	1,341,159	9,377,079
Increase /(decrease) of deffered tax liability	**142,217,153**	**140,875,994**

Details Shown in Annexure-2.

12.00 Short Term Liabilities:

Sonali Bank: Pledge # 08	400,780,212	357,020,071
Sonali Bank: Hypo # 22	657,290,956	593,641,577
Sonali Bank # LTR	510,086,875	502,912,776
	1,568,158,042	1,453,574,424

12.01 Terms of CC loan (Sonali Bank)

Lender:
Sonali Bank Limited

Total loan:
Total loan amount Limit is Tk. 75 crore which consist of Tk. 45 crore of Hypothecation and Tk. 30 crore of pledge loan.

Interest rate:
Annually Hypo-13% and pledge-13% compound interest on three month installment basis. Thereafter the rate of interst shall be reviewed at annual intervals.

Margin:
20% margin on both Hypo and Pledge Facility.

Re-payment:
From sale of finished goods on Daily, weekly or lumpsum payment before the specified date of repayment.

Security:
Hypo & Pledge
a) Raw-materials, work in progress, finished goods, machineries, spare parts etc stored in the Factory and warehouse.

b) Industrial Plot no 175 & 176

Purpose:
To meet the working capital requirements.

Terms of LTR Loan (Sonali Bank)
Lender
Sonali Bank

Total Loan Facility
Tk 50 Crore LTR Facility for 90 days Period.

Interest Rate Applied
Annually 13% Interest Rate.

Security
a) Personal Guarantee of all the Directors of Ratanpur Steel Re-rolling Mills Limited.
b) Post Dated Cheque
c) Industrial Plot no 175 & 176
Matuarity date: Apprx. 90 days from disposal

	Amount in BDT	
	30-Jun-18	30-Jun-17
13.00 Creditors and Accruals		
Accounts payable	218,520	580,520
Advance Against Sales	6,450,336	91,210,925
For Revenue Expenses *(Note: 13.01)*	51,185,401	26,001,780
Other Finance *(Note: 13.02)*	6,154,299	6,119,088
	64,008,556	**123,912,313**
13.01 For Revenue Expenses		
Accrued for Salary & wages	7,058,079	6,713,087
Accrued for Electricity Bill	40,895,248	15,176,200
Accrued for Gas Bill	2,863,024	3,670,598
Accrued for Wasa Bill	17,026	86,510
Accrued for Telephone Bill	2,024	5,386
Audit Fees	350,000	350,000
	51,185,401	**26,001,780**
13.02 Other Finance		
Unclaimed Refund Warrant		
Local	3,070,730	3,070,730
Foreign (USD $)	345,238	326,540
Foreign refund warrant are increases due to changes in the foreign exchange rate		
Total	**3,415,968**	**3,397,270**
Unclaimed Dividend	2,738,331	2,721,818
	6,154,299	**6,119,088**
14.00 Income Tax Liability		
Accrued during the year	382,932,338	222,518,512
	382,932,338	**222,518,512**
Details shown in Annexure-3.		
15.00 Workers' Profit Participation Fund and Welfare Fund		
Opening Balance	46,987,672	18,580,401
Add: Addition during the year @ 5%	47,434,731	46,987,672
	94,422,403	**65,568,073**
Less: Paid during the year	(46,987,672)	(18,580,401)
Closing Balance	**47,434,731**	**46,987,672**

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		Amount in BDT	
		30-Jun-18	30-Jun-17
16.00	**Revenue**		
		7,712,283,831	**7,541,531,226**
	Sale of MS Rod	7,454,273,640	7,168,458,635
	Misroll & Others	258,010,191	373,072,592
	Gross Revenue	7,712,283,831	7,541,531,226
	Value Added Tax (VAT)	(52,605,200)	(52,835,474)
		7,659,678,631	**7,488,695,752**
	Quantity as per sales is shown in Note: 26.01		
17.00	**Cost of Goods Sold**		
	Raw Materials Used *(Note: 17.01)*	6,199,035,713	5,837,484,778
	Direct Labor	72,336,152	69,033,233
	Electricity Bill	107,444,201	106,533,171
	Wasa Bill	171,415	100,007
	Spare Parts Used *(Note : 17.02)*	44,146,039	43,752,940
	Loading & Unloading Bill	11,381,600	12,369,896
	Gas Bill	24,051,625	26,381,000
	Prime Cost (A)	**6,458,566,745**	**6,095,655,025**
	Indirect Expenses associated with production (B)	**63,532,711**	**58,384,140**
	Repair & Maintenance	428,520	627,457
	Medical Exp.	563,210	452,679
	Depreciation (Annexure-01)	62,540,981	57,304,004
	Cost of Production (A+B)	**6,522,099,457**	**6,154,039,165**
	Opening Finished Goods	869,071,392	946,362,692
	Cost of Goods Available for Sale	**7,391,170,849**	**7,100,401,857**
	Closing Finished Goods	(1,008,483,672)	(869,071,392)
	Cost of Goods Sold	**6,382,687,177**	**6,231,330,465**
17.01	**Raw Materials Used**		
	Opening Stock of Raw Materials	980,179,200	635,477,378
	Purchases of Raw Materials	6,108,480,000	6,182,186,600
	Cost of Raw Materials available for use	**7,088,659,200**	**6,817,663,978**
	Closing Raw Materials	(889,623,487)	(980,179,200)
	Cost of Raw Materials used	**6,199,035,713**	**5,837,484,778**
17.02	**Spare Parts used**		
	Opening Stock of Spare Parts	37,256,890	32,056,210
	Purchase during the year	45,047,890	48,953,620
	Spare Parts available for use	**82,304,780**	**81,009,830**
	Closing Stock of Spare Parts	(38,158,741)	(37,256,890)
	Spare Parts used during the year	**44,146,039**	**43,752,940**

		Amount in BDT	
		30-Jun-18	30-Jun-17
18.00	**Administrative and Other Expenses**		
	Director's remuneration *(Note-27)*	1,965,000	1,965,000
	Salary & Allowance	6,623,232	6,307,840
	Entertainment	832,230	1,611,435
	Travelling Expenses	1,895,390	2,167,175
	Legal Expenses	5,090,605	196,500
	Stationary	690,198	286,327
	Paper & Periodicals	14,044	8,332
	Postage & Stamp	193,461	244,755
	Mobile Bill	1,896,966	1,305,346
	Electricity Expenses	972,849	1,127,146
	Audit Fees	350,000	350,000
	Telephone Bill	12,209	35,250
	Internet Bill	916,910	990,322
	Fire License Expenses	3,000	3,000
	Office Expenses	814,437	725,647
	Sundry Expenses	1,679,740	796,026
	Office rent	240,000	240,000
	ISO related Expenses	70,900	279,059
	Insurance	703,231	714,120
	Conveyance	816,809	607,461
	Land Revenue	29,700	68,682
	Depreciation (Annexure-01)	3,291,631	3,016,000
	Certificate and Membership Expenses	149,000	1,252,814
	Guest house Expenses	344,288	184,302
	Repairs and maintenance	1,852,630	3,992,230
	Medical Expenses	229,040	23,881
	Vehicle Expenses	842,980	594,157
	AGM Related Expense	3,862,750	1,210,327
	Trade License	20,100	16,300
		36,403,330	**30,319,434**
19.00	**Selling and Distribution Expenses**		
	Carriage Outwards	24,128,399	23,425,630
	Salary & Allowance	5,737,566	5,215,969
	TA & DA of Sales Representative	4,569,850	3,926,530
	Sales Commission	-	2,000,000
	Travelling Expenses	473,848	928,789
	Rod testing Expenses	426,700	563,768
	Advertisement Expenses	25,369,870	13,252,630
		60,706,232	**49,313,316**
20.00	**Finance Cost:**		
	Interest on Lease Loan:	**1,257,627**	**3,028,291**
	IDLC Lease Liability-1001 & 1002	1,257,627	3,028,291
	Interest on CC-Hypo:	**73,617,610**	**75,413,754**
	Sonali Bank Limited: Hypo # 1027	73,617,610	75,413,754
	Interest on CC-Pledge:	**48,394,141**	**47,683,171**

		Amount in BDT	
		30-Jun-18	30-Jun-17
	Sonali Bank Limited: Pledge # 1084	48,394,141	47,683,171
	Interest on Sonali Bank # LTR	**60,974,099**	**65,248,956**
	Bank Charges	**645,571**	**425,062**
		184,889,048	**191,799,234**
21.00	**Finance Income**		
	AB Bank Limited	72,144	68,432
	Al-Arafah Islami Bank Limited	20,638	13,576
	Agrani Bank Ltd	13,926	16,718
	Bank Asia	21,922	21,694
	City Bank Limited	12,494	16,619
	Dutch Bangla Bank Limited	22,321	55,736
	Exim Bank Limited	8,505	7,239
	First Security Islami Bank Limited	26,094	28,903
	Janata Bank Limited	254	258
	Meghna Bank Limited	4,004	11,479
	Marcentile Bank Limited	24,710	16,112
	National Credit and Commerece Bank Limited	35,216	25,764
	One Bank Limited	28,439	24,362
	Premier Bank Limited	7,847	7,318
	Pubali Bank Limited	45,023	40,403
	Social Islami Bank Ltd	3,906	
	South Bangla Agriculture & Commerece Bank Limited	207,723	139,905
	Southeast Bank Limited	31,818	127,510
	Standard Bank Limited	10,460	12,298
	Trust Bank	23,007	45,487
	Trust Bank Limited	9,256	20,856
	United Commercial Bank Limited	80,433	53,813
	FDR Interest	426,361	53,340
		1,136,500	**807,818**
22.00	**Earnings per share (EPS)**		
	Net profit attributable to the shareholders for the year	713,459,972	707,857,860
	Number of Ordinary Shares at year end	101,189,088	86,486,400
	Weighted no. of ordinary shares outstanding at the end of the year		
	Basic EPS	**7.05**	**8.18**
23.00	**Restated EPS Considering Proposed 10% Stock Bonus f the year ended 30th June,2016**		
	Net profit attributable to the shareholders for the year	713,459,972	707,857,860
	Number of Ordinary Shares at year end	101,189,088	101,189,088
	Restated EPS	**7.05**	**7.00**

Earnings per share (EPS) has been computed by dividing the net profit after tax (NPAT) by the present weighted average number of ordinary shares outstanding as per BAS-33 and EPS for the year preceding year has been restated based on the new weighted average number of ordinary shares in accordance with para 64 of BAS 33.

	Amount in BDT	
	30-Jun-18	30-Jun-17
24.00 Net Asset Value per share (NAV)		
Total Assets	6,735,748,749	5,862,322,040
Less: Total Liabilities	2,208,270,424	2,005,060,488
Shareholders' Equity	**4,527,478,325**	**3,857,261,553**
Number of Ordinary Shares at the year end	101,189,088	86,486,400
Net Asset Value per share (NAV)	**44.74**	**44.60**
25.00 Net Operating Cash Flow per share (NOCF)		
Net cash inflow /(outflow) from Operating Activities	101,736,364	179,640,521
Number of Ordinary Shares at the year end	101,189,088	86,486,400
Net Operating Cash Flow per share (NOCF)	**1.01**	**2.08**
26.00 Quantitative movement of Inventories		
	Raw Materials (M. Tons)	Raw Materials (M. Tons)
Raw Materials		
Opening stock	24,752	15,860
Purchase during the year	141,400	147,970
Total	**166,152**	**163,830**
Consumed during the year	(145,300)	(139,078)
Closing stock	**20,852**	**24,752**
Finished Goods		
Opening stock	18,336	21,052
Production during the period	142,394	136,664
Total	**160,730**	**157,716**
Sales during the period *(Note: 26.01)*	(138,800)	(139,380)
Closing Stock	**21,930**	**18,336**
26.01 Sales During the Period		
MS Rod	131,570	128,796
Misroll & Others	7,230	10,584
	138,800	**139,380**

27.00 i) Payment information to Directors as Per requirement of schedule XI, part II, Para 4 of the Companies Act 1994

Name	Nature of Relationship	Remuneration
Mr.Maksudur Rahman	Managing Director	700,000
Mrs.Shamsun Nahar Rahman	Director	615,000
Md. Younus Bhuiyan	Director	650,000
Total		**1,965,000**

iii) Aggregate amount of remuneration paid to all Directors and Officers during last accounting period:

Directors & Officers		Amount
Directors		1,965,000
Officer/Executive (Management & Non Management)		86,661,950

28.00 Production capacity & Actual production

	M.Tons (2017-18)	M.Tons (2016-17)
Production capacity (Yearly Basis)	187,200	187,200
Actual Production	142,394	136,664
Excess/(Shortfall)	(44,806)	(50,536)
Capacity Utilized	**76.07%**	**73.00%**

29.00 Depreciation to be charge

Manufacturing	62,540,981	57,304,004
Administrative	3,291,631	3,016,000
Total	**65,832,612**	**60,320,004**

30.00 Related party transaction

Particulars	Relationship	Nature of Transactions	Transaction during the year
Modern Steel Mills Limited	Group Concern	Supply of Raw Material	2,808,265,900

31.00 Contingent Liability

The company had no contingent liabilities .

32.00 Capital Commitment:

The company had no capital commitment at the reporting date.

33.00 Employee Position of Modern Steel Mills Ltd as per requirement of schedule XI, part II, Para 3

		Officer & Worker	
Salary Range (Monthly)	Total Employee	Head Office	Factory
Below 6000	-	-	-
Above 6000	530	120	410

34.00 Advances, Deposits & Prepayment (Note: 5) as per Schedule XI, Part-1 of the Companies Act 1994.

Advance, Deposits and pre-payments exceeding 6 Months	11,295,971
Not exceeding 6 Months	775,771,661
Advance, deposits and pre-payments considered Good and Secured	Nil
Advance, deposits and pre-payments considered Good without security	787,067,632
Advance, deposits and pre-payments considered doubtful or Bad	Nil
Advance, deposits and pre-payments	
Due by Directors	Nil
Other Officers against Salary	3,980,188

Advance, Deposits and pre-payments due from companies under same management:	Nil
Maximum Advance, deposits and pre-payments	
Due by Directors	Nil
Officers at any time	3,980,188

35.00 Account Receivable (Note: 7) as per Schedule XI, Part-1 of the Companies Act 1994.

Debts exceeding 6 Months	679,769,213
Not exceeding 6 Months	1,262,428,539
Debts considered Good and Secured	1,942,197,752
Debts considered Good without security	Nil
Debts considered doubtful or Bad Debts	
Due by Directors	Nil
Other Officers	Nil
Debts due from companies under same management:	
Maximum Debts	Nil
Due by Directors	Nil
Officers at any time	Nil

36.00 General

36.01 Audit Fee:

Audit fee of Tk. 350,000/- only represent the audit fee inclusive of VAT

36.02 Employee Long Term Benefit:

The Company has no Gratuity Fund & PF Scheme as yet as such no provision has been made in the financial statement

36.03 Event after Balance Sheet Date:

a) As per BSRS - 10 "Event after Balance Steet Date" are arose event favorable and unfavorable, that occur between the end
Those that provide evidence of conditions that existed at the end of the reporting year (adjusting events after reporting date); and
Those that are indicative of conditions that arose after the reporting year (Non-adjusting events after balance sheet date).

b) **Recommended Dividend for the year 2017-2018**

The Board of director in its 360th Board Meeting dated 28th oct, 2018 have been recommended Cash dividend @ 12 % for the year ended 30th June 2018 .

36.04 No material events has occurred after the balance sheet date to the date of issue of these financial statements, which could effect the values stated in the financial statements

36.05 There is no interest capitalized during the year

36.06 Board Meeting

In the financial year 2017-2018, the company arranged 06 nos board meeting.

37.00 WPPF:

As per Bangladesh Labor Law 2006 and Bangladesh labor (Amendment) Act 2013, WPPF has been calculated @ 5% of net profit after charge the WPPF before Income Tax

Annexure-1

Ratanpur Steel Re- Rolling Mills Limited
Schedule of Property, Plant & Equipment
For The Financial Year Ended 30 June, 2018

In Taka	Land and land Develop.	Factory Building & Civil Cons.	Plant & Machinery	Logistics Equipment	Furniture & Fixture	Motor Vehicles	Office Equipment	Machinery under capital lease	Total
Property, Plant & Equipment at Cost/Revalued Amount									
Balance BD (01.07.2017)	1,048,750,000	402,531,158	793,428,390	77,810,979	2,962,460	39,806,505	13,510,827	129,900,000	2,508,700,319
Addition during the year	-	-	-	-	-	-	-	-	-
Disposal During the year	-	-	-	-	-	-	-	-	-
Balance CD (30.06.2018)	**1,048,750,000**	**402,531,158**	**793,428,390**	**77,810,979**	**2,962,460**	**39,806,505**	**13,510,827**	**129,900,000**	**2,508,700,319**
Accumulated Depreciation									
Depreciation Rate	-	4%	7%	7%	10%	20%	10%	7%	
Balance BD (01.07.2017)	-	84,166,977	232,927,379	27,894,728	1,530,924	22,370,054	5,767,325	44,699,393	419,356,780
Charge for the year	-	12,734,567	39,235,071	3,494,138	143,154	3,487,290	774,350	5,964,042	65,832,612
Disposal During the year	-	-	-	-	-	-	-	-	-
Balance CD (30.06.2018)	**-**	**96,901,545**	**272,162,450**	**31,388,865**	**1,674,077**	**25,857,344**	**6,541,675**	**50,663,436**	**485,189,392**
Written Down Value (30.06.2018)	**1,048,750,000**	**305,629,613**	**521,265,940**	**46,422,114**	**1,288,383**	**13,949,161**	**6,969,152**	**79,236,564**	**2,023,510,927**

Allocation of Depreciation	Note	Ratio	Amount
Charge for the year			65,832,612
Factory Overhead	17	95%	62,540,981
Administrative Overhead	18	5%	3,291,631
Total			65,832,612

Annexure-2

Ratanpur Steel Re-Rolling Mills Limited

Deferred Tax Calculation

For the year ended 30 June, 2018

Taxable Temporary Difference for leases asset	
Total Lease Payment for the period	14,929,596
Total Interest Payment for leased assets	(1,189,739)
Total Depreciation on leased assets	(5,964,042)
	7,775,815
Deferred Tax liability for other than laese assets	152,131,882
Deferred Tax liability for lease assets	1,943,954
Total Deferred tax liability	**154,075,836**
Deferred tax asset on WPPF	(11,858,683)
Total Deferred tax assets	**(11,858,683)**
Net Deferred tax Liability	**142,217,153**
(Shown on Balance Sheet- as on 30 June, 2018)	
Previous Year Balance	140,875,994
Deferred Tax Expense/(Income)	**1,341,159**
(Shown on Income Statement for the year ended 30 June 2018)	

Considered applicable Rate of Income Tax @ 25%

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Annexure-3

Ratanpur Steel Re-Rolling Mills Limited

Income Tax Liabilities

For the financial year ended on 30 June, 2018

Particulars	Amount in BDT
Computation of total income	
AY: 2017-2018	
IY: 2016-2017	
Accounting profit before tax	948,694,612
Add: Other Inadmissible allowances	114,524,970
Add: Accounting depreciation	65,832,612
Add: Interest on leased assets	1,257,627
Add: Provision for WPPF	47,434,731
Total	**1,063,219,582**
Less: Items for separate consideration	(128,782,159)
Depreciation as per 3rd schedule	(65,728,389)
Payment for WPPF (Previous)	(46,987,672)
Lease payment (principal plus interest)	(14,929,596)
Interest Income	(1,136,500)
Total income/(Loss) from Operation	934,437,424
Add : Income from Other Sources (U/S- 33 of the ITO, 1984)	1,136,500
Total Taxable Income	935,573,924
Rate	25%
Income tax	**233,893,481**
Add: Tax (16-17)	222,518,512
Paid by Chaque	(15,000,000)
Advance Paid 16-17	(58,479,655)
Total Outstanding (17-18)	**382,932,338**

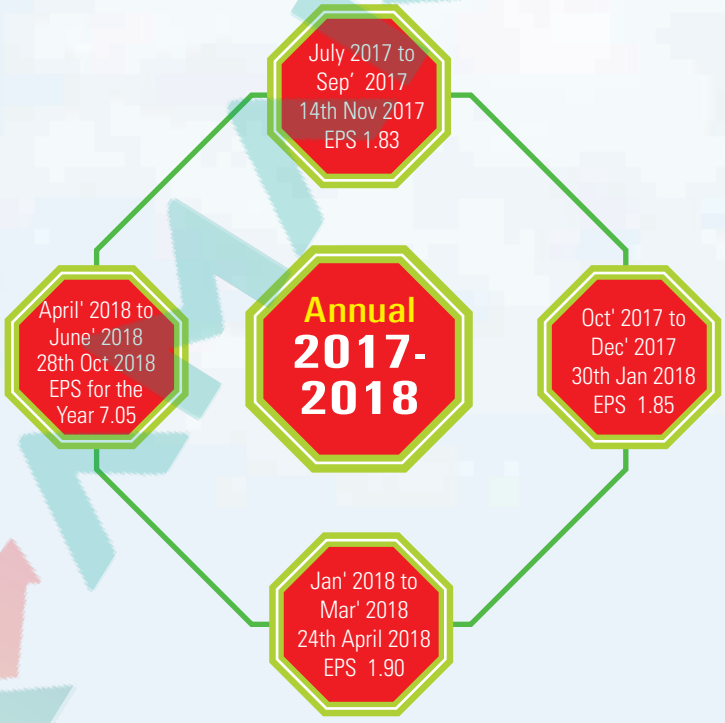
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ANNUAL GENERAL MEETING (AGM)

No. of AGM	: 33rd AGM
Date	: December 17, 2018
Venue	: Shaheen Golf & Country Clud, Airport Road, Patenga, Chittagong.
Time	: 11.00 AM

FINANCIAL CALENDAR

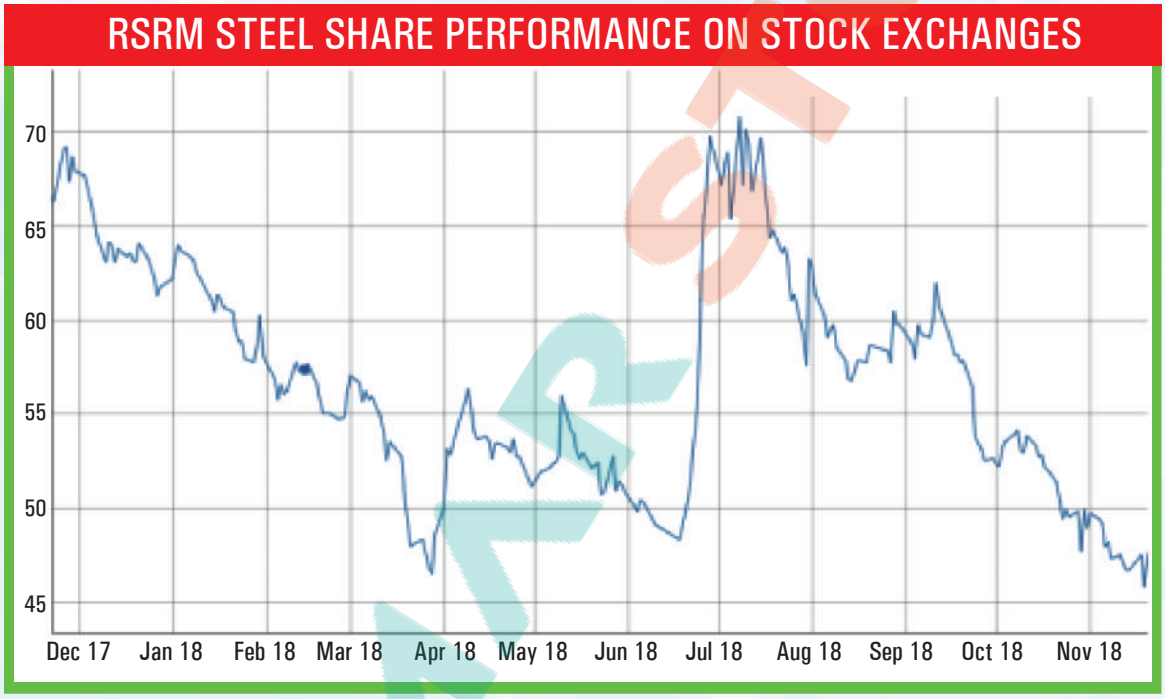
Financial Period: July 01, 2017 to June 30, 2018.
During the periods mentioned, the operational results of the company were announced on:



RECORD DATE

The record date is 22nd November, 2018.

RSRMSTEEL 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. Dated 22th September 2014

FACE VALUE PER SHARE: Tk. 10/=

CLOSING PRICE OF PER SHARE

Closing Price of per share ofour company as at 30th June 2018 was Taka 69.80

Closing Price of per share ofour company as at 22nd Novemver 2018 was Taka 47.70

DIVIDEND	
Year	Rate of Dividend Form of Dividend
2017-18	12% Cash (Recommended)
2016-17	5% and 17% Cash and Stock respectively
2015-16	10% and 10% Cash and Stock respectively
2014-15	5% and 20% Cash and Stock respectively
2013-14	5% and 20% Cash and Stock respectively

EPS	
Year	Taka
2017-18	7.05
2016-17	8.18
2015-16	3.45
2014-15	4.36
2013-14	5.24

INVESTOR CORRESPONDENCE

Mail to: Ratanpur Steel Re-Rolling Mills Limited. Jamidar Bari (B-90), 291 Fakirapul, Inner Circular Road, Arambagh, Motijheel, Dhaka - 1000, Bangladesh,

Voice: +880 02 7195840, 7195841, Fax: +880 027191745, Email: sharedept@rsrmbd.com Website: www.rsrmbd.com

Events Highlights



32th AGM



31th AGM



30th AGM



29th AGM

Events Highlights



Aktharuzzaman Flyover Project signing ceremony



RSRM Golf Tournament



RSRM Festival



Organized training program for REHAB



RSRM Prothom Alo World Cup Football Quize, Prize Presentation Ceremony



International Forum on Strategic Technology Conference (Cox's Bazar)

GLOSSARY TERMS

Terms	Brief Description
The Company / Parent	Ratanpur Steel Re-Rolling Mills Limited
Revenue	Turnover or Sales
Profit	Income
Basic EPS	Basic Earnings per Share (Profit attributable to the Ordinary shareholders divided by weighted average number of Ordinary shares)
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 Surplus	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
Debt-equity Ratio	Current plus long term liabilities divided by shareholders' equity
Interest Coverage Ratio	EBIT divided by Interest expenses

Shareholders' Note :

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Shareholders' Note :

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Ratanpur Steel Re-Rolling Mills Limited

Register Office : Nahar Mansion , 116 C . D . A Avenue, Muradpur, Chittagong. Phone: 88-031-652255-57
Fax: 88-031-650001, Website: www.rsrmbd.com

Share Dept : 291 Fakirepool (Jamindar Bari), Apt. B-9 (9th Floor), Inner Circular Road Arambagh, Motijheel, Dhaka-1000.
Phone +88 02 7195840, +88 02 7195841, Fax +88 02 7191745, E-mail : sharedept@rsrmbd.com

PROXY FORM

I/We …….. (Name) of

……. (Address being a

Shareholder of Ratanpur Steel Re-Rolling Mills Ltd. ("the Company") hereby appoint,

Mr. /Ms. …….. (Name) of

…….. (Address)

as may/our proxy, to attend on my/our behalf at the 33rd Annual General Meeting (AGM) of the Company to be held on 17 December, 2018 at 11.00 A.M at Shaheen Golf & Country Clud, Airport Road, Patenga, Chittagong, and at any adjournmentthereof 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.

Sign ature of the Shareholder

Folio /BO ID No:

Dated ----------

Sign ature of the witness

Sign ature of the Proxy

Folio/BD ID No :

Dated ----------

Note: The Proxy Form, dully filed in and stamped, must be deposited at the Register Office & Share Office of the Company not later than 48 hours before the time fixed for the holding of the meeting.

Signature Verified

.....
Authorized Signature
Ratanpur Steel Re-Rolling Mills Limited

Ratanpur Steel Re-Rolling Mills Limited

Register Office : Nahar Mansion , 116 C . D . A Avenue, Muradpur, Chittagong. Phone: 88-031-652255-57
Fax: 88-031-650001, Website: www.rsrmbd.com

Share Dept : 291 Fakirepool (Jamindar Bari), Apt. B-9 (9th Floor), Inner Circular Road Arambagh, Motijheel, Dhaka-1000.
Phone +88 02 7195840, +88 02 7195841, Fax +88 02 7191745, E-mail : sharedept@rsrmbd.com

ATTENDANCE SLIP

I hereby record my presence at the 33rd Annual General Meeting of Ratanpur Steel Re-Rolling Mills Ltd. on 17 December 2018.

Name……

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

Signature Verified

Signature

.....
Authorized Signature
Ratanpur Steel Re-Rolling Mills Limited

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

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ISO 9001:2008 Certified

www.rsrmbd.com



আমাদের প্রয়োজনে প্রকৃতি অবলম্বন হয়েছে বারবার প্রকৃতির প্রয়োজনে তাই এগিয়ে আসতে হবে আমাদেরও

RSRM-এর উৎপাদনের বিভিন্ন ধাপে অনুসরণ করা হয় প্রবাহিত পানির পুনর্ব্যবহার ও বৃষ্টির পানি জমিয়ে রাখার মতো পরিবেশ-বান্ধব বিভিন্ন পদ্ধতি, যাতে পরিবেশের প্রয়োজনে এগিয়ে আসতে পারি আমরাও।

RSRM X POWER TMT THINK TOMORROW

SINCE 1964 RSRM STEEL FOR THE NATION

Ratanpur Steel Re-Rolling Mills

STOCK

RSRM
SINCE 1984
STEEL FOR THE NATION

Ratanpur Steel Re-Rolling Mills Ltd.

Head Office :
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