

"If you have any query about this document, you may consult issuer, issue managers and underwriters"

PROSPECTUS

OF



BANGLADESH STEEL RE-ROLLING MILLS LIMITED

Registered & Corporate Office: Ali Mansion, 1207/1099 Sadarghat Road, Chittagong, Bangladesh
Phone: +880 (31) 2854901-10, Fax: + 880 (31) 610101, Web: www.bsrm.com

Public offering of 17,500,000 ordinary shares of Tk. 10/- at an issue price of Tk. 35/- each are including premium of Tk. 25/- per share totaling of Tk. 612,500,000/-

Opening date for subscription: February 01, 2015

Closing date for subscription: February 05, 2015

For Non-Resident Bangladeshis subscription closes on: February 14, 2015

Manager to the Issue



Alliance Financial Services Limited

Rahman Chamber (3rd floor), 12-13 Motijheel C/A
Dhaka- 1000, Tel: +880 (2) 9515468, 9515469
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Underwriters	
GSP Finance Company (Bangladesh) Limited 1/C, Paribagh, Mymensingh Road, Ramna, Dhaka-1000	Trust Bank Investment Limited Peoples Insurance Bhaban(12th Floor), 36 Dilkusha C/A, Dhaka-1000
BD Finance Capital Holdings Limited 64 Motijheel Commercial Area , 2 nd Floor, Dhaka-1000	

Credit Rating Status		
	Long Term	Short Term
Entity Rating	AA-	ST-2
Date of Validity	20 May, 2015	20 November, 2014
Rating Assigned By	Credit Rating Information and Services Ltd. (CRISL)	

Issue Date of the Prospectus: December 29, 2014

The Issue shall be placed in "N" Category

"CONSENT OF THE SECURITIES AND EXCHANGE COMMISSION HAS BEEN OBTAINED TO THE ISSUE/OFFER OF THESE SECURITIES UNDER THE SECURITIES AND EXCHANGE ORDINANCE, 1969, AND THE SECURITIES AND EXCHANGE COMMISSION (PUBLIC ISSUE) RULES, 2006. IT MUST BE DISTINCTLY UNDERSTOOD THAT IN GIVING THIS CONSENT THE COMMISSION DOES NOT TAKE ANY RESPONSIBILITY FOR THE FINANCIAL SOUNDNESS OF THE ISSUER COMPANY, ANY OF ITS PROJECTS OR THE ISSUE PRICE OF ITS SECURITIES OR FOR THE CORRECTNESS OF ANY OF THE STATEMENTS MADE OR OPINION EXPRESSED WITH REGARD TO THEM. SUCH RESPONSIBILITY LIES WITH THE ISSUER, ITS DIRECTORS, CHIEF EXECUTIVE OFFICER/CHIEF FINANCIAL OFFICER, ISSUE MANAGER, UNDERWRITER AND/OR AUDITOR"

Availability of Prospectus

Prospectus of **Bangladesh Steel Re-Rolling Mills Limited** may be obtained from the Issuer Company, Issue Managers, Underwriters and the Stock Exchanges as follows:

Name & Address	Contact Person	Telephone Number
The Issuer		
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Dhaka Office: Mahbub Castle, 2 nd & 4 th Floor 35/A Purana Paltan Line, VIP Road, Dhaka-1000	Mr. Muhammad Ashiqur Rahman ACA Lead (Compliance & Accounts - Dhaka)	+880 (2) 8311994, 8313119, 9358135
Manager to the Issue		
Alliance Financial Services Limited Rahman Chamber (3 rd floor) 12-13 Motijheel C/A, Dhaka- 1000	Ms. Amita Podder Manager	+880 (2) 9515468-9
Underwriters		
BD Finance Capital Holdings Limited Baitul Hossain Building (2 nd floor), 27 Dilkusha C/A, Dhaka-1000	Mohammad Ahsan Ullah Managing Director & CEO	+880 (2) 9588186-1
GSP Finance Company (Bangladesh) Limited 1/C, Paribagh, Mymensingh Road, Ramna, Dhaka-1000	Toaha Muhammad GM & Chief Operating Officer (MBU)	+880 (2) 9674306
Trust Bank Investment Limited Peoples Insurance Bhaban(12th Floor),36 Dilkusha C/A, Dhaka-1000	A.M.Ashfaqur Bari Nahid Assistant Vice President	+880 (2) 9570261
Stock Exchanges		
Chittagong Stock Exchange Limited CSE Building, 1080 Sheikh Mujib Road, Agrabad, Chittagong-4100	CSE Library	+880 (31) 714632-3 +880 (31) 720871-3
Dhaka Stock Exchange Limited 9/F, Motijheel C/A, Dhaka-1000	DSE Library	+880 (2) 9564601-7

Prospectus is also available on the websites www.secbd.org, www.bsrm.com, www.allfin.org, www.dsebd.org, www.csebd.com and Public Reference room of the Bangladesh Securities and Exchange Commission (BSEC) for reading and studying.

NAME & ADDRESS OF THE AUDITOR

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Chartered Accountants
102 Agrabad Commercial Area
Chittagong, Tel: +880 (31) 710704, 710996
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**Definition and Elaboration of the Abbreviated words and Technical terms used
in the Prospectus**

Term	Description
AGM	Annual General Meeting
Banker to the Issue	Banks so named in the prospectus to collect money as subscription against security
BO A/C	Beneficiary Owners Accounts
BSRM	Bangladesh Steel Re-Rolling Mills Limited
BSRM Group	BSRM Group of Companies
BSRMS	BSRM Steels Limited
BMRE	Balancing, Modernization, Rehabilitation & Expansion
BSRMSML	BSRM Steels Mills Limited
BPDB	Bangladesh Power Development Board
BSEC	Bangladesh Securities and Exchange Commission
CDBL	Central Depository Bangladesh Limited
CIB	Credit Information Bureau of Bangladesh Bank
CSE	Chittagong Stock Exchange Limited
CPCL	Chittagong Power Company Limited
DSE	Dhaka Stock Exchange Limited
EGM	Extra-Ordinary General Meeting
EPS	Earnings Per Share
EOI	Expression Of Interest
ERP	Enterprise resource planning
Initial Public Offering	Means first offering of security by an issuer to the general public
KVA	Kilo Volt Amperes
Manager to the Issue	Alliance Financial Services Limited
MEW	Meghna Engineering Works Limited
MT	Metric Ton
NAV	Net Asset Value
Non-Resident Bangladeshi (NBR)	An expatriate Bangladeshi or who has dual citizenship or possesses a foreign passport bearing an endorsement from the concerned Bangladesh Embassy to the effect that no visa is required for him to travel Bangladesh
Offering Price	Price of the shares of Bangladesh Steel Re-Rolling Mills Limited
Prospectus	A document prepared for the purpose of communicating to the general public an issuer's plan to offer for sale of its security under the prescribed Regulations
Public Issue	Public issue of security through Initial Public Offering
PGCB	Power Grid Company of Bangladesh
RJSC	Registrar of Joint Stock Companies & Firms
Securities	Shares of BSRM
SMW	Steel Melting Works
VAT	Value Added Tax
IDCP	Interest During Construction Period

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TATUTORY CONDITION

Disclosure in Respect of Issuance of Security in DEMAT Form

As per provision of the Depository Act, 1999 and regulations made there under, shares will only be issued in dematerialized condition. All transfer/transmission/splitting will take place in the Central Depository Bangladesh Limited (CDBL) system and any further issuance of shares (right/bonus) will be issued in dematerialized form only.

Conditions under Section 2CC of the Securities and Exchange Ordinance, 1969

PART-A

1. The Company shall go for Initial Public Offer (IPO) for 17,500,000 ordinary shares of Tk.10.00 each at an issue price of Tk.35.00 each totaling Tk.612,500,000.00 (sixty one crore twenty five lac) following the Securities and Exchange Commission (Public Issue) Rules, 2006, the Depository Act, 1999 and regulations made there under.
2. **The abridged version of the prospectus, as approved by the Commission, shall be published by the issuer in 4 (Four) national daily newspapers (two in Bangla and two in English), within 5 (Five) working days of issuance of the consent letter. The issuer shall post the full prospectus, vetted by the Bangladesh Securities and Exchange Commission, in the Issuer's website and shall also put on the websites of the Commission, Stock Exchanges, and the Issue Manager(s), within 5 (Five) working days from the date of issuance of this letter and shall remain posted till the closure of the subscription list. The Issuer shall submit to BSEC, the Stock Exchanges and the Issue Manager(s) a diskette containing the text of the vetted prospectus in "MS -Word" format.**
3. Sufficient copies of prospectus shall be made available by the Issuer so that any person requesting a copy may receive one. A notice shall be placed on the front of the application form distributed in connection with the offering, informing that interested persons are entitled to a prospectus, if they so desire, and that copies of prospectus may be obtained from the Issuer and the Issue Manager(s). The subscription application shall indicate in bold type that no sale of securities shall be made, nor shall any money be taken from any person, in connection with such sale until twenty five days after the prospectus has been published.
4. The Company shall submit 40 (Forty) copies of the printed prospectus to the Bangladesh Securities and Exchange Commission for official record within **5 (Five) working days** from the date of publication of the abridged version of the prospectus in the newspaper.
5. The Issuer company and the Issue Manager(s) shall ensure transmission of the prospectus, abridged version of the prospectus and relevant application forms for NRBs through email, simultaneously with publication of the abridged version of the prospectus, to the Bangladesh Embassies and Missions abroad and shall also ensure sending of the printed copies of abridged version of the prospectus and application forms to the said Embassies and Missions within 5 (Five) working days of the publication date by Express Mail Service (EMS) of the postal department. A compliance report shall be submitted in this respect to the SEC jointly by the Issuer and the Issue Manager(s) within 2 (Two) working days from the date of said dispatch of the prospectus and the forms.
6. The paper clipping of the published abridged version of the prospectus, as mentioned at **condition no. 2 above**, shall be submitted to the Commission within 24 hours of the publication thereof.
7. The Company shall maintain separate bank account(s) for collecting proceeds of the Initial Public Offering and shall also open Foreign Currency (FC) account(s) to deposit the application money

of the Non Resident Bangladeshis (NRBs) for IPO purpose, and shall incorporate full particulars of said FC account(s) in the prospectus. The Company shall open the above-mentioned accounts for IPO purpose; and close these accounts after refund of over-subscription money. Non-Resident Bangladeshi (NRB) means Bangladeshi citizens staying abroad including all those who have dual citizenship (provided they have a valid Bangladeshi passport) or those, whose foreign passport bear a stamp from the concerned Bangladesh Embassy to the effect that no visa is required for traveling to Bangladesh.

8. The Issuer company shall apply to all the stock exchanges in Bangladesh for listing within 7 (Seven) working days from the date of issuance of this letter and shall simultaneously submit the vetted prospectus with all exhibits, as submitted to BSEC, to the Stock Exchanges.
9. The following declaration shall be made by the Company in the prospectus, namely: -

“Declaration about Listing of Shares with the Stock Exchange(s):

None of the Stock Exchange(s), if for any reason, grants listing within 75 (Seventy Five) days from the closure of subscription, any allotment in terms of this prospectus shall be void and the Company shall refund the subscription money within 15 (Fifteen) days from the date of refusal for listing by the Stock Exchanges, or from the date of expiry of the said 75 (Seventy Five) days, as the case may be.

In case of non-refund of the subscription money within the aforesaid 15 (Fifteen) days, the Directors of the Company, in addition to the Issuer company, shall be collectively and severally liable for refund of the subscription money, with interest at the rate of 2% (Two Percent) per month above the bank rate, to the subscribers concerned.

The Issue Manager(s), in addition to the Issuer company, shall ensure due compliance of the above mentioned conditions and shall submit compliance report thereon to the Commission within 7 (Seven) days of expiry of the aforesaid fifteen days time period allowed for refund of the subscription money.”

10. The subscription list shall be opened and the sale of securities commenced after **25 (Twenty Five) days** of the publication of the abridged version of the prospectus and shall remain open for **05 (Five) consecutive banking days**.
11. A non-resident Bangladeshi shall apply either directly by enclosing a foreign demand draft drawn on a bank payable at Dhaka, or through a nominee by paying out of foreign currency deposit account maintained in Bangladesh or in Taka, supported by foreign currency encashment certificate issued by the concerned bank, for the value of securities applied for through crossed bank cheque marking “Account Payee only”. The NRB applicants shall send applications to the Issuer company within the closing date of the subscription so as to reach the same to the Company by the closing date plus 9 (Nine) days. Applications received by the Company after the above time period will not be considered for allotment purpose.
12. The Company shall apply the spot buying rate (TT clean) in US Dollar, UK Pound Sterling and Euro of Sonali Bank Ltd, which shall be mentioned in the Prospectus, as prevailed on the date of opening of the subscription for the purpose of application of the NRBs and other non-Bangladeshi persons, where applicable.
13. The Company and the Issue Manager(s) shall ensure prompt collection/clearance of the foreign remittances of NRBs and other non-Bangladeshi(s), if applicable, for allotment of shares.
14. Upon completion of the period of subscription for securities, the issuer and the Issue Manager(s) shall jointly provide the Commission and the stock exchanges with the preliminary status of the subscription within 5 (Five) working days, in respect of the following matters, namely: -
 - a. Total number of securities for which subscription has been received;
 - b. Amount received from the subscription; and
 - c. Amount of commission paid to the bankers to the issue.

15. The Issuer and the Issue Manager(s) shall jointly provide the Commission and the Stock Exchanges with the list of valid and invalid applicants (i.e. final status of subscription) in electronic form in 2 (Two) CDs and final status of subscription to the Commission within **3 (Three) weeks** after the closure of the subscription along with bank statement (original), branch-wise subscription statement. The list of valid and invalid applicants shall be finalized after examination with the CDBL in respect of BO accounts and particulars thereof.
16. The IPO shall stand cancelled and the application money shall be refunded immediately (but not later than 05 (Five) weeks from the date of the subscription closure), if any of the following events occur:
 - (a) Upon closing of the subscription list it is found that the total number of valid applications (in case of under subscription including the number of the underwriter) is less than the minimum requirement as specified in the listing regulations of the Stock Exchange(s) concerned; or
 - (b) At least 50% of the IPO is not subscribed.
17. **20% of total public offering shall be reserved for ক্ষতিগ্রস্ত ক্ষুদ্র বিনিয়োগকারী, in the manner/procedure as directed by the Commission, 10% of total public offering shall be reserved for non-resident Bangladeshi (NRB) and 10% for mutual funds and collective investment schemes registered with the Commission, and the remaining 60% shall be open for subscription by the general public. In case of under-subscription under any of the 20% and 10% categories mentioned above, the unsubscribed portion shall be added to the general public category and, if after such addition, there is over subscription in the general public category, the Issuer and the Manager(s) to the Issue shall jointly conduct an open lottery of all the applicants added together.**
18. All the applicants shall first be treated as applied for one minimum market lot of **200 shares worth Taka 7,000/- (Taka Seven Thousand only)**. If, on this basis, there is over subscription, then lottery shall be held amongst the applicants allocating one identification number for each application, irrespective of the application money. In case of over-subscription under any of the categories mentioned hereinabove, the Issuer and the Issue Manager(s) shall jointly conduct an open lottery of all the applications received under each category separately in presence of representatives from the issuer, the Stock Exchanges and the applicants, if there be any.
19. **An applicant cannot submit more than two applications, one in his/her own name and the other jointly with another person. In case an applicant makes more than two applications, all applications will be treated as invalid and will not be considered for allotment purpose. In addition, 15% (fifteen) of the application money will be forfeited by the Commission and the balance amount will be refunded to the applicant.**
20. The applicant shall provide with the same bank account number in the application form as it is in the BO account of the applicant.
21. **The applicants who have applied for more than two applications using same bank account, their applications will not be considered for lottery and the Commission will forfeit 15% of their subscription money too.**
22. Lottery (if applicable) shall be held within **4 (Four) weeks** from closure of the subscription date.
23. The Company shall issue share allotment letters to all successful applicants within **5 (Five) weeks** from the date of the subscription closing. Within the same time, refund to the unsuccessful applicants shall be made in the currency in which the value of securities was paid for by the applicants without any interest, through direct deposit to the applicant's bank account as far as possible/Account Payee Cheque/Refund warrants with bank account number, bank's name and branch as indicated in the securities application forms payable at Dhaka/ Chittagong/ Khulna/ Rajshahi/ Barisal/ Sylhet/ Bogra, as the case may be subject to condition no. 19,20 and 21 above.

Refund money of the unsuccessful applicants shall be credited directly to their respective bank accounts, who have chosen the option in the IPO application forms, as maintained with the bankers to the issue or any other banks mentioned in the application.

A compliance report in this regard shall be submitted to the Commission within 7 (Seven) weeks from the date of closure of subscription.

24. The Company shall furnish the List of Allotees to the Commission and the Stock Exchange(s) simultaneously in which the shares will be listed, within **24 (Twenty Four) hours** of allotment.
25. In the event of under-subscription of the public offering, the unsubscribed portion of securities shall be taken up by the underwriter(s) (subject to Para -16 above). The Issuer must notify the underwriters to take up the underwritten shares within 10 (Ten) days of the closing of subscription on full payment of the share money within 15 (Fifteen) days of the issuer's notice. The underwriter shall not share any underwriting fee with the Issue Manager(s), other underwriters, issuer or the sponsor group.
26. All issued shares of the issuer at the time of according this consent shall be subject to a **lock-in period of 3 (Three) years** from the date of issuance of prospectus or commercial operation, whichever comes later.

Provided that the persons (other than Directors and those who hold 5% or more shares in the company), who have subscribed to the shares of the Company within immediately preceding two years of according consent shall be subject to a **lock-in period of 1 (One) year** from the date of issuance of prospectus or commercial operation, whichever comes later.

27. **In respect of shares of Sponsors/Directors/Promoters (if in paper format) shall be handed over to security custodian bank registered with BSEC and shall remain till completion of lock in and the name and branch of the bank shall be furnished to the Commission jointly by the Issuer and Issue Manager(s), along with a confirmation thereof from the custodian bank, within one week of listing of the shares with the Stock Exchange(s). Or they (shares of Sponsors/ Directors/ Promoters) can be demated and will remain in lock-in under CDBL system and issuer will submit a dematerialization confirmation report generated by CDBL and attested by Managing Director of the Company along with lock-in confirmation with BSEC within one week of listing of the shares with the stock exchange(s). In respect of shares other than Sponsors/Directors/Promoters the Issuer will ensure their lock-in of those shares and submit a statement to this effect to BSEC.**
28. The Company shall apply to the Stock Exchanges for listing within **07 (Seven) working days** of issuance of this letter and shall simultaneously submit to the Commission attested copies of the application filed with the Stock Exchanges.
29. The Company shall not declare any benefit other than cash dividend based on the financial statements for the year ended on **December 31, 2013** before listing of its securities with Stock Exchange(s).

PART-B

1. In addition to the existing IPO application process, applicants can also apply through their Stockbroker/Merchant Bankers in the following process:

Step-1 (Applicant)

a. Applicants other than Non-resident Bangladeshi (NRB) and Foreign applicants for public issue of securities shall submit application/instruction, within the subscription period, to the Stockbroker/Merchant Banker where the applicant maintains BO account.

b. The application/instruction may be submitted in prescribed paper or electronic form, which shall contain the Customer ID, Name, BO Account Number, Number of Securities applied for, Total Amount and Category of the Applicant. At the same time the applicant shall make the application money available in respective customer account maintained with the Stockbroker/Merchant Banker.

No margin facility, advance or deferred payment is permissible for this purpose. Application/instructions shall be preserved by the same Stockbroker/Merchant Banker up to 6 months from listing of the securities with exchange.

Step-2 (Intermediary)

a. The Stockbroker/Merchant Banker shall maintain separate bank account only for this purpose namely "Public Issue Application Account". The Stockbroker/Merchant Banker shall verify the availability of fund and if find in order, block the customer account for an amount equivalent to the application money, accumulate all the application/instructions received up to the subscription closing date, deposit the amount in the "Public Issue Application Account" maintained with its bank, instruct the banker to block the account for an amount equivalent to the aggregate application money and to issue a certificate in this regard. In case of application submitted by the Stock-dealer or the Merchant Banker's own portfolio, the application amount should also be transferred to the "Public Issue Application Account".

b. Banker of the Stockbroker/Merchant Banker shall block the account(s) as requested for, issue a certificate confirming the same and provide it to the respective Stockbroker/Merchant Banker. The Stockbroker/Merchant Banker shall prepare category wise lists of the applicants containing Customer ID, Name, BO Account Number and Number of Securities applied for, and within 03 (three) working days from the subscription closing date, send it to the issuer both in electronic (text format with tilde '~' separator) and printed format along with the certificate issued by its banker.

Step-3 (Issuer)

a. The issuer shall prepare consolidated list of the applications and send the applicants' BOIDs in electronic (text format with tilde '~' separator) format in a CDROM to CDBL for verification. CDBL shall verify the BOIDs as to whether the BO accounts of the applicants are active or not. Along with the verification report, CDBL shall provide the issuer with an updated database of the applicants containing BO Account Number, Name, Addresses, Parents' Name, Joint Account Information and Bank Account Information. After receiving verification report and information from CDBL, the issuer shall scrutinize the applications, prepare category wise consolidated lists of the valid and invalid applications, submit status reports of subscription to the Commission and the stock exchanges and conduct lottery in line with the conditions of the consent letter.

b. Within 02 (two) working days of conducting lottery, the issuer shall:

i. send the lists of the successful and unsuccessful applicants (other than NRB and foreign) in electronic (text format with tilde '~' separator) and printed format to the Stockbroker/Merchant Banker, request them to unblock the amount blocked earlier and remit the amount of successful applicants to the issuers respective Escrow Account opened for subscription purpose.

ii. issue allotment letters in the names of successful applicants in electronic format with digital signatures and send those to respective Stockbroker/Merchant Bankers. To credit the allotted shares to the respective BO accounts, the issuer shall send consolidated allotment data (BOID and number of securities) in text format in a CDROM to CDBL.

Step-4 (Intermediary)

a. On the next working day of receiving the documents from the issuer and issue manager, the stockbroker/Merchant Banker shall request its banker to release the amount blocked earlier and remit the aggregate amount of successful applicants deducting service charge to the 'Escrow' account of the issuer opened for the subscription purpose.

b. On the next working day of receiving request from the Stockbrokers/Merchant Bankers, their bankers shall unblock the amount blocked in the account(s) and remit the amount as requested for to the issuer's 'Escrow' account. Simultaneously, the stockbrokers/Merchant Bankers shall unblock the customer accounts; inform the successful applicants about allotment of securities and the unsuccessful applicants about releasing their blocked amounts. The unblocked amounts of unsuccessful applicants shall be placed as per their instructions.

Miscellaneous:

a. The issuer and Issue Manager(s) shall jointly ensure compliance of the above.

b. The Stockbroker/Merchant Banker shall be entitled to service charge at a rate of 0.05% on the total amount of application money received by them. The service charge shall be paid by the issuer and deducted by the Stockbroker/Merchant Banker from the amount of successful applicants while remitting to the issuer. In case of shortage of the service charge, the Stockbroker/Merchant Banker shall send a bill to the issuer and the issuer shall pay it within 02 (two) working days. The Stockbroker/Merchant Banker shall provide the issuer with a statement of the remittance amount and the processing fee.

2. The above application process is a pilot project and optional for investors, i.e. investors can apply either following new process through stockbroker/merchant banker or in existing process through banker to the issue.

3. List of the Stockbroker/Merchant Bankers participating in the pilot project is given below. Only the applicants maintaining accounts with the Stockbroker/Merchant Bankers name contained in the list can apply through the new process.

PART-C

1. The Issuer and the Issue Manager(s) shall ensure that the abridged version of the prospectus and the full prospectus is published correctly and in strict conformity with the conditions of this letter without any error/omission, as vetted by the Bangladesh Securities and Exchange Commission.

2. The Issue Manager(s) shall carefully examine and compare the published abridged version of the prospectus on the date of publication with the copy vetted by BSEC. If any discrepancy/inconsistency is found, both the Issuer and the Issue Manager(s) shall jointly publish a corrigendum immediately in the same newspapers concerned, simultaneously endorsing copies thereof to BSEC and the Stock Exchange(s) concerned, correcting the discrepancy/inconsistency as required under 'Due Diligence Certificates' provided with BSEC.

3. Both the Issuer company and the Issue Manager(s) shall, immediately after publication of the prospectus and its abridged version, jointly inform the Commission in writing that the published prospectus and its abridged version are verbatim copies of the same as vetted by the Commission.

4. The fund collected through Public Offering shall not be utilized prior to listing with Stock Exchanges and that utilization of the said fund shall be effected through banking channel, i.e. through account payee cheque, pay order or bank drafts etc.

5. The Company shall furnish status report on utilization of Public Offering proceeds audited by foreign affiliated auditors and authenticated by the board of directors to the Commission and to the stock exchanges within **15 (Fifteen) days** of the closing of **each month** until such fund is fully utilized, as mentioned in the schedule contained in the prospectus, and in the event of any irregularity or inconsistency, the Commission may employ or engage any person, at Issuer's cost, to examine whether the Issuer has utilized the proceeds for the purpose disclosed in the prospectus.

6. While auditing the utilization of IPO proceeds, the auditors' shall perform their jobs under the following terms of references (TOR) and confirm the same in their report/certificate:

- (a) Whether IPO proceeds have been utilized for the purposes/heads as specified in the prospectus;
- (b) Whether IPO proceeds have been utilized in line with the condition numbers 4&5, part C of the Commission's consent/approval letter for the IPO issue;
- (c) Whether utilization of IPO proceeds have been completed within the time schedule/implementation schedule as specified in the prospectus;
- (d) Whether utilization of IPO proceeds is accurate and for the purpose of the company as mentioned/specified in the prospectus; and

- (e) The auditors should also confirm that: (i) assets have been procured/imported/constructed maintaining proper/required procedure as well as at a reasonable price; and (ii) auditor's report has been made on verification of all necessary documents/papers/vouchers in support of utilization of IPO proceeds making reconciliation with Bank Statement.
7. All transactions, excluding petty cash expenses, shall be effected through the Company's bank account(s).
 8. Proceeds of the Public Offering shall not be used for any purpose other than those specified in the prospectus. Any deviation in this respect must have prior approval of the shareholders in the shareholders meeting under intimation to BSEC and Stock Exchanges.
 9. Directors on the Company's Board will be in accordance with applicable laws, rules and regulations.
 10. The financial statements should be prepared in accordance with Bangladesh Accounting Standards (BAS) and Bangladesh Financial Reporting Standards (BFRS) as required by the Securities and Exchange Rules, 1987.
 11. **A compliance report on Corporate Governance Guideline as per the provision of the Bangladesh Securities and Exchange Commission notification no. SEC/CMRRCD/2006-158/129/ADMIN/44 Dated 7 August 2012 shall be submitted to the Commission before 07 (seven) working days of the IPO subscription opening.**
 12. If any quarter or half-year of the financial year ends after publication of the abridged version of prospectus and before listing of its securities with any exchange, the company shall disseminate/transmit/submit the said quarterly/half yearly financial statements in accordance with the Commission's Notification SEC/CMRRCD/2008-183/admin/03-34 dated September 27, 2009 and the section 13 of the Securities and Exchange Rules, 1987.
 13. In the event of arising issues concerning Price Sensitive Information as defined under the সিকিউরিটিজ ও এক্সচেঞ্জ কমিশন (সুবিধাভোগী ব্যবসা নিষিদ্ধকরণ) বিধিমালা ১৯৯৫ after publication of the abridged version of prospectus and before listing of its securities with any exchange, the company shall disseminate/transmit/submit the information as price sensitive in accordance with the Commission's Notification No. SEC/SRMI/200-953/1950 dated October 24, 2000.
 14. Making of any false statement in the application or supplying of incorrect information therein or suppressing any relevant information in the application shall make the application liable to rejection and subject to forfeiture of 25% of application money and/or forfeiture of share (unit) before or after issuance of the same by the issuer. The said forfeited application money or share (unit) will be deposited in account of the Bangladesh Securities and Exchange Commission (BSEC). This is in addition to any other penalties as may be provided for by the law.
 15. **No issuer of a listed security shall utilize more than 1/3rd (one-third) of the fund raised through IPO for the purpose of loan repayment.**

PART-D

1. All the above conditions imposed under section 2CC of the Securities and Exchange Ordinance, 1969 shall be incorporated in the prospectus immediately after the page of the table of contents, with a reference in the table of contents, prior to its publication.
2. The Commission may impose further conditions/restrictions etc. from time to time as and when considered necessary which shall also be binding upon the Issuer Company.

PART-E

1. As per provision of the Depository Act, 1999 & regulations made there under, shares will only be issued in dematerialized condition. All transfer/transmission/splitting will take place in the Central Depository Bangladesh Ltd. (CDBL) system and any further issuance of shares (Including Rights/Bonus) will be made in dematerialized form only.

An applicant (including NRB) shall not be able to apply for allotment of shares without Beneficial Owners (BO) account.

2. The Company and the Issue Manager(s) shall ensure due compliance of all the above conditions and the Securities and Exchange Commission (Public Issue) Rules, 2006.

General Information

- i. **Alliance Financial Services Limited (AFSL)** have prepared the prospectus based on information provided by **Bangladesh Steel Re-Rolling Mills Limited (BSRM)** (the Issuer Company) and also upon several discussions with the Chairman, Managing Director, Directors and concerned executives of the issuer company. The Directors of Bangladesh Steel Re-Rolling Mills Limited and Alliance Financial Services Limited collectively and individually, having made all reasonable inquiries, confirm that to the best of their knowledge and belief, the information contained herein is true and correct in all material aspects and that there are no other material facts, the omission of which would make any statement herein misleading.
- ii. No person is authorized to give any information or to make any representation not contained in this Prospectus and if given or made, any such information and representation must not be relied upon as having been authorized by the issuer company or issue manager.
- iii. The Issue as contemplated in this prospectus is made in Bangladesh and is subject to the exclusive jurisdiction of the Courts of Bangladesh. Forwarding this prospectus to any person residing outside Bangladesh in no way implies that the issue is made in accordance with the laws of that country or is subject to the jurisdiction of the laws of that country.
- iv. A copy of this prospectus may be obtained from the Registered & Corporate Head Office of Bangladesh Steel Re-Rolling Mills Limited, Alliance Financial Services Limited, the Underwriters and the Stock Exchanges where the securities will be listed.

D

ECLARATIONS AND DUE DILIGENCE CERTIFICATES

Declaration about the Responsibility of the Directors, including the CEO of the Company “Bangladesh Steel Re-Rolling Mills Limited” in respect of the Prospectus

This prospectus has been prepared, seen and approved by us, and we, individually and collectively, accept full responsibility for the authenticity and accuracy of the statements made, information given in the prospectus, documents, financial statements, exhibits, annexes, papers submitted to the Commission in support thereof, and confirm, after making all reasonable inquiries that all conditions concerning this public issue and prospectus have been met and that there are no other information or documents the omission of which make any information or statements therein misleading for which the Commission may take any civil, criminal or administrative action against any or all of us as it may deem fit.

We also confirm that full and fair disclosure has been made in this prospectus to enable the investors to make a well-informed decision for investment.

Sd/
Mr. Alihussain Akberali, FCA
Chairman & Managing Director

Sd/-
Mr. Zohair Taherali
Director

Sd/-
Mr. Aameir Alihussain
Director

Sd/-
Ms. Tehseen Zohair Taherali
Director

Sd/-
Ms. Sabeen Aameir
Director

Consent of the Director(s) to Serve as Director(s)

We hereby agree that we have been serving as Director(s) of “Bangladesh Steel Re-Rolling Mills Limited” and shall continue to act as a Directors of the Company.

Sd/
Mr. Alihussain Akberali, FCA
Chairman & Managing Director

Sd/-
Mr. Zohair Taherali
Director

Sd/-
Mr. Aameir Alihussain
Director

Sd/-
Ms. Tehseen Zohair Taherali
Director

Sd/-
Ms. Sabeen Aameir
Director

Declaration about filing of Prospectus with the Registrar of Joint Stock Companies & Firms

A dated and signed copy of the Prospectus has been filed for registration with the Registrar of Joint Stock Companies & Firms, Government of the People's Republic of Bangladesh, as required under Section 138(1) of the Companies Act, 1994.

Due Diligence Certificate of Manager to the Issue

Subject: Public offer of 17,500,000 Ordinary Shares of Tk. 10/- each at an offer price of Tk. 35/- each, including premium of Tk. 25/- per share totaling to Tk.612,500,000/- of Bangladesh Steel Re-Rolling Mills Limited.

We, the under-noted Manager to the Issue to the above-mentioned forthcoming issue, state as follows:

1. We, while finalizing the draft prospectus pertaining to the said issue, have examined various documents and other materials as relevant for adequate disclosures to the investors; and
2. On the basis of such examination and the discussions with the issuer company, its directors and officers, and other agencies; independent verification of the statements concerning objects of the issue and the contents of the documents and other materials furnished by the issuer company.

WE CONFIRM THAT:

- (a) The draft prospectus forwarded to the Commission is in conformity with the documents, materials and papers relevant to the issue;
- (b) All the legal requirements connected with the said issue have been duly complied with; and
- (c) The disclosures made in the draft prospectus are true, fair and adequate to enable the investors to make a well informed decision for investment in the proposed issue.

For Manager to the Issue

Sd/-
Tapan K Podder FCA, FCMA
Managing Director
Alliance Financial Services Limited

Due Diligence Certificate of the Underwriter(s)

Subject: Public offer of 17,500,000 Ordinary Shares of Tk. 10/- each at an offer price of Tk. 35/- each, including premium of Tk. 25/- per share totaling to Tk.612,500,000/- of Bangladesh Steel Re-Rolling Mills Limited.

We, the under-noted Underwriter(s) to the above-mentioned forthcoming issue, state individually and collectively as follows:

1. We, while underwriting the above mentioned issue on a firm commitment basis, have examined the draft prospectus, other documents and materials as relevant to our underwriting decision and
2. On the basis of such examination and the discussions with the issuer company, its directors and officers, and other agencies, independent verification of the statements concerning objects of the issue and the contents of the documents and other materials furnished by the issuer company.

WE CONFIRM THAT:

- (a) All information as are relevant to our underwriting decision have been received by us and the draft prospectus forwarded to the Commission has been approved by us.
- (b) We shall subscribe and take up the un-subscribed securities against the above-mentioned public issue within 15 (fifteen) days of calling up thereof by the issuer; and
- (c) This underwriting commitment is unequivocal and irrevocable.

For Underwriter(s)

Sd/-
Managing Director
GSP Finance Company (Bangladesh) Limited

Sd/-
Managing Director (Acting)
Trust Bank Investment Limited

Sd/-
Managing Director & CEO
BD Finance Capital Holdings Limited

RISK FACTORS & MANAGEMENT'S PERCEPTION ABOUT THE RISKS

An industry faces external and internal risk factors having direct as well as indirect effects on the investments. Before making any investment decision, investors should consider all the risk factors. The assessable risk factors, both external and internal, and management's perception thereabout are enumerated below:

Risk of High Dependency on Debt & Interest Rate

Steel industry being a capital intensive is heavily dependent on debt fund. Fluctuation of interest rates (Cost of borrowed funds) affects the profitability as well as liquidity position of a company. The Company is now enjoying 5,529.91 million of outstanding loans as on 31 Deceber 2013. Furthermore proceeds of Bond was issued for investment in BSRM Steel Mills Limited as well as for repayment of bank loan obtained due to ongoing BMRE. Enhanced interest rate burdens alongwith additional financial charges for both the bond as well as the bank loan may reduce the profitability of the company.

Management Perception

The Company negotiates interest and other finance charges on different types of loans taken from Banks/Financial Institutions at regular intervals. The Company avails a very competitive rate as it has good credit rating and well-established credibility in the financial market as to debt service. Moreover proposed bond was also structured with very attractive rate at present condition. Confidence level of the loan providers on the management of the Company is very high as it pursues growth and prosperity in terms of sales, assets, and other positive qualitative and quantitative factors on a gradual basis. However with the proposed BMRE of the company and investment in BSRMSML, earnings of the company are expected to enhance significantly.

Exchange Rate Risk

The company always faces high degree of foreign exchange rate fluctuation risk as the company imports machineries, raw materials and other spares against payment of foreign currency. Unfavorable volatility in exchange rates may affect the profitability of the company.

Management Perception

The Management of the company is very much aware of the risk and it has policy for continuous monitoring of the fluctuations on day to day basis so as to seize the opportunity from any favorable movement in the currencies (normally US Dollars and BDT) whilst avoiding any unexpected movements in those currencies. However to reduce the affect directly due to the rate fluctuation the Group has already taken steps to increase their billet (raw material) production capacity by establishment of a separate industry, which will help them to significantly reduce their dependency on foreign currency as well as imports.

Industry Risks

Recently, many companies started production of high grade MS Rod & other MS products and selling thereof. Among them 2/3 companies are emerging as giant in respect of investment in this sector and others are in the process to increase their production capacity. Expected high competition in the markets where the Company sells its products may erode its market share and may result in reduced prices and thereby may negatively affect BSRM's revenues and profitability.

Management Perception

BSRM is clearly aware of this risk and pays careful attention to manage this risk. It has been working consistently in steel sector since 1952 and gained very high skills. It has the ability to face strong competition by ensuring their marketing in the right track and strong supply chain relationships for competitive input costs. Moreover, to strengthen the competitive advantage, the company has undertaken the expansion of its capacity from 120,000 MT to 450,000 MT that is expected to be completed by first quarter of 2015. Furthermore, to avoid dependency on imported raw materials, BSRM Group is in the process of establishing the largest billet making plant in Bangladesh under the name of BSRM Steels Mills Limited (BSRMSML), which is expected to start production from the beginning of January 2015.

Market Risks

Market risk arises due to mainly decrease in demand of the products which would harm the performance of the company. BSRM like other company may face strong competition which might take place even after taking the best quality control measures.

Management Perception

BSRML is the strongest brand and market leader in the local industry. Present market share of the company in quality steel production is around 26%. There is a good possibility that BSRM group can retain its dominating position in the market. Due to its strong branding and rapidly increasing demand in the country, where industrial development, living standard and rate of infrastructural development increased over the period, there would always be a high demand for quality steel products. BSRM has always been aware of the competitive situation in the market and accordingly has developed a sound and effective marketing policy to share knowledge about their products with design engineers, thus creating more awareness in the minds of the customers. Moreover, with expand capacity of the company along with the increased production of billet by the new plant, they will be able to enhance their market share and grip the control of this sector for long time to come.

Market and Technology-Related Risks

Technologies used by a company may provide competitive advantage over the competitors. Failure to compete with the other market players in terms of technology would result in adverse effect on the company's productivity as well as profitability. BSRM being a capital-intensive entity it would require technological edge over its competitors in order to build and maintain its position in the marketplace(s) in the years to come.

Management Perception

Highly automated and competitive machineries are available with the company for the manufacture of various steel products. The Company has so far been one of the pioneers in Bangladesh in setting up Steels Mills with State of the Art European Technology for further processing of the input materials. The group has also taken initiative to implement ERP to integrate operation of basic functions, namely Finance & Accounts, Sales & Marketing, Supply Chain, Inventory, Maintenance and Manufacturing. It already has selected Oracle e-Business Suite to automate operations of mentioned functions given economic match to functional requirements. BSRM Management Implemented Oracle ERP in all business areas to have real time data w.e.f March 2014.

Potential or Existing Government Regulations

The Company operates under Companies Act, Income Tax Ordinance, Income Tax Rules, Value Added Tax (VAT) Act, Value Added Tax (VAT) Rules. Any abrupt changes of the policies made by the regulatory authorities may adversely affect the business of the Company.

Management Perception

Unless there is any change in policy that may bring about any adverse effect in the industry concerned, the business of the company will not affect significantly. As a developing country, economy as well as living standard of Bangladesh is improving over the period that helps to raise demand of steel and re-rolled products. In addition, Government's infrastructure building activities is an important source of demand. Therefore, it is highly unlikely that the government will initiate any fiscal measure having adverse effect on the growth of the industry.

Potential Change in Global or National Policies

Changes in the existing global or national policies can have either positive or negative impacts on the Company. Any scarcity or price hike of raw materials due to changes in policy in the international market might hamper the production and profitability. Furthermore, the performance of the Company may also be hampered due to unavoidable circumstances like political turmoil both in Bangladesh and worldwide.

Management's Perception

Any change in the global and national policy will affect the industry as a whole. Financial and operational strength of the Company have reached to a very high level by now and the company is capable of handling reasonable threats. Moreover, the Company has adequate system and procedures in place to take care of any of such events.

Non-operating History

Any interruption in the operations of the company affects the company's image as a going concern. Failure to ensure uninterrupted operation reduces profitability and in long run weakens the fundamentals of the company.

Management Perception

There is no history of BSRM remaining non-operative at any point of time during its more than 50 years of operation except a few months during our Liberation War.

Operational Risk

i) Risk Associated with Supply of Raw Materials

The main raw material is billet for manufacturing MS products while Scrap is the basic raw materials for billets. There is shortage of billets and scrap in the local market and large quantity of raw materials is being imported every year to meet the industrial demand. High cost of imported billets and unavailability due to protection by exporting countries may cause increase in billet price. Volatility in the prices of raw materials, including limitations on or disruptions in the supply of raw materials, could adversely affect the Company's profitability.

Management Perception

Presently BSRML's billet requirement is largely comes from its own backward linked billet-making unit. With the ongoing expansion of capacity, the company's billet requirement will go up by almost 4 times. BSRM is always focused on seeking proprietary access to raw materials in order to optimize its costs and to achieve a higher level of self-sufficiency in raw materials, which would enable it to better respond to cyclical fluctuations in demand and reduce volatility in production costs. Therefore, the group had taken initiative for setting up a new billet plant for reducing production costs and import dependency in addition to the reliable backward integration within the Group concerns. Besides, the substantially large difference between the scrap prices and billet price creates a situation where locally manufactured billet is much cheaper than the landed cost of imported billet. With the establishment of the new billet making plant, BSRM Group will be able to attain efficiency in terms of time and cost, assured quality of raw materials, strengthened backward integration and less dependency on import. Therefore, risk attached to import of raw materials will be minimum.

ii) Non-Availability of Electricity and Gas Supply may Disrupt the Operations

Energy is a significant input and considered as lifeline for the steel industry. Bangladesh is facing severe power crisis. Presently BSRM Group is one of the leading power consumers of the country, which will increase significantly after implementation of the ongoing expansion of BSRM and new billet plant. In the past the group did not face any severe crisis of power but government may fail to supply necessary power and gas which will disrupt the production.

Management Perception

Bangladesh Power Development Board (BPDB) provides power supply for BSRM group. Currently total connected load for BSRM group is 60 MW from which four group concerns including BSRM is receiving power. Under an agreement among BSRM BPDB and PGCB, a 132/33 KV substation was installed by BSRM at Kulshi Sub Station, Chittagong for power supply to its four sister concerns through 33 KV transmission line. This substation is providing power by one dedicated uninterrupted power through an 11 KV transmission line from its Melting unit. After BMRE a 33 KV transmission line for the new machineries will be taken and will be step down as 33/11 KVA transformer by BSRM. Therefore, demand of power for the ongoing expansion/BMRE will be met.

In addition to the above, BSRM Group has plan to establish a coal-based merchant power plant to generate 150MW power and a company namely Chittagong Power Company Limited (CPCL) has been incorporated. EOI has been submitted to BPDB and approval for setting up such a power project has also been obtained. The entire generated power will be initially transmitted to National Grid and in return all the projects of BSRM Group will get uninterrupted power.

Existing connected load of gas for the mill is adequate for present operation. For the proposed expansion the company has already applied for 1,898,832 m³/month load of gas. Notable strength for the new project is the dual fired furnace. HSFO (High Sulfur Furnace Oil)/ Light Diesel Oil can be used for new machineries in case of gas crisis.

iii) Management Risk

The risks associated with ineffective or underperforming management due to fast expansion of the company may affect the profitability.

Management Perception

BSRM Group has experience of steel business for last 60 years and established sound management structure. It has highly experienced work force to establish and run steel manufacturing business. Moreover, it has recently appointed world famous consulting firm "Price Waterhouse Coopers" to evaluate and reorganize its managerial & organizational setup. Thus as the senior managers are professionals having relevant job and academic background and associated by the reorganization made by "Price Water house Coopers", management risk and operational risk is greatly minimized.

iv) Environmental risk

A steel mill usually creates environment pollution through emission of smokes in the air and disposal of water. Furthermore, usages of low-quality machineries and raw materials by the plant may pollute the environment that is unhealthy for the society as well as country.

Management Perception

The Group is one of the pioneers in setting up Steels Mills with environment friendly State of the Art European Technology. Furthermore, the Company takes measures to ensure a pollution-free environment, which is compatible to the environmental regulations of Bangladesh in terms of both noise and atmospheric emission. The melting technology adopted by BSRM is also free from sound pollution. There are no emissions from rolling mills that can disrupt the environment. Water used for the rolling technology is recycled and hence does not pollute the environment.

Fluctuating Profitability Risk

Profitability of the steel industry is highly unstable and fluctuates drastically which may ultimately leave the company uncertain in the results as well as dividend of the company.

Management Perception

Due to high fluctuation of billet/scrap prices in the international market and cost of raw material being the major part of the cost of production, the profitability of the company also varies. However the company has a management team having long experience in handling such volatility and it is expected that the company will be able to minimize it as they have established their capability in the past. In order to minimize the impact of volatility in international prices, the company has taken the BMRE program to enjoy the economy of scale and operation of the Group's billet plant within first quarter of 2015 which will also contribute a lot to the stability of prices.

Risk of implementation of BMRE

A portion of the IPO proceeds will be utilized for implementation of BMRE to enhance its capacity from 120,000 MT to 450,000 MT per annum. Implementation of a new project carries some inherent risks and may not be successful or may take long time to secure desired profitability.

Management Perception

The management of BSRM has long experience in the sector and implemented several similar projects/BMRE successfully. Hence it is expected that the proposed BMRE will be implemented smoothly within the time schedule.

SECTION IV

CAPITAL STRUCTURE & PURPOSE OF PUBLIC OFFERING

CAPITAL STRUCTURE OF THE COMPANY

Particulars	No of shares	Amount (BDT)
Authorized Capital	500,000,000	5,000,000,000

Paid Up Capital Before IPO

Particulars of Allotment	Date of Allotment	No of shares	Amount (BDT)
Memorandum of Association	28-Dec-1960	5,000	50,000
Other than Cash	30-May-1961	45,000	450,000
Cash	04-Dec-1962	29,150	291,500
Other than Cash	04-Dec-1962	70,850	708,500
Bonus	15-Dec-1965	50,000	500,000
Cash	20-Dec-1998	80,000	800,000
Cash	01-Feb-1999	10,000	100,000
Cash	03-Apr-2001	1,000,000	10,000,000
Cash	12-Mar-2002	10,000	100,000
Cash	27-Sep-2003	200,000	2,000,000
Cash	27-Jun-2005	8,085,000	80,850,000
Bonus	31-Dec-2006	958,500	9,585,000
Bonus	22-Sep-2007	1,581,520	15,815,200
Bonus	31-Jan-2010	12,125,020	121,250,200
Cash	20-Jun-2010	11,586,300	115,863,000
Cash	21-Sep-2010	23,133,700	231,337,000
Bonus	10-Jan-2011	5,375,451	53,754,510
Through merger	30-Sep-2012	27,160,056	271,600,560
Bonus	12 -Nov-2012	64,345,491	643,454,910
Paid Up Capital before IPO		155,851,038	1,558,510,380

Paid up Capital after IPO

Particulars	No of shares	Amount (BDT)
Paid up Capital Before IPO	155,851,038	1,558,510,380
IPO (Initial Public Offering)	17,500,000	175,000,000
Paid up Capital after IPO	173,351,038	1,733,510,380

Note: As approved by BSEC on January 09, 2014, 12% of the total bond (BDT 2,000 Million) i.e. BDT 212.4 million will be converted into ordinary shares within 30 days after one year from issuance of such bond except for SABINCO portion. Subscription for Tk. 1,500 million of bonds with different Bank and Financial Institutions has been completed and commitment for Tk. 500 million of bonds is taken from Eastern Bank Limited, which will be subscribed within short period of time. Conversion will take place at BDT 38 including premium of BDT 28 per share with face value of BDT 10 per share. Details of the bond are presented under “**Debt Securities**” in the prospectus.

USE OF IPO PROCEEDS AND STAGES OF UTILIZATION

BSRM is in the process to enhance its capacity from 120,000 MT to 450,000 MT per annum through a BMRE to cater the growing demand of quality steel in the country. Estimated project cost for this ongoing expansion stands at Tk. 5,863.70 million. The fund will be arranged Tk. 3,385.78 million from Term Loan, Tk. 1,886.41 million from own sources and remaining Tk. 591.51 million will be from IPO proceeds. Term loan was arranged through two syndications of Banks and FI led by United Commercial Bank Limited and One Bank Limited. An amount of Tk. 1,281.72 million of term loans out of Tk. 3,385.78 million was already incurred as cost. Details of project cost are presented under ongoing expansion / BMRE section of this prospectus.

Before receiving IPO proceeds, BMRE of our mill will be almost complete against our internal resources/ bank loan. Accordingly we shall utilize IPO fund for part payment (Retention money) for machineries, construction of finished goods storage, IPO expenses and the balance amount for repayment of bank loan.

Summary of Utilization of IPO Proceeds

Utilization of fund	Amount in Million		Implementation schedule
	Euro	Tk.	
On Going Expansion BMRE			
A. Payment of Retention Money (For Machinery)	0.360	36.00	April 2015
	1.842	184.20	September 2015
Total	2.202	220.20	
B. Finished Goods Storage Shed	167.31		Within December 2015 after getting IPO fund
C. Loan repayment	204.00		Immediate the IPO fund is available
IPO Expenses (approx)	20.99		Time to time , As and when required
Total IPO proceeds	612.50		

A: Details of Retention Money:

Description	Contract Value	Advance	Amount in Million(Euro)		
			LC Value	Documents retired	Retention money
1. Supplier name: Forni Industriali Bendotti S.p.A, Italy Name of machinery: 100 T/H Pusher Furnace LC No- 1006-1302-0033	3.60	0.36	2.88	2.88	0.36
2. Supplier name: Danieli & C. Officine Meccaniche S.p.A, Italy Name of machinery: Rolling mill machines with standard accessories. LC No- 1006-1302-0020	18.42	1.842	14.736	14.160	1.842
Total					2.202

B. Details of Finished Goods Shed

Description	Unit	Quantity	Rate (Tk.)	Total Amount (TK)
Steel Structure Work (Pre-fabricated Building)	MT	680	155,000	105,400,000
Piling work for shed	nos	140	136,500	19,110,000
Concrete for pile cap & column foundation	M ³	2,000	13,000	26,000,000
Reinforcement for pile cap & column foundation	Ton	200	84,000	16,800,000
Total				167,310,000

Terms of Contract

The company did not enter into any contract for aforesaid utilization of proceeds. However, LC for capital machineries with Forni Industriali Bendotti S.p.A, Italy and Danieli & C. Officine Meccaniche S.p.A, Italy has already been opened.

Sd/-
Mr. Alihussain Akberali, FCA
Managing Director

Sd/-
Mohammed Reazul Kabir, FCA
Chief Financial Officer

DESCRIPTION OF BUSINESS

BACKGROUND OF THE PROJECT

Bangladesh Steel Re-Rolling Mills Limited is the first fully automatic re-rolling mills built in the country. It was established in 1952 as a small manually operated rolling mill by four businessmen, Mr. Akberali Alibhai Africawala, Mr. Taherali Africawala, Mr. Abdul Hussain Africawala and Mr. Rajabali Africawala. Later in 1960 it was reconstructed under the Companies Act 1913 as “East Bengal Steel Re-Rolling Mills Limited”. After our liberation the company was renamed as “Bangladesh Steel Re-Rolling Mills Limited”, and become the flagship company of BSRM Group.

In 1984, the old plant was dismantled and commissioned with fully automatic machinery from UK with enhanced annual production capacity of 60,000 MT. In 2004 another BMRE was made and the production capacity increased to 120,000 MT introducing high quality 60-grade re-enforcing steel to facilitate heavy construction in Bangladesh.

In 2011, Bangladesh Steel Re-Rolling Mills Limited amalgamated with “Meghna Engineering Works Limited (MEW)” another concern of BSRM Group engaged in billet making. Since the amalgamation, the two companies carries out its business as a single legal entity and operates as two separate units (Bangladesh Steel Re-Rolling Mills Limited as “Re-rolling mills” and Meghna Engineering Works Limited as “Steel Melting Works”) for administrative purpose only. In the Steel Melting Works unit, MS Billet is produced from scraps and sponge iron and then by rolling this MS billet the Re-rolling Mills unit produces 60 grade and 40 grade MS bars , angles, channels, I-beam, great-beam etc.

CURRENT OPERATION

The registered office of the Company situated at Ali Mansion, 1207/1099 Sadarghat Road, Chittagong. The Re-rolling Factory is located at 147/148/149, Baizid Bostami Road, Nasirabad I/A, Chittagong with installed capacity of approximately 120,000 MT per annum.

The Factory of Steel Melting Works (formerly known as MEW) is located at 78/79, Nasirabad I/A, Chittagong, producing M.S Billet. These two factories are just opposite to each other of the under construction road toward Dhaka-Chittagong Highway from Baizid Bostami Road.

ONGOING EXPANSION / BMRE

The BMRE program is going on in the mill to enhance its capacity from 120,000 MT to 450,000 MT per annum to cater the growing demand of quality steel in the country. After BMRE, BSRM will be the largest mill of its kind in the country having capacity of producing large variety of steel products under one facility using the latest technology. The machinery will be bought from renowned suppliers of Italy, Taiwan, China and India. After modernization, BSRM will be able to produce hot rolled bars, Thermo Mechanically Treated (TMT) bars, Angles, Channels, Flats, Shafts and Tees.

Estimated project cost for this ongoing expansion stands at Tk. 5,863.70 million details of which are as under:

(Amount in Million)

SI No	Project Cost	Cost incurred	Cost to be incurred	Total Cost
1	Land and Land Development	294.02	-	294.02
2	Building Construction	615.07	654.93	1,270.00
3	Civil Works			
4	Plant & Machinery	2,136.00	1466.28	3,602.28
5	Office Equipment & Vehicles	1.00	1.00	2.00
6	Deposits & Prepayments	2.00	0.00	2.00
7	Preliminary & Pre-Start up Expenses	15.00	10.20	25.20
8	Consultancy Services	12.00	5.86	17.86
9	Contingency	-	36.56	36.56
10	IDCP	93.04	520.74	613.78
Total Project Cost		3,168.13	2,695.57	5,863.70

Mode of Financing	Cost incurred	Cost to be incurred	BDT Million
Term Loan (including IDCP)	1,281.72	2,104.06	3,385.78
Own source	1,886.41	-	1,886.41
IPO	-	591.51	591.51
Total	3,168.13	2,695.57	5,863.70

Term loan was arranged through two syndications of Banks and Financial Institutions. Major terms and condition of two syndications are as follows:

Lead Arranger	United Commercial Bank Limited	One Bank Limited
Participator Institutions	16 Bank/Financial Ins.	07 Bank/Financial Ins.
Agreed Amount	Tk. 2,785.78 million	Tk. 600.00 million
Repayment Schedule	This loan has 18 months' grace (IDCP) period from the start of first drawdown. After this period the total amount including the IDCP and the current interest amounts to be repaid in 60 equal monthly installments.	This loan has one year grace (IDCP) period from the start of first drawdown. After this period the total amount including the IDCP and the current interest amounts to be repaid in 20 equal quarterly installments. The company has received the first drawdown on 16 th September 2012.
Rate of interest	The rate of interest on loans are floating and shall be determined by the Majority Lenders in consultation with the Company to be fixed on semi-annual basis on prevailing market condition and within Bangladesh Bank guidelines. Interest rate may also be reviewed at any time within the six months period if market situation for both the parties (i.e. the Company and the Lenders) demands the same. Decision taken by this way will be conclusive and binding on all the parties thereon subject to the provisions of the Sanction Letters.	

Expected date of Commercial Operation: Commercial Operation of the BMRE is expected on April 2015

IMPORTANT DATES

• Incorporation as a Private Limited Company	28 December 1960
• Commencement of Commercial Operation (as a private company)	1960
• Introduced high-strength cold-twisted steel bars	1984
• Enhanced annual production capacity of 60,000 MT	1984
• Installed automatic billet based rolling mills	1987
• Introduced largest billet-making plant in BD	1996
• Date of Conversion into Public Limited Company	03 November 2009
• Production capacity increased to 120,000 MT	2004
• Amalgamation of Meghna Engineers Works Ltd with BSRM	2011
• Approval from BSEC for Merger of MEW with BSRM	30 September, 2012

NATURE OF BUSINESS

Principal activities of the company are to carry on the business of production of MS Billet from scrap, MS Rod from Billets and other MS products there from and selling thereof. The company also imports MS product like H Beam, Angles and I Beam etc.

PRINCIPAL PRODUCTS AND SERVICES

Bangladesh Steel Re-Rolling Mills Limited produces a low carbon weldable quality high strength and high ductility concrete reinforcing bar that is now extensively used all over Bangladesh. It produces 60 grade and 40 grade MS bars, angles, channels, I-beam, great-beam, etc. After the BMRE, it will also be able to produce 500 grade rebar.

The Steel Melting Works (SMW) unit of the Company produces MS billets which are used for producing MS Rod by the company. A portion of these billets is also sold to the BSRM Steels Limited.

The company also deals in sale of imported MS Product like angles, channel, I Beam, H Beam, ingot etc.

GROUP PROFILE

BSRM Group is the largest and leading industrial conglomerate in the steel sector of Bangladesh. This is the only 3rd generation steel Group working in the country. The Group has been building the nation since 1952. The founders of the Group are Late Akberali Alibhai, Late Taherali Africawala and two his brothers. More than 60 years ago four manual rolling mills, the first of its kind, were set up in the country to produce plain bars for construction purposes.

In 1987 a milestone was achieved. The four old manual mills were scrapped and an automatic billet based rolling mills was installed under the name of BSRM. Then in 1996 the company commissioned a captive billet making plant under the name of Meghna Engineering Works Limited.

In 2006 the first and the only ribbed wire cold rolling plant in the country using European Technology to make 500 mpa yield strength wire reinforcements in sizes 4.5mm, 5.7mm and 7.1mm was introduced by BSRM helping to bring down the cost of construction. In 2008, with the commissioning by DANIELI, Italy, BSRM Group has built a state-of-the-art rolling mill at Fouzderhat Industrial Estate, Chittagong named BSRM Steels Limited, a crowning glory not only for the company but also for the nation, which is now listed with two bourses.

Later in 2010 BSRM Group established another footstep by commissioning 151,000 MT billet making plant in Nasirabad Chittagong named BSRM Iron & Steel Co. Ltd. (BISCO) with the state-of-the-art technology. The Group now can produce approximately 700,000 MT rebar annually which will be enhanced to 1.00 million MT after implementation of the ongoing expansion of BSRM.

Most of the group concerns are ISO-9001:2000 certified. The products are also tested and certified by BUET, BDS, etc and the Group always maintains international standard in its production for the best quality products with guaranteed customer satisfaction.

BSRM Group has a clear vision to be the number one and leader of the sector on every count viz. market share, cost effectiveness, quality and innovation. Capital is continuously being injected in the plants to improve efficiency and the company conducts product and market research to match the needs of the time.

A brief on Sister concerns of the group at a glance

Name of the Company	Current Status
BSRM Steels Ltd.	BSRM Steels Limited has been listed with both Dhaka & Chittagong Stock Exchanges in 2009. The plant is fully automated 600,000 TPA re-rolling mill supplied by Danieli of Italy and located at Fouzderhat Industrial Area, Chittagong. It produces latest generation “Xtreme 500W” grade 500 re-bars.
BSRM Iron & Steel Co. Ltd. (BISCO)	BISCO, the subsidiary of BSRM Steels Limited, produces high-grade MS Billet for BSRM Steels Ltd. The project is in operation since June 2010 and now operating at around 90% capacity.
H. Akberali & Co. Ltd.	Owners of land property and commercial buildings at Dhaka and Chittagong (Agrabad & Sadarghat).
BSRM Wires Ltd.	Running a wire drawing plant at Karnafully Engineering Works Ltd. premises in Nasirabad, Chittagong.
Karnafully Engineering Works Ltd.	Owners of a 3.26 acre scrap processing yard and covered buildings for storage in Nasirabad Industrial Area, Chittagong and wire manufacturing unit of BSRM Wires Limited.
BSRM Recycling Industries Ltd.	Owners of a scrap processing unit in Nasirabad, Chittagong, with imported shears and cranes.
Bangladesh Steels Ltd	Being used as storage for slags and machineries situated at Nasirabad along with 2.65 acre plot at Faujderhat Industrial Area to stock billets of BSRMS
BSRM Steel Mills Limited	This is a proposed project for the production of 862,000 MT MS Billet per year. Land acquisition for the project has already completed and other installations are continuing in full swing. The project is expected to go into commercial operation from January 2015.
Chittagong Power Company Ltd. (CPCL)	This is a proposed coal-fired power plant for generation of 150 MW power primarily to meet the consumption of BSRM Group concerns. It has already received permission from the Govt. and expected to start power generation within next 3 years.
BSRM Logistics Limited	The proposed jetty will be built in Bhatiary. Permission from the Govt. has already been received. Furthermore, the company owns and operate a fleet of 55 trucks lorries to carry own materials to customer site.

STRENGTH OF BSRM

Experienced Management Team

The Company's senior management team comprises members with extensive experience and professional qualifications in the steel industry. Their rich experience and understanding of the Company have been instrumental in building a sustainable business and supporting the Company's operations. Moreover BSRM group has experience in this field for more than 60 years and hence customers trust them for being so long in this business. It employs senior experienced management staffs in its organization.

Market Leader

BSRM is the market leader in the steel Market of Bangladesh. They occupy 26% of the total steels market of the country.

Great competitive Skills

It has been working consistently in steel production sector. Therefore, it has achieved great competitive skills. It has the ability to face strong competition.

Reliability

Be the preferred business partner of the customer and suppliers by offering quality products; providing best and timely service before and after the business transaction.

Strong Employee Bonding and Belongingness

BSRM employees are one of the major assets of the company. The employees of BSRM have a strong sense of commitment towards organization and feel proud as well as sense of belonging towards BSRM. The strong culture of BSRM is the main reason behind this strength.

Strong Products Distribution Lineup

BSRM has appointed more than 449 dealers all over the country so that people can get BSRM products within a reasonable time. Besides, they have sales and supply depots/ office in Dhaka, Comilla, Bogra, Sylhet, Rajshahi, Barishal, Rangpur, and Khulna.

Backward-linkage Industry

To strengthen the competitive advantage of the company and to minimize the dependency on import of raw materials, BSRM Group has taken initiative to establish the largest billet making plant in Bangladesh under the name of BSRM Steel Mills Limited.

Efficient Project Implementation

The Company has a proven track record in implementing significant projects, with cost reduction plans and the expansion of its major production facilities, on schedule and within budget.

Quality

BSRM has always maintained a strict adherence to quality control standards in their factories. The products of BSRM conform to all international quality standards. Quality is of uncompromising because of which BSRM always get a premium price for its products.

Modern Equipment & Technology

The group uses the most technologically advanced machineries from reputable suppliers. Thereby it keeps operational failure is minimal. In addition, the group regularly trains their human resources to maintain updated work knowledge and efficiency.

Successfully Completed Projects using BSRM Products

A large number of mega projects, both in private and public sectors were constructed by using MS Rods produced by Bangladesh Steel Re-Rolling Mills Limited. A few of those are as follows:

- Meghna Bridge
- Meghna-Gumti Bridge
- Bangabandhu Bridge, supportive projects
- Dhaka City Storm Water Drainage Project
- Saidabad Water Treatment Plant of Dhaka WASA
- Jamuna Fertilizer Factory
- Shah Amanat International Airport, Chittagong
- 210MW Thermal Power Station in Rangunia, Chittagong
- Army Heavy Workshop Complex in Rajendrapur Cantonment
- Barapukuria Coal Mine Project in Dinajpur
- Karnafully Fertilizer Factory Co. Ltd. (KAFCO)
- Bashundhara City Complex
- Apollo Hospital Complex
- North-South University
- Lafarge-Surma Cement Factory in Sylhet, etc.

MARKET FOR THE PRODUCTS OR SERVICES OF THE COMPANY

Major customers are the contractors, property developers, Export Processing Zone, Road and bridge Construction Companies etc.

RELATIVE CONTRIBUTION OF PRODUCTS CONTRIBUTING MORE THAN 10% OF THE TOTAL REVENUE

The relative contribution to sales and income of each product that accounts for more than 10% of the Company's total revenue as on 31 December 2013 are mentioned below:

Sl. No.	Name of the products	Contribution to sales (Tk.)	% of contribution to Sales
1	Angles	2,604,315,788	30.27
2	Deformed Bar	1,860,789,324	21.63
3	XTREME 500W	2,558,117,543	29.74
4	Others	1,579,192,352	18.36
	Total	8,602,415,008	100 %

NAME OF ASSOCIATES, SUBSIDIARY/RELATED HOLDING COMPANY AND THEIR CORE AREAS OF BUSINESS

The Company does not have any subsidiary/related holding Company other than the following two associates:

Name of Company	Core area of Business	Established in	Remarks	% of share
BSRM Steels Limited	MS Rod Manufacturer	20 July 2002	Associate	31.19%
BSRM Steel Mills Limited	Proposed manufacturer of M.S. Billets	16 April 2008	Associate	21.76%

BSRM Steels Limited: BSRM Steels Limited was incorporated on 20 July, 2002 as private limited company. The company has been listed with both Dhaka & Chittagong Stock Exchanges in 2009. This mill is having State of the Art Technology supplied by Danieli of Italy and located at Fouzderhat Industrial Area, Chittagong. It produces latest generation "Xtreme 500W" grade 500 re-bars.

BSRM Steel Mills Limited: BSRM Steel Mills Limited (BSRMSML) will be a steel melting and billet casting plant with a total installed production capacity of 862,000 MT of billets per annum. The plant

will manufacture prime quality steel billets of 6 -12 meter length and ranging in cross section from 130 – 180 mm. The billets produced by the new plant will be consumed by two rolling mills of the BSRM Group. The project is expected to go into commercial operation at the beginning of 2015. BSRM Steel Mills Ltd has become an associate of BSRM from 11 April, 2013 with 21.76% holding.

DISTRIBUTION OF PRODUCTS OR SERVICES

Bangladesh Steel Re-Rolling Mills Limited has its own distribution channel all over the country. Moreover, it is continuously expanding its distribution network. It has around 449 authorized dealers to sell its products to the end-users. Apart from this Bangladesh Steel Re-Rolling Mills Limited have own sales and customer service offices in 08 districts including Dhaka, Comilla, Sylhet, Bogra, Khulna Barishal, Rangpur and Rajshahi to ensure prompt supply of its products to the customers along with dedicated & quality services. Since it is spread out in so many areas, there are special geographical advantages. It can reach out to potential customers all over the country, thus increasing chances of sales compared to its competitors, who have not managed to reach out their services in the similar way. Same channel is used for all BSRM products. Following figure shown the process of sales & Distribution of BSRM products:

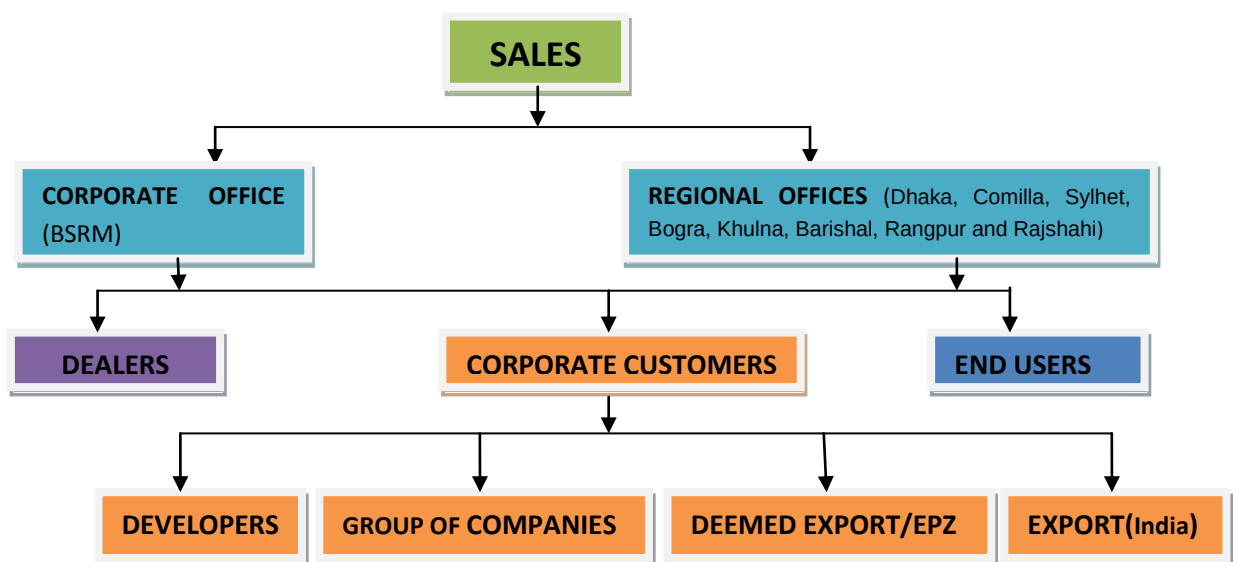


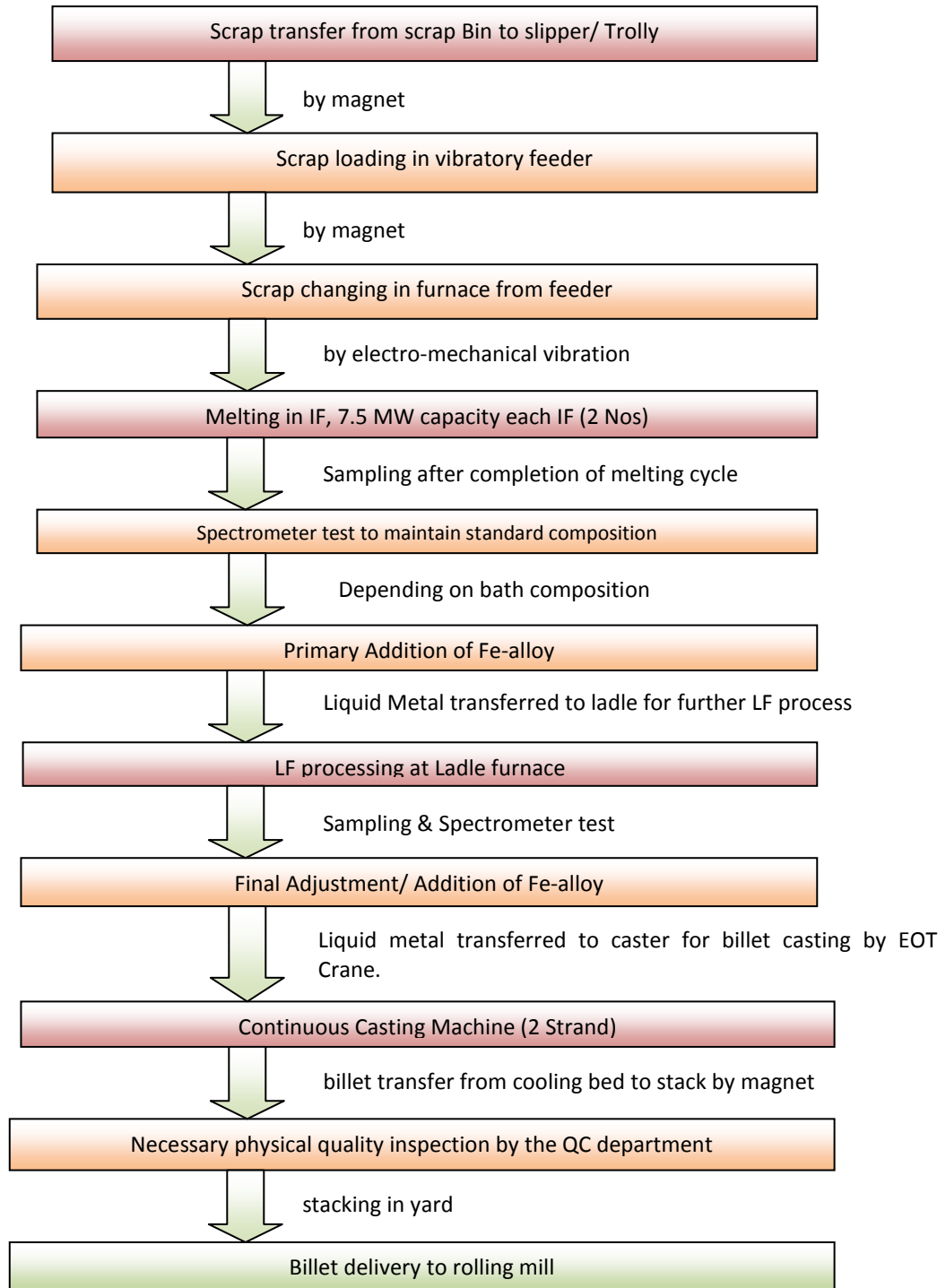
Fig: Process of Sales & Distribution of BSRM Products

MANUFACTURING PROCESS

Bangladesh Steel Re-Rolling Mills Limited has two different production steps after merger. At first step, there is a Steel Melting Works unit (previously known as Meghna Engineering Works Limited) where MS Billet is produced from scraps and sponge iron etc. By rolling this MS billet the next part of the company produces MS Rod and other MS products.

PRODUCTION PROCESS FLOW IN SMW

Billet is produced in SMW from scrap and directly reduced iron. Melted scrap and iron goes into Induction Furnace, which refines to ensure chemical composition. Then continuous casting machine cast billets as per requirement.



PRODUCTION PROCESS OF RE-ROLLING MILLS

1. MS Billets of 130x130x3000mm or 100x100x3000mm of Grade 40 and 60 are used for the production of rolled products such as Re-bars, Shafts, Angles and Channels.
2. Raw Materials and Billets (common heat wise are selected as per Rolling Program.)
3. The billets of proper composition are heated in a reheating furnace of 20 ton /hr capacity as per specified heating parameters. Required Quality Checks are done on completion of this stage.
4. Hot Billets shall then enter the rolling mill and pass through 3 hi mill, Roughing (R1, R2, R3, R4), Intermediate and Finishing Stage (5A, 5B, 6, 7, 8 9th stands) and shall also achieve all the correct process parameters. Repeater or Skew tables are used alternatively. At each stage Quality Testing are carried out.
5. Quality check procedures are performed on the finished product as per the standard procedure.
6. If it passes the QC test (dimensional accuracy, bend and re bend test and tensile strength test), the rolled products are cut to length in gauge beam and shall then be weighed and tagged accordingly.

The rolling process used by the factory is presented as under:

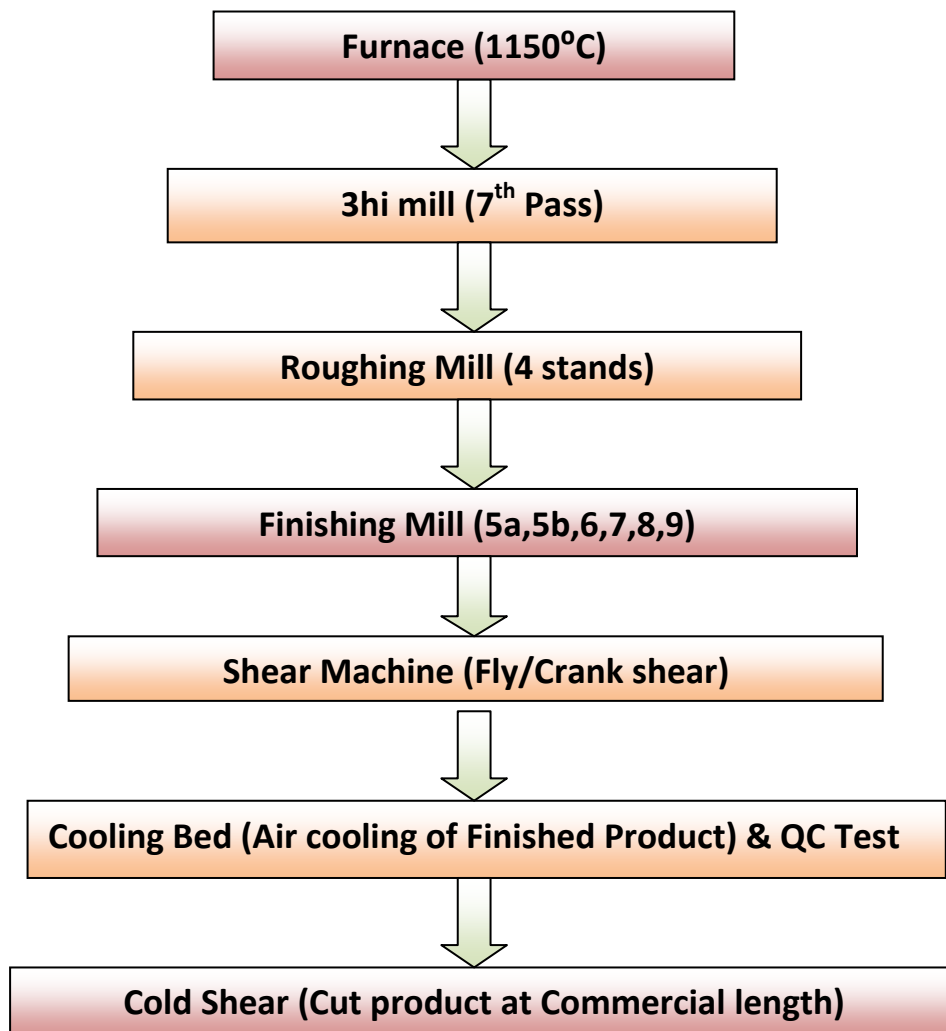


Fig: Production Process Flow Chart for BSRM Mills

COMPETITIVE CONDITIONS IN THE BUSINESS

Steel consumption increases when economies are growing, as governments invest in infrastructure and transport, and build new factories and houses. Bangladesh is a developing country where GDP growth for last 3 years was around 6%. Due to increasing income level of the people of Bangladesh, government as well as individual has given priorities on the social comfort. That is why real estate and infrastructural sectors are improving day by day. To improve the social life of the people, the government has also taken various infrastructural projects viz. several flyovers in Dhaka & Chittagong including Dhaka Elevated Expressway, Dhaka-Chittagong 4-lane project including its bridges and culverts, Saidabad Water Treatment Plant 2nd Phase, Purbachal Housing Project, Tongi- Bhairab double way Rail line and many power plant projects. All these projects require huge quantity of MS Re-Bars. The biggest opportunity for Bangladesh Steel Sector is that there is enormous scope for increasing consumption of steel in almost all the sectors in Bangladesh.

Bangladesh has around 300 steel producing factories where 200 are re-rolling mills. Except for a few, most of them uses crude technology resulting in low-quality steel and mostly based on ship plates derived from ship breaking. The ship breaking industry is in a crisis because of its pollution standard and may be restricted any time, in which case there will be a huge demand for quality steel in the country.

Many reports and papers have been prepared estimating the annual demand of steel and annual demand of MS rods in the country. Exact year-to-year figures are not available. Bangladesh's annual demand for quality rod is estimated at more than 2.5 million MT, where country usually consumes over 1.7 million tones of MS road or 70 per cent of its annual demand in the peak season .The expected growth rate is approximately 10%.

Chittagong based BSRM Group is the market leader in the steel sector. Other main competitors are Abul Khair Steels Limited (AKS), Kabir Steel Re-Rolling Mills Limited(KSRML), Seema Steel Re-Rolling Mills Limited(Seema) , Rahim Steel Mills Limited(RSML), GPH Ispat Limited (GPH), Ratanpur Steels Limited, Baizid Steel, Anwar Ispat Limited who are producing about 30% of total quality steel demand of Bangladesh.

SOURCES AND AVAILABILITY OF RAW MATERIALS AND THE NAMES OF PRINCIPAL SUPPLIERS

Scrap Supplier

Scrap is the main raw materials for the Steel Melting Works, which is imported from abroad as well as from local suppliers. Major scrap & sponge iron suppliers are as follows:

SI	Name of the Suppliers	Address
1	Bismillah Enterprise	410,Sagarika Road, Pahartoli, Ctg
2	F.B Steel	263,Ashraf Ali Road, Phatharghata, Ctg.
3	J.N Entreprise	211,D.T Road, West Madarbari, Ctg.
4	M. Rahman & Brothers	Shah Amanat International Airport, South Potenga, Ctg
5	Nizam Enterprise	Six Floor,Shahi Jame Masjid Market, Women College Moor,Jakir Hossain Road, Ctg.
6	Mansur & Brothers	96,Abdul Khalek Market,Muradpur,Hathazari Road, Ctg.
7	Muradpur Iron Mart	365,Abdul Hakim Market,Hathazari Road, Bibirhat, CTG
8	Pioneer Trading	Rosul Hoque Market, Near BMA Gate, Bhatiary, Sitakunda, Ctg.
9	Rayhan Enterprise	Rayhan Plaza, Near BMA Gate, Bhatiary,Sitakunda, Ctg.
10	JINSU Resources Ltd.	Unit 1601, The Phoenix, 21-25 Luard Road, Wanchai, Hong Kong
11	TSR Recycling GmbH & Co. KG	Im- and export, Hovestrassse 30,20539 Hamburg, Germany.
12	SIMS Group Global Trade Corporation	110 Fifth Avenue, Suite 700, New York, NY 10011, USA

13	Van Dalen International B.V.	Graanweg 18 Haven NR. M225, 4782 PP Moerdijk, The Netherlands.
14	B.F.R.S (UK) LIMITED.	ista Business Centre, 50 Salisbury Road, Heathrow, Middlesex, TW4 6JQ, United Kingdom
15	Kawamin Pacific PTI Ltd.	Beach Road No. 05.-00, Evershine and Century Complex, Singapore-189681.
16	M/s. Cargill International Trading Pte Ltd.	300 Beach Road, HEX23-10, The Concourse, Singapore-199555
17	Bunty Overseas Pvt. Ltd.	4, Fairlie Place, H.M.P. House, Mezannine Floor, Room No.14, Kolkata-700001, West Bengal, India.

Billets Suppliers

Company uses billets as raw materials for its Re-Rolling Mills and SMW cannot fulfill its requirement. Therefore, it has to import billet from abroad as well. Major Billets suppliers are as follows:

SI	Name of the Suppliers	Address
1	M/s. Maithan International	302, Patel Estate, B-40, New Link Road, Andheri(West), Mumbai-400053, India.
2	M/s. Patnaik Steels and Alloys Ltd	A/22, Cuttack road, Falcon House. 1st fl, Bhubaneswar-751006, India
3	M/s. Super Smelters Limited	39, Shakespeare Sharani, Premlata, 3rd floor, Kolkata-700 017, west bengal, India
4	S K Network Korea	717-3 Hakjang-Dong, Sesang-Gu, Busan , Korea
5	Deahan Steel Co. Ltd	370-16, Sinoyong-Dong, Sha-Gu, Busan, Korea.
6	Duferco Asia Pte Ltd	600 North Bridge Road, No.06-03, Park View Square, Singapore-188778
7	M/s. Concast Industries Limited Bengal	21, Hemant Basu Sarani, Suite # 511 & 512, Kolkata-700001, India.
8	Haldia Steels Ltd	37, Shakespeare Sarani, Kolkata-700017, West Bengal, India.
9	Maithan Ispat Limited	6 G-Everest, 46 C, Jawaharlal Nehru road, Calcutta, India
10	Bhushan Steel Limited	31 Shakespeareare Sarani, Jasmine Tower, 6th Fl Room. 611, kolkata-700017, india
11	M/s Gayson & Co Pvt Ltd	PO Banskopa, Durgapur, Disc Burdwan, West Bengal
12	M/s Sesa International ltd	PO Banskopa, Durgapur, Disc Burdwan, West Bengal
13	Jai Balaji Industries Ltd Unit -2	Regd. Office :68A, Ballygunge Circular Road, Kolkata - 700 019, India

The new billet making project in Mirsarai, Chittagong is expected to be completed at the end of 2014 and then BSRM will be able to procure its balance raw material (billet) from this project in addition to its existing melting unit.

SOURCES OF AND REQUIREMENT FOR POWER, GAS AND WATER

Power

Connected load for BSRM Group is 60,000 KW from which four group concerns including BSRM get power supply under an agreement among BSRM, PGCB and the BPDB. Current requirement for four sister concern is 42-45 MW and the existing load will be enough for the new expansion. Sources of power supply for two factories of the BSRM are as follows:

Sources	Requirement Unit (MW)			Supply Unit (MW)		
	Re-Rolling Mills	SMW	Total	Re-Rolling Mills	SMW	Total
Bangladesh Power Development Board (BPDB)	3.2	16.5	19.7	4	19	23

In addition, re-rolling unit has 2 diesel generators with a capacity of 250 KVA and 231 KVA respectively and Steel melting unit has 2 more diesel generators having capacity of 328 KVA each.

Gas: Requirement of gas supply is ensured from Karnafuly Gas Distribution Co. Limited for two factories of the BSRM is as follows:

Requirement (m3/month)		Supply (m3/month)	
Re-Rolling Mills	SMW	Re-Rolling Mills	SMW
351,104	98,424	351,813	107,848

Existing connected load of gas for the mill is sufficient but it will not be sufficient for the new expansion. The company applied for 1,898,832 m3/month load of gas approval of which is expected very soon. Notable strength of the new project is the dual fired furnace will be. HSFO (High Sulfur Furnace Oil)/ Light Diesel Oil can be used for new machineries in case of gas crisis.

Water: Currently water supply is ensured from own deep tube well which is as follows:

Particulars	Re-Rolling Mills (m3/hour)	SMW(m3/hour)
Total Water Supply Capacity	30	20
Total Water Requirement	15	20

NAME OF CUSTOMERS/DEALERS WHO PURCHASE 10% OR MORE OF THE COMPANY'S PRODUCTS

There is no single customer who purchases more than 10% of the company's products.

CONTRACT WITH PRINCIPAL SUPPLIERS AND CUSTOMERS

The company does not make any specific agreement with the suppliers. However, when the purchase order is raised, contract is made specifying the delivery amount, timing of delivery, advance deposit amount, credit terms and other conditions.

Currently, the company has 540 numbers of dealers who are from different regions/belts but have contractual agreements with the company on following conditions as on 31 December 2013.

Nature of Credit: Every dealers must sign a credit agreement on stamp paper to be worthy of purchasing on credit. All dealers under such agreement must provide valid security instruments (Bank guarantee or open dated cheque covering full credit amount) before commencing purchase on credit.

Limit: Letter of assignment of credit limit in tons and a time limit in weeks. (Up to Tk.1 crore by National sales head & above 1 Crore by the ED/ Director)

Duration: Credit limit in days will be 21 days for dealers. In the case of sales on credit against payment by the L/C specially to dealers, Credit period will be calculated from the LC opening date or the date of Sales confirmation whichever is earlier.

Initially new proposed dealer shall be treated as Trial dealers for the first 3 (Three) months. Applicants will get discount equivalent to that of Traders for the trial period. Trial dealers will be elevated to the category of dealers only upon satisfactory performance throughout their trial period. BSRM signboard to be fixed in dealers shop and cost to be paid by dealer in advance.

MATERIAL PATENTS, TRADEMARKS, LICENSES OR ROYALTY AGREEMENTS

Management sharing agreement with BSRM Steels Ltd

The company entered into a Management sharing agreement with its associate company BSRM Steels Limited on 15th October 2005 for using the goodwill of BSRM, its expertise in marketing, procurement, Management etc. Main features of the agreement are as under:

- i) Scope of Work : Sharing of Management expertise, purchase activities, commercial activities, clearance of all imports from Chittagong / Benapole, Marketing activities etc.
- ii) Service fees : Tk. 250 per ton of actual production per month provided BSRM Steels Limited has net profits in their books and was revised at Tk 300 per ton effective from 1 April 2013.
- iii) Validity : Upto 31st March 2018.

Licenses

Name of Licenses/Certificate	Units	Valid period
Fire License	Re-Roling Mills	30.06.2015
	SMW	30.06.2015
Trade License	BSRM	30.06.2015
ISO Certificate (14001:2004)	Re-Roling Mills	04.07.2015
	SMW	04.07.2015
ISO Certificate (9001:2008)	Re-Roling Mills	04.07.2015
	SMW	04.07.2015
Environment Certificate	Re-Roling Mills	23.04.2015
	SMW	18.10.2015
Export License	BSRM	2014-2015
Import License	BSRM	2014-2015

BSRM has no registered trademark, in respect of goods, name and trading style.

EMPLOYEES POSITION

Particulars	31 Dec 2013		31 Dec 2012	
	Full-time	Part-time	Full time	Part time
No of employee whose salary was below Tk. 3000	Nil	Nil	Nil	Nil
No of employee whose salary was above Tk. 3000	718	Nil	712	Nil

PRODUCTION CAPACITY AND CURRENT UTILIZATION

Particulars	31 Dec 2013	31 Dec 2012
Yearly Installed Capacity(M.Ton)		
MS Rod, Angle Channel etc	120,000	120,000
Yearly Production (M. Ton)		
MS Rod, Angle Channel etc	106,810	94,127
Capacity Utilized (%)		
MS Rod, Angle Channel etc	89.01%	78.44%

SECTION VI

DESCRPTION OF PROPERTY

A) The Company owns the following fixed assets at written down value as on 31 December 2013.

(As per audited accounts)

Name of the Assets	Written Down Value as on 31 December 2013	Written Down Value as on 31 December 2012
Land and Land development	3,773,227,092	3,770,747,745
Plants and Machineries	2,463,365,760	2,459,282,618
Motor Vehicles	30,746,136	34,220,974
Factory building & Shed	696,376,719	410,691,898
Furniture and Fixtures	24,769,949	25,320,282
Office Equipments	17,628,973	16,888,807
Total	7,006,114,629	6,717,152,324

B) All the above-mentioned assets are situated at Company's Factory site and are in good operational condition.

C) Total area of land owned by the Company is 28.42855 acre of which freehold land is 20.52355 acres and leasehold land is 7.905 acres. Entire land has been duly mutated and rent was paid regularly except ongoing process of transfer in legal title of 1.98 acre land from MEW to BSRM. The land being leased by Public Works Departments (PWD), the transfer of name requires approval from Ministry of Housing and Public Works (MOHPW). In response to BSRM application dated 13th September 2011 MOHPW's asked for additional documents on 1 January 2014 and accordingly BSRM submitted required documents on 19 January 2014. It is expected that the permission will be available shortly. The leasehold land was allotted by the Government of the People's Republic of Bangladesh under 99 years lease term. Details of these leasehold lands are given below:

Location	Lease taken from	Lease period	Deed date	Area in Acre
Chittagong Factory (Re-Rolling Unit)	Public Works Departments (PWD)	99 Years	22.06.1968	2.790
Chittagong Factory (Melting Unit)	Public Works Departments (PWD)	99 Years	03.06.1959	1.980
Chittagong Factory (Re-Rolling Unit)	Public Works Departments (PWD)	99 Years	22.06.1968	3.135
Total				7.905

D) Advance against land purchase as on 31 December 2013 amounting to Tk 17,282,327 of which Tk 16,462,327/- represents payment against purchase of a land of 38.66 decimals and Tk 820,000/- against purchase of a land of 0.81 decimals land. Due to unusual delay in providing the valid ownership the company has subsequently cancelled the agreement and taken back the entire advance money of Tk 16,462,327/- on 21 January 2014 and Tk. 8,20,000/- on 28th February 2014.

E) Company has acquired all assets in new condition.

- F) All the owned assets of the Company as described above are mortgaged to different banks to obtain loan facilities as mentioned in the note no. 17 & 20 of the financial statement as on 31 December 2013. The following are the current mortgagees of the company:

AB Bank Ltd	International Leasing & Financial Services Ltd	One Bank Ltd
Agrani bank Ltd	Islami Bank Bangladesh Ltd	Prime Bank Ltd
Al-Arafah Islami bank Ltd	IPDC of Bangladesh Ltd	Pubali Bank Ltd
Bank Al-Falah Ltd	Jamuna Bank Ltd	State Bank of India
Basic Bank Ltd	Lankabangla Finance Limited	Standard Bank Ltd
Dhaka Bank Ltd	MIDAS Financing Ltd	Standard Chartered Bank Ltd
Dutch Bangla Bank Ltd	Mercantile Bank Ltd	Shahjalal Islami Bank Ltd
Habib Bank Ltd	National Housing Finance and Investment Ltd	Sonali Bank Ltd
HSBC Ltd	NCC Bank Ltd	Social Islami Bank Ltd
IFIC bank Ltd	National Bank Ltd	Trust Bank Ltd
IDLC Finance Ltd	Fareast Finance & Investment Ltd	United Commercial Bank Ltd
		United Leasing Co. Ltd

G) Auditors' certificate regarding Plant & Machineries:

This is to certify that as appeared from our examination of books and records maintained by Bangladesh Steel Re- Rolling Mills Ltd. And as produced to us for verification, and explanations given by the management, plant and machineries owned by the company are neither reconditioned nor secondhand.

Date: 19 January, 2014

Sd/-
Rahman Rahman Huq
Chartered Accountants

H) Management Declaration regarding Plant & Machineries:

We do hereby declare that, we are not owning and using any reconditioned or secondhand plant and machinery for manufacturing MS Products at our factory.

Date: January 12, 2014

Sd/-
Alihussain Akberali, FCA
Managing Director

F

INANCIAL CONDITION AND PLAN OF OPERATION

INTERNAL AND EXTERNAL SOURCES OF FUND

(As per audited accounts)

Particulars	31 Dec. 2013	31 Dec. 2012	31 Dec. 2011
Internal Sources of Fund			
Share Capital	1,558,510,380	1,558,510,380	643,454,910
Proposed Bonus Share		-	-
Reserve for issuance of shares against Merger	-	-	271,600,560
Revaluation Reserve	4,129,104,568	4,189,255,118	1,619,084,375
General reserve	30,170,818	30,170,818	30,170,818
Retained Earnings	2,398,521,265	1,747,355,332	1,840,565,341
Fair Value Reserve	2,439,152	1,023,492	-
Sub-total	8,118,746,183	7,526,315,140	4,404,876,004
External Sources of Fund			
Short Term Bank Loan	3,631,028,292	3,351,042,310	3,198,571,591
Long Term Loan	1,898,882,168	1,545,166,504	710,907,356
Inter Company Loan	2,401,210,345	369,924,616	2,485,811,812
Sub-total	7,931,120,805	5,266,133,430	6,395,290,759
Total	16,049,866,988	12,792,448,570	10,800,166,763

MATERIAL COMMITMENTS FOR CAPITAL EXPENDITURES & SOURCES OF FUND

There are no material commitments for Capital expenditures except capital expansion as mentioned in the utilization of IPO proceeds of the Prospectus.

CAUSES OF ANY MATERIAL CHANGES FROM PERIOD TO PERIOD

The management of the Company is always attempting to maximize production with cost efficiency;

Particulars	31 Dec. 2013	31 Dec. 2012	31 Dec. 2011
Sales	8,602,415,008	14,043,421,488	12,664,400,034
Cost of goods sold	(8,102,322,738)	(13,345,900,813)	(11,587,854,913)
Gross profit	500,092,270	697,520,675	1,076,545,121
Other income	6,652,224	108,231	4,913,100
Operating Expenses	(221,755,919)	(211,445,865)	(215,558,391)
Administrative Expenses	(166,109,408)	(176,030,894)	(177,468,781)
Selling and Distribution Expenses	(55,646,511)	(35,414,971)	(38,089,610)
Profit from Operations	284,988,575	486,183,041	865,899,830
Financial Expenses	(264,396,406)	(278,832,330)	(410,009,134)
Loss on Revaluation of Property, Plant & Equipment	-	(28,023,369)	-
Financial Income	23,390,549	34,150,796	36,259,657
Net Profit before WPPF	43,982,718	213,478,138	492,150,353
Contribution to WPPF & WF	(2,199,136)	(10,673,907)	(24,607,518)
Non Operating Income	169,063,732	150,068,986	1,082,183,306
Share of profit of associate (Net of tax)	934,127,635	312,954,478	289,208,916
Profit before income tax	1,144,974,949	665,827,695	1,838,935,057
Current Tax	(124,274,416)	(188,224,809)	(256,237,264)
Previous year's Tax	(6,612,039)	(87,652)	(18,947,986)
Deferred Tax	(225,386,883)	(23,591,047)	(412,951,888)
Net Profit after Tax	788,701,611	453,924,187	1,150,797,919

Net profit after tax of the company increased during the year 2013 though turnover of the company decreased significantly, mainly due to increase in share of profit in associate company as shown under equity method as per BAS. On the other side, net profit after tax (NPAT) of the company in FY 2011 has also significantly increased due to contribution of capital gain under non operating income from disposal of shares of BSRM Steels Limited.

Turnover of the company increased all the years except financial year 2013 when it reduced significantly due to political unrest of the country throughout the year.

SEASONAL ASPECTS OF THE COMPANY'S BUSINESS

There is no direct seasonal implication in the products of the company. However, during the rainy season the business of the company slightly hampered due to low level of construction.

KNOWN TRENDS, EVENTS OR UNCERTAINTIES

Increased price of raw materials in international market, scarcity of funds (liquidity crisis), economic recession, and entrance of new technology, changes in government monetary & industrial policy, increasing competition, power supply disruption and political unrest are known events that may affect the productivity as well as growth of the company.

CHANGES IN THE ASSETS TO PAY OFF LIABILITIES

None of the operating assets has been used to pay off any liabilities of the Company.

LOAN TAKEN FROM OR GIVEN TO THE HOLDING/PARENT COMPANY OR SUBSIDIARY COMPANY

BSRM does not have any holding or subsidiary company, so there are no transactions in this respect. However, BSRM have intercompany transactions between its sister concerns which has been presented in the "Certain relationship and related transaction" part of this prospectus.

FUTURE CONTRACTUAL LIABILITIES

The Company has no plan to enter into any contractual liabilities within next one year other than normal course of business.

FUTURE CAPITAL EXPENDITURE

The Company has no plan for future Capital Expenditure except the ongoing modernization and expansion of capacity.

VAT, INCOME TAX, CUSTOM DUTY AND OTHER TAX LIABILITIES

VAT

The company does not have any outstanding VAT up to 31 December 2013 except the following disputed case pending before Honorable High Court. No Provision is made against below mentioned VAT (shown as contingent liabilities accounts note no 38)

Writ/Order No.	Remarks
5696 of 2003	Writ petition has been filed in respect of value addition under VAT Act 1991, which is pending for hearing before the High Court Division of Supreme Court and amount of liability cannot be estimated at this stage.
2667 of 2004	The company has VAT liability amounting Tk. 100,000 as on 31 December, 2003, which is imposed by VAT Authority in 2004 as penalty. The case is now pending for hearing before the High Court Division of Supreme Court.
6278 of 2004	The company has VAT liability amounting Tk. 178,415 as on 31 December, 2004 against trade VAT which is not settled yet. The case is now pending for hearing before the High Court Division of Supreme Court
2666 of 2004	The company has VAT liability amounting Tk. 536,174 as on 31 December, 2004, which is demanded by VAT authority in 2004 for difference in selling price. The case is now pending for hearing before the High Court Division of Supreme Court
1843 of 2011	Writ petition has been filed against percentage of wastage (4% in place of 2.50%) in 2011, which is pending for hearing before the High Court Division of Supreme Court and amount of liability cannot be estimated at this stage.

Income Tax

As per certificate of the Deputy Commissioner of Taxes, BSRM is an assessee of Taxes Circle-2(companies) taxes zone-1, Chittagong. The assessment of the company has been completed up to assessment year 2013-2014. Year wise income tax status of the company for last five years is depicted below:

Assessment Year	Status
2009-2010	As per certificate given by DCT of Companies circle-2, Zone-1, Chittagong, dated 14.10.2009 the company's income tax case settled up to Assessment year 2009-2010. The company has one pending issue with Megna Engineering Works Ltd which is now merged with BSRM.
2010-2011	As per certificate given by DCT of Companies circle-2, Zone-1, Chittagong, dated 02.09.2010 the company's income tax case settled up to Assessment year 2010-2011.
2011-2012	As per certificate given by DCT of Companies circle-2, Zone-1, Chittagong, dated 21.08.2011 the company's income tax case settled up to Assessment year 2011-2012.
2012-2013	As per certificate given by DCT of Companies circle-2, Zone-1, Chittagong, dated 31.07.2012 the company's income tax case settled up to Assessment year 2012- 2013.
2013-2014	As per certificate given by DCT of Companies circle-2, Zone-1, Chittagong, dated 28.07.2013the company's income tax case settled up to Assessment year 2013-2014.

The company has no outstanding income tax up to 31 December 2013 except the following disputes/cases pending before Honorable High Court:

Assessment Year	Writ No.	Unit	Status
2001-2002	2814/2003	Re-Rolling Mills	Income Return was submitted on 4/9/2001 The DCT completed the (AY 2001-02) Assessment under Section 82B of ITO 1984 and issued a Demand Notice of Tk.48,97,822/-including panel interest of Tk.88,067/- against which the Company filed an appeal to the Commissioner Appeal. Finally the Company filed an appeal to the Appellate Tribunal against the order of Commissioner Appeal. After having order from the appellate tribunal the Company referred to the High Court Division in the prescribed from and prescribed manner. Now the matter is pending with High Court. The disputed amount is Tk. 49,00,000 as on 31 December, 2000.
2002-2003	288 of 2004	Re-Rolling Mills	Income Return was submitted on 15/7/2002 The DCT completed the (AY 2002-03) Assessment under Section 83 (2) of ITO 1984 and issued a Demand Notice of Tk. 119,90,059/-including panel interest of Tk.244,731/- against which the Company filed an appeal to the Commissioner Appeal. Finally the Company filed an appeal to the Appellate Tribunal against the order of Commissioner Appeal. After having order from the appellate tribunal the Company referred to the High Court Division in the prescribed from and prescribed manner. Now the matter is pending with High Court. The disputed amount is Tk. 1,05,61,562 as on 31 December, 2001.
2003-2004	287 of 2004	SMW	Income Return was submitted on 15/7/2003. The DCT completed the (AY 2003-04) Assessment under Section 82 B of ITO 1984 and issued a Demand Notice of Tk.117,07,078 including panel interest of Tk.13,445/-against which the Company filed an appeal to the Commissioner Appel. Finally the Company filed an appeal to the Appellate Tribunal against the order of Commissioner Appeal. After having order from the appellate tribunal the Company referred the matter to the High Court Division in the prescribed from and prescribed manner. Now the matter is pending with High Court. The disputed amount is Tk. 1,47,64,000 as on 31 December, 2002.
2005-2006	64 of 2007	Re-Rolling Mills	Income Return was submitted on 14/7/2005. The DCT completed the (AY 2005-06) Assessment under Section 83 (2) of ITO 1984 and issued a Demand Notice of Tk. 141,00,603/- against which the Company filed an appeal to the Commissioner Appeal. Finally the Company filed an appeal to the Appellate Tribunal against the order of Commissioner Appeal. After having order from the appellate tribunal the Company referred the matter to the High Court Division in the prescribed from and prescribed manner. Now the matter is pending with High Court. The disputed amount is Tk. 98,61,000 as on 31 December, 2004.
2005-2006	471 of 2006	SMW	Income Return was submitted on 14/7/2005 The DCT completed the (AY 2005-06) Assessment under Section 82B of ITO 1984 and issued a Demand Notice of Tk.179,88,206/- against which the Company filed an appeal to the Commissioner Appeal. Finally the Company filed an appeal to the Appellate Tribunal against the order of Commissioner Appeal. After having order from the appellate tribunal the Company referred the matter to the High Court Division in the prescribed from and prescribed manner. Now the matter is pending with High Court. The disputed amount is Tk.32,66,000 as on 31 December, 2004.
2009-2010	532 of 2011	SMW	Income Return was submitted on 15/7/2009. The DCT completed the (AY 2009-10) Assessment under Section 82B of ITO 1984 and issued a Demand Notice of Tk. 178,53,271/- against which the Company filed an appeal to the Commissioner Appeal. Finally the Company filed an appeal to the Appellate Tribunal against the order of Commissioner Appeal. After having order from the appellate tribunal the Company referred the matter to the High Court Division in the prescribed from and prescribed manner. Now the matter is pending with High Court. The disputed amount is Tk. 23,20,000 as on 31 December, 2008.

Customs Duty and other Tax Liabilities

No custom duty or similar liabilities of the Company are outstanding as on 31 December 2013.

OPERATING LEASE DURING LAST FIVE YEARS

BSRM did not have any operating lease commitments with any organization during last five years.

FINANCE LEASE COMMITMENT DURING LAST FIVE YEARS

BSRM maintains two finance leases during last five years. Major features of these leases are as follows:

Name of the Financial Institutions	Effective date of Lease	Monthly Rent	Period	Expiration of Lease
MIDAS Financing Limited	15.03.2008	1,388,200	5 Years	Expired on 25.03.2012
United Leasing Company Limited	14.09.2007	1,155,878	5 Years	Expired on 14.09.2012

PERSONNEL RELATED SCHEMES

The Company believes in supporting its employees and offering incentives and bonuses for its continued profitability and growth. With a view to supporting these objectives, Bangladesh Steel Re-Rolling Mills Limited operates a contributory Provident Fund and Gratuity scheme. Moreover, company also introduces workers Profit Participation and Welfare Fund facilities for the employees as per Labour Act 2006. Short descriptions about them are presented below.

Provident Fund

The Company has been maintaining a recognized contributory provident for all eligible permanent employees. The fund is administrated by a Board of Trustee and is funded by 10% contributions from the salaries equally by the employees and the Company. The fund is managed distinctively from the Company's assets.

Gratuity

The Company also maintains non-funded gratuity scheme for the confirmed employees of the Company.

WPPF

The company is paying @5% of its operating profit to all workers as per Labor Act, 2006.

Group Insurance Policy

On April 2014 the company has made group insurance policy covering accidental death, Permanent and partial disability benefits with Delta Life Insurance Company Ltd.

Encashment of leave and Medical Treatment Facility

Employees of Bangladesh Steel Re-Rolling Mills Limited enjoy encashment against leave eligible for its employees. Apart from this the employees enjoy medical treatment facility for any kind of injury during the course of their service in the company.

BREAK DOWN OF ISSUE EXPENSES

Total IPO expenses are estimated as follows:

Particulars	Basis	Amount in Tk.
Manager to the Issue	Lump sum	2,000,000
VAT Against Management to the Issue Fee		300,000
Credit Rating Fee	Lump sum	350,000
BSEC Fees		
Application Fee	Fixed	10,000
Consent Fee	@ 0.15% on entire offer	918,750
Fees Related for Listing with Stock Exchanges		
Application fee for DSE & CSE	Fixed	10,000
Annual Fee for DSE & CSE	Fixed	200,000
Listing Fees of Stock Exchanges (DSE & CSE)	@ 0.25% on 10.00 crore and @ 0.15% for the rest amount of paid up capital But not more than 2 million each	4,000,000
CDBL fees and expenses		
Documentation fee		2,500
Security Deposit		500,000
Initial Public Offering fee	0.025% on Total IPO	153,125
Annual fee		100,000
Commission Expenses		
Underwriting Commission	0.50%	1,531,250
Bankers to the Issue Commission	0.10% on collected amount (Assume 5 times)	3,062,500
Expenses related to Printing, Publication & Lottery		
Publication of Abridged version of Prospectus	Four National Dailies	900,000
Printing of Prospectus	4,000 pcs. X TK. 80 per Copy	320,000
Printing of Forms	6,00,000 pcs. X TK. 1.5 per Copy	900,000
Post issue Expenses	Application @ Tk. 11.50 P/A	5,031,250
Arrangement of Lottery	Estimated	700,000
Total Estimated Expenses		20,989,375

N B: Actual costs will vary if above mentioned assumptions differ and will be adjusted accordingly.

REVALUATION OF ASSETS

The Company first revalued its fixed assets in the year 2008 by Hoda Vasi Chowdhury & Co. Chartered Accounts, which have been reflected in the financial Statements of the Company as on 31 December 2008. The summary of revaluation made on 28 December 2008 are as follows:

Particulars of the assets	Value of Assets before revaluation	Value of Assets after revaluation	Net Revaluation Surplus
Land	62,992,462	795,670,000	732,677,538
Building & Factory Shed	75,982,666	173,379,720	97,397,054
Motor Vehicles	10,719,236	14,630,000	3,910,764
Furniture and Fixture	4,506,778	4,052,861	(453,917)
Office Equipments	1,390,624	925,750	(464,874)
Plants and Machinery	158,089,769	651,513,000	493,423,231
Electric Installation	28,424,368	200,721,642	172,297,274
Other Assets	32,553,695	207,166,801	174,613,106
Total	374,659,598	2,048,059,774	1,673,400,176

Again the company revalued its fixed assets as on 31 December 2011 by the same valuer which has been incorporated in the financial statements of the company as on 31 December 2012. The summary of revaluation made on 1 August 2012 are as follows:

Particulars of the assets	Value of Assets before revaluation	Value of Assets after revaluation	Net Revaluation Surplus
Land	2,254,278,307	3,693,022,500	1,438,744,193
Building & Factory Shed	364999779	426,917,030	61,917,251
Motor Vehicles	21,569,198	35,542,683	13,973,485
Furniture and Fixture	9,125,200	10,915,425	1,790,225
Office Equipments	24,237,984	29,276,089	5,038,106
Plants and Machinery	1,716,001,835	1,995,837,589	279,835,752
Electric Installation	416,088,105	591,247,782	175,159,678
Other Assets	3,477,532	3,252,370	(225,162)
Total	4,809,777,940	6,786,011,467	1,976,233,527

Reason for Revaluation : To incorporate the fair present value of the fixed assets of the Company into the financial statements according to the requirements of Bangladesh Accounting Standard 16 (Property, Plant & Equipment).

Name of Valuer : Hoda Vasi Chowdhury & Co.

Qualification of the Valuer : Chartered Accountants

Date of Revaluation : 01 August 2012.

Major Revaluation Works : 1) Western Marime Shipyard Ltd. Ctg.
2) Natural LP Gas Ltd. Ctg.
3) UITs, Khulsi, Ctg.

TRANSACTIONS BETWEEN HOLDINGS/SUBSIDIARY/ASSOCIATE COMPANY AND THE ISSUER

The company does not have any Subsidiary or Related holding company. BSRM has two associate companies namely BSRM Steels Ltd and BSRM Steels Mills Ltd as on 31 December 2013. The transaction has been made during the last five years with BSRM Steels Ltd are as follows:

Name of the parties	Relationship	Types of transactions	Balance as on					Issuer Status
			31-Dec-13	31-Dec-12	31-Dec-11	31-Dec-10	31-Dec-09	
BSRM Steels Ltd	Associate	Purchase of finished goods	(3,563,424,229)	(2,775,603,565)	(2,530,402,254)	-	(336,412,600)	Cr
		Short term loan	(2,375,947,711)	(362,970,206)	(2,471,446,838)	(1,779,420,958)	(893,362,894)	Cr
BSRM Steels Mills Ltd	Associate	Short term loan	252,410,775	68,027,565	(39,925,255)			Dr
		Share money deposit	900,000,000					Dr

AUDITOR'S CERTIFICATE REGARDING ALLOTMENT OF SHARES FOR ANY CONSIDERATION OTHER THAN FOR CASH

This is to certify that as per share register and other relevant records maintained by **Bangladesh Steel Re-Rolling Mills Limited**, the company did not allot any shares for consideration other than for cash to any directors, subscribers to the Memorandum of Association (MA) and Articles of Association (AA) and other shareholders up to 27 May 2013 except as shown below:

SI No	Date of allotment	Issued to	Allotted in Consideration	*No. of Shares at Face value of Tk. 10 each	Amount (Tk.)
1	May 30, 1961	Subscribers to MA and AA	Against Assets	45,000	450,000
2	December 4, 1962		Against Assets	70,850	708,500
3	December 15, 1965	Directors and other shareholders	Bonus	50,000	500,000
4	December 31, 2006		Bonus	958,500	9,585,000
5	September 22, 2007		Bonus	1,581,520	15,815,200
6	January 31, 2010		Bonus	12,125,020	121,250,200
7	January 10, 2011		Bonus	5,375,451	53,754,510
8	September 30, 2012	Shareholders of Meghna Engineering Works Limited against consideration for merger	Assets and liabilities against merger with Meghna Engineering Works Limited	27,160,056	271,600,560
9	November 12, 2012	Directors and other shareholders	Bonus	64,345,491	643,454,910
Total				111,711,888	1,117,118,880

*Face value of ordinary shares of Taka 100 each was changed to Taka 10 each on November 03, 2009 by virtue of a special resolution passed in the Extra Ordinary General Meeting held on November 03, 2009. Numbers of shares issued to subscribers to MA and AA, director and other shareholders prior to 2009 have been adjusted to give effect of change in face of ordinary shares to ensure comparability and better presentation.

Date: 27 May 2013

Sd/-
Rahman Rahman Huq.
Chartered Accountants

MATERIAL INFORMATION HAVING AN IMPACT ON THE AFFAIRS OF THE COMPANY

There is no other material information, which is likely to have an impact on the offering or change the terms and conditions under which the offer has been made to the public.

SECTION VIII

DIRECTORS AND OFFICERS

INFORMATION REGARDING DIRECTORSHIP

Sl. No	Name of the Directors	Age (Years)	Present Position	Educational Qualification	Date of first Directorship	Expiry of Current Term	Experience (Years)
1	Mr. Alihussain Akberali, FCA	63	Chairman & Managing Director	Chartered Accountant	07/10/1980	**	33
2	Mr. Zohair Taherali	49	Director	Graduated in Commerce.	16/08/1988	**	25
3	Mr. Aameir Alihussain	37	Director	MBA	17/03/2002	**	11
4	Mrs. Tehseen Zohair Taherali	42	Director	Graduate	03/02/1999	**	14
5	Mrs. Sabeen Aameir	35	Director	MBA	24/10/2009	**	4

** As per Articles of Association of the company, one-third of the directors or if their number is not three or multiple of three then the number nearest to one-third shall retire from office by rotation at the Annual General Meeting.

INVOLVEMENT OF DIRECTORS WITH OTHER COMPANIES

Name	Company Name	Relationship
Mr. Alihussain Akberali, FCA*	BSRM Steels Limited	Chairman
	Karnafully Engineering Works Limited	Chairman
	BSRM Wires Limited	Managing Director
	BSRM Recycling Limited	Managing Director
	BSRM Iron & Steels Co Limited	Chairman & MD
	Chittagong Power Company Limited	Chairman & MD
	Bangladesh Steels Limited	Director
	East Bengal Trading & Industrial Corporation Limited	Director
	BSRM Ispat Limited	Director
	Section steel Industries Limited	Managing Director
	BSRM Steels Mills Limited	Chairman
	BSRM Logistics Limited	Chairman
	BSRM Real Estates Limited	Chairman
	BSRM Metals Limited	Chairman
Mr. Zohair Taherali	H Akber Ali & Co	Managing Director
	BSRM Steels Limited	Director
	Karnafully Engineering Works Limited	Managing Director
	BSRM Wires Limited	Chairman
	BSRM Recycling Limited	Chairman
	BSRM Iron & Steels Co Limited	Director
	Chittagong Power Company Limited	Director
	Bangladesh Steels Limited	Chairman
	East Bengal Trading & Industrial Corporation Limited	Chairman
	BSRM Ispat Limited	Chairman
	BSRM Steel Mills Limited	Director
	BSRM Logistics Limited	Managing Director
	Burhani Scrap Traders	Partner
	H. Akber Ali & Co	Director
	BSRM Real Estates Limited	Director
	BSRM Metals Limited	Director

Mr. Aameir Alihussain	BSRM Steels Limited Karnafully Engineering Works Limited BSRM Wires Limited BSRM Recycling Limited BSRM Iron & Steels Co Limited Chittagong Power Company Limited Bangladesh Steels Limited East Bengal Trading & Industrial Corporation Limited BSRM Ispat Limited Section steel Industries Limited BSRM Steel Mills Limited BSRM Logistics Limited Burhani Scrap Traders H. Akber Ali &Co BSRM Real Estates Limited BSRM Metals Limited	Managing Director Director Director Director Director Director Managing Director Managing Director Managing Director Director Managing Director Director Partner Director Managing Director Managing Director
Mrs. Tehseen Zohair Taherali	BSRM Steels Limited Karnafully Engineering Works Limited BSRM Wires Limited BSRM Recycling Limited BSRM Iron & Steels Co Limited Bangladesh Steels Limited East Bengal Trading & Industrial Corporation Limited BSRM Ispat Limited BSRM Steels Mills Limited H. Akber Ali &Co BSRM Real Estates Limited BSRM Metals Limited	Director Director Director Director Director Director Director Director Director Director Director Director
Mrs. Sabeen Aameir	BSRM Steels Limited BSRM Iron & Steels Co Limited (Representative director of H. Akberali & Co. Ltd)	Director Director

*Permission from the Ministry of Commerce has been obtained to act Mr. Alihussain Akberali, FCA as Managing Director of above mentioned 06 (six) Companies (Ref No: বাম/টি ও-১/৪৬/২০১৩/৯৮)

FAMILY RELATIONSHIP BETWEEN DIRECTORS AND OFFICERS

Name	Position	Relationship
Mr. Alihussain Akberali, FCA	Chairman & Managing Director	Self
Mr. Zohair Taherali	Director	Cousin of Mr. Alihussain Akberali
Mr. Aameir Alihussain	Director	Son of Mr. Alihussain Akberali
Mrs. Tehseen Zohair Taherali	Director	Wife of Mr. Zohair Taherali
Mrs. Sabeen Aameir	Director	Wife of Mr. Aameir Alihussain

SHORT BIO-DATA OF DIRECTORS

Mr. Alihussain Akberali, FCA, Chairman & Managing Director

Mr. Alihussain Akberali was born in 1949. His father late Akberali Alibhai Africawala was a renowned businessman in steel sector. Mr. Alihussain Akberali is a graduate in commerce from University of Karachi, Pakistan. He is a Chartered Accountant and a fellow member of the Institute of Chartered Accountants of Bangladesh. He is one of the most experienced industrialists in steel sector. He is the Chairman of BSRM Group of Companies. Mr. Alihussain Akberali has been selected as CIP for 2010-11. Previously, he was also selected CIP in 1995, 1996, 1997, 2001, 2008 and 2009-10.

In Business circle he is considered as an epitome of enterprise for his integrity and hard work. Currently Mr. Alihussain is the Vice Chairman of Chittagong Metropolitan Chamber of Commerce and Industry. Mr. Alihussain Akberali is engaged in various social activities like Rotary Club, Chittagong Ma O Shishu Hospital, Chirayata Shanti Society, Patient Welfare Samitee of Chittagong Medical College etc. He has also been running a free school for the underprivileged boys and girls in Nasirabad Industrial area for the last 8 years.

Mr. Zohair Taherali, Director

Mr. Zohair Taherali is involved with steel industry for last 20 years. He was born in 1963. Graduated from University of Karachi, Pakistan in Commerce, he has established himself as one of the leading industrialist of the Country. He mainly looks after the banking and financial side of the Company. He is also engaged in various social activities.

Mr. Aameir Alihussain, Director

Mr. Aameir Alihussain completed his bachelor degree in Economics from McGill University, Canada and did his MBA from LUMS University in Pakistan. He joined the family business in 2001. He is Director of BSRM. Mr. Aameir Alihussain mainly involved in overall management of the company as well as policy making process.

Mrs. Tehseen Zohair Taherali, Director

Mrs. Tehseen Zohair completed her graduation from university of Chittagong. She was born in 1970. She is actively involved in the management of the group. She is also involved in various charitable institutions and is a highly regarded personality in the society.

Mrs. Sabeen Aameir, Director

Ms. Sabeen Aameir completed her MBA from LUMS University in Pakistan. She is involved mainly in the Human Resource Development activities of the Company. She was born in 1977. She also looks after the CSR (Corporate Social Responsibility) activities of the group.

CREDIT INFORMATION BUREAU (CIB) REPORT

Neither the company nor any of its directors or shareholders who holds 5% or more shares in the Paid in Capital of the issuer is loan defaulter in terms of the CIB report of Bangladesh Bank.

DESCRIPTION OF SENIOR EXECUTIVES AND DEPARTMENT HEADS

Sl. No	Name	Designation	Date of Joining in the company	Qualification	Experience (Years)	Last five years Experience
1	Mr. Tapan Sengupta	Executive Director	06.02.1982	B. Com	31	BSRM
2	Mr. Kazi Anwar Ahmed	Head of Corporate Affairs	01.03.1989	M.A (Honors) (Economics)	32	BSRM
3	Mr. Shekhar Ranjan Kar, FCA	Group CFO and Company Secretary	16.01.2002	M.Com (Acct.), FCA	22	BSRM
4	Mr.M Firoze	Head of Marketing & New product Developments	01.07.2004	M.Sc, B.Sc (Mechanical Engineer)	32	BSRM
5	Mr. Mohinder Singh Hanspal	Plant Head	05.10.2009	B. Sc. Engr. (Mech.)	15	United Steel Industrial Co., Kuwait & BSRM (05.10.2009 to till date)
6	Mr. Madani M. Imtiaz Hussain	Plant Head	03.03.2007	B. Sc. Eng.	31	BSRM
7	Mr. Sankar Roy	Group Head (T&D)	02.05.1993	B.Sc Engineer	21	BSRM
8	Mr. Shobhan Mahub Shahabuddin	National Sales Head	02.08.2009	MBA (Marketing)	17	Pacific Bangladesh Telecom Ltd.(01.02.03 to 01.04.08) BSRM (02.08.2009 to till date)
9	Mr. A. Gaffar	Head of HR Operation	19.10.2006	Post graduate in Personnel Management	30	BSRM
10	Mr. Md. Nizamul Haque	Head of production	06.09.2003	M.Sc. in Metallurgical Engineer	24	BSRM
11	Mr. Md. Abul Hasnat	Lead Branding & Market Outreach	03.05.2007	MBA	23	BSRM
12	Mohammed Reazul Kabir, FCA	Head (F &A) and CFO	02.06.2007	FCA	14	BSRM
13	Mr. Md. Habibullah	CFO (Finance)	01.02.2005	B. Com	24	BSRM
14	Mr. Md. Imtiaz Uddin Chowdhury	Head of Supply Chain	23.06.2008	MBA	11	BSRM
15	Mr. Md. Hasnatuzzaman	Head of Maintenance	01.08.2004	B.Sc in Marine Engineering	16	BSRM
16	Mr. Abdur Rahim	Head of Internal Audit	23.09.2012	MBA	33	Glaxosmith and BSRM (23.09.2012 to till date)
17	Mr. Muhammad Ashiqur Rahman	Lead -Compliance & Accounts	02.02.2008	ACA	12	BSRM
18	Mr. A.K.M. Saifuddin Khan	Head of Admin	12.08.2009	MBA	15	Denim Plus(Bangladesh) Ltd.(07.02.05 to 07.08.09) BSRM (12.08.2009 to till date)
19	Mr. Tamim Wahid Al Helal	Head of IT	12.12.2009	MBA in MIS	17	KDS Group - Accessories Division(15.09.01 to 10.12.09) & BSRM (12.12.2009 to till date)

INVOLVEMENT OF OFFICERS AND DIRECTORS IN CERTAIN LEGAL PROCEEDINGS

No Director or Officer of the Company was involved in any of the following types of legal proceedings in the past ten years:

- Any bankruptcy petition filed by or against any Company of which any officer or director of the issuer company filling the prospectus was a director, officer or partner at the time of the bankruptcy;
- Any conviction of any director or officer in criminal proceedings or any criminal proceedings pending against him;
- Any order, judgment or decree of any Court of competent jurisdiction against any director, officer permanently or temporarily enjoying, barring, suspending or otherwise limiting the involvement of any director or officer in any type of business, securities or banking activities.
- Any order of the Bangladesh Securities and Exchange Commission or other regulatory authority or foreign financial regulatory authority suspending or otherwise limiting the involvement of any director or officer in any type of business of securities or banking activities.

CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

Neither proposed nor had any transaction during the last two years with the following related parties:

- Any director or executive officer of the issuer
- Any director or officer
- Any person owning 5% or more of the outstanding shares of the issuer
- Any member of the immediate family (including spouse, parents, brothers, sisters, children, and in-laws) of any of the above persons
- Any transaction or arrangement entered into by the issuer or its subsidiary for a person who is currently a director or in any way connected with a director of either the issuer company or any of its subsidiaries/holding Company or associate concerns, or who was a director or connected in any way with a director at any time.
- Any loan either taken or given from or to any directors or any person connected with the directors, any loan taken from any such person who did not have any stake in the issuer, its holding company or its associate concerns except the transactions shown below:

Sl. No.	Name of the Parties	Nature of Relation	Nature of Transactions	Balance as on 31-Dec-12	Balance as on 31-Dec-13	Issuer status as on 31 Dec 2013
1	H Akberali & Co. Ltd.	Inter Company	Short term loan	843,257,266	1,441,905,988	Dr.
2	Karnaphuli Engineering Works Ltd.	-DO-	Short term loan	-	6,000,000	Cr.
3	Chittagong Power Company Ltd.	-DO-	Short term loan	266,333	20,295,654	Dr.
4	BSRM Wires Ltd.	-DO-	Short term loan	(6,949,912)	12,811,318	Cr.
5	BSRM Recycling Industries Ltd.	-DO-	Short term loan	129,934,144	88,004,189	Dr.
6	Bangladesh Steels Ltd.	-DO-	Short term loan	(4,498)	4,912,398	Cr.
7	BSRM Logistics Ltd.	-DO-	Short term loan	133,516,258	182,472,398	Dr.
8	BSRM Ispat Ltd.	-DO-	Short term loan	234,130,375	291,700,375	Dr.
9	BSRM Real Estates Ltd.	-DO-	Short term loan	-	200,000	Dr.
10	BSRM Metals Ltd.	-DO-	Short term loan	341,082	988,918	Cr.
11	Section Steel Ind. Ltd	-DO-	Short term loan	-	550,000	Cr.
12	East Bengal Trading & Industries Corp. Ltd.	-DO-	Short term loan	-	100,000	Dr.
13	BSRM Steels Ltd.	Investee	Short term loan	(362,970,206)	2,375,947,711	Cr.
14	BSRM Steel Mills Ltd.	Investee	Short term loan	68,027,565	252,410,775	Dr.
15	BSRM Steels Ltd.	Investee	Purchase	(2,775,603,565)	3,563,424,229	Cr.
16	BSRM Wires Ltd.	Inter Company	Purchase	(962,800)	-	-
17	Karnaphuli Engineering Works Ltd.	Inter Company	Sales	1,194,000	6,102	Dr.
18	BSRM Steel Mills Ltd.	Investee	Share Money deposit	-	900,000,000	Dr.

Directors Facilities

The Directors of BSRM does not enjoy any facilities except “Directors’ Remuneration” which shown in the note – 30.01 of audited accounts on 31 December 2013 as disclosed below:

Sl. No.	Name of the Director	Designation	Year ended on 31 Dec 2013 (Tk)	Year ended on 31 Dec 2012 (Tk)
1	Mr. Alihussain Akberali	MD & Director	7,200,000	7,200,000
2	Mr. Zohair Taherali	Director	7,200,000	7,200,000
3	Mr. Aameir Alihussain	Director	4,800,000	4,800,000
4	Mrs. Tehseen Zohair Taherali	Director	4,800,000	4,800,000
5	Mrs. Sabeen Aameir	Director	600,000	600,000
Total			24,600,000	24,600,000

In addition to remuneration, all directors avail company vehicles for transportation purposes.

EXECUTIVE COMPENSATION

Remuneration Paid to Top Five Salaried Officers

Sl. No.	Name	Designation	Location	Jan 2013 to Dec 2013 (Tk./month)	Jan 2012 to Dec 2012 (Tk./month)
1	Mr. Mohindar Singh Hanspal	Plant Head	Chittagong	480,000	410,250
2	Mr. Tapan Sengupta	Executive Director	Chittagong	415,000	350,000
3	Mr. Shekhar Ranjan Kar, FCA	Group CFO & CS	Chittagong	375,000	305,000
4	Mr. Kazi Anwar Ahmed	Head of corporate Affairs	Dhaka	320,000	280,000
5	Mr. Sankar Roy	Group Head T&D	Chittagong	290,000	250,000
Total				1,880,000	1,595,250

Aggregate Amount of Remuneration Paid to all Directors and Officers as Follows:

Sl. No.	Particulars	Salary, Allowance & Other Benefits	
		Jan 2013 to Dec 2013 (Tk.)	Jan 2012 to Dec 2012 (Tk.)
1	Directors	24,600,000	24,600,000
2	Officers & Staff	297,431,324	203,828,529

Remuneration Paid to Directors Who Was Not an Officer of the Company

Any Directors, who was not an officer of the company, were not taken remuneration for performing extra services for the company except the transaction shown under “Director Facilities”.

Future Compensation to Director or Officer

There is no contract with any director or officer for future compensation.

Company’s plan to Increase Substantially Remuneration to Officers & Directors during the Current year

The Company does not have any plan to substantially increase remuneration to Officers/Directors except usual increase in salaries & allowances and in line with the performance achieved by individuals.

OPTIONS GRANTED TO DIRECTORS, OFFICERS AND EMPLOYEES

The Company did not grant any options to any officers, directors or other employees of the Company or to any other person not involved with the company.

TRANSACTION WITH THE DIRECTORS AND SUBSCRIBERS TO THE MEMORANDUM

A. The Directors and subscribers to the memorandum have not received any benefits directly or indirectly during the last five years except the following transactions:

Name	Benefits	Dec, 2013	Dec,2012	Dec,2011	Dec,2010	Dec,2009
Mr. Alihussain Akberali	Salary	7,200,000	7,200,000	7,200,000	3,600,000	2,400,000
	Dividend (cash)	32,950,695	-	11,453,138	-	-
	Dividend (stock)	-	7,635,425	-	9,959,250	-
	Ordinary Share (Merger)	-	66,962,800	-	-	-
Mr. Zohair Taherali	Salary	7,200,000	7,200,000	7,200,000	3,600,000	1,680,000
	Dividend (cash)	8,523,306	-	3,488,123	-	-
	Dividend (stock)	-	2,325,415	-	3,033,150	-
	Ordinary Share (Merger)	-	65,184,530	-	-	-
Mr. Aameir Alihussain	Salary	4,800,000	4,800,000	4,800,000	2,400,000	1,200,000
	Dividend (cash)	25,604,933	-	10,913,627	-	-
	Dividend (stock)	-	5,275,751	-	9,490,110	-
	Ordinary Share (Merger)	-	10,313,740	-	-	-
Mrs. Tehseen Zohair Taherali	Salary	4,800,000	4,800,000	4,800,000	2,400,000	1,056,000
	Dividend (cash)	9,221,733	-	3,481,706	-	-
	Dividend (stock)	-	2,321,137	-	3,027,570	-
	Ordinary Share (Merger)	-	16,171,390	-	-	-
Mrs. Sabeen Aameir	Salary	600,000	600,000	600,000	600,000	10,000
	Dividend (cash)	6,006,900	-	3450	-	-
	Dividend (stock)	-	2,002,300	-	3,000	-

In addition to the above, all directors avail company's vehicles for transportation purposes.

B. No assets were acquired or to be acquired from the directors and subscribers to the memorandum except the following allotments issued against assets:

Date of the allotments	No. of shares	Amount
30.05.1961	45,000	450,000
04.12.1962	70,850	708,500

TANGIBLE ASSETS PER SHARE

(As per audited accounts)

Particulars	December 31, 2013 Taka
Share capital	1,558,510,380
General reserve	30,170,818
Revaluation surplus	4,129,104,568
Retained earnings	2,398,521,265
Fair Value reserve	2,439,152
Net Assets	8,118,746,183
No of Ordinary Shares before IPO	155,851,038
Net Assets Value (NAV)per Share	52.09

OWNERSHIP OF COMPANY'S SECURITIES

Shares held by Directors & Shareholders (Before IPO)

(As per Schedule-X as on 28th June 2014)

Sl. No.	Name of the Shareholders	Addresses of Shareholders	Position	Number of Shares	Percentage (%)
1	Mr. Alihussain Akberali, FCA	House No-4, Road No-3, Nasirabad Housing Society, Ctg, Bangladesh.	Chairman & Managing Director	21,967,130	14.095%
2	Mr. Aameir Alihussain	House No-4, Road No-3, Nasirabad Housing Society, Ctg, Bangladesh.	Director	17,069,955	10.953%
3	Mr. Zohair Taherali	C-4, Sanmar Park Avenue, Road-6, Khulshi, PO:4225, Ctg, Bangladesh.	Director	5,682,204	3.646%
4	Mrs. Tehseen Zohair Taherali	C-4, Sanmar Park Avenue, Road-6, Khulshi, PO:4225, Ctg, Bangladesh.	Director	6,147,822	3.945%
5	Mrs. Sabeen Aameir	House No-4, Road No-3, Nasirabad Housing Society, Ctg, Bangladesh.	Director	4,004,600	2.570%
6	Mrs. Bilkis Alihussain	House No-4, Road No-3, Nasirabad Housing Society, Ctg, Bangladesh.	Shareholder	16,148,581	10.358%
7	Mr. Abdul Qadir Zohair	C-4, Sanmar Park Avenue, Road-6, Khulshi, PO:4225, Ctg, Bangladesh.	Shareholder	4,600	0.003%
8	Vortex Investments Ltd.	Al Attar Tower, Level 29, Office 2906, P.O.Box 22832, Dubai U.A.E	Shareholder	3,645,890	2.339%
9	Mr. Saifuddin Abbas Unwala	Huzefa Al Abid Trading Co. P.O.Box 26075, Dubai, UAE.	Shareholder	8,399,000	5.389%
10	Mr. Iqbal Hussain	Time Enterprise, Naaz Chamber-2nd Floor Room No. 43/44, Shasah E Liugul, Karachi, Pakistan.	Shareholder	10,870,000	6.975%
11	Mr. Abbas Jumani	Global Inpex Trading FZCO, Dubai, UAE.	Shareholder	10,000,000	6.416%
12	Mr. Ali Asgar Badruddin	132, Atlee Avenue, MIN 4C8, Scarborough, Ontario, Canada.	Shareholder	20,000,000	12.833%
13	H Akberali & Co. Ltd.	Alli Mansion, Sadarghat Road, Chittagong.	Shareholder	26,270,116	16.856%
14	Karnafully Engineering Works Limited	Alli Mansion, Sadarghat Road, Chittagong.	Shareholder	4,000,850	2.567%
15	Mrs. Munira Saifuddin	P.O. Box 26075, Abu Dhabi, UAE	Shareholder	13,880	0.009%
16	Mr. Md. Hussain Habib	27 Goldbrook Crescent, Richmond Hill, Ontario, L4S 1V4, Canada	Shareholder	4,650	0.003%
17	Mr. Faisal Iqbal Poonawala	Abdur Rahman Hamad Al Mifda Building, Abu Sagarah, Sharjah, UAE	Shareholder	4,520	0.003%
18	Mrs. Shahnaz Hussain	Shalimar Estates, A-102, Shahra-e-Iran, Clifton, Block-5, Karachi	Shareholder	35,840	0.023%
19	Mrs Fatema Jangbarwala	Room 4D 4/F, Hatton Place, 1A PO Shan Road, Mid-Levels, Hong Kong.	Shareholder	245,000	0.157%
20	Mr. Yusuf Nosir Jangbarwala & Batul Alivhoy Tyebkhan	Room 4D 4/F, Hatton Place, 1A PO Shan Road, Mid-Levels, Hong Kong.	Shareholder	900,000	0.577%
21	Mrs. Rizwana Khandwala	81-A, Sayedna Nuruddin Road, Shabbirabad, Block-B, Karachi, Pakistan.	Shareholder	101,000	0.065%
22	260 Employees of BSRM group*	Ali Mansion, Sadarghat Road, Chittagong, Bangladesh.	Shareholder	335,400	0.218%
Total				155,851,038	100%

*Name of employees of BSRM group has been presented in the "look –in on the sponsors' shares" section of this prospectus

Shares held by Directors & Shareholders (After IPO)

Sl. No.	Name of the Shareholders	Addresses of Shareholders	Position	Number of Shares	Percentage (%)
1	Mr. Alihussain Akberali, FCA	House No-4, Road No-3, Nasirabad Housing Society, Ctg, Bangladesh.	Chairman & Managing Director	21,967,130	12.672%
2	Mr. Aameir Alihussain	House No-4, Road No-3, Nasirabad Housing Society, Ctg, Bangladesh.	Director	17,069,955	9.847%
3	Mr. Zohair Taherali	C-4, Sanmar Park Avenue, Road-6, Khulshi, PO:4225, Ctg, Bangladesh.	Director	5,682,204	3.278%
4	Mrs. Tehseen Zohair Taherali	C-4, Sanmar Park Avenue, Road-6, Khulshi, PO:4225, Ctg, Bangladesh.	Director	6,147,822	3.546%
5	Mrs. Sabeen Aameir	House No-4, Road No-3, Nasirabad Housing Society, Ctg, Bangladesh.	Director	4,004,600	2.310%
6	Mrs. Bilkis Alihussain	House No-4, Road No-3, Nasirabad Housing Society, Ctg, Bangladesh.	Shareholder	16,148,581	9.316%
7	Mr. Abdul Qadir Zohair	C-4, Sanmar Park Avenue, Road-6, Khulshi, PO:4225, Ctg, Bangladesh.	Shareholder	4,600	0.003%
8	Vortex Investments Ltd.	Al Attar Tower, Level 29, Office 2906, P.O.Box 22832, Dubai U.A.E	Shareholder	3,645,890	2.103%
9	Mr. Saifuddin Abbas Unwala	Huzefa Al Abid Trading Co. P.O.Box 26075, Dubai, UAE.	Shareholder	8,399,000	4.845%
10	Mr. Iqbal Hussain	Time Enterprise, Naaz Chamber-2nd Floor Room No. 43/44, Shasah E Liugul, Karachi, Pakistan.	Shareholder	10,870,000	6.271%
11	Mr. Abbas Jumani	Global Inpex Trading FZCO, Dubai, UAE.	Shareholder	10,000,000	5.769%
12	Mr. Ali Asgar Badruddin	132, Atlee Avenue, MIN 4C8, Scarborough, Ontario, Canada.	Shareholder	20,000,000	11.537%
13	H Akberali & Co. Ltd.	Alli Mansion, Sadarghat Road, Chittagong.	Shareholder	26,270,116	15.154%
14	Karnafully Engineering Works Limited	Alli Mansion, Sadarghat Road, Chittagong.	Shareholder	4,000,850	2.308%
15	Mrs. Munira Saifuddin Abbas	P.O. Box 26075, Abu Dhabi, UAE	Shareholder	13,880	0.008%
16	Mr. Md. Hussain Habib	27 Goldbrook Crescent, Richmond Hill, Ontario, L4S 1V4, Canada	Shareholder	4,650	0.003%
17	Mr. Faisal Iqbal Poonawala	Abdur Rahman Hamad Al Mifda Building, Abu Sagarah, Sharjah, UAE	Shareholder	4,520	0.003%
18	Mrs. Shahnaz Hussain	Shalimar Estates, A-102, Shahra-e-Iran, Clifton, Block-5, Karachi	Shareholder	35,840	0.021%
19	Mrs fatema Jangbarwala	Room 4D 4/F, Hatton Place, 1A PO Shan Road, Mid-Levels, Hong Kong.	Shareholder	245,000	0.141%
20	Mr. Yusuf Nosir Jangbarwala & Batul Alivhoy Tyebkhan	Room 4D 4/F, Hatton Place, 1A PO Shan Road, Mid-Levels, Hong Kong.	Shareholder	900,000	0.519%
21	Mrs. Rizwana Khandwala	81-A, Sayedna Nuruddin Road, Shabbirabad, Block-B, Karachi, Pakistan.	Shareholder	101,000	0.058%
22	260 Employees of BSRM group*	Ali Mansion, Sadarghat Road, Chittagong, Bangladesh.	Shareholder	335,400	0.193%
23	General Shareholder	N/A	Shareholder	17,500,000	10.095%
Total				173,351,038	100.00%

*Name of employees of BSRM group has been presented in the “look –in on the sponsors’ shares” section of this prospectus

SHAREHOLDING STRUCTURE FOR 5% OR MORE

Sl.	Names	Address of Shareholders	Position	Number of Shares	Percentage (%)
1	Mr. Alihussain Akberali, FCA	House No-4, Road No-3, Nasirabad Housing Society, Ctg, Bangladesh.	Chairman & Managing Director	21,967,130	14.095%
2	Mr. Aameir Alihussain	House No-4, Road No-3, Nasirabad Housing Society, Ctg, Bangladesh.	Director	17,069,955	10.953%
3	Mrs. Bilkis Alihussain	House No-4, Road No-3, Nasirabad Housing Society, Ctg, Bangladesh.	Shareholder	16,148,581	10.358%
4	Mr. Saifuddin Abbas Unwala	Huzefa Al Abid Trading Co. P.O.Box 26075, Dubai, UAE.	Shareholder	8,399,000	5.389%
5	Mr. Iqbal Hussain	Time Enterprise, Naaz Chamber-2nd Floor Room No. 43/44, Shasah E Liugul, Karachi, Pakistan.	Shareholder	10,870,000	6.97%
6	Mr. Abbas Jumani	Global Inpex Trading FZCO, Dubai, UAE.	Shareholder	10,000,000	6.42%
7	Mr. Ali Asgar Badruddin	132, Atlee Avenue, MIN 4C8, Scarborough, Ontario, Canada.	Shareholder	2,000,0000	12.83%
8	H Akberali & Co. Ltd.	Alli Mansion, Sadarghat Road, Chittagong.	Shareholder	26,270,116	16.86%

SHAREHOLDING STRUCTURE AFTER IPO FOR THE DIRECTOR

Sl. No.	Name of the Shareholders	Addresses of Shareholders	Position	Number of Shares	Percentage (%)
1	Mr. Alihussain Akberali, FCA	House No-4, Road No-3, Nasirabad Housing Society, Ctg, Bangladesh.	Chairman & Managing Director	21,967,130	12.672%
2	Mr. Aameir Alihussain	House No-4, Road No-3, Nasirabad Housing Society, Ctg, Bangladesh.	Director	17,069,955	9.847%
3	Mr. Zohair Taherali	C-4, Sanmar Park Avenue, Road-6, Khulshi, PO:4225, Ctg, Bangladesh.	Director	5,682,204	3.278%
4	Mrs. Tehseen Zohair Taherali	C-4, Sanmar Park Avenue, Road-6, Khulshi, PO:4225, Ctg, Bangladesh.	Director	6,147,822	3.546%
5	Mrs. Sabeen Aameir	House No-4, Road No-3, Nasirabad Housing Society, Ctg, Bangladesh.	Director	4,004,600	2.310%

SECURITIES OWNED BY THE OFFICERS

No share or security is held by any officer of the company except as disclosed below:

Sl.No.	Names	Position	Number of Shares	Percentage (%)
1	Shekhar Ranjan Kar, FCA	Group CFO & Company Secretary	10,000	0.006%
2	Tapan Sengupta	Executive Director	10,000	0.006%
3	Kazi Anwar Ahmed	Head of Corporate Affairs	10,000	0.006%
4	Madani M. Imtiaz Hossain	Plant Head	10,000	0.006%
5	Md. Abul Hasnat	Lead Branding & Market Outreach	2,500	0.002%
6	Md. Hasnatuzzaman	Head Maintenance	9,900	0.006%
7	Sankor Roy	Group Head - T & D	7,500	0.005%
8	Mohammed Reazul Kabir, FCA	Head of Finance & Accounts and Chief Financial Officer	1,000	0.001%
9	Others	Officers & Employee of BSRM	274,500	0.179%

SECTION IX

F

EATURES OF INITIAL PUBLIC OFFERING (IPO)

DETERMINATION OF OFFERING PRICE

Valuation Method	Price per Share
Method 1: Weighted Average Earning Based Value	65.85
Method 2: a) Net Asset Value with Revaluation	52.09
b) Net Asset Value without Revaluation	25.58

The offer price of the shares of BSRM has been fixed at Tk. 35/- per share including premium Tk. 25/- against face value of Tk. 10/-. Justification for the offering price is as follows:

Workings of Prices

Method 1: Weighted Average Earning Based Value (5 years)				
Year	No. of Shares	NPAT	Weighted no of share	Weighted NPAT
Dec-13	155,851,038	788,701,611	34.8549%	274,901,021
Dec-12	155,851,038	453,924,187	34.8549%	158,214,743
Dec-11	64,345,491	1,150,797,919	14.3904%	165,604,111
Dec-10	58,970,040	261,194,680	13.1882%	34,446,863
Dec-09	12,125,020	83,661,610	2.7117%	2,268,624
	447,142,627	2,738,280,007	100.00%	635,435,362
No. of Outstanding Shares before IPO				155,851,038
WEPS				4.077
PE Multiplier*				16.15
Earning based Value				65.85

Method 2: Net Asset Value	As on 31 December 2013 (with Revaluation)	As on 31 December 2013 (without Revaluation)
Share Capital	1,558,510,380	1,558,510,380
General reserve	30,170,818	30,170,818
Revaluation Surplus	4,129,104,568	0
Retained Earnings	2,398,521,265	2,398,521,265
Fair Value reserve	2,439,152	0
Net Assets	8,118,746,183	3,987,202,463
No. of Outstanding Share before IPO	155,851,038	155,851,038
NAV per Share	52.09	25.58

*Calculation of relevant P/E multiple:

Month	Market P/E	Industry P/E
March , 2014	15.89	22.98
April, 2014	16.41	20.96
May, 2014	15.96	21.01
Average	16.15	21.97
Relevant P/E Multiple (lower of three months average P/E of Market and Engineering sector)		16.15
Source: DSE Monthly Review		

MARKET FOR THE SECURITIES BEING OFFERED

The issuer shall apply to the following two Stock Exchanges within 7 (seven) working days from the date of consent accorded by the BSEC to issue the prospectus.
The issuer will apply at:



Dhaka Stock Exchange Limited
9/F, Motijheel C/A,
Dhaka-1000

And



Chittagong Stock Exchange Limited
CSE Building, 1080 Sk. Mujib Road
Agrabad, Chittagong-4100

DECLARATION ABOUT LISTING OF SHARES WITH THE STOCK EXCHANGE(S)

None of the stock exchanges(s), if for any reason, grants listing within 75 days from the closure of subscription, any allotment in terms of this prospectus shall be void and the company shall refund the subscription money within fifteen days from the date of refusal for listing by the stock exchanges, or from the date of expiry of the said 75 (seventy five) days, as the case may be.

In case of non-refund of the subscription money within the aforesaid fifteen days, the company directors, in addition to the issuer company, shall be collectively as well as separately liable for refund of the subscription money, with interest at the rate of 2% (two percent) per month above the bank rate, to the subscribers concerned.

The issue manager, in addition to the issuer company, shall ensure due compliance of the above mentioned conditions and submit compliance report thereon to the Commission within seven days of expiry of the aforesaid fifteen days time allowed for refund of the subscription money.

TRADING AND SETTLEMENT

Trading and settlement regulation of the stock exchanges shall apply in respect of trading and settlement of the shares of the Company.

DESCRIPTION OF SECURITIES OUTSTANDING OR BEING OFFERED

Dividend, Voting, Pre-emption Rights

The Share Capital of the company is divided into Ordinary Shares, carrying equal rights to vote and receive dividend in terms of the relevant provisions of the Companies Act 1994 and the Articles of Association of the company. All shareholders shall have the usual voting rights in person or by proxy in connection with, among others, election of Directors & Auditors and other usual agenda of General Meeting – Ordinary or Extra-ordinary. On a show of hand, every shareholder present in person and every duly authorized representative of a shareholder present at a General Meeting shall have one vote and on a poll every shareholder present or by proxy shall have one vote for every share held by him or her.

In case of any additional issue of shares for raising further capital the existing shareholders shall be entitled to Right Issue of shares in terms of the guidelines issued by the BSEC from time to time.

Conversion and Liquidation Rights

In terms of provisions of the Companies Act 1994, Articles of Association of the Company and other relevant rules in force, the shares of the Company are freely transferable. The Company shall not charge any fee for registering transfer of shares. No transfer shall be made to a firm, an infant or person of unsound mind.

Dividend Policy

- (a) The profit of the Company, subject to any special right relating thereto created or authorized to be created by the Memorandum and subject to the provisions of the Articles of Association, shall be divisible among the members in proportion to the amount of capital paid-up on the shares held by them respectively.
- (b) No large dividend shall be declared than is recommended by the Directors, but the Company in its General Meeting may declare a smaller dividend. The declaration of Directors as to the amount of Net profit of the Company shall be conclusive.
- (c) No dividend shall be payable except out of the profits of the Company or any other undistributed profits. Dividend shall not carry interest as against the Company.
- (d) The Directors may from time to time pay the members such interim dividend as in their judgment the financial position of the Company may justify.
- (e) A transfer of shares shall not pass the right to any dividend declared thereon before the registration of transfer.
- (f) No limitation in payment of dividend is stipulated in any debt instrument or otherwise.

Other Rights of Stockholders

In terms of the provisions of the Companies Act 1994, Articles of Association of the Company and other relevant rules in force, the shares of the Company are transferable. The Company shall not charge any fee, other than Government duties for registering transfer of shares. No transfer shall be made to a minor or person of unsound mind.

The Directors shall present the financial statements as required under the law & International Accounting Standard. Financial statements will be prepared in accordance with the International Accounting Standards consistently applied throughout the subsequent periods and present with the objective of providing maximum disclosure as per law and International Accounting Standard to the shareholders regarding the financial and operational position of the company. The shareholders shall have the right to receive all periodical statement and reports, audited as well as un audited, published by the company from time to time.

The shareholder holding minimum of 10% shares of paid-up capital of the company shall have the right to requisition extra ordinary General Meeting of the company as provided for the section 84 of the Companies Act 1994.

DEBT SECURITIES

BSEC approved raising of capital by Bangladesh Steel Re-Rolling Mills Limited through issuance of 20,000 convertible (12%) secured coupon bond of BDT 100,000 each totaling to BDT 2,000 million to institutional investors through consent letter no. SEC/CI/Ds-01/2013/34 dated January 9, 2014. Consent for issue of bond shall remain valid for one year (01) from the date of consent. Main purposes of the bonds were for equity investment in BSRM Steel Mills Limited (an associate of BSRM Limited) by 1322.5 million and remaining was for retirement of expensive loan.

Subscription procedure for Tk. 1,500 million of bonds with different Bank and Financial Institutions has been completed on 27 April, 2014 and commitment for Tk. 500 million of bonds is taken from Eastern Bank Limited, which will be subscribed within short period of time. Failing to subscribe by January 8 2015 the facility will stand cancelled. 12% of the subscribed bond worth BDT 152.4 (except for SABINCO) million will be converted into ordinary shares of Bangladesh Steel Re-Rolling Mills Limited within 30 days after the end of the first year. Details of subscription are as follows:

Sl.	Name of Subscriber	Subscribed Amount in BDT	No of Bond Issued
1	Bank Asia Limited	100,000,000	1000
2	Farmers' Bank Limited	200,000,000	2000
3	Midland Bank Ltd.	200,000,000	2000
4	NRB Commercial Bank Limited	500,000,000	5000
5	SABINCO	230,000,000	2300
6	Standard Bank Limited	150,000,000	1500
7	Bangladesh Commerce Bank Limited	120,000,000	1200
	Total	1,500,000,000	15000

Basic Features of the Bond

Issue Size	:	BDT 2000.0 Million
Purpose	:	i) Onward equity investment of BDT 1322.5 million in BSRM Steel Mills Limited (an associate of Bangladesh Steel Re-Rolling Mills Ltd) – a billet manufacturing facility which will have a capacity of 862,000 MT per annum to function as strong backward linkage to the group's long iron segment. ii) Retirement of expensive loan worth BDT 677.5 million .
Instrument	:	12% convertible, secured, 13% coupon bond worth BDT 2.0 Billion
Maturity Period	:	5 years
Coupon	:	13.00% p.a.
Coupon Period	:	Coupons will be paid quarterly.
Redemption	:	Repayment will commence from 2nd Year and 88% of the total issue amounting to BDT 1,760 million will be redeemed over 4 years in equal installments except the 100% of SABINCO portion (BDT 27.6 million) will be redeemed in cash.
Convertibility	:	12% of the bond worth BDT 212.4 million will be converted into ordinary shares of Bangladesh Steel Re-Rolling Mills Limited within 30 days after the end of the first year except for SABINCO (12 % of BDT 230 Million). The shares will become saleable for the investors after the lock-in period of 12 months from the conversion.
Conversion Price	:	The conversion will take place at BDT 38.00 per share with face value of BDT 10.00 per share. Fractional amount of shares will be paid in cash at the aforementioned price.
Trustee	:	Eastern Bank Limited
Subscribers	:	Bank and Non Banking Financial Institution
Payment Method	:	The Issuer shall ensure that funds are available to investors through the Paying Agent, i.e. Eastern Bank Limited.
Buy Back Guarantee	:	- Sponsors and/or parent company of Bangladesh Steel Re-Rolling Mills Limited (BSRML) will provide a buy back guarantee to investors at Taka 57.00 per share (150% of conversion price) at the beginning of 3rd year. In case, market price of shares fall below Taka 57.00 when shares become saleable, investors will be given an option to sell their converted shares at Taka 57.00. Thirty (30) days before the lock-in ends, investors will be asked to communicate their intention in writing whether they would exercise the option or not. In case of lack of response from any investor, buy back will be the default option. - This is the most attractive feature of this issue as this guaranteed capital gain is being provided by the sponsors / parent company with a successful track record of more than 60 years and a trustworthy brand image.
Minimum Net Internal Rate of Return (IRR)	:	For Institutional Investors (Banks/FIs/ Insurance Companies): 8.54% Individual Investors: 12.61%

Minimum Gross IRR	:	For Institutional Investors (Banks/FIs/ Insurance Companies: 14.85% Individual Investors: 14.01%
Key points in the Structure	:	• Conversion will be implemented within 30 days after the end of the first year with one year lock in period for converted shares. • To ensure a guaranteed capital gain, sponsors of BSRML will provide buy back guarantee for the converted shares at a price (BDT 57/- per share). • The converted shares can be sold in the open market or will be bought back by the issuers at predetermined price (BDT 57/- per share) whichever investors opt for. • During the one year lock in period, investors will be entitled to dividend or bonus shares if the company declares. However, dividends or bonus shares (if any) will be adjusted with the premium offered for the buyback (if investor exercises buy back option). • There will be a reference date for notifying the issuer about investor's intention to exercise the buyback option. Probably, the date will be 30 days before the lock-in ends.
Security	:	Securities shall include (but will not be limited to) the following: • Lien on sponsor shares of BSRM Steels Limited up to 110% of the issue. As this security will be kept at market price, security evaluation will be done on semi-annual basis and trustee shall call further security if required. Trustee will release portion of shares equivalent to principal repayment from time to time. • Personal guarantees of all sponsors • Corporate guarantee from H. Akberali & Co. Ltd – the parent company of BSRML and from BSRM Steel Mills Limited.
Transferability	:	The facility documentation shall contain specific provisions for the transferability of commitments and participations concerning the investors with the consent of the issuer.

SECTION X

A

LLOTMENT, SUBSCRIPTION & MARKET

LOCK-IN ON SPONSORS' SHARES

All issued shares of the issuer at the time of according consent to public offering shall be subject to a lock-in **period of three years** from the date of issuance of prospectus or commercial operation, whichever comes later.

Provided that the persons, other than directors and those who hold 5% or more, who have subscribed to the shares of the company within immediately preceding two years of according consent, shall be subject to a lock-in **period of one year** from the date of issuance of prospectus or commercial operation, whichever comes later.

The following table indicates the lock in status of the shareholders of Bangladesh Steel Re-Rolling Mills Limited:

SI No	Name of Share Holder	Status	No. of Shares	% of shares hold	Date of Acquisition	Lock in Period from the date of prospectus issuance
1	Mr. Alihussain Akberali, FCA	Chairman & Managing Director	21,967,130	14.095%	7-Oct-80	3 years
2	Mr. Aameir Alihussain	Director	17,069,955	10.953%	12-Mar-02	3 years
3	Mr. Zohair Taherali	Director	5,682,204	3.645%	19-Sep-88	3 years
4	Mrs. Tehseen Zohair Taherali	Director	6,147,822	3.945%	1-Feb-99	3 years
5	Mrs. Sabeen Aameir	Director	4,004,600	2.570%	3-Nov-09	3 years
6	Mrs. Bilkis Alihussain	Shareholder	16,148,581	10.358%	1-Dec-09	3 years
7	Mr. Abdul Qadir Zohair	Shareholder	4,600	0.003%	12-Apr-10	3 years
8	Vortex Investments Ltd.	Shareholder	3,645,890	2.339%	20-Jun-10	3 years
9	Mr. Saifuddin Abbas Unwala	Shareholder	8,399,000	5.389%	20-Jun-10	3 years
10	Mr. Iqbal Hussain	Shareholder	10,870,000	6.975%	20-Jun-10	3 years
11	Mr. Abbas Jumani	Shareholder	10,000,000	6.416%	21-Sep-10	3 years
12	Mr. Ali Asgar Badruddin	Shareholder	20,000,000	12.833%	21-Sep-10	3 years
13	H Akberali & Co. Ltd.	Shareholder	26,270,116	16.856%	3-Apr-01	3 years
14	Karnafully Engineering Works Limited	Shareholder	4,000,850	2.567%	30-Sep-12	3 years
15	Mrs. Munira Saifuddin	Shareholder	13,880	0.009%	25-Jun-12	3 years
16	Mr. Md. Hussain Habib	Shareholder	4,650	0.003%	25-Jun-12	3 years
17	Mr. Faisal Iqbal Poonawala	Shareholder	4,520	0.003%	25-Jun-12	3 years
18	Mrs. Shahnaz Hussain	Shareholder	35,840	0.023%	25-Jun-12	3 years
19	Mrs fatema Jangbarwala	Shareholder	245,000	0.157%	8-Jun-13	3 years
20	Mr. Yusuf Nosir Jangbarwala & Batul Alivhoy Tyebkhan	Shareholder	900,000	0.577%	8-Jun-13	3 years
21	Mrs. Rizwana Khandwala	Shareholder	101,000	0.065%	8-Jun-13	3 years
22	260 Employees of BSRM group **	Shareholder	335,400	0.218%	26-Jun-12	3 years
	Total		155,851,038	100.00%		

**Details about Employees shareholding status are as follows:

Sl. No	Name of the Employee Shareholders	Designation	No. of Shares	% of shares hold	Date of Acquisition	Lock in Period from the date of prospectus issuance
1	A. M. Arifuzzaman Chowdhury	Assistant Manager - Store	1,000	0.00%	26-Jun-12	3 years
2	Abdul Barek	Security Guard	600	0.00%	26-Jun-12	3 years
3	Abdul Mannan Gazi	Junior Electrician	500	0.00%	26-Jun-12	3 years
4	Abdul Motaleb	Foreman	1,000	0.00%	26-Jun-12	3 years
5	Abdul Wahab	Security Inspector	500	0.00%	26-Jun-12	3 years
6	Abdullah Al-Arman	Lead IT Support & Hardware	1,500	0.00%	26-Jun-12	3 years
7	Abdur Rahim	Crane Operator	700	0.00%	26-Jun-12	3 years
8	Abdur Rahman	Security Guard	600	0.00%	26-Jun-12	3 years
9	Abdur Rashid	Security Guard	500	0.00%	26-Jun-12	3 years
10	Abhishek Saha	Assistant B2C Sales Officer	600	0.00%	26-Jun-12	3 years
11	Abu Nayim Md. Aman Ullah	Senior Payable Officer (BISCO)	2,000	0.00%	26-Jun-12	3 years
12	Abu Saleh	Junior Technician.	500	0.00%	26-Jun-12	3 years
13	Abu Sayeed	Technician	500	0.00%	26-Jun-12	3 years
14	Abul Hashem	Junior Technician.	500	0.00%	26-Jun-12	3 years
15	Abul Hashem	Assistant Foreman	600	0.00%	26-Jun-12	3 years
16	Abul Hashem	Technician	700	0.00%	26-Jun-12	3 years
17	Abul Kalam	Senior Technician	1,500	0.00%	26-Jun-12	3 years
18	Ahmed Hossain	Junior Officer	800	0.00%	26-Jun-12	3 years
19	Ahmed Kabir	Crane Operator	900	0.00%	26-Jun-12	3 years
20	Ahmed Kibria Regal	Junior Officer	500	0.00%	26-Jun-12	3 years
21	Ajit Kumar Saha	Clerk	1,200	0.00%	26-Jun-12	3 years
22	Akter Hossain	Junior Technician.	500	0.00%	26-Jun-12	3 years
23	Al Amin Hossain	Electrician	500	0.00%	26-Jun-12	3 years
24	Alamgir Bin Zaman Chowdhury	Lead Sales Support	1,500	0.00%	26-Jun-12	3 years
25	Amit Rudra	Assistant Officer - Cash & Accounts	500	0.00%	26-Jun-12	3 years
26	Ananta Das	Security Guard	500	0.00%	26-Jun-12	3 years
27	Anisur Rahman	Junior Technician.	500	0.00%	26-Jun-12	3 years
28	Anwar Hossain	Junior Officer - Commercial	1,000	0.00%	26-Jun-12	3 years
29	Apru Mong Marma	Security Guard	500	0.00%	26-Jun-12	3 years
30	Aziz Hatim Bhai	Officer - Accounts	500	0.00%	26-Jun-12	3 years
31	Babul Chandra Datta	Assistant Manager - B2C Sales	500	0.00%	26-Jun-12	3 years
32	Bikash Das	Painter	700	0.00%	26-Jun-12	3 years
33	Biplob Talukdar	Store Keeper	600	0.00%	26-Jun-12	3 years
34	Biswajat Barua	Junior Technician - Production	500	0.00%	26-Jun-12	3 years
35	Champak Barua	Module Lead - Project Implementation	500	0.00%	26-Jun-12	3 years
36	Choton Barua	Senior Technician.	500	0.00%	26-Jun-12	3 years
37	Dayal Rudra	Peon	500	0.00%	26-Jun-12	3 years
38	Delwar Hossain	Senior Technician	1,000	0.00%	26-Jun-12	3 years
39	Didarul Alam Bhuiyan	Junior Project Support Officer	500	0.00%	26-Jun-12	3 years
40	Dipak Chandra Datta	In-Charge Region	2,500	0.00%	26-Jun-12	3 years
41	Elfheth Barua	Technician	700	0.00%	26-Jun-12	3 years
42	Enamul Haque	Junior Technician.	500	0.00%	26-Jun-12	3 years
43	Fazal Amin chowdhury	Store Keeper	700	0.00%	26-Jun-12	3 years
44	Feroj Mahmud Bin Gias	B2C Sales Officer	500	0.00%	26-Jun-12	3 years
45	Forkan Uddin	Technician	600	0.00%	26-Jun-12	3 years
46	Giash Uddin	Senior Store Keeper	700	0.00%	26-Jun-12	3 years
47	Hafaz Ahmed	Crane Operator	500	0.00%	26-Jun-12	3 years
48	Harun Rashid	Accounts Assistant	600	0.00%	26-Jun-12	3 years
49	Hasan Zafar Chowdhury	Executive Director	2,000	0.00%	26-Jun-12	3 years
50	Hatim Hakimuddin	Senior Officer - Projects Coordination	1,200	0.00%	26-Jun-12	3 years
51	Humayun Kabir	Officer - Customer Service & Delivery	500	0.00%	26-Jun-12	3 years
52	Indrajit Chowdhury	Assistant Officer - CSD	1,000	0.00%	26-Jun-12	3 years

53	Jahangir Farazi	Senior Technician.	700	0.00%	26-Jun-12	3 years
54	Jahed Hossain	Junior Technician.	500	0.00%	26-Jun-12	3 years
55	Jewel Barua	Junior Technician.	500	0.00%	26-Jun-12	3 years
56	Jishutosh Talukder	Senior Local Purchase Officer	1,600	0.00%	26-Jun-12	3 years
57	Joarder Wahidul Islam	Deputy Manager - B2C Sales	1,700	0.00%	26-Jun-12	3 years
58	Joymoon Chowdhury	Senior Officer - Store	600	0.00%	26-Jun-12	3 years
59	Kalyan Bhattacharjee	In-Charge Production	7,000	0.00%	26-Jun-12	3 years
60	Kamal Uddin	Junior Technician.	500	0.00%	26-Jun-12	3 years
61	Kawsar Alam	Security Guard	500	0.00%	26-Jun-12	3 years
62	Kazi A. T. M. Talimur Rashid	In-Charge Credit Control (Steels)	900	0.00%	26-Jun-12	3 years
63	Kazi Abdul Mannan	Assistant Store Keeper	500	0.00%	26-Jun-12	3 years
64	Kazi Anwar Ahmed	Head of Corporate Affairs	10,000	0.01%	26-Jun-12	3 years
65	Khorshed Alam	Assistant Officer - Commercial	500	0.00%	26-Jun-12	3 years
66	Kishore Gomes	Senior Technician.	1,300	0.00%	26-Jun-12	3 years
67	Kishore Kumar Nath	Assistant Officer - VAT	600	0.00%	26-Jun-12	3 years
68	Krishanu Barua	Store Officer	500	0.00%	26-Jun-12	3 years
69	Lokman Hossain	Security Guard	600	0.00%	26-Jun-12	3 years
70	Lutfur Rahman	Junior Technician.	500	0.00%	26-Jun-12	3 years
71	M. Harunur Rashid	Lead ERP Project	500	0.00%	26-Jun-12	3 years
72	Madani M. Imtiaz Hossain	Plant Head	10,000	0.01%	26-Jun-12	3 years
73	Mahamuduzzaman Murad	Engineer - Electrical	2,000	0.00%	26-Jun-12	3 years
74	Md. Abdul Matin Mondol	Supervisor - CSD	500	0.00%	26-Jun-12	3 years
75	Md. Abdul Momin	Senior Officer - Store	500	0.00%	26-Jun-12	3 years
76	Md. Abdur Razzak	Senior Accounts Officer	2,500	0.00%	26-Jun-12	3 years
77	Md. Abdus Salam	Driver	500	0.00%	26-Jun-12	3 years
78	Md. Abil As Aman	B2C Sales Officer	500	0.00%	26-Jun-12	3 years
79	Md. Abu Sohel	In-Charge Mechanical Maintenance	500	0.00%	26-Jun-12	3 years
80	Md. Abul Hasnat	Lead Branding & Market Outreach	2,500	0.00%	26-Jun-12	3 years
81	Md. Abul Hasnat	Assistant Engineer - Mechanical	1,100	0.00%	26-Jun-12	3 years
82	Md. Abul Khair	Sub-Assistant Engineer	600	0.00%	26-Jun-12	3 years
83	Md. Aktaruzzaman	Security Guard	500	0.00%	26-Jun-12	3 years
84	Md. Alamgir Hossain	Junior Officer - Store	500	0.00%	26-Jun-12	3 years
85	Md. Aminul Islam	Security Guard	500	0.00%	26-Jun-12	3 years
86	Md. Anwar Hossain	Junior Technician - Crane Operation	500	0.00%	26-Jun-12	3 years
87	Md. Belal Hossain	Security Guard	500	0.00%	26-Jun-12	3 years
88	Md. Belal Uddin	Assistant Chemist	600	0.00%	26-Jun-12	3 years
89	Md. Benjeer Ahmed	Security Inspector	500	0.00%	26-Jun-12	3 years
90	Md. Bulbul Rahman	Junior Technician.	500	0.00%	26-Jun-12	3 years
91	Md. Delowar Hossain Molla	In-Charge HR, IR & Admin	500	0.00%	26-Jun-12	3 years
92	Md. Delwar Hossain	Software Systems & Applications Developer	2,400	0.00%	26-Jun-12	3 years
93	Md. Delwar Hossen	Assistant In-Charge CSD	2,000	0.00%	26-Jun-12	3 years
94	Md. Faruk Hossain	B2B Sales Officer	900	0.00%	26-Jun-12	3 years
95	Md. Habibur Rahman	In-Charge Admin & Facilities	3,600	0.00%	26-Jun-12	3 years
96	Md. Hasim Uddin Talukder	Security Officer	500	0.00%	26-Jun-12	3 years
97	Md. Hasnatuzzaman	Head Maintenance	9,900	0.01%	26-Jun-12	3 years
98	Md. Ibrahim	Messenger	500	0.00%	26-Jun-12	3 years
99	Md. Leahia	Technician	500	0.00%	26-Jun-12	3 years
100	Md. Imran Shakha	Lead Project Control	2,100	0.00%	26-Jun-12	3 years
101	Md. Javed	Junior Technician	500	0.00%	26-Jun-12	3 years
102	Md. Jahangir Hossain	In-Charge CSD & VAT	6,500	0.00%	26-Jun-12	3 years
103	Md. Kabir Khan	Technician - Motor Winding	500	0.00%	26-Jun-12	3 years
104	Md. Kawsar Ali	Senior B2B Sales Officer	1,000	0.00%	26-Jun-12	3 years
105	Md. Khorshed Alam	Electrician	500	0.00%	26-Jun-12	3 years
106	Md. Mahbulul Alam Chowdhury	Lead IR	4,500	0.00%	26-Jun-12	3 years
107	Md. Mahmud Hasan	B2B Sales Officer	700	0.00%	26-Jun-12	3 years
108	Md. Mainul Hussain Khan	Software Systems & Applications Developer	500	0.00%	26-Jun-12	3 years

109	Md. Miftahul Huda Sharifee	Head Support Functions & SHE	3,500	0.00%	26-Jun-12	3 years
110	Md. Mohiuddin Bablu	Junior Electrician	500	0.00%	26-Jun-12	3 years
111	Md. Morshed	Peon	800	0.00%	26-Jun-12	3 years
112	Md. Mostafizur Rahman	In-Charge Region	1,700	0.00%	26-Jun-12	3 years
113	Md. Nasir	Senior Technician	1,100	0.00%	26-Jun-12	3 years
114	Md. Nurul Amin Sheikh	Security Guard	500	0.00%	26-Jun-12	3 years
115	Md. Nurunnabi Talukder	Senior Facilities Manitenance Officer	1,000	0.00%	26-Jun-12	3 years
116	Md. Obidul Haque	Assistant Manager - Commercial & Purchase	1,500	0.00%	26-Jun-12	3 years
117	Md. Rezaul Karim	Technician - Furnace (Below Platform)	500	0.00%	26-Jun-12	3 years
118	Md. Ridwanul Moula	Office Assistant	500	0.00%	26-Jun-12	3 years
119	Md. Salim	Assistant Foreman	1,100	0.00%	26-Jun-12	3 years
120	Md. Shafikul Alam	Technician Mould Operation	500	0.00%	26-Jun-12	3 years
121	Md. Shah Alam Sumon	Electrician	500	0.00%	26-Jun-12	3 years
122	Md. Shaha Ali	Manager - Stores & Inventory	500	0.00%	26-Jun-12	3 years
123	Md. Shahid Ullah	Technician Grade 01	500	0.00%	26-Jun-12	3 years
124	Md. Shahinur Rahman	Technician - Laddle Prepartion	500	0.00%	26-Jun-12	3 years
125	Md. Shahjahan	Electrician	500	0.00%	26-Jun-12	3 years
126	Sumon Chakraborty	Store Helper	500	0.00%	26-Jun-12	3 years
127	Md. Yasin	Security Guard	700	0.00%	26-Jun-12	3 years
128	Md. Yeacin	Junior Technician.	500	0.00%	26-Jun-12	3 years
129	Md. Zahiduzzaman	Head - BSRM Recycling	3,500	0.00%	26-Jun-12	3 years
130	MD. Zahir Uddin	Team Lead	500	0.00%	26-Jun-12	3 years
131	Md. Zakir Hossain	Junior Technician.	500	0.00%	26-Jun-12	3 years
132	Md. Ziaul Ahsan	Sales Engineer	1,000	0.00%	26-Jun-12	3 years
133	Md. Zunaid Hossain	B2B Sales Officer	1,000	0.00%	26-Jun-12	3 years
134	Meraj Uddin	Senior Technician.	800	0.00%	26-Jun-12	3 years
135	Mintu Kanti Bhattacharjee	Head Maintenance	3,300	0.00%	26-Jun-12	3 years
136	Mir Khaledur Rashid	Technician	500	0.00%	26-Jun-12	3 years
137	Mizanur Rahman	Process Audit Officer	500	0.00%	26-Jun-12	3 years
138	Mizanur Rahman	Junior Technician - Production	500	0.00%	26-Jun-12	3 years
139	Mohammad Abul Boshor	Junior Store Officer	500	0.00%	26-Jun-12	3 years
140	Mohammad Abul Hashem	Assistant Officer - VAT	500	0.00%	26-Jun-12	3 years
141	Mohammad Foysal	Junior Technician.	500	0.00%	26-Jun-12	3 years
142	Mohammad Iftekhar Hossain	Utilities Officer	500	0.00%	26-Jun-12	3 years
143	Mohammad Jahangir Hossain	Officer - Machine Shop	3,000	0.00%	26-Jun-12	3 years
144	Mohammad Karim	Assistant Officer - Accounts	500	0.00%	26-Jun-12	3 years
145	Mohammad Moin Uddin	Lead Facilities	500	0.00%	26-Jun-12	3 years
146	Mohammad Najim Uddin Chowdhury	Assistant Manager - Accounts	2,500	0.00%	26-Jun-12	3 years
147	Mohammad Rafiqul Islam	Technician - Laddle Prepartion	500	0.00%	26-Jun-12	3 years
148	Mohammad Sayeedul Karim	Group Chief of Security	3,300	0.00%	26-Jun-12	3 years
149	Mohammed Ali	Security Guard	500	0.00%	26-Jun-12	3 years
150	Mohammed Rabiul Karim	Junior Officer - Store	500	0.00%	26-Jun-12	3 years
151	Mohammed Reazul Kabir	Head of Finance & Accounts	1,000	0.00%	26-Jun-12	3 years
152	Mohammed Tamim Wahid Al-Helal	Head of IT	2,500	0.00%	26-Jun-12	3 years
153	Mohammed Yunus	Senior Officer - Production	3,600	0.00%	26-Jun-12	3 years
154	Moize Hussain	Adviser	500	0.00%	26-Jun-12	3 years
155	Mojibur Rahman	Technician	500	0.00%	26-Jun-12	3 years
156	Mojibur Rahman	Peon	500	0.00%	26-Jun-12	3 years
157	Momenul Hoque	Peon	500	0.00%	26-Jun-12	3 years
158	Mridul Chandra Nath	Security Guard	500	0.00%	26-Jun-12	3 years
159	Mridul Kanti Das	Security Guard	500	0.00%	26-Jun-12	3 years
160	Mubarak Hossain	Driver	500	0.00%	26-Jun-12	3 years
161	Muhammad Monowar Hossain	B2C Sales Officer	500	0.00%	26-Jun-12	3 years
162	Murtaza Hussain	Senior Project - Investment Officer	1,600	0.00%	26-Jun-12	3 years

163	Naren Dey	Driver	700	0.00%	26-Jun-12	3 years
164	Nazrul Islam	Foreman	800	0.00%	26-Jun-12	3 years
165	Nepal Chakraborty	Computer Operator	1,000	0.00%	26-Jun-12	3 years
166	Nibir Chakraborty	Assistant Melter	1,500	0.00%	26-Jun-12	3 years
167	Nikhil Ranjan Das	Plant Head	2,000	0.00%	26-Jun-12	3 years
168	Nur Alam	Security Guard	500	0.00%	26-Jun-12	3 years
169	Nurul Karim	Technician	500	0.00%	26-Jun-12	3 years
170	Pannu Meah	Senior Technician.	500	0.00%	26-Jun-12	3 years
171	Prabir Chowdhury	Senior Store Keeper	700	0.00%	26-Jun-12	3 years
172	Pradip Kanti Nandy	Security Guard	600	0.00%	26-Jun-12	3 years
173	Priyatosh Kanti Talukder	In-Charge Mechanical Maintenance	3,500	0.00%	26-Jun-12	3 years
174	Prodip Kumar Nath	Security Guard	500	0.00%	26-Jun-12	3 years
175	Pujan Dhar	In-Charge Estates	5,800	0.00%	26-Jun-12	3 years
176	Md. Rafique	Senior Technician.	700	0.00%	26-Jun-12	3 years
177	Rafiqul Islam	Foreman	2,100	0.00%	26-Jun-12	3 years
178	Rajdeb Das	Assistant Utilities Officer	500	0.00%	26-Jun-12	3 years
179	Rakit Marma	Driver	600	0.00%	26-Jun-12	3 years
180	Ranjit Biswas	Senior Technician	800	0.00%	26-Jun-12	3 years
181	Ratna Rani Deb	Receptionist Cum Telephone Operator	800	0.00%	26-Jun-12	3 years
182	Rezaul Karim Babul	Filter	700	0.00%	26-Jun-12	3 years
183	Ruhul Amin	Crane Operator	800	0.00%	26-Jun-12	3 years
184	Ruhul Amin Bhuiyan	In-Charge Electrical Maintenance	3,000	0.00%	26-Jun-12	3 years
185	S. M. Gulam Mustafa	Senior Supervisor	1,800	0.00%	26-Jun-12	3 years
186	Safar Ali	Junior Technician.	500	0.00%	26-Jun-12	3 years
187	Saiful Islam	B2C Sales Officer	500	0.00%	26-Jun-12	3 years
188	Samar Barua	Electrician	500	0.00%	26-Jun-12	3 years
189	Samir Kanti Dey	Technician	900	0.00%	26-Jun-12	3 years
190	Sanjira Khanam	Reception Officer	600	0.00%	26-Jun-12	3 years
191	Sanjit Chandra Bhowmik	Junior B2B Sales Officer	500	0.00%	26-Jun-12	3 years
192	Sanjoy Barua	Technician	800	0.00%	26-Jun-12	3 years
193	Sankor Roy	Group Head - T & D	7,500	0.00%	26-Jun-12	3 years
194	Santu Meah	Peon	700	0.00%	26-Jun-12	3 years
195	Shah Alam	Security Guard	500	0.00%	26-Jun-12	3 years
196	Shahidul Islam	Junior Technician.	500	0.00%	26-Jun-12	3 years
197	Shahinur Islam	Security Guard	500	0.00%	26-Jun-12	3 years
198	Shahjamal	Security Guard	500	0.00%	26-Jun-12	3 years
199	Shaibal Dey	Assistant Officer - VAT	1,100	0.00%	26-Jun-12	3 years
200	Shajedul Islam	Technician	700	0.00%	26-Jun-12	3 years
201	Shamsul Islam	Officer - Production	2,000	0.00%	26-Jun-12	3 years
202	Shamsuzzaman	Security Guard	500	0.00%	26-Jun-12	3 years
203	Shapla Kanti Biswas	Local Purchase Officer	700	0.00%	26-Jun-12	3 years
204	Sharan Barua	Technician	500	0.00%	26-Jun-12	3 years
205	Sheikh Helal Uddin Ahamad	Junior Officer - Customer Service & Delivery	500	0.00%	26-Jun-12	3 years
206	Shekhar Ranjan Kar	Group CFO & Company Secretary	10,000	0.01%	26-Jun-12	3 years
207	Shibesh Kanti Datta	Assistant In-Charge CSD	4,300	0.00%	26-Jun-12	3 years
208	Shipon Chakraborty	Technician - Crane Operation	500	0.00%	26-Jun-12	3 years
209	Shobhon Mahbub Shahabuddin	Head of National Sales	5,000	0.00%	26-Jun-12	3 years
210	Showkat Akber	Security Guard	500	0.00%	26-Jun-12	3 years
211	Sk. Anowar Hossain	Security Officer	1,100	0.00%	26-Jun-12	3 years
212	Sohel	Junior Technician.	500	0.00%	26-Jun-12	3 years
213	Soumen Saha	Assistant Front Desk Officer	500	0.00%	26-Jun-12	3 years
214	Stephen Gomes	Senior Technician.	1,400	0.00%	26-Jun-12	3 years
215	Subodh Biswas	Senior Officer - HR & IR	1,400	0.00%	26-Jun-12	3 years
216	Suman Chakrabarty	Store Helper	500	0.00%	26-Jun-12	3 years
217	Suman Kanti Barua	Peon	500	0.00%	26-Jun-12	3 years
218	Sunil Baran Das	Typist	1,200	0.00%	26-Jun-12	3 years
219	Surajit Dutta	Lead Credit Control (Steels)	1,500	0.00%	26-Jun-12	3 years
220	Syed Saiful Haque	Software Systems & Applications Developer	500	0.00%	26-Jun-12	3 years

221	T. M. Mahabub	Senior Protocol Officer	2,600	0.00%	26-Jun-12	3 years
222	Tapan Barua	Office Assistant	700	0.00%	26-Jun-12	3 years
223	Touhidul Alam	Assistant Foreman	700	0.00%	26-Jun-12	3 years
224	Udayan dey	Senior Technician	800	0.00%	26-Jun-12	3 years
225	Utpal Chakrabarty	Junior Technician.	500	0.00%	26-Jun-12	3 years
226	Uttam Kumar Das	Junior Officer	900	0.00%	26-Jun-12	3 years
227	Zafar Ahmed	Assistant Foreman	600	0.00%	26-Jun-12	3 years
228	Zane Alam Md. Robayed	B2C Sales Officer	500	0.00%	26-Jun-12	3 years
229	Zohirul Hoque	Store Assistant	1,000	0.00%	26-Jun-12	3 years
230	Zunaid Hossain	Mechanical Engineer	1,300	0.00%	26-Jun-12	3 years
231	A. K. M. Saifuddin Khan	Head of Administration	1,600	0.00%	26-Jun-12	3 years
232	Abdul Gaffar	Head of HR Operations	2,000	0.00%	26-Jun-12	3 years
233	Abdul Malek	Engineer - Mechanical Maintenance	1,000	0.00%	26-Jun-12	3 years
234	Ahmad Adnan Saifullah	Lead Travel	1,800	0.00%	26-Jun-12	3 years
235	Mr. Huzefa Nuruddin	Asst. Manager- Cash	1,000	0.00%	26-Jun-12	3 years
236	Bappi Kanti Dhar	Lead Chittagong Sales I	600	0.00%	26-Jun-12	3 years
237	Fahmina Asad	Lead Talent Acquisition	500	0.00%	26-Jun-12	3 years
238	Fazle Hussain Nagaria	In-Charge Scrap Sales	9,100	0.01%	26-Jun-12	3 years
239	Jabed Hossain	Senior B2C Sales Officer	1,000	0.00%	26-Jun-12	3 years
240	Kamrul Ahasan Chowdhury	In-Charge Legal	1,500	0.00%	26-Jun-12	3 years
241	Macsood Ul Alam	In-Charge B2B Sales	2,600	0.00%	26-Jun-12	3 years
242	Manash Chowdhury	Senior Hardware & Networking Officer	500	0.00%	26-Jun-12	3 years
243	Md. Ariful Islam	In-Charge Compliance	1,200	0.00%	26-Jun-12	3 years
244	Md. Lutfur Rahman Bhuiyan	Senior Estates Officer	2,400	0.00%	26-Jun-12	3 years
245	Md. Mamunur Rahman	Senior Talent Acquisition Officer	500	0.00%	26-Jun-12	3 years
246	Mihir Datta	Receivable Officer	1,000	0.00%	26-Jun-12	3 years
247	Mirza Md. Rafiqul Islam	In-charge Technical & Development	1,000	0.00%	26-Jun-12	3 years
248	Mohammad Hedayet Ullah	Senior Talent Acquisition Officer	1,200	0.00%	26-Jun-12	3 years
249	Mohammad Mashudul Hoque Chowdhury	Deputy Manager - HR Operations	2,000	0.00%	26-Jun-12	3 years
250	Mohammad Mosharaf Hossain	Senior HR Operations Officer	500	0.00%	26-Jun-12	3 years
251	Mohammad Tariqs Shah	Executive Business Support (Chairmans Office)	1,000	0.00%	26-Jun-12	3 years
252	Mohammad Yusuf	Team Lead - Civil Project	3,900	0.00%	26-Jun-12	3 years
253	Mohammod Iftakhar Rasul	Lead Chittagong Sales II	1,500	0.00%	26-Jun-12	3 years
254	Najim Uddin	Talent Acquisition Officer	500	0.00%	26-Jun-12	3 years
255	Ranjit Kumar Paul	Lead P & R (Steels)	2,200	0.00%	26-Jun-12	3 years
256	Santu Das	In-Charge Provident Fund	500	0.00%	26-Jun-12	3 years
257	Subhasis Sengupta	Lead Sales Support	3,500	0.00%	26-Jun-12	3 years
258	Tahsin Ahmad Chowdhury	Analyst (Group MDs Office)	400	0.00%	26-Jun-12	3 years
259	Tapan Sengupta	Executive Director	10,000	0.01%	26-Jun-12	3 years
260	Ujjal Kanti Sen	Receivable Officer	600	0.00%	26-Jun-12	3 years
Total			335,400			

** Shares were transferred to the employees of BSRM group as on 26th June 2012 from the sponsors (Mrs. Tehseen Zohair Taherali and Mrs. Bilkis Alihussain) of the company through Form-117. It is Mentionable here that no shares were issued other than existing shareholders by the company after issuance of the Commission's notification no SEC/CMRRCD/2009-193/114/Admin.28 dated October 2, 2011 except capital raising through merger as on 30 September, 2012.

REFUND OF SUBSCRIPTION MONEY

As per BSEC Notification Dated February 9, 2010, the issuer shall refund application money to the unsuccessful applicant of the public offer by any of the following manner based on the option given by the applicant in the application form;

(a) Through banking channel for onward deposit of the refund money into the applicant's bank account as provided in the respective application form for subscription; or

(b) Through issuance of refund warrant in the name and address of the applicant as provided in the respective application form for subscription:

Provided that, in case of deposit into the applicant's bank account, the applicant will bear the applicable service charge, if any, of the applicant's banker, and the issuer shall simultaneously issue a letter of intimation to the applicant containing, among others, the date and amount remitted with details of the bank through and to which bank such remittance has been effected.

SUBSCRIPTION BY AND REFUND TO NON-RESIDENT BANGLADESHI (NRB)

1. A Non-Resident Bangladeshi shall apply either directly by enclosing a foreign demand draft drawn on a bank payable at Dhaka, or through a nominee by paying out of foreign currency deposit account maintained in Bangladesh or in Taka, supported by foreign currency encashment certificate issued by the concerned bank, for the value of securities applied for through crossed bank cheque marking "Account Payee only".

2. The value of securities applied for by such person may be paid in Taka or US dollar or UK pound sterling or EURO at the rate of exchange mentioned in the securities application form.

3. Refund against oversubscription shall be made in the currency in which the value of securities was paid for by the applicant through Account Payee bank cheque payable at Dhaka with bank account number, Bank's name and Branch as indicated in the securities application form. If the applicants' bank accounts as mentioned in their IPO Application Forms are maintained with the Bankers to the Issue and other banks as mentioned above under "Refund of Subscription Money", refund amount of those applicants will be directly credited into the respective bank accounts as mentioned in their IPO Application Forms.

AVAILABILITY OF SECURITIES

The Offer

1. IPO will be for 17,500,000 shares @ Tk. 35/- each (including premium of Tk. 25/- per share) totaling Tk. 612,500,000/- as per the Bangladesh Securities and Exchange Commission (Public Issue) Rules, 2006, 20% of total public offering shall be reserved for affected small investors, 10% for nonresident Bangladeshi (NRB) and 10% for mutual funds and collective investment schemes registered with the commission and remaining 60% shall be open for subscription by the general public. The position is thus as follows:

Particulars	No. of Shares	Amount (Tk.)
A. 20% of IPO of Shares shall be reserved for affected small investors (ক্ষতিগ্রস্ত ক্ষুদ্র বিনিয়োগকারী)	3,500,000	122,500,000
B. 10% of IPO of Shares shall be reserved for Non Resident Bangladeshis	1,750,000	61,250,000
C. 10% of IPO of Shares shall be reserved for Mutual funds and Collective Investment schemes registered with the Commission	1,750,000	61,250,000
D. Remaining 60% of IPO of Shares shall be opened for subscription by The General Public.	10,500,000	367,500,000
Total	17,500,000	612,500,000

2. All securities as stated in sub-rule 1(A), 1(B) , 1(C) and 1(D) shall be offered for subscription and subsequent allotment by the issuer, subject to any restriction, which may be imposed, from time to time, by the Bangladesh Securities and Exchange Commission.

3. In case of over-subscription under any of the categories mentioned in sub-rule 1(A), 1(B) , 1(C) and 1(D) , the issue manager shall jointly conduct an open lottery of all the applications received under each category separately in accordance with the letter of consent issued by the Bangladesh Securities and Exchange Commission.

4. In case of under subscription under any of the 20% and 10% categories mentioned in sub-rule 1(A), 1(B) and 1(C), the unsubscribed portion shall be added to the general public category and, if after such addition, there is over subscription in the general public category, the issuer and the issue managers shall jointly conduct an open lottery of all the applicants added together.

5. In case of under subscription of the public offering, the unsubscribed portion of securities shall be taken up by the underwriters.

6. The lottery as stated in clause –3 and 4 shall be conducted in presence of representatives from the issuer, the Stock Exchanges, and the applicants, if there be any.

Allotment

The company reserves the right of accepting any application, either in whole, or in part, successful applicants will be notified by the dispatch on an allotment letter by registered post/courier. Letter of allotment and refund warrants will be issued within 5 (five) weeks from the closing of the subscription. After allotment the company will have to transfer the shares to the allottees' Beneficiary Owners (BO) account, which has been mentioned in the application form.

The company shall issue share allotment letter to all successful applicants, within 5 (five) weeks, from the date of the subscription closing date. At the same time, the unsuccessful application shall be refunded with the application money within 5 (five) weeks from the closing of the subscription date, by Account Payee Cheque, without interest payable at Dhaka/Chittagong/Khulna/Rajshahi/Barisal/ Sylhet as the case may be.

Where allotment is made, in whole or in part in respect of joint application, the allotment letter will be dispatched to the person whose name appears first in the application form notwithstanding that the shares have been allotted to the joint applicants. Where joint applicant is accepted in part, the balance of any amount paid on application will be refunded without interest to the person named first in the application form.

APPLICATION FOR SUBSCRIPTION

1. Application for Shares shall be made for a minimum lot for **200** Ordinary Shares to the value of **Tk. 7,000/-** and should be made on the Bangladesh Steel Re-Rolling Mills Limited's Printed Application forms. Application Forms and Prospectus may be obtained from the Dhaka Office of the Company, members of the Dhaka Stock Exchange Ltd. And/or Chittagong Stock Exchange Limited or from the bankers to the Issue. In case adequate forms are not available, applicants may use photocopied / cyclostyled / hand written/typed copies of the forms. Applications must not be for less than **200** Ordinary Shares. Any application not meeting this criterion will not be considered for allotment purpose.
2. Joint application form for more than two persons will not be accepted. In the case of joint application each party must sign the application form.
3. Application must be in full name of individuals or limited companies or trusts or societies and not in the name of firms, minors or persons of unsound mind. Applications from insurance, financial

and market intermediary companies must be accompanied by Memorandum and Articles of Association of that company.

4. **An applicant cannot submit more than two applications, one in his/her own name and another jointly with another person. In case an applicant makes more than two applications, all applications will be treated as invalid and will not be considered for allotment purpose. In addition, 15% (fifteen) of the application money will be forfeited by the Commission and the balance amount will be refunded to the applicant.**
5. **The applicant shall provide with the same bank account number in the application form as it is in the BO account of the application.**
6. **The applicants who have applied for more than two applications using same bank account, their application will not be considered for lottery and the commission will forfeit 15% (fifteen) of their subscription money too.**
7. An IPO applicant shall ensure his/her BO account remains operational till the process of IPO (including securities allotment or refund of IPO application) is completed. If any BO account mentioned in the IPO application is found close, the allotted securities may be forfeited by BSEC.
8. Bangladeshi Nationals (including non-resident Bangladeshi Nationals residing abroad) and Foreign Nationals shall be entitled to apply for Shares.
9. Payment for subscription by investors other than Non –Resident Bangladeshi may be made to the said branches/offices of the banks mentioned below in Cash/Cheque/Pay Order/Bank Draft. The Cheque/Pay Order/Bank Draft shall be made payable to the bank to which it is sent and be marked “**Bangladesh Steel Re-Rolling Mills Limited** ” and shall bear the crossing “**A/C Payee Only**” and must be drawn on a bank in the same town of the bank to which application form is deposited.
10. A Non-Resident Bangladeshi (NRB) shall apply against the IPO either directly by enclosing a foreign demand draft drawn on a bank payable at Dhaka, or through a nominee (including a Bank or a Company) by paying out of foreign currency deposit account maintained in Bangladesh, for the value of securities applied for.

The value of securities applied for may be paid in Taka, US Dollar or Euro or UK Pound Sterling at the Spot Buying (TT Clean) rate of exchange prevailing on the date of opening of subscription. Refund against over-subscription of Shares shall be made in the currency in which the value of Shares applied for was paid by the applicant. Share Application Form against the quota for NRB shall be sent by the applicant directly along with a draft or cheque to Bangladesh Steel Re-Rolling Mills Limited at its corporate office. Copies of application Form and Prospectus shall be available with Bangladesh Embassy/High Commission in USA, UK, Saudi Arabia, U.A.E., Qatar, Kuwait, Oman, Bahrain, Malaysia and South Korea and website of the BSEC, Issuer Company, Issue manager, DSE and CSE.

11. All completed application forms, together with remittances for the full amount payable on application, shall be lodged by investors other than non-resident Bangladeshis with any of the branches of the Bankers’ to the Issue.
12. The IPO subscription money collected from investors (other than Non-resident Bangladeshis) by the Bankers’ to the Issue will be deposited to the **Mutual Trust Bank Limited** , Dilkusha Branch, Account No.0012-0320001294 with **Bangladesh Steel Re-Rolling Mills Limited** for this purpose.

13. The subscription money collected from Non-resident Bangladeshis in US Dollar or UK Pound Sterling or EURO shall be deposited to the following FC accounts:

SI No.	Name of the FC Accounts	Account No.	Bank & Branch	Currency
1	Bangladesh Steel Re-Rolling Mills Limited	0012-0260001283	Mutual Trust Bank Limited, Dilkusha	EURO
2	-do-	0012-0260001274	-do-	GBP
3	-do-	0012-0260001265	-do-	US Dollar

14. In the case of over-subscription of securities to the NRB applicants, refund shall be made by Bangladesh Steel Re-Rolling Mills Limited out of the “FC Account for IPO”. Bangladesh Steel Re-Rolling Mills Limited has already opened the aforesaid FC Accounts and shall close these FC Accounts after refund of over-subscription, if any.
15. ক্ষতিগ্রস্ত ক্ষুদ্র বিনিয়োগকারীগণ সকল পাবলিক ইস্যুতে একক অথবা যৌথ হিসাবের যে কোনটি অথবা উভয়টি হতে সংরক্ষিত ২০% কোটায় আবেদন করতে পারবেন। তবে তারা ইচ্ছা করলে ক্ষতিগ্রস্ত সংরক্ষিত ২০% কোটায় আবেদন না করে সাধারণ বিনিয়োগকারীদের জন্য নির্ধারিত কোটায়ও আবেদন করতে পারবেন।
16. **Making of any false statement in the application or supplying of incorrect information therein or suppressing any relevant information in the application shall make the application liable to rejection and subject to forfeiture of 25% of application money and/or forfeiture of share (unit) before or after issuance of the same by the issuer. The said forfeited application money or share (unit) will be deposited in account of the Bangladesh Securities and Exchange Commission (BSEC). This is in addition to any other penalties as may be provided for by the law**

APPLICATIONS NOT IN CONFORMITY WITH THE ABOVE REQUIREMENTS AND THE INSTRUCTIONS PRINTED ON THE APPLICATION FORM ARE LIABLE TO BE REJECTED.

P

LAN OF DISTRIBUTION

UNDERWRITING OF SHARES

Initial public Offering (IPO) is for 17,500,000 ordinary shares of Tk. 10/- each at an issue price of Tk. 35/-each including premium of Tk. 25/- per share totaling of Tk.612,500,000/- As per BSEC's Guideline 50% of the said amount i.e.8,750,000 ordinary shares of Tk.35/- each amounting to Tk. 306,250,000/- has been underwritten by following institutions:

Sl. No.	Name and Address of Underwriters	No. of Shares Underwritten	Amount (Tk.)
1	GSP Finance Company (Bangladesh) Limited 1/C, Paribagh, Mymensingh Road, Ramna,Dhaka-1000	3,600,000	126,000,000
2	Trust Bank Investment Limited Peoples Insurance Bhaban(12th Floor),36 Dilkusha C/A, Dhaka-1000	2,000,000	70,000,000
3	BD Finance Capital Holdings Limited 64 Motijheel Comercial Area , 2nd Floor, Dhaka-1000	3,150,000	110,250,000
Total		8,750,000	306,250,000

PRINCIPAL TERMS AND CONDITIONS OF UNDERWRITING AGREEMENT

1. If and to the extent that the Shares offered to the public by a Prospectus authorized hereunder shall not have been subscribed and paid for in cash in full by the closing date, the Company shall within 10 (ten) days of the closure of subscription call upon the underwriter in writing with a copy of said writing to the Bangladesh Securities and Exchange Commission, to subscribe for the Shares not subscribed by the closing date and to pay for in cash in full for such unsubscribed Shares within 15 (fifteen) days of the date of said notice and the said amount shall have to be credited into Shares subscription account within the said period.
2. If payment is made by Cheque/Bank Draft by an underwriter it will be deemed that the underwriter has not fulfilled his obligation towards his underwriting commitment under the Agreement, until such time as the Cheque/Bank Draft has been en-cashed and the Company's account credited.
3. In any case within 7 (seven) days after the expiry of the aforesaid 15 (fifteen) days, the Company shall send proof of subscription and payment by the underwriter to the Commission.
4. In the case of failure by the underwriter to pay for the Shares under the terms mentioned above, the said Underwriter will not be eligible to underwrite any issue, until such time as he fulfils his underwriting commitment under the Agreement and also other penalties as may be determined by the Commission may be imposed on him.
5. In case of failure by any underwriter to pay for the Shares within the stipulated time, the Company/Issuer will be under no obligation to pay any underwriting commission under the Agreement.
6. In case of failure by the Company to call upon the underwriter for the aforementioned purpose within the stipulated time, the Company and its Directors shall individually and collectively be held responsible for the consequence and/or penalties as determined by the Bangladesh Securities and Exchange Commission under the law as may be imposed on them.

UNDERWRITER'S RIGHT TO REPRESENT IN THE BOARD OF DIRECTORS OF THE COMPANY

The Underwriters shall not have any right to have any representatives in the Company's Board of Directors.

COMMISSION FOR UNDERWRITERS

The Company shall pay to the underwriters an underwriting commission at the rate of 0.50% on 50% of Public Offering amount of the issue value of shares underwritten by them out of the public issue.

RIGHT OF UNDERWRITERS ON COMPANY'S BOARD

Underwriters have not acquired any right to have their representatives in the Board of Directors of the Company.

OFFICER OR DIRECTOR OF THE UNDERWRITERS ACTING AS DIRECTOR OF THE COMPANY

No officer or director of the underwriters acting as director of the company.

M

ATERIAL CONTRACTS AND OTHERS

ISSUE RELATED CONTRACT

- a) Underwriting Agreement between the Company and the Underwriters.
- b) Issue Management Agreement between the Company and Alliance Financial Services Limited.

Copies of the aforementioned contracts and documents and a copy of Memorandum and Articles of Association of the Company and the Consent Order from the Bangladesh Securities and Exchange Commission may be inspected on any working day during office hours at the Office of the Company and the manager to the issue.

MANAGER TO THE ISSUE

Alliance Financial Services Limited, Rahman Chamber (3rd Floor) 12-13 Motijheel C/A, Dhaka-1000 is the Manager to the Issue. The Issue Manager will get Tk. 2,000,000/- as issue management fee.

COMMISSION TO THE BANKER TO THE ISSUE

Commission at the rate of 0.1% of the amount collected will be paid to the Bankers to the Issue for the services to be rendered by them.

Issuer	Bangladesh Steel Re-Rolling Mills Limited
Registered & Corporate Office	Ali Mansion, 1099/1207 Sadarghat Road, Chittagong. Tel: +880 (31) 2854901-10, Fax: +880 (31) 610101 www.bsrm.com
Dhaka Corporate Office	Mahbub Castle (2 nd & 4 th Floor), 35/A Purana Paltan Line Inner Circular Road, (VIP Road), Dhaka 1000, Bangladesh Tel: +880 (2) 8311994, 8313135, 9358135, Fax: +880 (2) 8312905,
Factory	Re-rolling mills: 148/149, Baizid Bostami Road, Nasirabad I/A, Chittagong. Steel Melting Works: 78/79, Baizid Bostami Road, Nasirabad I/A, Chittagong.
Overseas office	Flat 14, 3rd Floor, 28, Southren Avenue , Kolkata-700026, India. Tel:+91 33-24633378, 9831677886, 9038224421 , 9038633139
Auditors	Rahman Rahman Huq Chartered Accountants 102 Agrabad Commercial Area Chittagong, Tel: 880-31-710704, 710996 Fax: 880-31-2520795
Manager to the Issue	Alliance Financial Services Limited Rahman Chamber (3 rd floor), 12-13 Motijheel C/A, Dhaka- 1000 Tel: +880 (2) 9515468, 9515469, Fax: +880 (2) 9515467, web: www.allfin.org
Rating Agency	Credit Rating Information and Services Limited (CRISL) Nakshi Homes (4 th & 5 th Floor), 6/1A, Segunbagicha, Dhaka-1000 Tel:+880 (2) 9515807-8, Fax: +880 (2) 9565783 Web: www.crislbd.com
Underwriters	GSP Finance Company (Bangladesh) Limited Trust Bank Investment Limited BD Finance Capital Holdings Limited
Lead Bank	Mutual Trust Bank Limited
Bankers to the Issue	BRAC Bank Limited Bank Asia Limited The City Bank Limited Dutch-Bangla Bank Limited Dhaka Bank Limited Eastern Bank Limited Investment Corporation of Bangladesh Jamuna Bank Ltd. Mutual Trust Bank Limited Mercantile Bank Limited NCC Bank Limited Trust Bank Limited One Bank Limited Social Islami Bank Limited United Commercial Bank Limited

AUDITOR'S REPORT AND RELATED CERTIFICATES

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF BANGLADESH STEEL RE-ROLLING MILLS LTD.

Report on the Financial Statements

We have audited the accompanying financial statements of **BANGLADESH STEEL RE-ROLLING MILLS LTD.** ("the Company") and its associates which comprise the statement of financial position as at 31 December 2013, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of the Company as at 31 December 2013, and of its financial performance and its cash flows for the year then ended in accordance with Bangladesh Financial Reporting Standards.

Report on Other Legal and Regulatory Requirements

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

- (a) we have obtained all the information and explanation which to the best of our knowledge and belief were necessary for the purpose of our audit and made due verification thereof;
- (b) in our opinion, proper books of account as required by law have been kept by the Company so far as it appeared from our examination of those books;
- (c) the statement of financial position, and the statement of profit or loss and other comprehensive income dealt with by the report are in agreement with the books of account; and
- (d) the expenditure incurred was for the purposes of the Company's business.

Chittagong, 09 March 2014

Sd/-
Rahman Rahman Huq
Chartered Accountants

BANGLADESH STEEL RE-ROLLING MILLS LTD.
STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2013

	<u>Notes</u>	<u>31.12.2013</u> <u>Taka</u>	<u>31.12.2012</u> <u>Taka</u>
Assets			
Non-current assets:			
Property, plant and equipment	6	7,006,114,629	6,717,152,324
Capital work-in-progress	7	345,062,819	414,664,946
Investment in associate	8.01	3,268,469,944	1,984,714,569
Other investments	8.02	99,527,794	53,659,911
Total non-current assets		10,719,175,186	9,170,191,750
Current assets:			
Inventories	9	5,889,585,061	4,766,400,890
Trade receivables	10	404,867,366	543,137,398
Other receivables	11	78,591,566	148,881,245
Due from inter companies	12	2,277,089,379	1,409,473,023
Advances and deposits	13	1,597,513,355	484,118,657
Short term investments	8.03	78,011,752	232,608,160
Cash and cash equivalents	14	99,302,648	85,564,964
Total current assets		10,424,961,127	7,670,184,337
Total assets		21,144,136,313	16,840,376,087
Equity and Liabilities			
Equity:			
Share capital	15	1,558,510,380	1,558,510,380
General reserve	16.01	30,170,818	30,170,818
Revaluation surplus	16.02	4,129,104,568	4,189,255,118
Retained earnings		2,398,521,265	1,747,355,332
Fair Value reserve	16.03	2,439,152	1,023,492
Total equity		8,118,746,183	7,526,315,140
Liabilities:			
Non-current liabilities			
Long term loan	17.01	1,406,182,612	1,228,233,910
Deferred tax liabilities	18	1,071,987,675	882,458,633
Total non-current liabilities		2,478,170,287	2,110,692,543
Current liabilities			
Trade payables	19	3,563,424,229	2,781,935,317
Short term liabilities	20	3,631,028,292	3,351,042,310
Liabilities for expenses	21	216,856,037	117,142,297
Advance against sales	22	101,714,671	54,956,861
Due to inter companies	23	2,401,210,345	369,924,616
Long term loan-current portion	17.01	492,699,556	316,932,594
Provision for income tax	24	124,274,416	184,962,166
Provision for WPPF and Welfare Fund	25	806,385	2,665,273
Other liabilities	26	15,205,912	23,806,970
Total current liabilities		10,547,219,843	7,203,368,404
Total liabilities		13,025,390,130	9,314,060,947
Total equity and liabilities		21,144,136,313	16,840,376,087

The annexed notes 1 to 47 form an integral part of these financial statements.

Sd/-
Managing Director

Sd/-
Director

Sd/-
Company Secretary

As per our annexed report of same date.

Chittagong, 09 March 2014

Sd/-
Rahman Rahman Huq
Chartered Accountants

BANGLADESH STEEL RE-ROLLING MILLS LTD.
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2013

	<u>Notes</u>	<u>2013</u> <u>Taka</u>	<u>2012</u> <u>Taka</u>
Revenue	27	8,602,415,008	14,043,421,488
Cost of sales	28	(8,102,322,738)	(13,345,900,813)
Gross profit		500,092,270	697,520,675
Selling and distribution costs	29	(55,646,511)	(35,414,971)
Administrative costs	30	(166,109,408)	(176,030,894)
		(221,755,919)	(211,445,865)
		278,336,351	486,074,810
Other income	31	6,652,224	108,231
Operating profit		284,988,575	486,183,041
Finance costs	32	(264,396,406)	(278,832,330)
Finance income	33	23,390,549	34,150,796
Loss on revaluation of property, plant and equipment		-	(28,023,369)
		(241,005,857)	(272,704,903)
Profit before tax and WPPF and Welfare Fund		43,982,718	213,478,138
Contribution to WPPF and Welfare Fund		(2,199,136)	(10,673,907)
		41,783,582	202,804,231
Non-operating income	34	169,063,732	150,068,986
Share of profit of associates (Net of tax)	35	934,127,635	312,954,478
		1,103,191,367	463,023,464
Profit before tax		1,144,974,949	665,827,695
Income tax expense:			
Current Tax:			
Current year		(124,274,416)	(188,224,809)
Previous year		(6,612,039)	(87,652)
Deferred tax		(225,386,883)	(23,591,047)
		(356,273,338)	(211,903,508)
Net profit after tax for the year		788,701,611	453,924,187
Other comprehensive income:			
Items that will never be reclassified to profit or loss			
Revaluation of property, plant and equipment		-	2,004,256,895
Deferred tax on revaluation surplus of assets		-	(212,067,263)
		-	1,792,189,632
Items that are or may be reclassified to profit or loss			
Available for sale financial assets- net change in fair value		1,756,824	1,023,492
Share of revaluation surplus of associate		-	838,181,557
		1,756,824	839,205,049
Other comprehensive income, net of tax		1,756,824	2,631,394,681
Total comprehensive income		790,458,435	3,085,318,868
Earnings per share:			
Basic earnings per share	36	5.06	2.91

The annexed notes 1 to 47 form an integral part of these financial statements.

Sd/-
Managing Director

Sd/-
Director

Sd/-
Company Secretary
As per our annexed report of same date.

Chittagong, 09 March 2014

Sd/-
Rahman Rahman Huq
Chartered Accountants

BANGLADESH STEEL RE-ROLLING MILLS LTD.
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2013

	Share Capital	General Reserve	Revaluation Reserve	Retained Earnings	Reserve for issuance of shares against Merger	Fair Value Reserve	Total
	<u>Taka</u>	<u>Taka</u>	<u>Taka</u>	<u>Taka</u>	<u>Taka</u>	<u>Taka</u>	<u>Taka</u>
Balance as on 1 January 2012	643,454,910	30,170,818	1,619,084,375	1,840,565,341	271,600,560	-	4,404,876,004
Issue of share against merger of MEW	271,600,560	-	-	-	(271,600,560)	-	-
Issue of Bonus share	643,454,910	-	-	(643,454,910)	-	-	-
Transfer against difference in depreciation between cost and revalued amount	-	-	(57,125,250)	91,400,400	-	-	34,275,150
Revaluation surplus against revaluation of PPE	-	-	2,004,256,895	-	-	-	2,004,256,895
Deferred tax on revaluation surplus	-	-	(212,067,263)	-	-	-	(212,067,263)
Share of revaluation surplus of equity accounted investee	-	-	838,181,557	-	-	-	838,181,557
Transfer of revaluation surplus on sale of revalued assets	-	-	(3,075,196)	4,920,314	-	-	1,845,118
Increase in fair value of investment in tradable securities	-	-	-	-	-	1,023,492	1,023,492
Net profit after tax for the year ended 31 December 2012	-	-	-	453,924,187	-	-	453,924,187
Balance as on 31 December 2012	1,558,510,380	30,170,818	4,189,255,118	1,747,355,332	-	1,023,492	7,526,315,140
Balance as on 1 January 2013	1,558,510,380	30,170,818	4,189,255,118	1,747,355,332	-	1,023,492	7,526,315,140
Reclassification of fair value reserve on sale of securities	-	-	-	-	-	(341,164)	(341,164)
Transfer against difference in depreciation between cost and revalued amount	-	-	(51,796,412)	82,874,259	-	-	31,077,847
Transfer of revaluation surplus on sale of revalued assets	-	-	(8,354,138)	13,366,620	-	-	5,012,482
Cash dividend for the year 2012	-	-	-	(233,776,557)	-	-	(233,776,557)
Net profit after tax for the year ended 31 December 2013	-	-	-	788,701,611	-	-	788,701,611
Increase in fair value of investment in tradable securities	-	-	-	-	-	1,756,824	1,756,824
Balance as on 31 December 2013	1,558,510,380	30,170,818	4,129,104,568	2,398,521,265	-	2,439,152	8,118,746,183

BANGLADESH STEEL RE-ROLLING MILLS LTD.
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2013

	<u>2013</u> <u>Taka</u>	<u>2012</u> <u>Taka</u>
a. <u>OPERATING ACTIVITIES:</u>		
Paid against revenue expenditure	(8,555,015,718)	(12,694,385,182)
Receipts from customers against sales	8,787,022,059	13,896,087,393
Receipt against other income	190,805,958	135,994,880
Payment for Workers' Profit participation fund	(4,058,024)	(24,783,700)
Payment of interest-Net	(170,392,847)	(514,169,155)
Income Tax Paid	(166,350,580)	(265,067,537)
Net cash provided by/(used in) Operating Activities	82,010,848	533,676,699
b. <u>INVESTING ACTIVITIES:</u>		
Acquisition of property, plant and equipment	(95,680,881)	(176,139,631)
Proceeds from sale of property, plant and equipment	33,393,389	9,032,500
Short term loan to affiliated companies	(867,616,356)	932,616,174
Investment	(1,397,013,883)	(121,226,303)
Proceeds from sale of investments in tradable securities and FDRs	157,727,397	177,725,197
Capital Work-in-progress	(433,233,750)	(387,980,463)
Dividend income	101,588,742	153,084,190
Net cash used in Investing Activities	(2,500,835,342)	587,111,664
c. <u>FINANCING ACTIVITIES:</u>		
Receipt/(Re-payment) of Term Loan	353,715,664	834,259,148
Loan received from /(paid to) affiliated companies and others	2,031,285,729	(2,115,887,196)
Dividend paid	(232,425,197)	-
Share application money refunded	-	(788,759)
Receipts of Short term loan	279,985,982	152,470,719
Net cash (used in)/provided by Financing Activities	2,432,562,178	(1,129,946,088)
Total (a+b+c)	<u>13,737,684</u>	<u>(9,157,725)</u>
Opening cash and cash equivalents	85,564,964	94,722,689
Closing cash and cash equivalents	<u>99,302,648</u>	<u>85,564,964</u>
	<u>13,737,684</u>	<u>(9,157,725)</u>

BANGLADESH STEEL RE-ROLLING MILLS LTD.
NOTES TO THE FINANCIAL STATEMENTS
AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2013

1.00 REPORTING ENTITY

1.01 Company Profile

Bangladesh Steel Re-Rolling Mills Limited is a public company limited by shares is domiciled in Bangladesh. The address of the company's registered office is Ali Mansion, 1099/1207 Sadarghat Road, Chittagong, Bangladesh. The Company was formed and incorporated with the Registrar of Joint Stock Companies and Firms in Bangladesh on December 28, 1960 vide the certificate C/186-No. 1491/92 E.P. of 1960-1961 under Companies Act 1913 (since repealed and substituted by the Companies Act 1994) as a private company limited by share. The company was converted into a public limited company on November 03, 2009 under the Companies Act 1994.

1.02 Nature of the business

The main activity of the company is to manufacture M.S. products by setting up rolling and re-rolling mills. The company has set up its Re-Rolling mill and Steel Melting Workshop (SMW previously known as Meghna Engineering Works Limited) at 147/148/149 and 78/79 Baizid Bostami Road, Nasirabad Industrial Area, Chittagong, Bangladesh respectively and commenced its commercial production from 1987 after first BMRE.

M.S. billets is manufactured from scraps and sponge iron etc. at Steel Melting Workshop (SMW) and these billets are re-rolled in the next step at Re-Rolling Mills to manufacture M.S. products. The company also deals in sale of M.S. products like angle, channel, I Beam, H Beam and ingot etc. which is very insignificant compared to the sale of own manufactured products.

1.03 Description of associates

(i) Legal form of BSRM Steels Ltd.

BSRM Steels Ltd. was incorporated on 20th July, 2002, vide the certificate C-No. 4392 of 2002 as a private limited company under Companies Act 1994. The company was converted to a public limited company on 20 December 2006. The company is listed with Dhaka Stock Exchange and Chittagong Stock Exchange as a publicly quoted company. Trading of the shares of the company started in two stock exchanges from 18 January 2009. Bangladesh Steel Re-Rolling Mills Limited directly holds 31.188% of ordinary shares in BSRM Steels Ltd.

Nature of the business

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

(ii) Legal form of BSRM Iron & Steel Co. Ltd.

BSRM Iron & Steel Co. Ltd. (BISCO) was incorporated as a private Limited Company on 13th April, 2005, vide certificate No. CH-5415 of 2005 under the Companies Act, (No-XVIII), 1994. The Company was converted into a public limited company on March 15, 2011. The Company's Registered and Corporate Office is situated at Ali Mansion, Sadarghat Road, Chittagong. It is a subsidiary company of BSRM steels Limited that holds 95% ordinary shares in (BISCO). As a result Bangladesh Steel Re-Rolling Mills Limited indirectly holds 29.629% shares in BISCO and has significant influence over it.

Nature of the business

The principal activities of the company are manufacturing M.S. Billets of different qualities and selling the same to steel rolling mills. The company had set up its automatic steel melting plant at 202-205 Nasirabad Industrial Area, Baizid Bostami Road, Chittagong and commenced commercial production from 1st June, 2010.

(iii) Legal form of BSRM Steel Mills Ltd.

BSRM Steel Mills Ltd., was incorporated as a private limited company on 16 April 2008 vide registration # CH-6561(267)/2008 under the Companies Act, 1994 to set up one of the largest production plant in the steel industries in Bangladesh. The company was converted into public limited company on 12 November 2013. Bangladesh Steel Re-Rolling Mills Limited holds 21.76% of ordinary shares directly and 6.79% of ordinary shares indirectly in BSRM Steel Mills Ltd.

Nature of the business

The company is engaged in setting up an automatic steel melting plant for making different quality of M.S billet and sell the same to steel rolling mills. The company has not yet commenced commercial production.

2.00 BASIS OF PREPARATION

2.01 Statement of compliance

These financial statements have been prepared in accordance with Bangladesh Financial Reporting Standards (BFRSs), applicable sections of Companies Act 1994 and the Securities and Exchange Rules 1987. BFRSs comprise the following:

- (i) Bangladesh Financial Reporting Standards. (BFRSs)
- (ii) Bangladesh Accounting Standards. (BASs)
- (iii) Interpretations of BFRSs and BASs.

2.02 Date of authorization

These financial statements have been authorized for issue by the Board of Directors on 09 March 2014.

2.03 Regulatory compliance

The company is required to comply with amongst others, the following laws and regulations:

- (i) The Companies Act 1994
- (ii) The Securities and Exchange Ordinance 1969
- (iii) The Securities and Exchange Rules 1987
- (iv) The Income Tax Ordinance 1984
- (v) The Income Tax Rules 1984
- (vi) The Value Added Tax Act 1991
- (vii) The Value Added Tax Rules 1991
- (viii) Bangladesh Labour Act 2006

2.04 Basis of measurement

These financial statements have been prepared on going concern basis under the historical cost convention except for investment in tradable shares and property, plant and equipment which are measured at fair value.

2.05 Functional and presentation currency

These financial statements are presented in Bangladesh Taka (BDT) which is the company's functional currency. All financial information presented in BD Taka has been rounded off to the nearest Taka except when otherwise indicated.

2.06 Statement of Cash flows

Statement of cash flows has been prepared as per BAS 7: Statement of Cash Flows using Direct Method as per the requirement of Securities and Exchange Rules 1987 and the Companies Act 1994.

2.07 Use of estimates and judgments

The preparation of financial statements in conformity with BFRSs requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Estimates and assumptions are reviewed on an ongoing basis.

The estimates and underlying assumptions are based on past experience and various other factors that are believed to be reasonable under the circumstances, the result of which form the basis of making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

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

2.08 Comparative information

Comparative information has been disclosed in respect of the year 2012 for all numeric information in the financial statements and also the narrative and descriptive information where it is relevant for understanding of the current year's financial statements.

Figures for the year 2012 have been rearranged wherever considered necessary to ensure comparability with the current year.

2.09 Going concern

The Company has adequate resources to continue its operation for foreseeable future and hence, the financial statements have been prepared on going concern basis. As per management's assessment there are no material uncertainties related to events or conditions which may cast significant doubt upon the company's ability to continue as a going concern.

2.10 Reporting period

These Financial Statements covered the reporting period of one year commencing from 01 January 2013 to 31 December 2013 which is followed consistently.

2.11 Merger of common control company

By virtue of the decision of the High Court Division and approval of the Bangladesh Securities and Exchange Commission, Meghna Engineering Works Limited was merged with Bangladesh Steel Re-Rolling Mills Ltd. with effect from 01 January 2011 and a total of 27,160,056 Nos. Ordinary Shares of Tk. 10 each totaling Taka 271,600,560 of Bangladesh Steel Re-Rolling Mills Ltd. was issued to shareholders of Meghna Engineering Works Limited (MEWL).

In absence of specific accounting standards for recording such common control business combination, generally accepted accounting practices in other countries has been followed as per provisions of BAS 8.12. As per generally accepted accounting practices, pooling of interests method has been followed by the company under which assets, liabilities and reserves of MEWL have been recorded under specific line items of the company and comparatives are restated as if the acquiree had always been merged with the company.

3.00 SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently to all the years presented in these financial statements by the company except otherwise mentioned.

3.01 Property, plant and equipment (PPE)

Items of property, plant and equipment are stated at cost and re-valued amount less accumulated depreciation and accumulated impairment losses, if any.

3.01.01 Recognition and measurement

The cost of an item of property, plant and equipment comprises its purchase price, import duty and non-refundable taxes (after deducting trade discount and rebates) and any cost directly attributable to the acquisition of the assets. The cost of self constructed/installed assets includes the cost of materials, direct labour and any other costs directly attributable to bringing the assets to the location and condition necessary for it to be capable of operating in the intended manner and the cost of dismantling and removing the items and restoring the site on which they are located.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

The gain or loss on disposal of an item of property, plant and equipment is determined by comparing the proceeds from disposal with the carrying amount of the property, plant and equipment and is recognised under other income/expenses in profit or loss.

3.01.02 Subsequent costs

The cost of replacing or upgrading part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the company and its cost can be measured reliably. The costs of the day-to-day servicing of property, plant and equipment are recognized in profit or loss.

3.01.03 Depreciation

Depreciation is based on the cost/revalued amount of an asset. Significant parts of individual assets are assessed and if a component has a useful life that is different from the remainder of that asset, that component is depreciated separately.

Depreciation is recognised in profit or loss on diminishing balance method over the estimated useful lives of each parts of property, plant and equipment. Depreciation is charged on addition commencing from the year of acquisition and no depreciation is charged in the year of disposal. The principal annual rates are as follows.

<u>Assets</u>	<u>Rates (%)</u>
Land and land development	Nil
Plant and Machinery	7.50% - 15%
Motor Vehicle	20%
Air Conditioner and air compressor	15% - 20%
Furniture and Fixtures	10%
Office Equipments	15%
Buildings and sheds	5% - 15%

Depreciation methods, useful lives and residual values are reassessed at the reporting date and adjusted if appropriate.

3.01.04 Revaluation of Property, plant and equipment

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

Replacement cost and net realisable value method, as applicable, have been used by the independent valuer in revaluation of property, plant and equipment.

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

3.02 Capital work in progress

Capital work in progress consists of cost incurred for acquisition of new plant and machinery, civil structure, factory shed for warehouse etc. which were not ready for use till reporting date.

3.03 Leases

At inception of an arrangement, the company determines whether the arrangement is or contains a lease.

At inception or on reassessment of an arrangement that contains a lease, the entity separates payments and other consideration required by the arrangement into those for the lease and those for other elements on the basis of their relative fair values.

3.03.01 Finance Lease

Leases in terms of which the company assumes substantially all the risks and rewards of ownership are classified as finance leases. Upon initial recognition the leased asset is measured at an amount equal to the lower of its fair value and the present value of the minimum lease payments. Subsequent to initial recognition, the asset is accounted for in accordance with the accounting policy applicable to that asset. Minimum lease payments made under finance lease are apportioned between the finance expense and the reduction of outstanding liability. The finance expense is allocated to each period during the lease term so as to produce a constant rate of interest on the remaining balance of the liability.

3.03.02 Operating lease

Leases that are not finance lease are considered as operating leases and the leased assets are not recognised in the company's Statement of Financial Position. Payments made under operating leases are recognised in profit or loss on a straight line basis over the term of the lease.

3.03.03 Leasehold land

Factory buildings of the company are situated at Nasirabad Industrial Area, Chittagong on leasehold lands measuring 7.905 acres. These lands are taken on lease for 99 years on payment of salami and renewable thereafter. These lands are duly mutated in the name of the company.

These leasehold lands are recognised as assets under property, plant and equipment. Since significant risks and rewards incidental to ownership of these assets are transferred to the company, these are covered under revaluation of assets done in 2008 and 2012. Being rights to use of these lands are of perpetual nature, no amortization of value of lands are recognised in the financial statements over the lease period.

3.04 Inventories

Inventories are measured at lower of cost and net realisable value. The cost of inventories is calculated based on the weighted average method and includes expenditure incurred in acquiring these inventories, production or conversion costs and other costs incurred in bringing them to their existing location and condition in accordance with BAS-2.

<u>Category</u>	<u>Valuation</u>
Finished Goods -	Finished Goods are valued at Cost or Net Realisable Value whichever is lower.
Raw materials -	Raw Materials are valued at Cost or Net Realisable Value whichever is lower.
Store items -	Based on weighted average method.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and selling expenses.

3.05 Trade and other receivables

Trade and other receivables are initially recognised at cost which is the fair value of the consideration given in return. After initial recognition, these are carried at cost less impairment losses, if any, due to uncollectibility of any amount so recognised.

There is no fixed company policy regarding provision for impairment loss on receivables, if any receivables are not realized within the credit period. It has been dealt with on case to case basis.

3.06 Transactions with inter companies

These represent balance amounts due to /from sister concerns which are derived from short term loan, sale/purchase of goods from time to time. Sales and purchase of goods are made on arm's length basis and interest on balances are charged at 15.50% per annum. These balances are unsecured but considered good and realisable.

3.07 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 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks and other short term fixed deposits with banks.

3.09 Impairment

Financial assets

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

Financial assets not classified as at fair value through profit or loss, including an interest in an equity accounted investee, are assessed at each reporting date to determine whether there is objective evidence of impairment.

Objective evidence that financial assets are impaired includes :

- default or delinquency by a debtor
- restructuring of an amount due to the company on terms that the company would not consider otherwise
- indications that a debtor or issuer will enter bankruptcy
- adverse changes in the payment status of borrowers or issuers
- the disappearance of an active market for a security, or
- observable data indicating that there is a measurable decrease in expected cash flows from a group of financial assets

For an investment in an equity security, objective evidence of impairment includes a significant or prolonged decline in its fair value below its cost.

Financial Assets measured at Amortized cost

The company considers evidence of impairment for these assets at both an individual asset and a collective level. All individually significant assets are individually assessed for impairment. Collective assessment is carried out by grouping together assets with similar risks characteristics.

In assessing collective impairment, the company uses historical information on the timing of recoveries and the amount of loss incurred, and makes any adjustment if current economic and credit conditions are such that the actual losses are likely to be greater or lesser than suggested by historical trends.

An impairment loss is calculated as the difference between an asset's carrying amount and the present value of the estimated future cash flows discounted at the assets' original effective interest rate. Losses are recognized in profit or loss and reflected in an allowance account. When the company considers that there is no realistic prospects of recovery of the asset, the relevant amounts are written off. If the amount of impairment loss subsequently decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, then the previously recognized impairment loss is reversed through profit or loss.

Available for sale financial assets

Impairment losses on available for sale financial assets are recognized by reclassifying the losses accumulated in the fair value reserve to profit or loss. The amount reclassified is the difference between the acquisition cost (net of any principal repayment and amortization) and the current fair value, less any impairment loss previously recognized in profit or loss. If the fair value of an impaired available for sale debt security subsequently increases and the increase can be related objectively to an event occurring after the impairment loss was recognized, then the impairment loss is reversed through profit or loss; otherwise, it is reversed through other comprehensive income.

Equity accounted investees

An impairment loss in respect of an equity accounted investee is measured by comparing the recoverable amount of the investment with its carrying amount. An impairment loss, is recognized in profit and loss, and is reversed if there has been a favourable change in the estimates used to determine the recoverable amount.

Non financial assets

The carrying amounts of the company's property, plant and equipments are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists then the property, plant and equipment's recoverable amount is estimated. An impairment loss is recognized if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. Impairment losses, if any, are recognized in the statement of profit or loss and other comprehensive income.

3.10 Employee benefit schemes

3.10.01 Short-term employee benefits

Short-term employee benefits are expensed as the related service is provided. A liability is recognized for the amount expected to be paid if the company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

3.10.02 Defined contribution plan (Recognized provident fund)

A defined contribution plan is a post-employment benefit plan under which the company pays fixed contributions into a separate fund and will have no legal or constructive obligation to pay further amount. The Employees' Provident Fund was obtained recognition from Income Tax Authority on August 05, 1975 which was effective from September 30, 1973 and is considered as defined contribution plan as it meets the recognition criteria specified for this purpose in BAS-19.

Obligation for contribution to defined contribution plan is recognized as provident fund (PF) contribution expenses in profit or loss in the period during which services are rendered by employees. Advance against PF is recognized as an asset to the extent that a cash refund or a reduction in future payments is available.

The company maintains the Recognized Provident Fund for all permanent employees at which both the company and employees contribute @ 10% of basic salary.

Appropriate provision has been made for Workers' Profit Participation Fund and Workers' Welfare Fund as per provisions of law. Currently the rate of provision is 5% on net profit before tax and WPPF and Welfare fund.

3.11 Provisions and contingencies

3.11.01 A provision is recognized in the financial statements if, as a result of a past event, the company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefit will be required to settle the obligation.

3.11.02 Contingencies arising from claim, lawsuit, etc. are recorded when it is probable that a liability has been incurred and the amount can reasonably be measured.

3.12 Earnings Per Share (EPS)

Basic Earnings:

This represents profit for the year attributable to ordinary shareholders. As there is no preference dividend, non-controlling interest or extra ordinary items, the net profit after tax for the year has been considered fully attributable to the ordinary shareholders (refer to Note-36 to the Financial Statements).

Diluted Earnings:

No diluted earnings per share is required to be calculated for the year as there is no scope for dilution during the year under audit.

3.13 Finance income and expenses

Interest income on FDR and STD Account has been recognized on cash basis.

Interest income/expenses on amount due to/due from inter companies has been recognized periodically.

3.14 Foreign currency transactions

Transactions in foreign currencies are translated to the functional currency (BDT) at exchange rates at the dates of transactions. Monetary assets and liabilities denominated in foreign currencies at reporting date are re-translated into Bangladesh Taka at the exchange rates ruling at the reporting date. Non-monetary assets and liabilities denominated in foreign currencies, stated at historical cost, are translated into Bangladesh Taka at the exchange rate ruling at the date of transaction. Foreign exchange differences arising on translation are recognized in profit or loss.

3.15 Income tax expenses

Tax expenses comprises current and deferred tax. Current tax and deferred tax are recognized in profit and loss except to the extent that it relates to items recognized directly in equity or in other comprehensive income.

Current tax:

Current tax is the expected tax payable or receivable on the taxable income or loss for the period, using rates enacted or substantially enacted at the reporting date and any adjustment to tax payable in respect of previous years. Current tax also includes any tax arising from dividends.

Deferred tax:

Deferred tax is recognized in compliance with BAS 12: Income taxes, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and amount used for taxation purposes. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted at the reporting date. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the authority on the same taxable entity.

A deferred tax asset is recognized to the extent that it is probable that future taxable profits will be available against which the deductible temporary differences can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

Deferred tax on temporary differences between carrying amounts of investments in associates and tax bases has been recognised following the tax rates applicable for profit on disposal of investments as well as distributions from associates.

Deferred tax on revaluation surplus of lands has not been recognized in the financial statements on the ground that income tax payable at source on capital gain during registration of sale of land are generally borne by the buyer. Hence, possibility of having any income tax implications on land is very remote.

3.16 Revenue

Revenue from sale of goods is measured at the fair value of the consideration received or receivable, net of returns and allowances, trade discounts and rebates, if any. Revenue is recognized when the significant risks and rewards of ownership have been transferred to the buyer, recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably, there is no continuing management involvement with the goods and the amount of revenue can be measured reliably.

The timing of the transfer of risk and rewards depends on the individual terms of the sales agreement.

3.17 Management fees

Bangladesh Steel Re-Rolling Mills, the reporting entity, entered into a management sharing agreement with BSRM Steels Ltd., an investee company, on October 15, 2005 for allowing BSRM Steels Ltd. to use its goodwill. According to the terms of the agreement, Bangladesh Steel Re-Rolling Mills Ltd. is entitled to receive Tk. 300 per MT (in 2012: Tk. 250 per MT) of monthly production as management fee on monthly basis provided that BSRM Steels Ltd. has net profit in its monthly financial statements.

3.18 Borrowing costs

Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying assets are recognized in profit or loss using effective interest method. Borrowing cost incurred against loan for BMRE project have been capitalized under effective interest rate method.

3.19 Interest on balance of inter companies

Interest on balances due to /due from inter companies has been recognized in the financial statements periodically. Interest @ 15.50% per annum is charged to these short term loan balances as per Board's Resolution dated January 04, 2012.

3.20 Investments in associates

An associate is an entity in which the Company has significant influence and which is neither a subsidiary nor a joint venture. The Company's investment in associates is accounted for in the Financial Statements using the Equity Method in accordance with BAS 28: 'Accounting for investment in associates'. Such investments are classified as non-current assets in the statement of financial position and the share of profit/loss of such investment is classified under as share of profit from associate in the statement of profit or loss and other comprehensive income.

The excess of company's share of net assets' value of associates over cost of investments has been recognized in profit or loss as share of associate's profit or loss during the year following the provisions of BAS-28.

Unrealized gains and losses arising from transactions with associate are eliminated against the investment to the extent of the company's interest in investee.

3.21 FINANCIAL INSTRUMENTS

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

3.21.01 Financial assets

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

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

Financial assets are classified into the following categories: financial assets at fair value through profit or loss, held to maturity, loans and receivables and available-for-sale financial assets.

At fair value through profit or loss

A financial asset is classified as at fair value through profit or loss if it is classified as held for trading or is designated as such on initial recognition. Financial assets are designated as at fair value through profit or loss if the company manages such investment and makes purchase or sale decisions based on their fair value in accordance with the company's documented risk management or investment strategy. Attributable transactions costs are recognized in profit and loss as incurred. Financial assets at fair value through profit or loss are measured at fair value and changes therein which take into account and dividend income are recognized in profit or loss.

Held to maturity

These assets are initially recognized at fair value plus any directly attributable transaction cost. Subsequent to initial recognition, they are measured at amortized cost using the effective interest method.

Loans and receivables

Loans and receivables are financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are recognized initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, loans and receivables are measured at amortized cost.

Loans and receivables comprise cash and cash equivalents, loans and trade and other receivables.

(a) Cash and cash equivalents

Cash and cash equivalents comprise cash in hand, cash at bank which are available for use by the company without any restriction.

(b) Trade and other receivables

Trade and other receivables represent the amounts due from customers for delivering goods or rendering services. Trade and other receivables are initially recognized at cost which is the fair value of the consideration given in return. After initial recognition these are carried at amortized cost less impairment losses due to uncollectibility of any amount so recognised.

Available-for-sale

Available-for-sale financial assets are non-derivative financial assets that are designated as available for sale and are not classified in any other categories of financial assets. Generally available-for-sale financial assets are recognised initially at fair value plus any directly attributable transaction costs and subsequent to initial recognition at fair value and changes therein other than impairment losses are recognized in other comprehensive income and presented in the fair value reserve in equity. Financial assets which are not traded in the market have been valued at cost unless any indication of impairment in value of such financial assets exist. Cumulative gain/losses recognized in the other comprehensive income are reclassified from equity to profit or loss upon derecognition.

Available-for-sale financial assets comprise investment in equity securities and debt securities.

3.21.02 Financial liabilities

The company initially recognises financial liabilities on the date that are originated.

The company derecognises a financial liability when its contractual obligations are discharged, cancelled or expired.

The company classifies non-derivative financial liabilities into the other financial liabilities category. Such financial liabilities are recognised initially at fair value less directly attributable transaction cost. Subsequent to initial recognition, these financial liabilities are measured at amortized cost.

Other financial liabilities comprise loans and borrowings, bank overdrafts and trade and other payables.

(a) Trade and other payables

Trade and other payables represent the amounts due to customers for receiving goods or services. Trade and other payables are initially recognised at cost which is the fair value of the consideration received. After initial recognition these are carried at amortised cost.

(b) Other liabilities

Other liabilities represents the amounts due to various parties for receiving services. These are initially recognised at cost which is the fair value. After initial recognition these are carried at amortised cost.

3.21.03 Equity Instruments

Share capital (ordinary shares)

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares are recognised as expenses.

4.00 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 liability that are not based on observable market data.

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

Property, plant and equipment

The fair value of items of property, plant and equipments 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.

5.00 New Standards and interpretations not yet adopted

New standards or interpretations that have been adopted by the Institute of Chartered Accountants of Bangladesh (ICAB) and effective from January 01, 2013 are duly adopted by the company.

6.00 Property plant and equipment(PPE) for 2013

At revalued model:

Assets' category	Revalued amount				Depreciation				Carrying amount as on 31 December 2013
	Opening balance as on 1 January 2013	Addition	Disposal/ Adjustment	Closing balance as on 31 December 2013	Opening balance as on 1 January 2013	Charged for the year	Adjustment for disposal	Closing balance as on 31 December 2013	
	<u>Tk.</u>	<u>Tk.</u>	<u>Tk.</u>	<u>Tk.</u>	<u>Tk.</u>	<u>Tk.</u>	<u>Tk.</u>	<u>Tk.</u>	<u>Tk.</u>
Land and land development	3,770,747,745	2,479,347	-	3,773,227,092	-	-	-	-	3,773,227,092
Plant and machineries	2,661,493,410	231,652,281	(27,403,712)	2,865,741,979	202,210,792	202,220,705	(2,055,278)	402,376,219	2,463,365,760
Motor vehicles	42,776,218	8,513,792	(5,368,617)	45,921,393	8,555,244	7,686,535	(1,066,522)	15,175,257	30,746,136
Factory building and shed	440,648,172	347,843,126	-	788,491,298	29,956,274	62,158,305	-	92,114,579	696,376,719
Furniture and fixtures	29,406,517	3,425,518	-	32,832,035	4,086,235	3,975,851	-	8,062,086	24,769,949
Office equipment	19,866,096	3,836,955	-	23,703,051	2,977,289	3,096,789	-	6,074,078	17,628,973
	6,964,938,158	597,751,019	(32,772,329)	7,529,916,848	247,785,834	279,138,185	(3,121,800)	523,802,219	7,006,114,629

At cost model

The carrying amount that would have been recognised had the assets been carried under cost model as under:

Assets' category	Cost				Depreciation				Carrying amount as on 31 December 2013
	Opening balance as on 1 January 2013	Addition	Disposal/ Adjustment	Closing balance as on 31 December 2013	Opening balance as on 1 January 2013	Charged for the year	Adjustment for disposal	Closing balance as on 31 December 2013	
	<u>Tk.</u>	<u>Tk.</u>	<u>Tk.</u>	<u>Tk.</u>	<u>Tk.</u>	<u>Tk.</u>	<u>Tk.</u>	<u>Tk.</u>	<u>Tk.</u>
Land and land development	1,788,130,713	2,479,347	-	1,790,610,060	-	-	-	-	1,790,610,060
Plant and machineries	2,684,666,199	231,652,281	(15,399,567)	2,900,918,913	1,208,349,748	128,588,923	(1,154,967)	1,335,783,704	1,565,135,209
Motor vehicles	64,285,429	8,513,792	(2,525,632)	70,273,589	38,273,859	6,515,598	(486,323)	44,303,134	25,970,455
Factory building and shed	565,933,244	347,843,126	-	913,776,370	287,744,869	54,651,855	-	342,396,724	571,379,646
Furniture and fixtures	43,627,171	3,425,518	-	47,052,689	21,318,401	3,506,001	-	24,824,402	22,228,287
Office equipment	36,359,420	3,836,955	-	40,196,375	20,105,155	3,001,549	-	23,106,704	17,089,671
	5,183,002,176	597,751,019	(17,925,199)	5,762,827,996	1,575,792,032	196,263,926	(1,641,290)	1,770,414,668	3,992,413,328

Depreciation allocated to:

	<u>31.12.2013</u>	<u>31.12.2012</u>
	<u>Taka</u>	<u>Taka</u>
Cost of sales (Note 28.01)	268,033,053	237,073,737
Administrative costs (Note 30.00)	11,105,132	10,712,097
	279,138,185	247,785,834

6.00 Property plant and equipment(PPE) for 2012 (Continued)
At revalued model:

Assets' category	Revalued amount						Depreciation				Carrying amount as on 31 December 2012
	Opening balance as on 1 January 2012	Addition/ revaluation	Disposal	Revaluation adjustment for loss on revaluation	Adjustment for revaluation	Closing balance as on 31 December 2012	Opening balance as on 1 January 2012	Charged for the year	Adjustment for revaluation	Closing balance as on 31 December 2012	
	<u>Tk.</u>	<u>Tk.</u>	<u>Tk.</u>	<u>Tk.</u>	<u>Tk.</u>	<u>Tk.</u>	<u>Tk.</u>	<u>Tk.</u>	<u>Tk.</u>	<u>Tk.</u>	<u>Tk.</u>
Land and land development	2,254,278,307	1,516,469,438	-	-	-	3,770,747,745	-	-	-	-	3,770,747,745
Plant and machineries	3,447,184,395	550,087,159	-	(25,688,326)	(1,310,089,818)	2,661,493,410	1,310,089,818	202,210,792	(1,310,089,818)	202,210,792	2,459,282,618
Motor vehicles	55,141,838	30,851,550	(9,642,631)	(1,899)	(33,572,640)	42,776,218	33,572,640	8,555,244	(33,572,640)	8,555,244	34,220,974
Factory building and shed	649,454,317	76,511,521	-	(863,129)	(284,454,537)	440,648,172	284,454,537	29,956,274	(284,454,537)	29,956,274	410,691,898
Furniture and fixtures	35,990,727	11,011,152	-	(82,365)	(17,512,997)	29,406,517	17,512,997	4,086,235	(17,512,997)	4,086,235	25,320,282
Office equipment	29,616,381	7,944,899	(49,500)	(1,387,650)	(16,258,034)	19,866,096	16,258,034	2,977,289	(16,258,034)	2,977,289	16,888,807
	6,471,665,965	2,192,875,719	(9,692,131)	(28,023,369)	(1,661,888,026)	6,964,938,158	1,661,888,026	247,785,834	(1,661,888,026)	247,785,834	6,717,152,324

At cost model

The carrying amount that would have been recognised had the assets been carried under cost model as under:

Assets' category	Cost						Depreciation				Carrying amount as on 31 December 2012
	Opening balance as on 1 January 2012	Addition	Disposal	Revaluation adjustment for loss on revaluation	Adjustment for revaluation	Closing balance as on 31 December 2012	Opening balance as on 1 January 2012	Charged for the year	Adjustment for revaluation	Closing balance as on 31 December 2012	
	<u>Tk.</u>	<u>Tk.</u>	<u>Tk.</u>	<u>Tk.</u>	<u>Tk.</u>	<u>Tk.</u>	<u>Tk.</u>	<u>Tk.</u>	<u>Tk.</u>	<u>Tk.</u>	<u>Tk.</u>
Land and land development	1,710,405,468	77,725,245	-	-	-	1,788,130,713	-	-	-	-	1,788,130,713
Plant and machineries	2,616,063,097	68,603,102	-	-	-	2,684,666,199	1,086,782,771	121,566,977	-	1,208,349,748	1,476,316,451
Motor vehicles	52,131,580	16,876,166	(4,722,317)	-	-	64,285,429	31,770,966	6,502,893	-	38,273,859	26,011,570
Factory building and shed	552,202,103	13,731,141	-	-	-	565,933,244	265,811,713	21,933,156	-	287,744,869	278,188,375
Furniture and fixtures	36,663,035	6,964,136	-	-	-	43,627,171	17,801,235	3,517,166	-	21,318,401	22,308,770
Office equipment	31,689,886	4,719,034	(49,500)	-	-	36,359,420	17,239,913	2,865,242	-	20,105,155	16,254,265
	4,999,155,169	188,618,824	(4,771,817)	-	-	5,183,002,176	1,419,406,598	156,385,434	-	1,575,792,032	3,607,210,144

6.01 Carrying amount of land and land development under revalued model are made up as follows:

	<u>31.12.2013</u>	<u>31.12.2012</u>
	<u>Tk.</u>	<u>Tk.</u>
Leasehold land	1,832,242,500	1,832,242,500
Freehold land	1,940,984,592	1,938,505,245
	3,773,227,092	3,770,747,745

	<u>31.12.2013</u>	<u>31.12.2012</u>
	<u>Taka</u>	<u>Taka</u>
7.00 Capital work-in-progress		
Building and shed- upgradation and expansion of BSRM	285,976,700	83,577,527
Building and Factory Shed - Storage and delivery shed	58,969,638	326,028,919
Plant and machinery - construction of 16 MT Furnace at SMW	-	1,028,321
Building and Factory Shed - Shed for generator	-	3,187,691
Building and Factory Shed - construction of boundary wall	116,481	842,488
	<u>345,062,819</u>	<u>414,664,946</u>

These represent cost incurred for construction of building and factory shed at existing factory premises at Nasirabad Industrial Area, Chittagong.

8.00 Investment

Investment in associates (Note-8.01)	3,268,469,944	1,984,714,569
Other investments (Note-8.02)	99,527,794	53,659,911
Short term investments (Note-8.03)	78,011,752	232,608,160
	<u>3,446,009,490</u>	<u>2,270,982,640</u>

8.01 Investment in associates

BSRM Steels Ltd. (BSL)	2,319,969,214	1,984,714,569
BSRM Steel Mills Ltd. (BSML)	948,500,730	-
	<u>3,268,469,944</u>	<u>1,984,714,569</u>

Movement of investment in associates

	2013		2012
	<u>BSML</u>	<u>BSL</u>	<u>BSL</u>
	<u>Taka</u>	<u>Taka</u>	<u>Taka</u>
Opening balance	13,500,000	1,984,714,569	990,711,483

Addition during the period:

Investment in associate	437,646,000	-	-
Share of profit/(loss) of equity accounted investee (associates)	(1,543,996)	434,939,131	310,999,948
Excess of proportionate net assets' value of associates over acquisition cost	498,898,726	-	-
Share of revaluation surplus of equity accounted investee (associate)	-	-	838,181,556
	935,000,730	434,939,131	1,149,181,504
	948,500,730	2,419,653,700	2,139,892,987

Adjusted/ disposal during the period:

Sale of share of the equity accounted investee	-	-	(4,105,558)
Cash dividend received	-	(101,518,260)	(153,027,390)
	-	(101,518,260)	(157,132,948)
Unrealized profit (net) in inventory (Note-3.20)	-	1,833,774	1,954,530
Closing balance	948,500,730	2,319,969,214	1,984,714,569

Movement of shareholding in associate

	No. of shares	
	2013	2012
	<u>BSML</u>	<u>BSL</u>
Opening balance	1,350,000	102,018,260
No. of shares acquired	43,764,600	-
No. of bonus share received	-	5,075,913
No. of shares sold	-	(500,000)
Closing balance	45,114,600	106,594,173
Total number of shares in associates	207,300,000	341,775,000
Percentage of holding of shares of associate by BSRM Ltd.	21.763%	31.188%

Summary of financial information of equity accounted investee:

Name of the investee:		BSRM Steels Ltd.		BSRM Steel Mills Ltd.	
Reporting date:		31 December 2013		31 December 2013	
	<u>31.12.2013</u>	<u>31.12.2012</u>	<u>31.12.2013</u>	<u>31.12.2012</u>	
Ownership	31.19%	31.19%	21.76%	13.50%	
	<u>Tk.</u>	<u>Tk.</u>	<u>Tk.</u>	<u>Tk.</u>	
Current assets	18,037,267,454	17,171,400,659	907,272,669	141,612,073	
Non-current assets	10,118,158,864	9,635,182,667	5,194,648,732	3,572,102,429	
Total assets	<u>28,155,426,318</u>	<u>26,806,583,326</u>	<u>6,101,921,401</u>	<u>3,713,714,502</u>	
Current liabilities	19,104,954,216	18,822,222,385	834,288,912	658,553,463	
Non-current liabilities	1,520,165,489	1,536,770,985	-	-	
Total liabilities	<u>20,625,119,705</u>	<u>20,358,993,370</u>	<u>834,288,912</u>	<u>658,553,463</u>	
Revenue	36,294,868,280	38,262,395,136	-	-	
Other income	151,433,367	524,464,195	90,000	-	
Expenses	(35,044,712,529)	(37,785,652,254)	(9,861,817)	-	
Profit for the year	<u>1,401,589,118</u>	<u>1,001,207,077</u>	<u>(9,771,817)</u>	-	
Profit attributable to the owners of the company	<u>1,394,553,917</u>	<u>997,165,270</u>	<u>(9,771,817)</u>	-	
Total Comprehensive income attributable to owners of the company	<u>1,394,553,917</u>	<u>3,684,643,333</u>	<u>(9,771,817)</u>	<u>2,279,227,589</u>	

The company owns 106,594,173 nos. Ordinary Shares of Tk. 10 each in BSRM Steels Limited as on 31 December 2013. This represents 31.19% of paid up capital of BSRM Steels Limited (BSL). The market price of these Ordinary shares was Tk. 68.70 per share on 31 December 2013. Fair value of investments in BSL has been estimated at Tk. 7,323,019,685.

Out of 106,594,173 nos. ordinary shares, 6,000,000 nos., 3,823,000 nos., 500,000 nos., 388,890 nos., 800,000 nos. and 2,200,000 of ordinary shares are pledged against bridge finance and term loans from United Commercial Bank Ltd., IDLC Finance Ltd., IPDC Ltd., United Leasing Company Ltd., National Housing Finance and Investments Ltd. and International Leasing and Financial Services Ltd. respectively.

8.02 Other investments

	<u>31.12.2013</u>	<u>31.12.2012</u>
	<u>Taka</u>	<u>Taka</u>
Investment in non-tradable shares at cost (Note - 8.02.01)	1,000,300	1,000,300
Investment in shares of sister company, BSRM Steel Mills Ltd.-at cost	-	13,500,000
Investments in Fixed Deposit Receipts (Note - 8.02.02)	98,527,494	39,159,611
	<u>99,527,794</u>	<u>53,659,911</u>

8.02.01 Investment in non-tradable shares at cost

Islamic Steamship Co. Ltd.	300	300
Apollo Hospital Ltd.	1,000,000	1,000,000
	<u>1,000,300</u>	<u>1,000,300</u>

				31.12.2013	31.12.2012
				Taka	Taka
8.02.02 Investments in Fixed Deposit Receipts					
<u>Name of banks</u>	<u>Purpose</u>	<u>Period</u>	<u>Rate of interest</u>		
BASIC Bank Ltd.	Security deposit	3 years	12.50%	13,146,744	11,821,792
BD Finance Ltd.	Security deposit	5 years	15.00%	15,000,000	-
Dhaka Bank Ltd.	Investment	2 years	11.25%	683,673	614,905
IPDC of Bangladesh Ltd.	Investment	2 years	12.50%	27,873,090	25,043,204
Mercantile Bank Ltd.	Security Deposit	5 years	12.50%	417,484	415,330
	Investment	1 year	12.50%	79,556	71,618
The City Bank Ltd.	Investment	1 year	11.00%	1,326,947	1,192,762
International Leasing and Financial Services	Investment	1 year	14.25%	20,000,000	-
Fareast Finance & Investment Ltd.	Investment	1 year	13.50%	20,000,000	-
				98,527,494	39,159,611

8.03 Short term investments

Investment in Tradable securities at fair value (Note - 8.03.01)	15,711,449	18,506,460
Investments in Fixed Deposit Receipts (Note - 8.03.03)	62,300,303	214,101,700
	78,011,752	232,608,160

8.03.01 Investment in Tradable securities at fair value

ACI Zero Coupon Bond	10,785,320	14,352,968
Lafarge Surma Cement Ltd.	2,604,290	2,557,670
ACI Ltd.	1,691,676	1,135,182
Eastern Insurance Co. Ltd.	78,120	73,600
Pragati Life Insurance Ltd.	216,219	141,120
Progressive Life Insurance Ltd.	335,824	245,920
	15,711,449	18,506,460

8.03.02 Fair value of tradable securities

	Cost	Equivalent opening fair value	Closing fair value	Increase/ (Decrease) in Fair value reserve
	Tk.	Tk.	Tk.	Tk.
ACI Zero Coupon Bond	8,886,317	9,568,645	10,785,320	1,216,675
Lafarge Surma Cement Ltd.	3,101,900	2,557,670	2,604,290	46,620
ACI Ltd.	1,176,693	1,135,182	1,691,676	556,494
Eastern Insurance Co. Ltd.	179,537	73,600	78,120	4,520
Pragati Life Insurance Ltd.	319,606	141,120	216,219	75,099
Progressive Life Insurance Ltd.	497,476	245,920	335,824	89,904
	14,161,529	13,722,137	15,711,449	1,989,312

8.03.03 Investments in Fixed Deposit Receipts

<u>Name of banks</u>	<u>Purpose</u>	<u>Period</u>	<u>Rate of interest</u>	31.12.2013	31.12.2012
				Taka	Taka
AB Bank Ltd.	L/C Margin	6 months	9.50%	3,838,786	-
Dutch Bangla Bank Ltd.	L/C Margin	6 months	11.00%	13,987,100	-
Pubali Bank Ltd.	L/C Margin	6 months	11.00%	1,640,508	-
Standard Chartered Bank Ltd.	L/C Margin	6 months	10.00%	42,833,909	39,101,700
Habib Bank Ltd.	Investment	6 months	12.50%	-	175,000,000
				62,300,303	214,101,700

9.00 Inventories	Qty. (MT)	31.12.2013	31.12.2012
		Taka	Taka
Raw Materials-Billets	22,897	1,106,847,703	1,114,680,721
Raw Materials-Scraps	30,306	1,004,970,368	969,853,358
Finished Goods-Own production	47,464	2,690,985,208	1,325,565,778
Finished Goods-Imported	2,358	163,028,546	262,960,302
Finished Goods- Locally purchased	178	11,452,427	144,292,364
Mechanical stores		384,736,720	411,118,846
M.S. Roll		220,815,292	216,960,125
Electrical stores		135,962,464	130,200,820
General stores		35,825,377	33,731,172
Fuel and Lubricants		3,477,651	4,195,888
Consumable stores		131,483,305	148,517,349
Fire bricks		-	4,324,167
		5,889,585,061	4,766,400,890

9.01 Quantitative movement of raw materials and finished goods		M.Ton	M.Ton
Raw Materials			
Opening stock as on January 1		47,022	64,013
Add: Imported during the year		63,485	80,133
Produced by SMW		119,289	95,810
Purchased from local market		73,939	34,774
		256,713	210,717
Available for consumption		303,735	274,730
Less: Consumed /Sold/returned during the year		250,532	227,708
Closing inventories		53,203	47,022
Finished Goods			
Opening stock as on January 1		27,586	27,649
Add: Produced during the year		106,810	94,127
Imported/ Purchased from sister concern		42,318	97,438
		176,714	219,214
Less: Sold during the year		81,280	95,935
Sale of finished goods procured from outside		45,434	95,693
		126,714	191,628
Closing inventories		50,000	27,586

10.00 Trade Receivables	31.12.2013	31.12.2012
	Taka	Taka
From sale of M.S. product	404,442,274	542,712,306
From sale of scrap and billet	425,092	425,092
	404,867,366	543,137,398

The management believes that above receivables are good and fully realisable. Hence, no provision has been made at this stage.

10.01 Party-wise breakup of Trade receivables			
Inter companies:			
Karnapuli Engineering Works Ltd.		6,102	1,194,000
Other customers		404,861,264	541,943,398
		404,867,366	543,137,398

	31.12.2013	31.12.2012
Ageing of Trade receivables	Taka	Taka
Due for 3 months	271,198,571	437,508,782
Due for 3 to 6 months	74,582,872	45,087,764
Due for above 6 months	59,085,923	60,540,852
	404,867,366	543,137,398
Trade receivables- Classification by security and related party		
i) Debts considered good and in respect of which the company is fully secured	399,288,440	535,301,312
ii) Debts considered good for which the company holds no security other than the debtors' personal security	5,578,926	7,836,086
iii) Debts considered doubtful or bad	-	-
iv) Debts due by directors or other officers of the company or debts due by firms or private companies in which any director is a partner or a director or a member	6,102	1,194,000
v) Debts due by companies under the same management	6,102	1,194,000
vi) Maximum amount due by directors or other officers of the company at any time during the year	-	-
11.00 Other receivables		
Interest receivable	78,496,566	148,881,245
Rent receivable	95,000	-
	78,591,566	148,881,245
12.00 Due from inter companies		
H Akberali & Co. Ltd.	1,441,905,988	843,257,266
Chittagong Power Company Ltd.	20,295,654	266,333
East Bengal Trading & Industries Corp. Ltd.	100,000	-
BSRM Real Estates Ltd.	200,000	-
BSRM Steel Mills Ltd.	252,410,775	68,027,565
BSRM Recycling Industries Ltd.	88,004,189	129,934,144
BSRM Logistics Ltd.	182,472,398	133,516,258
BSRM Ispat Ltd.	291,700,375	234,130,375
BSRM Metals Ltd.	-	341,082
	2,277,089,379	1,409,473,023
These represent short term loans given to these sister companies as and when required to meet funding requirement.		
All transactions were done through account payee cheque. No amount is receivable from Directors at the reporting date.		
13.00 Advances and deposits		
Advances (Note - 13.01)	1,575,465,864	461,673,054
Deposits (Note - 13.02)	22,047,491	22,445,603
	1,597,513,355	484,118,657
13.01 Advances:		
Land	17,282,327	16,462,327
Staff loan against salary	4,428,179	4,201,868
Income tax-corporate	136,306,623	161,530,248
Against revenue expenses	68,032,134	35,153,070
Against scrap purchase- others	9,132,726	27,143,375
L/C margin	25,053,501	39,722,124
Against L/C	341,665,330	111,288,545
Share money deposit to BSRM Steel Mills Ltd. (Associate)	900,000,000	-
VAT current account and DEDO recoverable account	73,565,044	65,964,659
Income tax of staff	-	206,838
	1,575,465,864	461,673,054

	<u>31.12.2013</u>	<u>31.12.2012</u>
	<u>Taka</u>	<u>Taka</u>
13.02 Deposits:		
Customs Authority against claim	1,545,145	1,545,145
Ansar & VDP	674,221	674,221
T & T and others	191,444	191,444
Power Development Board	13,917,968	13,917,968
Karnaphuli Gas Distribution Co. Ltd. (KGDCL)	1,821,023	1,808,266
Bakhrabad Gas System Ltd.	422,576	422,576
Bank guarantee to Bakhrabad Gas Systems Ltd.	549,497	1,141,767
Linde Bangladesh Ltd.	879,900	879,900
Meghna Petroleum Ltd.	40,000	40,000
Others	2,005,717	1,824,316
	<u>22,047,491</u>	<u>22,445,603</u>

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

14.00 Cash and cash equivalents		
Cash in hand (Note-14.01)	3,986,343	3,822,555
Cash at Banks (Note-14.02)	95,316,305	73,765,525
Fixed Deposit Receipts (Note - 14.03)	-	7,976,884
	<u>99,302,648</u>	<u>85,564,964</u>

14.01 Cash in hand		
Corporate office	1,037,048	1,954,850
Factory office	1,893,953	800,000
Dhaka office	1,055,101	1,051,597
Overseas office	241	16,108
	<u>3,986,343</u>	<u>3,822,555</u>

	<u>31.12.2013</u>	<u>31.12.2012</u>
	<u>Taka</u>	<u>Taka</u>
14.02 Cash at Banks:		
Agrani Bank Ltd., Laldighi East Br., Ctg. - CD A/C	42,195	27,576
Agrani Bank Ltd., Baizid Bostami Br., Ctg. - CD A/C	2,046,212	1,448,417
Agrani Bank Ltd., Tomson Bridge Br., Comilla -CD A/C	11,275	72,549
AB Bank Ltd., Agrabad Br., Ctg.- CD A/C	8,546,514	3,592,810
Al - Arafah Islami Bank Ltd., Agrabad Br., Ctg. - CD A/C	916,245	65,123
Bank Al-Falah Ltd., Agrabad Br., Ctg. - CD A/C	11,724	37,335
Bank Al-Falah Ltd., Agrabad Br., Ctg. - STD A/C	21,752	23,022
BASIC Bank Ltd., Dewanhat Br., Ctg. - CD A/C	52,806	48,588
Commercial Bank of Ceylon, Agrabad Br., Ctg.- CD A/C	14,090	33,740
EXIM Bank Ltd., CDA Avenue Br., Ctg.- CD A/C	641,530	4,418,618
Dhaka Bank Ltd., Jubilee Road Br., Ctg.- CD A/C	6,276	30,439
Dutch Bangla Bank Ltd., Agrabad Br., Ctg. - CD A/C	45,628	7,767
Dutch Bangla Bank Ltd., Jubilee Road Br., Ctg. - CD A/C	25,334,452	293,119
Habib Bank Ltd., Laldighi East Br., Ctg. - CD A/C	6,881,725	30,801,785
HSBC Ltd., Agrabad Br. Ctg.- CD A/C	3,744,901	45,578,456
HSBC Ltd. Kolkata	109,310	19,828
HSBC Ltd.,- Agrabad Br., - USD Exporters FCY A/C	149,942	7,407
IFIC Bank Ltd., Agrabad - CD A/C	375,563	-
Indian Overseas Bank Ltd. (A/C No 817)	1,802	1,802
Islami Bank Bangladesh Ltd., Jubilee Road Br., Ctg. - CD A/C	4,060	761,558
Jamuna Bank Ltd., Khatungonj Br., Ctg. - CD A/C	82,537	2,166,408
Janata Bank Ltd., Laldighi East Corporate Br., Ctg. - CD A/C	1,485,767	129,629
Janata Bank Ltd. , Laldighi East Br., Ctg. - CD A/C (Old)	1,008	1,008
Janata Bank Ltd. Agrabad Br., Ctg - CD A/C	761	761
Janata Bank Ltd., Local office, Dhaka CD A/C	1,977	3,127
Mercantile Bank Ltd., Jubilee Road Br., Ctg. - CD A/C	12,135	24,404
Mutual Trust Bank Ltd., Jubilee Road Br., Ctg. - CD A/C	850,951	2,777,964
National Bank Ltd., Jubilee Road Br. Ctg. - CD A/C	74,833	38,502
National Credit and Commerce Bank Ltd., Agrabad Br. Ctg. - CD A/C	47,317,362	48,039
NRB Commercial Bank Ltd.	3,816	-
One Bank Limited., Agrabad Br. Ctg. - CD A/C	7,532	30,014
Prime Bank Ltd., O. R. Nizam Road Br., Ctg. - CD A/C	4,459,483	204,289
Premier Bank Ltd., O. R. Nizam Road Br., Ctg. - CD A/C	20,605	1,995
Premier Bank Ltd., Khatungonj Br., Ctg. - CD A/C	11,531	69,880
Pubali Bank Ltd., Agrabad Br. Ctg. - CD A/C	33,764	90,279
Shahjalal Islami Bank Ltd., Jubilee Road Br., Ctg. - CD A/C	89,363	199,612
Social Islami Bank Ltd., Jubilee Road Br., Ctg. - CD A/C	384,974	485,015
Sonali Bank Ltd., Kalibari Br., Ctg. - CD A/C	7,526	84,503
Sonali Bank Ltd., Kalibari Br., Ctg. - STD A/C	-	71,514
Sonali Bank Ltd., Cable Shilpa Br., Khulna - CD A/C	512	3,789
Southeast Bank Ltd., CDA Avenue Br., Ctg. - CD A/C	2,672,422	3,564,286
Southeast Bank Ltd. , Pahartali Br., Ctg. - CD A/C	1,016,782	82,502
Standard Bank Ltd., Sadarghat Br., Ctg.- CD A/C	2,576,986	-
Standard Chartered Bank Ltd., Agrabad Br., Ctg.- CD A/C	(17,656,904)	(32,939,762)
Standard Chartered Bank Ltd., Motijheel Br., Dhaka- CD A/C	134,745	206,993
State Bank of India, Agrabad Br., Ctg. - CD A/C	10,382	2,172,785
Trust Bank Ltd., CDA Avenue Br., Ctg. - CD A/C	131,852	132,791
The City Bank Ltd., Agrabad Br., Ctg. - CD A/C	368,029	23,983
United Commercial Bank Ltd., Jubilee Road Br. Ctg. - CD A/C	2,257,572	6,821,276
	<u>95,316,305</u>	<u>73,765,525</u>

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

				<u>31.12.2013</u>	<u>31.12.2012</u>
				<u>Taka</u>	<u>Taka</u>
14.03 Fixed Deposit Receipts					
<u>Name of banks</u>	<u>Purpose</u>	<u>Period</u>	<u>Rate of interest</u>		
AB Bank Ltd.	L/C Margin	1 month	12.00%	-	3,464,370
Pubali Bank Ltd.	L/C Margin	3 months	12.50%	-	4,512,514
				-	7,976,884

15.00 Share capital

Authorised capital:

500,000,000 Ordinary Shares of Tk. 10 each

5,000,000,000	5,000,000,000
5,000,000,000	5,000,000,000

Issued, Subscribed and Paid-up capital:

64,345,491 Ordinary Shares of Tk.10/- each issued in cash

643,454,910 643,454,910

64,345,491 Ordinary Shares of Tk.10/- each
fully paid-up as Bonus Shares

643,454,910 643,454,910

27,160,056 Ordinary shares of Tk. 10/- each
fully paid up (other than cash)

271,600,560 271,600,560

1,558,510,380	1,558,510,380
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15.01 Shareholding position

<u>Name of shareholders</u>	<u>%</u>	<u>Number of shares</u>	<u>Number of shares</u>
Mr. Alihussain Akberali	14.09%	21,967,130	21,967,130
Mr. Aameir Alihussain	10.95%	17,069,955	17,069,955
Mrs. Bilkis Alihussain	10.36%	16,143,581	16,322,540
Mr. Saifuddin Abbas Unwala	5.39%	8,399,000	9,400,000
Mr. Iqbal Hussain	6.97%	10,870,000	10,870,000
Mr. Abbas Jumani	6.42%	10,000,000	10,000,000
Mr. Ali Asgar Badruddin	12.83%	20,000,000	20,000,000
Mr. Zohair Taherali	3.65%	5,682,204	5,682,204
Mrs. Tehseen Zohair Taherali	3.94%	6,147,822	6,188,663
VORTEX Investments Ltd.	2.34%	3,645,890	3,645,890
Mrs. Sabeen Aameir	2.57%	4,004,600	4,004,600
Mr. Abdul Qadir Zohair	0.00%	4,600	4,600
Mrs. Munira Saif Uddin	0.01%	13,880	13,880
Mr. Md. Hussain Habib	0.00%	4,650	4,650
Mr. Faisal Iqbal Poonawala	0.00%	4,520	4,520
Mrs. Shahnaz Hussain	0.02%	35,840	35,840
H. Akberali & Co. Ltd.	16.86%	26,270,116	26,270,116
Karnafully Engineering Works Ltd.	2.57%	4,000,850	4,000,850
Mrs. Rizwana Khandwala	0.06%	101,000	-
Mrs. Fatema Jangbarwala	0.16%	245,000	-
Mr. Yusuf Nosir Jangbarwala & Batul Alibhoy Tyebkhan	0.58%	900,000	-
Mr. Aquil Hatim Bhai	0.00%	-	20,000
Various employees of BSRM Group	0.22%	340,400	345,600
	100%	155,851,038	155,851,038

15.02 Dividends	<u>31.12.2013</u>	<u>31.12.2012</u>
The following dividends were declared and paid/ payable by the company for the year:	<u>Taka</u>	<u>Taka</u>
15% Cash dividend (Tk. 1.5) per qualifying ordinary share (for 2012)	233,776,557	-
100% Stock dividend per qualifying ordinary share (for 2011)	-	643,454,910
	<u>233,776,557</u>	<u>643,454,910</u>

During the year 2013, Tk. 67,778,860 was remitted to non-resident shareholders as dividend after making required deduction of tax at source.

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

15% Cash dividend (Tk. 1.5) per qualifying ordinary share	-	<u>233,776,557</u>
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16.00 Reserves

16.01 General reserve

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

16.02 Revaluation reserve

Revaluation reserve relates to the revaluation of property plant and equipment (Note- 3.01.04).

16.03 Fair value reserve

The fair value reserve comprises the cumulative net change in the fair value of available for sale financial assets until the assets derecognised or impaired (Note-3.21.01).

16.04 Reserve for issuance of share against merger

This represents total face value of shares issued against acquisition of assets and liabilities of Meghana Engineering Works Ltd. as on December 31, 2010. As per calculation 27,160,056 nos Ordinary Shares of Tk. 10 each totaling Tk. 271,600,560 of Bangladesh Steel Re-Rolling Mills Ltd. has been allotted subsequently after getting approval from Securities and Exchange Commission (SEC) vide letter of consent (ref: SEC/CI/CPLC-213/2009/1582) dated September 30, 2012.

The procedure for transferring the legal title of all movable and immovable properties of Meghna Engineering Works Limited due to acquisition is under process. However, physical possession of movable and immovable properties of Meghna Engineering Works Limited continues to remain with the reporting Entity.

	<u>31.12.2013</u>	<u>31.12.2012</u>
	<u>Taka</u>	<u>Taka</u>
17.00 Long Term Loan		
Project loan and syndicated term loan(Note- 17.03)	592,804,276	627,490,645
Other Term loan (Note- 17.04)	1,306,077,892	917,675,859
	<u>1,898,882,168</u>	<u>1,545,166,504</u>
17.01 Long term loan -Maturity analysis		
Long term loans received from Banks and financial institutions are re-payable as per the following schedule from April, 2013:		
Due within one year-Current portion	492,699,556	316,932,594
Due after more than one year-Long term portion	1,406,182,612	1,228,233,910
	<u>1,898,882,168</u>	<u>1,545,166,504</u>
17.02 Long Term Loan- Long term portion		
Agrani Bank Ltd. - Project loan	-	9,594,631
One Bank Ltd. - Syndicated term loan	492,616,797	579,796,228
Other term loan	913,565,815	638,843,051
	<u>1,406,182,612</u>	<u>1,228,233,910</u>
17.03 Project loan and syndicated term loan		
Agrani Bank Ltd. - Project loan (Note - 17.03.01)	10,820,974	27,490,645
One Bank Ltd. - Syndicated term loan (Note - 17.03.02)	581,983,302	600,000,000
	<u>592,804,276</u>	<u>627,490,645</u>
17.03.01 Terms of project loan		
Lenders:		
Agrani Bank Ltd. sanctioned an amount of Tk. 1,119.36 lac as project loan against BMRE and disbursed the full amount within 2nd November, 2005. Total loan amount was divided into two parts as long term loan Tk. 1,008.43 lac and interest during implementation Tk. 110.93 lac.		
Total loan facilities: Tk. 1,119.36 lac.		
Interest rate:		
Interest rate is 12% per annum or at applicable rate as determined from time to time on half yearly basis.		
Disbursement:		
The first disbursement was made on 18.12.2004.		
Repayments		
Long term loan is being re-paid in 16 half-yearly equal installments starting from 18 June 2007.		
Interest for the period of implementation is being re-paid in five equal yearly installments commencing from completion of one year from the commencement of the commercial production of the project.		
Loan period		
The entire loan amount shall be re-paid by ten (10) years including grace period of two (2) years.		
Securities:		
i. Mortgage of land area of 1.98 acre and building thereon.		
ii. Hypothecation on all existing and proposed machineries and furniture of the project.		
iii. Personal guarantee of all directors of the company.		
Lender's covenants		
Any subsequent requirement of working capital for BMRE Project shall be financed by entrepreneurs.		
Purpose:		
For meeting expenditure for capital machineries.		

17.03.02 Terms of Syndicated term loan

Lenders:

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

Total loan facilities: Tk. 60 crore.

Interest rate:

Interest rate is 15%-16% per annum calculated on quarterly basis and variable depending on the situation of money market.

Disbursement:

The first disbursement was made on September 16, 2012.

Repayments

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

Securities:

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

Purpose:

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

	<u>31.12.2013</u>	<u>31.12.2012</u>
	<u>Taka</u>	<u>Taka</u>
AB Bank Ltd.	32,997,605	68,998,756
IPDC of Bangladesh Ltd.	17,429,105	48,233,275
IDLC Finance Ltd.	140,679,742	11,678,075
Jamuna Bank Ltd.	23,151,941	46,522,139
Lanka Bangla Finance Ltd.	459,350,025	500,000,000
MIDAS Financing Ltd.	18,748,307	56,244,923
Fareast Finance & Investment Ltd.	186,880,733	-
International Leasing and Financial Services Ltd.	250,000,000	-
National Housing Finance and Investments Ltd.	94,855,836	-
Prime Bank Ltd.	24,480,137	63,735,691
United Leasing Company Ltd.	57,504,461	67,724,019
National Credit and Commerce Bank Ltd.	-	16,533,718
Shahjalal Islami Bank Ltd.	-	26,118,902
United Commercial Bank Ltd.	-	11,886,361
	<u>1,306,077,892</u>	<u>917,675,859</u>

Terms and conditions of above term loans are shown in Note-17.04.01 below:

17.04.01 Terms and conditions of other term loan

Name of banks	Amount Taka	Types of facility	Installment	Rate of interest	Securities
AB Bank Ltd.	32,997,605	Term loan	Monthly	14.50%	1. Lien on 189,000 nos. ordinary shares of BSRM Wires Ltd. 2. Lien on 105,000 nos. ordinary shares of BSRM Recycling Ind. Ltd. 3. Corporate guarantee of BSRM Wires Ltd. and BSRM Recycling Ind. Ltd.
Fareast Finance & Investment Ltd.	186,880,733	Term loan	Monthly	17.00%	1. Lien on FDR amounting to 10% of financed amount. 2. Charge on fixed & floating assets of the company. 3. Directors' personal guarantee and Mrs. Bilkis Ali Hussain (shareholder). 4. Corporate guarantee of H Akberali & Co. Ltd. 5. Post dated cheques.
IPDC of Bangladesh Ltd.	17,429,105	Term loan	Quarterly	16.00%	1. Directors' personal guarantee. 2. Floating charge over all movable properties of BSRM Ltd. 3. Lien on 808,500 ordinary shares held by all directors in BSRM Ltd.
IDLC Finance Ltd.	140,679,742	Term loan	Monthly	17.00%	1. Lien on 382,300 nos. ordinary shares of BSRM Steels Ltd. 2. Directors' personal guarantee.
International Leasing and Financial Services Ltd.	250,000,000	Term loan	Monthly	17.00%	1. Directors' personal guarantee. 2. Lien on TDR of Tk. 2 crore. 3. Lien on 2,200,000 nos. of shares of BSRM Steels Ltd.
Jamuna Bank Ltd.	23,151,941	Term loan	Monthly	16.00%	1. Directors' personal guarantee. 2. Hypothecation of capital machineries.
Lanka Bangla Finance Ltd.	459,350,025	Term loan	Monthly	17.00%	1. Directors' personal guarantee. 2. Corporate guarantee of H. Akber Ali & Co. and BSRM Iron & Steel Company Ltd. 3. Floating charge on the fixed and floating assets of BSRM Ltd. 4. Post dated cheques, promissory note etc.
MIDAS Financing Ltd.	18,748,307	Term loan	Monthly	18.00%	Directors' personal guarantee.
National Credit and Commerce Bank Ltd.	-	Term loan	Monthly	15.50%	1. Directors' personal guarantee. 2. Hypothecation of capital machineries.
National Housing Finance and Investments Ltd.	94,855,836	Term loan	Monthly	17.00%	1. Directors' personal guarantee. 2. Lien on 800,000 nos. ordinary shares of BSRM Steels Ltd.
Prime Bank Ltd.	24,480,137	Term loan	Monthly	16.00%	1. Directors' personal guarantee. 2. Hypothecation of capital machineries.
Shahjalal Islami Bank Ltd.	-	Term loan	Monthly	16.00%	1. Directors' personal guarantee. 2. Hypothecation of capital machineries.
United Commercial Bank Ltd.	-	Term loan	Quarterly	17.00%	1. Directors' personal guarantee. 2. Hypothecation of capital machineries.
United Leasing Company Ltd.	57,504,461	Term loan	Monthly	16.50%	1. Directors' personal guarantee. 2. Lien on 388,889 nos. ordinary shares of BSRM Steels Ltd. 3. Post dated cheque covering whole of the loan amount plus interest.
					1,306,077,892

	31.12.2013	31.12.2012
	<u>Taka</u>	<u>Taka</u>
18.00 Deferred tax liabilities		
Opening balance as on January 1	882,458,633	682,920,590
Provided during the period:		
Investments in associates	171,455,321	44,521,271
Increases in fair value of tradable securities	232,488	-
Revaluation surplus of PPE (excluding land)	-	212,067,263
Taxable temporary difference of PPE (excluding land)	53,931,562	-
Adjusted during the period:		
Deductible temporary difference of PPE	-	(10,421,460)
Sale of revalued assets	(5,012,482)	(1,845,118)
Loss on revaluation of PPE	-	(10,508,763)
Impact of depreciation on revaluation surplus	(31,077,847)	(34,275,150)
	189,529,042	199,538,043
Closing balance	<u>1,071,987,675</u>	<u>882,458,633</u>

18.01 Reconciliation of deferred tax liabilities/ (assets)

	Carrying amount	Tax base	Tax rate	Taxable/ (Deductible) temporary difference	Deferred tax liabilities/ (assets)
	<u>Taka</u>	<u>Taka</u>		<u>Taka</u>	<u>Taka</u>
Property, plant & equipment (except land)	3,232,887,537	1,021,386,196	37.5%	2,211,501,341	829,313,002
Tradable securities	15,711,449	14,161,529	15%	1,549,920	232,488
Deferred tax liability on investment in associates					242,442,185
Total deferred tax liabilities					<u>1,071,987,675</u>

19.00 Trade payables

BSRM Steels Ltd.	3,563,424,229	2,775,603,565
Purchase from outsiders	-	5,368,952
BSRM Wires Ltd.	-	962,800
	<u>3,563,424,229</u>	<u>2,781,935,317</u>

20.00 Short term liabilities

Loan against Trust Receipt (LTR) (Note - 20.01)	1,089,112,721	886,787,515
Bridge Loan from United Commercial Bank Ltd.	530,390,716	518,929,379
Time Loan from AB Bank Ltd.	149,108,293	11,700,000
Time Loan from Habib Bank Ltd.	100,069,444	-
Time Loan from One Bank Ltd.	118,327,083	-
Factoring Loan against sales invoice (Note - 20.02)	4,783,360	14,047,257
Loan against CC Pledge and Hypo (Note - 20.03)	1,125,898,695	1,219,739,906
Inland Foreign Documentary Bills For Collection (IFDBC) (Note-20.04)	513,337,980	598,311,309
Time Loan from Trust Bank Ltd.	-	101,526,944
	<u>3,631,028,292</u>	<u>3,351,042,310</u>

Terms and conditions of the above liabilities are shown in Note-47.

	31.12.2013	31.12.2012
	Taka	Taka
20.01 Loan against Trust Receipt (LTR)		
Bank Alfalah Ltd.	56,759,955	54,374,199
HSBC Ltd.	284,156,436	299,813,278
Islami Bank Bangladesh Ltd.	259,669,880	95,432,087
Mercantile Bank Ltd.	5,718,856	1,491,146
Prime Bank Ltd.	30,343,731	191,812,878
Pubali Bank Ltd.	185,157,587	12,757,108
Standard Chartered Bank Ltd.	105,367,500	79,420,256
Shahjalal Islami Bank Ltd.	74,530,100	93,993,380
Trust Bank Ltd.	2,959,142	57,693,183
Al-Arafah Islami Bank Ltd.	2,929,367	-
Dutch Bangla Bank Ltd.	13,500,292	-
National Credit and Commerce Bank Ltd.	34,860,893	-
One Bank Ltd.	33,158,982	-
	1,089,112,721	886,787,515
20.02 Details of Factoring Loan		
United Leasing Co. Ltd. (Note - 20.02.01)	4,783,360	14,047,257
	4,783,360	14,047,257
20.02.01 Terms and conditions:		
i. 80% of gross sales invoice/billed amount is paid by discounting sales invoice.		
ii. Interest rate is 15% per annum along with processing and collection fees of 0.25% on the invoice amount.		
Security:		
Personal guarantee of directors of the company and deed of floating charge on all accounts receivables (present and future).		
20.03 Loan against CC Pledge, Hypo and Overdraft		
Agrani Bank Ltd. - CC (Hypo) A/C	68,964,095	134,306,511
Agrani Bank Ltd., Laldighi East Br. Ctg. - CC (Pledge) A/C	431,152,637	429,049,469
BASIC Bank Ltd. - OD A/C	187,260	11,665,249
Habib Bank Ltd., Laldighi Br. Ctg. - CC A/C	65,164,544	45,143,157
Jamuna Bank Ltd. - CC (Hypo) A/C	32,424,325	18,589,514
National Bank Ltd. - CC A/C (Hypo)	16,516,222	47,826,506
Prime Bank Ltd. - CC (Hypo) A/C	141,094,424	139,931,200
Pubali Bank Ltd., Agrabad Br. Ctg. - CC (Hypo)	69,779,967	249,261,212
Sonali Bank Ltd., K.C. Dey Road Br. Ctg. - CC (Hypo) A/C	79,718,714	67,438,402
Sonali Bank Ltd., Kalibari Br. Ctg. - CC (Hypo) A/C	5,818,357	16,169,091
Trust Bank Ltd. - OD A/C	14,309,721	44,988,794
Standard Bank Ltd. - CC (Hypo) A/C	200,768,429	-
Dhaka Bank Ltd.	-	9,726,887
Shahjalal Islami Bank Ltd.	-	2,001,889
Social Islami Bank Ltd. - (CC Hypo) A/C	-	3,642,025
	1,125,898,695	1,219,739,906

	31.12.2013	31.12.2012
	Taka	Taka
20.04 Inland Foreign Documentary Bills For Collection (IFDBC)		
HSBC Ltd.	23,660,107	62,597,982
Shahjalal Islami Bank Ltd.	10,444,473	39,207,622
One Bank Limited.	27,804,729	37,345,038
Pubali Bank Ltd.	32,080,348	117,264,979
Islami Bank Bangladesh Ltd.	58,243,226	26,272,490
Prime Bank Ltd.	42,758,175	73,299,153
IFIC Bank Ltd.	71,158,984	-
United Commercial Bank Ltd.	23,379,408	-
Standard Chartered Bank Ltd.	31,656,333	-
Dhaka Bank Ltd.	31,999,946	-
Dutch Bangla Bank Ltd.	160,152,251	-
AB Bank Ltd.	-	37,346,870
Mercantile Bank Ltd.	-	66,549,086
State Bank of India	-	85,634,731
National Bank Ltd.	-	33,796,086
Agrani Bank Ltd.	-	18,997,272
	513,337,980	598,311,309
21.00 Liabilities for expenses		
Audit Fees	360,000	360,000
Karnaphuli Gas Distribution Co. Ltd.	2,079,848	2,451,150
Power Development Board for electricity (Factory)	133,947,055	49,550,779
Godown rent	133,050	113,100
C & F Bill and others	8,294,817	3,594,131
Others	120,102	185,836
Carriage on sales	4,167,277	10,031,868
Salary & Allowances	23,046,708	21,283,046
Financial expenses	39,584,169	15,965,289
Linde Bangladesh Ltd. (formerly BOC)	317,090	293,320
Telephone expenses	191,097	75,279
Carrying charges	1,339,378	2,857,154
Medical expenses	782,928	277,859
Conveyance	14,400	91,029
Casual wages	1,863,868	1,670,595
Fees and renewals	614,250	-
Power Development Board for electricity (Depot, godown etc.)	-	158,650
Guest House rent	-	40,100
ULC Bill Collection charges and interest	-	208,613
Printing and stationery	-	3,060
Postage and telegram	-	93,180
Legal expenses	-	24,000
Fuel and lubricants	-	16,644
Spare parts	-	7,518,570
Carriage on purchase	-	178,086
Repair and maintenance	-	72,500
Entertainment expenses	-	28,459
	216,856,037	117,142,297
22.00 Advance against sales	101,714,671	54,956,861

These represent advances received from different parties against sale of finished goods. Goods have not been delivered to them within the reporting date.

	<u>31.12.2013</u>	<u>31.12.2012</u>
	<u>Taka</u>	<u>Taka</u>
23.00 Due to inter companies		
Karnaphuli Engineering Works Ltd.	6,000,000	-
BSRM Metals Ltd.	988,918	-
Section Steel Ind. Ltd.	550,000	-
BSRM Wires Ltd.	12,811,318	6,949,912
BSRM Steels Ltd.	2,375,947,711	362,970,206
Bangladesh Steels Ltd.	4,912,398	4,498
	<u>2,401,210,345</u>	<u>369,924,616</u>

These balances represent short term financial arrangement availed from inter companies as and when required to meet working capital. Interest @ 15.50% has been charged to these balances.

All transactions were made through account payee cheques.

24.00 Provision for income tax

Opening balance as on January 1	184,962,166	256,237,264
Provided during the period:		
Against current year	124,274,416	188,224,809
Against previous years	6,612,039	87,652
	<u>130,886,455</u>	<u>188,312,461</u>
	<u>315,848,621</u>	<u>444,549,725</u>
Less: Adjusted with advance income tax paid at source	191,574,205	259,587,559
Closing balance	<u>124,274,416</u>	<u>184,962,166</u>

Year wise Income Tax assessment status is as follows:

<u>Accounting</u>	<u>Assessment year</u>	<u>Present status</u>
<u>year</u>		
2008	2009-2010	Assessment of Meghna Engineering Works Ltd. is pending at High Court Division
2009	2010-2011	Assessment completed
2010	2011-2012	Assessment completed
2011	2012-2013	Assessment completed
2012	2013-2014	Assessment completed

25.00 Provision for WPPF and Welfare Fund

Opening balance as on January 1	2,665,273	16,775,066
Provided during the period	2,199,136	10,673,907
	<u>4,864,409</u>	<u>27,448,973</u>
Less: Paid during the period with salary	4,058,024	24,783,700
Closing balance	<u>806,385</u>	<u>2,665,273</u>

26.00 Other liabilities

Liability for other finance	150,000	150,000
Earnest Money	50,000	50,000
Security Deposit	953,762	8,598,448
Retention Money	7,744,989	11,787,273
Income Tax deducted at source from salary	1,124,335	-
Income Tax deducted at source-others	2,564,198	1,162,918
VAT deducted at source	1,267,268	843,340
Dividend payable	1,351,360	-
Employees' Provident Fund	-	1,214,991
	<u>15,205,912</u>	<u>23,806,970</u>

Income Tax and VAT deducted at source above have subsequently been paid to the Govt. Exchequer.

	<u>2013</u> <u>Taka</u>	<u>2012</u> <u>Taka</u>
27.00 Revenue		
Local sales	8,341,552,985	12,977,678,436
Export sales (Note-27.01)	48,263,134	52,132,524
Sale of scrap	116,370,841	977,371,266
Sale of by-products	96,228,048	36,239,262
	8,602,415,008	14,043,421,488
27.01 Export sales		
Total export sales during this period was USD 623,364 against exporting of 797.87 MT goods.		
28.00 Cost of sales		
Cost of sales-own production (Note -28.01)	5,145,347,011	5,129,813,667
Cost of sales- finished goods purchased (Note - 28.02)	2,863,475,160	6,287,904,038
Cost of sale of scrap	93,500,567	964,002,867
Cost of sale of billet	-	964,180,241
	8,102,322,738	13,345,900,813
28.01 Cost of sales-own production		
Opening Stock of raw materials - Billets	1,114,680,721	647,034,794
Add: Purchased during the year	95,301,103	1,015,550,886
Consumption of scrap and sponge(Note - 28.01.01)	4,642,847,703	4,107,685,663
	4,738,148,806	5,123,236,549
	5,852,829,527	5,770,271,343
Less: Closing Stock of Raw Materials	1,106,847,703	1,114,680,721
Cost of sale of billets to other parties	-	964,180,241
	1,106,847,703	2,078,860,962
Raw Materials Consumed- Billets	4,745,981,824	3,691,410,381
Add: Manufacturing Expenses:		
Direct expenses	74,550,985	71,340,455
Direct materials consumed	397,762,542	346,836,823
Factory overhead (Note - 28.03)	272,038,973	193,232,774
Power	596,745,125	418,907,137
Gas	27,641,127	27,224,671
Welding gas and liquid oxygen	3,186,939	2,998,402
Fuel and Lubricants	14,947,651	8,865,584
Repair and maintenance of furnace	-	3,578,410
Consumption of mechanical stores	48,276,631	35,244,681
Consumption of MS Roll	35,896,526	26,551,305
Consumption electrical stores	18,854,670	9,143,057
Consumption general stores	6,850,395	2,236,385
Depreciation (Note- 6.00)	268,033,053	237,073,737
	1,764,784,617	1,383,233,421
Cost of Goods Manufactured	6,510,766,441	5,074,643,802
Add: Opening stock of Finished Goods	1,325,565,778	1,380,735,643
	7,836,332,219	6,455,379,445
Less: Closing stock of Finished Goods	2,690,985,208	1,325,565,778
Cost of sales of manufactured finished goods	5,145,347,011	5,129,813,667
28.01.01 Raw materials consumed - scrap and sponge		
Opening Stock of raw materials	969,853,358	2,078,684,887
Add: Purchased during the year	4,771,465,280	3,962,857,001
	5,741,318,638	6,041,541,888
Less: Closing Stock of raw materials	1,004,970,368	969,853,358
Cost of sale of scrap	93,500,567	964,002,867
	1,098,470,935	1,933,856,225
	4,642,847,703	4,107,685,663

	<u>2013</u> <u>Taka</u>	<u>2012</u> <u>Taka</u>
28.02 Cost of sales-finished goods imported and locally purchased		
Opening stock of finished goods	407,252,666	260,086,164
Add: Finished goods imported	205,308,252	471,037,694
Finished goods locally purchased	2,425,395,215	5,964,032,846
	3,037,956,133	6,695,156,704
Less: Closing stock of finished goods	174,480,973	407,252,666
	<u>2,863,475,160</u>	<u>6,287,904,038</u>
28.03 Factory overhead		
Salaries and allowances	198,010,034	124,444,584
Godown rent	7,612,770	6,926,640
Carrying charges-raw materials	27,057,387	23,806,656
Conveyance expenses	9,686,277	3,263,754
Electricity expenses	4,250,526	5,188,471
Water bill-WASA	54,423	75,432
Entertainment	4,793,322	3,625,007
Travelling expenses	2,083,810	965,640
Factory office expenses	1,206,035	706,680
General expenses	474,917	133,960
Guest house rent	1,523,280	811,550
Guest house expenses	867,285	548,807
Insurance expenses	581,561	359,281
Medical expenses	1,960,488	907,582
Paper and periodical	10,515	12,984
Postage and telegram	133,374	62,253
Printing & stationery	814,829	1,115,411
Repairs and Maintenance	10,319,174	17,159,462
Land revenue, Municipal tax	548,766	554,815
Generator expenses	50,200	2,563,805
	<u>272,038,973</u>	<u>193,232,774</u>
29.00 Selling and distribution costs		
Advertisement	307,294	450,826
Brokerage and commission	50,000	66,233
Carriage on sales	50,934,483	25,654,496
Travelling expenses	2,361,021	3,308,978
Export charges	663,769	1,384,108
Debtors written off	420,791	-
Sales commission	360,255	3,760,676
Godown rent	548,898	789,654
	<u>55,646,511</u>	<u>35,414,971</u>

	<u>2013</u>	<u>2012</u>
	<u>Taka</u>	<u>Taka</u>
30.00 Administrative costs		
Salaries and allowances	99,421,290	79,383,945
Directors' remuneration (Note - 30.01)	24,600,000	24,600,000
Rent (Office, depot and others)	5,420,040	21,182,096
Fees and renewals	3,175,453	1,481,043
Land revenue, Municipal tax	1,125	195,054
Audit fees	790,525	868,300
Conveyance expenses	1,449,423	658,312
Donation and subscriptions	562,336	1,951,932
Entertainment	2,929,564	3,145,402
General expenses	217,293	246,661
Guest house expenses	132,660	180,000
Legal expenses	909,536	1,478,482
Professional expenses	1,457,440	2,765,762
Motor vehicle expenses	5,839,805	12,261,500
Office expenses	1,555,343	1,961,172
Postage expenses	463,909	650,737
Computer expenses	7,653	1,295,587
Printing expenses	38,133	296,278
Stationery expenses	43,837	667,369
Laboratory expenses and others	72,506	29,376
Paper and Periodicals	34,548	48,265
Telephone and e-mail expenses	3,245,429	3,937,930
Training expenses	254,261	200,957
Depreciation (Note- 6.00)	11,105,132	10,712,097
Electricity expenses	1,287,276	986,609
Medical expenses	1,094,891	2,112,421
Staff welfare	-	32,434
Travelling expenses	-	2,701,173
	166,109,408	176,030,894

30.01 Directors' Remuneration

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

<u>Name</u>	<u>Gross</u>	<u>Income Tax</u>	<u>Net Paid</u>
	<u>Remuneration</u>	<u>Deducted</u>	
	<u>Taka</u>	<u>Taka</u>	<u>Taka</u>
Mr. Alihussain Akberali-Managing Director	7,200,000	1,800,000	5,400,000
Mr. Aameir Alihussain-Director	4,800,000	1,200,000	3,600,000
Mr. Zohair Taherali-Director	7,200,000	1,800,000	5,400,000
Mrs. Tehseen Zohair Taherali-Director	4,800,000	1,200,000	3,600,000
Mrs. Sabeen Aameir- Director	600,000	49,500	550,500
	24,600,000	6,049,500	18,550,500

In addition to remuneration, Directors avail company vehicles for transportation purposes.

31.00 Other Income

Profit/(Loss) on sale of motor car	827,295	(610,131)
Profit on sale of machinery	2,951,567	-
Miscellaneous income	2,873,362	744,862
Loss on sale of office equipment	-	(26,500)
	6,652,224	108,231

			<u>2013</u> <u>Taka</u>	<u>2012</u> <u>Taka</u>
32.00 Finance costs				
Interest on LTR			158,815,914	104,499,441
Interest on Demand and Time loan			14,358,440	4,959,270
Interest on factoring loan			1,467,553	1,358,644
Interest on Term loan			206,137,552	111,582,128
Bank charges			6,755,340	7,412,237
Bank Guarantee Commission			130,774	14,530
Interest on balance due to inter companies-Net			(279,203,494)	(108,536,263)
Interest on Overdraft			166,931,728	158,011,447
Foreign currency exchange rate fluctuation gain			(10,997,401)	(2,040,989)
Interest on BMRE Term loan			-	1,571,885
			264,396,406	278,832,330
33.00 Finance income				
Interest income from FDR			23,390,549	34,150,796
			23,390,549	34,150,796
34.00 Non- operating income				
Dividend income			70,482	56,800
Management fees			163,550,409	99,159,222
Profit on sale of investment in shares			1,482,841	50,034,684
Rental income			3,960,000	1,940,000
Impairment loss on investment in tradable shares			-	(1,121,720)
			169,063,732	150,068,986
35.00 Share of profit of associate (Net of tax)	<u>BSML</u>	<u>BSL</u>	<u>Total</u> <u>2013</u>	<u>BSL</u> <u>2012</u>
Net profit attributable to the shareholders of associates	(9,771,817)	1,394,553,917		997,165,270
Ownership	21.76%	31.19%		31.19%
Net (loss)/profit attributable to BSRM Ltd.	(1,543,996) *	434,939,131	433,395,135	310,999,948
Excess of proportionate net asset value of associates over acquisition cost	498,898,726	-	498,898,726	-
Adjustment against unrealized profit on inventories-net	-	1,833,774	1,833,774	1,954,530
	497,354,730	436,772,905	934,127,635	312,954,478
* Share of loss from BSML has been calculated from the day it has become an associate i.e., 11 April 2013.				
36.00 Basic earnings per share (EPS)				
Profit attributable to the ordinary shareholders (Taka)			788,701,611	453,924,187
Weighted Average number of shares outstanding during the year (Nos.)			155,851,038	155,851,038
Basic earnings per share (EPS)-Taka			5.06	2.91

37.00 Related party transactions

During the year, the company carried out a number of transactions with related parties in the normal course of business and on arms length basis. The name of these related parties, nature of transactions, their total value and balances on reporting date have been set in accordance with the provisions of BAS-24.

Related parties comprise of companies under common ownership and common management control.

<u>Name of parties</u>	<u>Relationship</u>	<u>Nature of Transactions</u>	<u>Outstanding as on 31.12.2013</u> <u>Taka</u>		<u>Compensation</u>
H Akberali & Co. Ltd.	Sister Company and shareholder	Short term loan	1,441,905,988	Dr.	Market price
Karnaphuli Engineering Works Ltd.	-DO-	Short term loan	6,000,000	Cr.	Market price
Chittagong Power Company Ltd.	Sister Company	Short term loan	20,295,654	Dr.	Market price
BSRM Wires Ltd.	-DO-	Short term loan	12,811,318	Cr.	Market price
BSRM Recycling Industries Ltd.	-DO-	Short term loan	88,004,189	Dr.	Market price
Bangladesh Steels Ltd.	-DO-	Short term loan	4,912,398	Cr.	Market price
BSRM Logistics Ltd.	-DO-	Short term loan	182,472,398	Dr.	Market price
BSRM Ispat Ltd.	-DO-	Short term loan	291,700,375	Dr.	Market price
BSRM Real Estates Ltd.	-DO-	Short term loan	200,000	Dr.	Market price
BSRM Metals Ltd.	-DO-	Short term loan	988,918	Cr.	Market price
Section Steel Ind. Ltd.	-DO-	Short term loan	550,000	Cr.	Market price
East Bengal Trading & Industries Corp. Ltd.	-DO-	Short term loan	100,000	Dr.	Market price
BSRM Steels Ltd.	Investee	Short term loan	2,375,947,711	Cr.	Market price
BSRM Steel Mills Ltd.	Investee	Short term loan	252,410,775	Dr.	Market price
BSRM Steels Ltd.	Investee	Purchase	3,563,424,229	Cr.	Market price
Karnaphuli Engineering Works Ltd.	-DO-	Sales	6,102	Dr.	Market price

37.01 Details of transactions

<u>Name of inter companies</u>	<u>Opening balances</u> <u>Taka</u>		<u>Provided during the year</u> <u>Taka</u>	<u>Adjusted during the year</u> <u>Taka</u>	<u>Closing balances</u> <u>Taka</u>	
H Akberali & Co. Ltd.	843,257,266	Dr.	1,102,192,149	503,543,427	1,441,905,988	Dr.
Karnaphuli Engineering Works Ltd.	-		7,611,060	1,611,060	6,000,000	Cr.
Chittagong Power Company Ltd.	266,333	Dr.	20,928,821	899,500	20,295,654	Dr.
BSRM Wires Ltd.	6,949,912	Cr.	99,444,506	93,583,100	12,811,318	Cr.
BSRM Recycling Industries Ltd.	129,934,144	Dr.	91,429,164	133,359,119	88,004,189	Dr.
BSRM Iron & Steel Co. Ltd.	-		3,824,310,335	3,824,310,335	-	
Bangladesh Steels Ltd.	4,498	Cr.	4,907,900		4,912,398	Cr.
BSRM Logistics Ltd.	133,516,258	Dr.	111,668,611	62,712,471	182,472,398	Dr.
BSRM Ispat Ltd.	234,130,375	Dr.	63,820,000	6,250,000	291,700,375	Dr.
BSRM Real Estates Ltd.	-		200,000		200,000	Dr.
Section Steel Ind. Ltd.			600,000.00	50,000	550,000	Cr.
BSRM Metals Ltd.	341,082	Dr.	720,000	2,050,000	988,918	Cr.
East Bengal Trading & Industries Corp. Ltd.	-		650,000	550,000	100,000	Dr.
BSRM Steels Ltd.	362,970,206	Cr.	12,879,736,472	10,866,758,967	2,375,947,711	Cr.
BSRM Steel Mills Ltd.	68,027,565	Dr.	2,202,787,983	2,018,404,773	252,410,775	Dr.
Burhani Scrap Traders	-		6,350,000	6,350,000	-	
BSRM Wires Ltd.	962,800	Cr.	39,804,150	38,841,350	-	
BSRM Iron & Steel Co. Ltd.	-				-	
BSRM Steels Ltd.	2,775,603,565	Cr.	1,639,086,005	2,426,906,669	3,563,424,229	Cr.
H Akberali & Co. Ltd.	-		264,441	264,441	-	
Karnaphuli Engineering Works Ltd.	1,194,000	Dr.	8,469,002	9,656,900	6,102	Dr.
BSRM Steels Ltd.	-		18,938,903	18,938,903	-	
BSRM Steel Mills Ltd.	-		33,034,657	33,034,657	-	
BSRM Logistics Ltd.	-		6,222,778	6,222,778	-	
BSRM Iron and Steel Co. Ltd.	-		1,163,077	1,163,077	-	
Bangladesh Steels Ltd.	-		46,480	46,480	-	

38.00 Contingent liabilities

The company had contingent liabilities at the reporting date which are as follows:

Particulars	Amount (Taka)	Present status
Against approval of value addition in 2003	-	Pending for hearing and amount of liability can not be estimated at this stage
Penalty imposed by VAT Authority in 2004	100,000	Pending before the High Court Division of Supreme Court
Demand raised by VAT Authority in 2004 for difference in selling price	536,174	
Against trade VAT in 2006	178,415	
Against percentage of wastage (4% in place of 2.50%) in 2011	-	Pending before the High Court Division of Supreme Court and liability of which can not be estimated at this stage.

38.01 Status of pending litigation with the Income Tax authority for dispute with respect to income tax liability.

Disputed amount of tax liability has already been deducted by Income Tax authority and shown as advance income tax under advance, deposits and pre-payments.

Assessment year	Unit	Amount (Tk.)	Present status
2001-2002	BSRM	4,900,000	Pending before High Court Division of Supreme Court for hearing as the company appealed against the order of Appellate Tribunal.
2002-2003	BSRM	10,561,562	
2005-2006	BSRM	9,861,000	
2003-2004	SMW	14,764,000	
2005-2006	SMW	3,266,000	
2009-2010	SMW	2,320,000	
		45,672,562	

39.00 Guarantees**39.01 Bank guarantees**

	31.12.2013 Taka	31.12.2012 Taka
Bank Guarantee Against Bakhraabad Gas System	549,497	1,138,472
Deposit to Customs Authority against claim under appeal	1,545,145	1,545,145
	2,094,642	2,683,617

The above margin and deposits have been included in Advance, Deposits and Pre-payments.

39.02 Corporate guarantees

The company has a policy to extend corporate guarantee for the financial arrangements of the sister companies within the group. At the reporting date, status of such guarantee was as follows:

Name of inter companies	Against	Maximum limit (in million) (Taka)
BSRM Steels Ltd.	L/C liability	20,115
BSRM Iron and Steel Co. Ltd.	L/C liability	15,430
		35,545

40.00 Financial Instruments- Accounting classifications and fair values

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy (Note- 4). It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

		Carrying amount					Fair Value				
	Note ref.	Fair value through profit or loss	Held to maturity	Loans and receivables	Available for sale	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total
		Taka	Taka	Taka	Taka	Taka	Taka	Taka	Taka	Taka	Taka
31st December, 2013											
Financial Assets measured at fair value:											
Investments in tradable securities	8.03	-	-	-	15,711,449	-	15,711,449	15,711,449	-	-	15,711,449
Financial Assets not measured at fair value:											
Trade and other receivables	10 & 11	-	-	483,458,932	-	-	483,458,932				
Due from inter companies	12	-	-	2,277,089,379	-	-	2,277,089,379				
Investments in non-tradable securities	8.02	-	-	-	1,000,300	-	1,000,300				
Investments in FDR	8.02 & 8.03	-	-	-	160,827,797	-	160,827,797				
Cash at bank	14	-	-	95,316,305	-	-	95,316,305				
		-	-	2,855,864,616	161,828,097	-	3,017,692,713				
Financial Liabilities not measured at fair value:											
Trade and other payables	19 & 21	-	-	-	-	(3,780,280,266)	(3,780,280,266)				
Due to inter companies	23	-	-	-	-	(2,401,210,345)	(2,401,210,345)				
Short term liabilities	20	-	-	-	-	(3,631,028,292)	(3,631,028,292)				
Long term loan	17	-	-	-	-	(1,898,882,168)	(1,898,882,168)				
Other liabilities	26	-	-	-	-	(15,205,912)	(15,205,912)				
		-	-	-	-	(11,726,606,983)	(11,726,606,983)				
31st December, 2012											
Financial Assets:											
Investments in tradable securities	8.03	-	-	-	18,506,460	-	18,506,460	18,506,460	-	-	18,506,460
Financial Assets not measured at fair value:											
Trade and other receivables	10 & 11	-	-	692,018,643	-	-	692,018,643				
Due from inter companies	12	-	-	1,409,473,023	-	-	1,409,473,023				
Investments in non-tradable securities	8.02	-	-	-	1,000,300	-	1,000,300				
Investments in FDR	8.02 & 8.03	-	-	-	253,261,311	-	253,261,311				
Cash at bank	14	-	-	81,742,409	-	-	81,742,409				
		-	-	2,183,234,075	254,261,611	-	2,437,495,686				
Financial Liabilities not measured at fair value:											
Trade and other payables	19 & 21	-	-	-	-	(2,899,077,614)	(2,899,077,614)				
Due to inter companies	23	-	-	-	-	(369,924,616)	(369,924,616)				
Short term liabilities	20	-	-	-	-	(3,351,042,310)	(3,351,042,310)				
Long term loan	17	-	-	-	-	(1,545,166,504)	(1,545,166,504)				
Other liabilities	26	-	-	-	-	(23,806,970)	(23,806,970)				
		-	-	-	-	(8,189,018,014)	(8,189,018,014)				

41.00 Financial instruments- Financial risk management

The Company has exposure to the following risks from its use of financial instruments:

- (i) Credit risk
- (ii) Liquidity risk
- (iii) Market risk

41.01 Risk management framework

The company management has overall responsibility for the establishment and oversight of the Company's risk management framework. The company's management policies are established to identify and analyze the risks faced by the Company to set appropriate risk limits and controls and to monitor risks and adherence to limit. Risk management policies, procedures and systems are reviewed regularly to reflect changes in market conditions and the company's activities.

41.02 Credit risk

Credit risk is risk of financial loss to the company if a customer or counterparty to a financial instrument fails to meet its contractual obligations which arises principally from the Company's receivables and investments.

41.02.01 Exposure to credit risk

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was as follows:

	<u>31.12.2013</u>	<u>31.12.2012</u>
	<u>Taka</u>	<u>Taka</u>
Investment in quoted shares and debt securities	15,711,449	18,506,460
Investments in non-tradable shares	1,000,300	1,000,300
Investments in FDRs (Short term & long term)	160,827,797	253,261,311
Advances and deposits	1,597,513,355	484,118,657
Trade and other receivables	483,458,932	692,018,643
Due from inter companies	2,277,089,379	1,409,473,023
Cash and cash equivalents	95,316,305	81,742,409
	<u>4,630,917,517</u>	<u>2,940,120,803</u>

(a) Trade and other receivables

The company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk of the industry in which customers operate. During 2013, 99.25 % (2012: 99.78%) of the company's receivables balance was with various outside parties. However, based on the company's operations there is no concentration of credit risk.

The company's management has established a credit policy under which each new customer is analyzed individually for creditworthiness before the company's standard payment and delivery terms and conditions are offered. The company review includes clients goodwill and in some cases bank references. Customers that fails to meet the company's standard credit policy may transact with the company only on a pre-payment basis.

Ageing of trade and other receivables

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

	<u>31.12.2013</u>	<u>31.12.2012</u>
	<u>Taka</u>	<u>Taka</u>
0-90 days	349,790,137	586,390,027
91- 180 days	74,582,872	45,087,764
Over 180 days	59,085,923	60,540,852
	<u>483,458,932</u>	<u>692,018,643</u>

The management believes that the amounts are collectible in full, based on historic payment behaviour and extensive analysis of customer credit risk, including underlying customers' credit ratings if they are available.

(b) Due from inter companies

The carrying amount represents amount paid to one of the inter companies to meet its operational finance from time to time. The outstanding balance is redeemable including 15.50% interest per annum and has no prescribed repayment schedule.

(c) Cash and cash equivalents

The company held cash at bank of Tk. 95,316,305 at December 31, 2013 (2012: Tk. 81,742,409), which represents its maximum credit exposure on these assets. The balance with banks are maintained with both local branch of International banks and domestic scheduled banks.

(d) Guarantees

The company's policy is to provide financial guarantees only to its sister companies. At December 31, 2013 the company has a number of corporate guarantees for L/C liabilities of sister companies (refer to Note - 39.02).

41.03 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.

41.03.01 Exposure to Liquidity risk

The following are the contractual maturities of financial liabilities:

<u>Non-derivative financial liabilities</u>	<u>Carrying amount</u>	<u>Contractual cash flows</u>			
		<u>Within 12 months</u>	<u>1 to 5 years</u>	<u>More than 5 years</u>	<u>Total</u>
	<u>Taka</u>	<u>Taka</u>	<u>Taka</u>	<u>Taka</u>	<u>Taka</u>
<u>As at 31.12.2013</u>					
Long term loan	1,898,882,168	492,699,556	1,406,182,612	-	1,898,882,168
Trade creditors	3,563,424,229	3,563,424,229	-	-	3,563,424,229
Short term liabilities	3,631,028,292	3,631,028,292	-	-	3,631,028,292
Liabilities for expenses	216,856,037	216,856,037	-	-	216,856,037
Due to inter companies	2,401,210,345	2,401,210,345	-	-	2,401,210,345
Provision for WPPF and Welfare Fund	806,385	806,385	-	-	806,385
Other liabilities	15,205,912	15,205,912	-	-	15,205,912
	11,727,413,368	10,321,230,756	1,406,182,612	-	11,727,413,368
<u>Non-derivative financial liabilities</u>					
<u>As at 31.12.2012</u>					
Long term loan	1,545,166,504	316,932,594	1,102,694,386	125,539,524	1,545,166,504
Trade creditors	2,781,935,317	2,781,935,317	-	-	2,781,935,317
Short term liabilities	3,351,042,310	3,351,042,310	-	-	3,351,042,310
Liabilities for expenses	117,142,297	117,142,297	-	-	117,142,297
Due to inter companies	369,924,616	369,924,616	-	-	369,924,616
Provision for WPPF and Welfare Fund	2,665,273	2,665,273	-	-	2,665,273
Other liabilities	23,806,970	23,806,970	-	-	23,806,970
	8,191,683,287	6,963,449,377	1,102,694,386	125,539,524	8,191,683,287

41.04 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.

41.04.01 Currency risk exposure and its management

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

The Company is exposed to foreign currency risk relating to purchases, sales and other transactions which are denominated in foreign currencies. As at 31 December 2013, the Company was exposed to foreign currency risk in respect of financial liabilities denominated in the following currencies:

	<u>31.12.2013</u>		<u>31.12.2012</u>	
Exposure to currency risk	US\$	Taka	US\$	Taka
Foreign currency denominated assets:				
Cash and cash equivalents	1,921	149,942	91	7,407
Trade and other receivables	152,723	11,813,086	-	-
	154,644	11,963,028	91	7,407
Foreign currency denominated liabilities:				
Inland Foreign Documentary Bills For Collection (IFDBC)	6,560,230	513,337,980	7,478,891	598,311,309
	6,560,230	513,337,980	7,478,891	598,311,309
Net exposure	6,714,874	525,301,008	7,478,982	598,318,716

The following significant exchange rate is applied during the period:

US dollar	78	80
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Sensitivity analysis

A reasonably possible strengthening (weakening) of the US Dollar against BD Taka at the reporting date would have affected the measurement of financial instruments denominated in a foreign currency and affected equity and profit or loss by the amounts shown below. The analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecast sales and purchases.

	Profit or loss		Equity- net of tax	
	Strengthening	Weakening	Strengthening	Weakening
31 December 2013	Taka	Taka	Taka	Taka
USD (2% movement)	(10,027,499)	10,027,499	(6,267,187)	6,267,187
31 December 2012				
USD (2% movement)	(11,966,078)	11,966,078	(7,478,799)	7,478,799

41.04.02 Transaction risk

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

41.04.03 Economic risk

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

41.04.04 Interest risk

Interest rate risk arises from movement in interest rates. The company needs to manage interest rate risk so as to be able to re-pay debts as they fall due and to minimize the risks surrounding interest payments and receipts.

Exposure to interest rate risk

The interest rate profile of the company's interest-bearing financial instruments as reported to the management of the company is as follows.

	2013	2012
Fixed- rate instruments	Taka	Taka
Financial assets	2,437,917,176	1,670,711,218
Financial liabilities	(7,931,120,805)	(5,266,133,430)
	(5,493,203,629)	(3,595,422,212)
Variable- rate instruments		
Financial assets	-	-
Financial liabilities	-	-
	-	-

41.05 Other market price risk

The company is exposed to equity price risk, which arises from available for sale equity and debt securities. Management of the company monitors its investment portfolio based on market indices and all buy and sell decisions are approved by the Directors.

42.00 Operating lease

	31.12.2013	31.12.2012
	<u>Taka</u>	<u>Taka</u>
Operating lease rentals as per BAS 17: Leases are payable as follows :		
Within one year	9,916,144	17,386,275
Within 2 to 5 years	6,173,725	54,842,448
After 5 years	-	-
	<u>16,089,869</u>	<u>72,228,723</u>

43.00 Capital commitment

The company has decided to increase its production capacity to 450,000 MT from existing 120,000 MT per annum by modernizing its existing Re-rolling plant located at Nasirabad Industrial Area, Baizid Bostami Road, Chittagong. The entire plant will be fully automated and configured in such a way so as to maximize the output and reduce production cost. The estimated project cost stands at Tk. 4,800 million. Out of required amount, Tk. 600 million has been financed by One Bank Ltd.- the lead arranger and 6 (Six) other Banks and Non-Banking Financial Institutions under syndication. A further sum of Tk. 2,790 million will be financed under a syndicated term loan facility arranged by UCBL as lead arranger and other 15 participants. Balance amount will be financed from the sponsors' own sources.

	<u>2013</u>	<u>2012</u>
44.00 Production capacity		
Installed Capacity (In M.Ton) yearly	120,000	120,000
Production (In M.Ton)	106,810	94,127
Capacity utilized (%)	89.01	78.44
45.00 Employees		
Number of employees whose monthly salary was below Tk. 3,000	-	-
Number of employees whose monthly salary was above Tk. 3,000	718	712
	<u>718</u>	<u>712</u>

46.00 Events After Reporting Date

No material events have occurred from the reporting date to the date of issuing of these financial statements which could affect the values stated therein.

47.00 Terms and conditions of short term liabilities

S.L	NAME OF BANKS	Sanctioned limit (Figures in crore)			Rate of Interest	Nature of Security
		LTR	Time loan	CC pledge/Hypo, over draft and bridge loan		
1	Agrani Bank Ltd.	10.00		58.00	12%	Mortgage: 1. Plot No. 147,148,149 located at Nasirabad I/A measuring 2.79 Acres or 279.00 decimals of land. 2. Plot No. 3796 located at Madarbari, Chittagong measuring 0.451 acres or 40.50 decimals of land. 3. Plot No. 10 located at Agrabad Commercial Area, Chittagong measuring 1.29 Bigha or 42.57 decimals land. 4. Plot No. 91/99 located at Panchlaish R/A, Chittagong measuring 20.75 decimals Land. 5. Plot No. 1786/2330 located at Sitakunda, Bhatiary, Chittagong measuring 155.00 decimals nal land. 6. 144 located at Motijheel C/A, Dhaka measuring 11.55 decimals land. 7. Plot No. 23,25,26,29,30,2585,2584,2578,2577 22 and full of R.S plot No. 24 198.00 decimals of land located at Nasirabad, Chittagong. 8. Plot No. 8 of Block D located at Sholashahar Light I/A (Ruby Investment) measuring 325.00 decimals of land. Total Land =(279.00+83.07+20.75+155.00+11.55+198.00+325.00)=1072.37 decimals of Homestead, Factory Building and Nal Land.
2	AB Bank Ltd.		18.00		14.50%	Post dated cheque, corporate guarantee & personal guarantee of all Directors.
3	Al-Arafah Islami Bank Ltd.	65.00		10.00	15.50%	Post dated cheque, corporate guarantee & personal guarantee of all directors.
4	Bank Al Falah Ltd.	30.00		-	15%	Cross corporate guarantee, personal guarantee of all directors, hypothecation of stocks & book debts with RJSC.
5	Basic Bank Ltd.	30.00		2.00	16%	Personal guarantee of all directors, lien on FDR for Tk. 1.00 crore. For SOD facility hypothecation of stocks & book debts with RJSC.
6	Commercial Bank of Ceylon	14.00		-	14.00%	Hypothecation of stocks & book debts with RJSC & personal guarantee of all directors.
7	Habib Bank Ltd.	5.00	15.00	2.00	13%	Legal mortgage of Section Steel Ind. Ltd., Equitable mortgage of Section Steel Ind. Ltd., Corporate guarantee & personal guarantee of
8	HSBC Ltd.	98.00		-	14%	DP note, personal guarantee of all directors, corporate guarantee. Registered mortgage of residence at Nasirabad H/S of Mr. Alihussain Akberali. Hypothecation of stocks & book debts with RJSC.
9	Islami Bank Bangladesh Ltd.	200.00		-	15.20%	Lien on Tk. 2.00 crore FDR dated 28.02.12 of IPDC Ltd. Mortgage of 710.50 decimal land located at Sonapaher, 107.00 decimal land located at Khilmurari, 66.50 decimal land located at Sonapaher, 60.00 decimal of land located at Sonapahar, 46.00 decimal land located at Khilmurai and 56.00 decimal land located at Sonapahar, Mirasarai, Chittagong. Total 1046.00 decimal land, hypothecation of stocks and book debts with RJSC.
10	Jamuna Bank Ltd.	20.00		3.00	15.50%	Hypothecation of stocks & book debts with RJSC & corporate guarantee, personal guarantee of all directors.
11	Mercantile Bank Ltd.	80.00		-	15%	Counter guarantee, personal guarantee, post dated cheque & hypothecation of stocks & book debts with RJSC.
12	National Bank Ltd.	125.00		5.00	15.50%	Post dated cheque, corporate guarantee & personal guarantee of all directors.
13	National Credit and Commerce Bank Ltd.	100.00			14%	Post dated cheque, corporate guarantee & personal guarantee of all directors.
14	One Bank Ltd.	37.52		-	15.50%	Post dated cheque, corporate guarantee & personal guarantee of all directors.
15	Prime Bank Ltd.	50.00		15.00	14.50%	Hypothecation of stocks & book debts with RJSC, IGPA, cross corporate guarantee, personal guarantee of all directors.
16	Pubali Bank Ltd	50.00		25.00	15%	Post dated cheque, corporate guarantee & personal guarantee of all directors.
17	Standard Bank Ltd.			20.00	15.50%	4.08 acres of land at Boalkhali, Chittagong.
18	Standard Chartered Bank Ltd.	103.50		3.00	14.50%	DP note, personal guarantee of all directors, corporate guarantee & registered mortgage over 2.60 acre land of Bangladesh Steels
19	Shahjalal Islami Bank Ltd.	100.00		15.00	15.50%	Post dated cheque, corporate guarantee & personal guarantee of all directors.
20	Social Islami Bank Ltd.	60.00		20.00	15.50%	Post dated cheque, corporate guarantee & personal guarantee, insurance policy.
21	Sonali Bank Ltd.	50.00		10.00	16%	Post dated cheque, corporate guarantee & personal guarantee. 2.58 acres of land, 1) R,S Plot No.82,92,98,99,1257,101,100,87,75 Industrial Plot No: 54/55 P.S 37 1.95 Acres. 2) PS No. 33 0.63 Areas of Land. Total= 1.95+.63 =2.58 Acres.
22	Trust Bank Ltd.	60.00	30.00	20.00	14.50%	Cross corporate guarantee of the availing concerns & charge created on the fixed & floating assets.
23	United Commercial Bank Ltd.	-		50.00	16.00%	Corporate guarantee of H. Akberali & Co. Ltd. Post dated cheque and personal guarantee of all directors of the company. Lien on 60 lac equity shares of BSRM Steels Ltd.
TOTAL		1,288.02		258.00		

BANGLADESH STEEL RE-ROLLING MILLS LIMITED

Auditor's Report in pursuance of section 135 (1) under para 24(1) of part II of the Third Schedule of The Companies Act 1994

We, as the auditors of the above company, having examined the Financial Statements of Bangladesh Steel Re-Rolling Mills Limited for the year ended 31 December 2013 and also for the year ended 31 December 2012 and the figures extracted from the Financial Statements for the remaining years ended 31 December 2011, 2010 and 2009, which were audited by M. A. Mallik & Co., Chartered Accountants, in pursuance of Section 135 (1) under para 24(1) of part II of the third schedule of the Companies Act 1994, report that:

The Company was formed and incorporated with the Registrar of Joint Stock Companies and Firms in Bangladesh on 28 December 1960 vide the certificate C/186-No. 1491/92 E.P. of 1960-1961 under Companies Act VII of 1913 (since repealed and substituted by the Companies Act 1994) as a private company limited by share. The company was converted into a public limited company on 3 November 2009 under the Companies Act 1994.

The statements of assets and liabilities, operating results and cash flows of Bangladesh Steel Re-Rolling Mills Limited are as under:

A. The statements of assets and liabilities of the company are as under:

	As at 31 Dec 2013	As at 31 Dec 2012	As at 31 Dec 2011	As at 31 Dec 2010	As at 31 Dec 2009	
	Taka	Taka	(Restated) Taka	(Individual) Taka	(Consolidated) Taka	(Individual) Taka
Assets						
Non-current assets:						
Property, plant and equipment	7,529,916,848	6,964,938,158	6,471,665,967	2,871,973,488	6,526,958,811	2,642,034,990
Accumulated depreciation	(523,802,219)	(247,785,834)	(1,661,888,027)	(757,283,962)	(956,615,561)	(640,187,338)
	7,006,114,629	6,717,152,324	4,809,777,940	2,114,689,526	5,570,343,250	2,001,847,652
Capital work-in-progress	345,062,819	414,664,946	39,163,676	-	1,655,150	-
Investment in associates	3,268,469,944	1,984,714,569	990,711,483			
Other investment	99,527,794	53,659,911	38,466,361	1,030,617,934	371,619,522	1,127,914,790
Total non-current assets	10,719,175,186	9,170,191,750	5,878,119,460	3,145,307,460	5,943,617,922	3,129,762,442
Current assets:						
Inventories	5,889,585,061	4,766,400,890	5,142,826,219	1,361,127,992	4,317,180,551	1,014,046,531
Accounts receivable	404,867,366	543,137,398	443,148,097	456,879,003	673,858,285	248,223,746
Other receivable	78,591,566	148,881,245	150,890,735			
Due from inter companies	2,277,089,379	1,409,473,023	2,342,089,197	2,258,172,554	1,057,307,753	1,057,307,753
Advances, deposits and prepayments	1,597,513,355	484,118,657	552,749,319	371,335,285	1,451,670,889	273,551,258
Short term investment	78,011,752	232,608,160	250,258,588			
Cash and cash equivalents	99,302,648	85,564,964	94,722,689	76,263,415	281,865,150	131,289,824
Total current assets	10,424,961,127	7,670,184,337	8,976,684,844	4,523,778,249	7,781,882,628	2,724,419,112
Total assets	21,144,136,313	16,840,376,087	14,854,804,304	7,669,085,709	13,725,500,550	5,854,181,554
Equity and Liabilities						
Share capital	1,558,510,380	1,558,510,380	643,454,910	589,700,400	121,250,200	121,250,200
Stock dividend distributable	-	-	-	53,754,510	121,250,200	121,250,200
General reserve	30,170,818	30,170,818	30,170,818	11,271,971	11,271,971	11,271,971
Revaluation reserve	4,129,104,568	4,189,255,118	1,619,084,375	1,282,759,164	1,512,311,150	1,512,310,300
Retained earnings	2,398,521,265	1,747,355,332	1,840,565,341	485,972,890	(505,405,498)	220,399,491
Fair value reserve	2,439,152	1,023,492	-	-	-	-
Reserve for issuance of shares against Merger	-	-	271,600,560	-	-	-
Attributable to equity holders	8,118,746,183	7,526,315,140	4,404,876,004	2,423,458,935	1,260,678,023	1,986,482,162
Non-controlling interest	-	-	-	-	56,523,750	-
Total equity	8,118,746,183	7,526,315,140	4,404,876,004	2,423,458,935	1,317,201,773	1,986,482,162
Liabilities						
Non-current liabilities:						
Long term loan	1,406,182,612	1,228,233,910	331,889,228	453,839,654	2,025,289,000	419,032,515
Deferred tax liabilities	1,071,987,675	882,458,633	682,920,590	-	-	-
Total non-current liabilities	2,478,170,287	2,110,692,543	1,014,809,818	453,839,654	2,025,289,000	419,032,515
Trade creditors	3,563,424,229	2,781,935,317	2,564,880,784	450,130,797	-	866,565,746
Short term liabilities	3,631,028,292	3,351,042,310	3,198,571,591	1,243,119,714	8,465,804,626	1,193,231,335
Liabilities for expenses	216,856,037	117,142,297	399,050,562	24,232,108	73,908,889	6,781,867
Advance against sales	101,714,671	54,956,861	102,301,655	142,991,738	504,165,111	156,040,876
Due to inter companies	2,401,210,345	369,924,616	2,485,811,812	2,374,201,746	-	936,622,325
Long term loan-current portion	492,699,556	316,932,594	379,018,128	329,474,472	632,361,800	217,015,077
Liability against share application money	-	-	788,759	19,588,759	8,581,826	-
Provision for income tax	124,274,416	184,962,166	256,237,264	45,445,005	55,787,360	55,782,360
Provision for WPPF and Welfare Fund	806,385	2,665,273	16,775,066	4,601,174	1,416	1,416
Other liabilities	15,205,912	23,806,970	31,682,861	158,001,607	642,398,749	16,625,875
Total current liabilities	10,547,219,843	7,203,368,404	9,435,118,482	4,791,787,120	10,383,009,777	3,448,666,877
Total liabilities	13,025,390,130	9,314,060,947	10,449,928,300	5,245,626,774	12,408,298,777	3,867,699,392
Total liabilities and equity	21,144,136,313	16,840,376,087	14,854,804,304	7,669,085,709	13,725,500,550	5,854,181,554

B. The statements of operating results of the company are as follows:

	2013 January- December	2012 January- December	2011 January- December	2010 January- December	2009 January- December	2009 January- December
	<u>Taka</u>	<u>Taka</u>	<u>Taka</u>	(Individual) <u>Taka</u>	(Consolidated) <u>Taka</u>	(Individual) <u>Taka</u>
Revenue	8,602,415,008	14,043,421,488	12,664,400,034	7,631,526,626	18,947,341,012	6,069,262,229
Cost of sales	(8,102,322,738)	(13,345,900,813)	(11,587,854,913)	(7,173,917,742)	(16,916,035,669)	(5,671,942,359)
Gross profit	500,092,270	697,520,675	1,076,545,121	457,608,884	2,031,305,343	397,319,870
Selling & distribution cost	(55,646,511)	(35,414,971)	(38,089,610)	(23,606,384)	(145,470,316)	(11,397,037)
Administrative cost	(166,109,408)	(176,030,894)	(177,468,781)	(125,676,917)	(191,482,800)	(107,244,935)
	(221,755,919)	(211,445,865)	(215,558,391)	(149,283,301)	(336,953,116)	(118,641,973)
	278,336,351	486,074,810	860,986,730	308,325,583	1,694,352,227	278,677,898
Other Income	6,652,224	108,231	4,913,100	80,887,269	57,056,202	28,587,406
Result from operating activities	284,988,575	486,183,041	865,899,830	389,212,852	1,751,408,429	307,265,304
Finance cost	(264,396,406)	(278,832,330)	(410,009,134)	(173,776,786)	(1,025,824,844)	(207,733,478)
Finance income	23,390,549	34,150,796	36,259,657	23,828,180	-	218,398
Loss on revaluation of property, plant & Equipment	-	(28,023,369)	-	-	-	-
	(241,005,857)	(272,704,903)	(373,749,477)	(149,948,606)	(1,025,824,844)	(207,515,080)
Net profit before tax & WPPF & Welfare fund	43,982,718	213,478,138	492,150,353	239,264,246	725,583,585	99,750,224
Contribution to WPPF & Welfare fund	(2,199,136)	(10,673,907)	(24,607,518)	(8,078,008)	-	(2,945,316)
	41,783,582	202,804,231	467,542,835	231,186,238	725,583,585	96,804,908
Non-Operating Income	169,063,732	150,068,986	1,082,183,306	80,584,712	-	54,689,446
Share of profit of associate (net of tax)	934,127,635	312,954,478	289,208,916	-	-	-
	1,103,191,367	463,023,464	1,371,392,222	80,584,712	-	54,689,446
Profit before Income Tax	1,144,974,949	665,827,695	1,838,935,057	311,770,950	725,583,585	151,494,354
Income tax expenses :						
Current Tax :						
Current year	(124,274,416)	(188,224,809)	(256,237,264)	(45,445,005)	(55,787,360)	(55,782,360)
Previous year	(6,612,039)	(87,652)	(18,947,986)	(5,131,265)	(12,050,384)	(12,050,384)
Deferred tax	(225,386,883)	(23,591,047)	(412,951,888)	-	-	-
	(356,273,338)	(211,903,508)	(688,137,138)	(50,576,270)	(67,837,744)	(67,832,744)
Net profit after tax	788,701,611	453,924,187	1,150,797,919	261,194,680	657,745,841	83,661,610
Other Comprehensive income :						
Revaluation of property, plant & equipment	-	2,004,256,895	-	-	-	-
Deferred tax on revaluation surplus of assets	-	(212,067,263)	-	-	-	-
Increase in value of investment in tradable shares	1,756,824	1,023,492	-	-	-	-
Share of revaluation surplus of associate	-	838,181,557	-	-	-	-
Total comprehensive income	790,458,435	3,085,318,868	1,150,797,919	261,194,680	657,745,841	83,661,610
Net profit after tax attributable to:						
Shareholders of the company	788,701,611	453,924,187	1,150,797,919	261,194,680	398,129,115	83,661,610
Non-controlling interest	-	-	-	-	259,616,726	-
	788,701,611	453,924,187	1,150,797,919	261,194,680	657,745,841	83,661,610
Earning per share :						
Basic earnings per share	5.06	2.91	7.38	2.45	4.24	0.89
Rate of dividend declared	None	15% (Cash)	100% (Bonus)	15% (Cash)	15% (Bonus)	15% (Bonus)

Consolidated Financial Statements have not been prepared after 2009 as investment in the subsidiary came down from 54.78% to 33.50% in 2010. In 2012, investment in associates has been recognised under equity method as per BAS 28 and financial statements of 2011 were restated accordingly.

C. The statements of Cash Flows are as follows:

	2013 January- December	2012 January- December	2011 January- December	2010 January- December	2009 January- December
	<u>Taka</u>	<u>Taka</u>	<u>Taka</u>	<u>Taka</u>	<u>Taka</u>
<u>OPERATING ACTIVITIES:</u>					
Paid against revenue expenditure	(8,555,015,718)	(12,694,385,182)	(9,972,152,502)	(8,039,041,046)	(5,261,539,661)
Receipts from customers against sales	8,787,022,059	13,896,087,393	12,639,747,522	7,409,822,231	6,062,580,951
Receipt against other income	190,805,958	135,994,880	112,838,722	96,373,359	54,239,867
Payment from Workers Profit participation fund	(4,058,024)	(24,783,700)	(22,603,076)	(3,478,250)	(2,945,316)
Payment of interest-Net	(170,392,847)	(514,169,155)	(410,009,134)	(165,669,024)	(207,715,030)
Income Tax Paid	(166,350,580)	(265,067,537)	(149,308,208)	(70,032,089)	(24,862,686)
Net cash provided by/(used in) Operating Activities	82,010,848	533,676,699	2,198,513,324	(772,024,819)	619,758,125
<u>INVESTING ACTIVITIES:</u>					
Acquisition of property, plant and equipment	(95,680,881)	(176,139,631)	(1,797,634,899)	(419,028,738)	(61,130,241)
Proceeds from sale of property, plant and equipment	33,393,389	9,032,500	10,112,341	88,477,673	29,344,000
Short term loan to inter companies	(867,616,356)	932,616,174	(82,638,781)	(1,200,864,801)	(808,320,642)
Investment	(1,397,013,883)	(121,226,303)	5,126,184	-	(305,119,267)
Proceeds from sale of investment in shares	157,727,397	177,725,197	1,002,647,589	106,850,526	1,633,543
Capital Work-in-progress	(433,233,750)	(387,980,463)	(39,163,676)	-	-
Dividend income	101,588,742	153,084,190	146,983	542,821	-
Net cash used in Investing Activities	(2,500,835,342)	587,111,664	(901,404,259)	(1,424,022,519)	(1,143,592,607)
<u>FINANCING ACTIVITIES:</u>					
Receipt/(Re-payment) of Term Loan	353,715,664	834,259,148	(285,369,140)	147,266,534	(14,456,009)
Loan received from/(paid to) inter companies and directors	2,031,285,729	(2,115,887,196)	91,216,049	1,577,077,257	506,312,783
Receipts of Short term loan	279,985,982	152,470,719	(1,003,061,294)	49,888,379	113,158,680
Receipt from issue of ordinary share	-	-	(96,518,239)	347,200,000	-
Payment of dividend	(232,425,197)	-	-	-	-
Share application money refunded	-	(788,759)	-	19,588,759	-
Net cash (used in)/provided by Financing Activities	2,432,562,178	(1,129,946,088)	(1,293,732,624)	2,141,020,929	605,015,454
Total (a+b+c)	<u>13,737,684</u>	<u>(9,157,725)</u>	<u>3,376,441</u>	<u>(55,026,409)</u>	<u>81,180,972</u>
Opening cash and cash equivalents	85,564,964	94,722,689	91,346,248	131,289,824	50,108,852
Closing cash and cash equivalents	<u>99,302,648</u>	<u>85,564,964</u>	<u>94,722,689</u>	<u>76,263,415</u>	<u>131,289,824</u>
	<u>13,737,684</u>	<u>(9,157,725)</u>	<u>3,376,441</u>	<u>(55,026,409)</u>	<u>81,180,972</u>
D. Rate of dividend declared	<u>None</u>	<u>15% (Cash)</u>	<u>100% (Bonus)</u>	<u>15% (Cash)</u>	<u>15% (Bonus)</u>

E. The company had no subsidiary as on 31 December 2013.

F. No proceeds or part of proceeds of the issue of shares were applied directly or indirectly by the company in purchase of any other business.

G. The company did not prepare any financial statements after 31 December 2013.

H. Figures for the years 2009 to 2012 have been rearranged wherever considered necessary to ensure comparability with 2013 and better presentation.

Sd/-
Rahman Rahman Huq
Chartered Accountants

Date: 12 June 2014

BANGLADESH STEEL RE-ROLLING MILLS LIMITED

We have examined the following Earnings per share and other ratios of Bangladesh Steel Re-Rolling Mills Limited for the years ended 31 December 2013, 2012, 2011, 2010 and 2009, which have been produced by the management of the company to us. The preparation of the EPS and the other ratios is the responsibility of the company's management. Our responsibility is to review them and certify as to whether they have been properly prepared using stated principles on the basis of audited financial statements for the years ended 31 December 2013, 2012, 2011, 2010 and 2009.

Based on our review, we certify that the company has properly prepared the following EPS and other ratios using stated principles on the basis of audited financial statements for the years ended 31 December 2013, 2012, 2011, 2010 and 2009.

Ratios pertinent to the prospectus are as specified in rule 8B (20c)/Annexure B of the Securities and Exchange Commission Rules (Public Issue), 2006.

Ratios	Formulae	2013	2012	2011	2010 (Individual)	2009 (consolidated)	2009 (Individual)
<u>Liquidity Ratios</u>							
Current Ratio (Times)	$\frac{\text{Current Assets}}{\text{Current Liabilities}}$	0.99	1.06	0.95	0.94	0.75	0.79
Quick Ratio (Times)	$\frac{\text{Current Assets}-\text{Closing Stock}}{\text{Current Liabilities}}$	0.43	0.40	0.41	0.66	0.33	0.50
Time Interest Earn Ratio (Times)	$\frac{\text{Operating Profit/ (Loss) + Finance Income}}{\text{Interest expenses}}$	1.20	1.92	2.23	2.45	1.71	1.50
Debt / Equity Ratio (Times)	$\frac{\text{Long term Loan+ Pref. Share+ Lease obligation}}{\text{Shareholders' equity}}$	0.23	0.21	0.16	0.32	2.11	0.32
<u>Operating Ratios</u>							
Account Receivable Turnover Ratio (Times)	$\frac{\text{Sales}}{\text{Average Accounts Receivables}}$	18.15	28.48	28.14	21.65	46.08	30.59
Inventory Turnover Ratio (Times)	$\frac{\text{Cost of Sales}}{\text{Average Inventories}}$	1.52	2.69	3.56	6.04	6.38	5.66
Asset Turnover Ratio (times)	$\frac{\text{Sales}}{\text{Average Total Assets}}$	0.45	0.89	1.12	1.13	2.06	1.15
<u>Profitability Ratios</u>							
Gross Margin Ratio (%)	$\frac{\text{Gross Profit}}{\text{Sales}}$	5.81%	4.97%	8.50%	6.00%	10.72%	6.55%
Operating Income Ratio (%)	$\frac{\text{Operating income}}{\text{Sales}}$	3.31%	3.46%	6.84%	5.10%	9.24%	5.06%
Net Income Ratio (Before tax) (%)	$\frac{\text{Net profit before tax}}{\text{Sales}}$	13.31%	4.74%	14.52%	4.09%	3.83%	2.50%
Net Income Ratio (after tax) (%)	$\frac{\text{Net profit after tax}}{\text{Sales}}$	9.17%	3.23%	9.09%	3.42%	3.47%	1.38%
Return on Asset (%)	$\frac{\text{Net Profit after tax}}{\text{Average total assets}}$	4.15%	2.86%	10.22%	3.86%	7.14%	1.58%
Return on Equity (%)	$\frac{\text{Net Profit after tax}}{\text{Average shareholders equity}}$	10.08%	7.61%	33.71%	11.85%	41.21%	4.27%
Earnings per Share (Taka)	$\frac{\text{Net profit attributable to ordinary share holders}}{\text{Weighted Average Number of Shares}}$	5.06	2.91	7.38	2.45	4.24	0.89

Date: 12 June 2014

Sd/-
Rahman Rahman Huq
Chartered Accountants

**INFORMATION AS REQUIRED BY PARA 15 OF SEC'S NOTIFICATION NO.
SEC/CMRRCD/2008/186/115/ ADMIN/30; DATED OCTOBER 05, 2011**

i) Earnings per Share (EPS) on fully diluted basis (The total existing no. of shares) for the year ended on 31 December 2013

Particulars	Amount (Tk)
Net profit after Tax	788,701,611
No. of shares before IPO	155,851,038
Earnings per Share (EPS) on fully diluted basis	5.06

ii) Net profit excluding Extra-ordinary income or non-recurring income coming from other than core operation for the year ended on 31 December 2013

Particulars	Amount (Tk)
Profit before Tax	1,144,974,949
Less: Extra-ordinary income or non-recurring income	
Profit on sale of machineries	2,951,567
Miscellaneous Income	2,873,362
Profit on sale of motor car	827,295
Dividend income	70,482
Profit on sale of Investment in shares	1,482,841
Excess of proportionate net asset value of association over acquisition cost	498,898,726
	507,104,273
Net profit before tax except Extra-ordinary income or non-recurring income	637,870,676
Less: Current tax Expenses from operational income	127,821,709
Less: Deferred tax expenses	150,460,246
Net profit after tax except Extra-ordinary income or non-recurring income	359,588,721

iii) Earnings per shares excluding extra-ordinary income or non-recurring income coming from other than core operations for the year ended on 31 December 2013

Particulars	Amount (Tk)
Net profit after tax except Extra-ordinary income or non-recurring income	359,588,721
No. of shares before IPO	155,851,038
Earnings per Share (EPS)	2.31

iv) Net Asset Value per Share as on 31 December 2013

Particulars	With Revaluation (Tk)	Without Revaluation (Tk)
Share Capital	1,558,510,380	1,558,510,380
Retained Earnings	2,398,521,265	2,398,521,265
Revaluation Reserve	4,129,104,568	-
General reserve	30,170,818	30,170,818
Fair Value Reserve	2,439,152	2,439,152
Total Shareholders' Equity	8,118,746,183	3,989,641,615
Total Number of Ordinary Share	155,851,038	155,851,038
Net Assets Value (NAV) per share (Tk.)	52.09	25.60

Sd/-

Mohammad Saif Uddin, FCA, Director
Rahman Rahman Huq
Chartered Accountants

Date: 22 September, 2014

**Auditor's additional disclosure on revaluation of fixed assets of
Bangladesh Steel Re-Rolling Mills Limited**

This is to certify that valuation report against revaluation of fixed assets of Bangladesh Steel Re-Rolling Mills Limited as at 31 December 2011 done by messrs Hoda Vasi Chowdhury & Co., Chartered Accountants dated 02 February 2012 was prepared and duly accounted for by the company in accordance with Bangladesh Accounting Standards (BAS) and Bangladesh Financial Reporting Standards (BFRS) and other applicable laws, rules, regulations and guidelines as applicable on that date. We also certify that appropriate accounting treatments including provisions, tax and other liabilities as required under the applicable accounting and reporting standards, laws and regulations as on 31 December 2011, had been made in the financial statements against such revaluation of assets.

Date: 9 March 2014

Sd/-
Rahman Rahman & Huq
Chartered Accountants

**AUDITOR'S ADDITIONAL DISCLOSURE ON REVALUATION OF FIXED ASSETS OF
BANGLADESH STEEL RE-ROLLING MILLS LIMITED**

This is to certify that valuation report against revaluation of fixed assets of Bangladesh Steel Re-Rolling Mills Limited as at 31 December 2008, done by Messrs Hoda Vasi Chowdhury & Co., Chartered Accountants dated 28 December 2008, considering the Book Value of assets on 31-12-2006 was prepared and duly accounted for by the company in accordance with Bangladesh Accounting Standards (BAS) and Bangladesh Financial Reporting Standards (BFRS) and other applicable laws, rules, regulations and guidelines as applicable on that date.

We also certify that appropriate accounting treatments including provisions and other liabilities as required under the applicable accounting and reporting standards, laws and regulations as on 31 December 2008, had been made in the financial statements against such revaluation of assets.

Dated, Chittagong
June 15, 2014

Sd/-
M.A. Mallik & Co.
Chartered Accountants

CREDIT RATING REPORT

CREDIT RATING REPORT On BANGLADESH STEEL RE-ROLLING MILLS LIMITED

REPORT: RR//14

This is a credit rating report as per the provisions of the Credit Rating Companies Rules 1996. CRISL's entity rating is valid one year for long-term rating and 6 months for short term rating. CRISL's Bank loan rating (blr) is valid one year for long term facilities and up-to 365 days (according to tenure of short term facilities) for short term facilities. After the above periods, these ratings will not carry any validity unless the entity goes for surveillance.
CRISL followed Corporate Rating Methodology published in CRISL website www.crislbd.com

Address:

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Nakshi Homes
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Tel: 9530991-4
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Email:
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Analysts:

Md. Tawheed Anwar
tawheed@crisl.org

Shafinaj Akter

shafinaj@crisl.org

Entity Rating

Long Term: AA-
Short Term: ST-2

Outlook: Positive

BANGLADESH STEEL RE-ROLLING MILLS LIMITED

ACTIVITY

High quality MS Rod
manufacturing

DATE OF

INCORPORATION
December 28, 1960

CHAIRMAN

&
MANAGING DIRECTOR
Alihussain Akberali

EQUITY

Tk.8,118.74 million

TOTAL ASSETS

Tk.21,144.13 million

Date of Rating: May 21, 2014	Valid up to: May 20, 2015	
	Long Term	Short Term
Entity Rating	AA-	ST-2
Outlook	Positive	
Banks/FI	Mode of Exposures (Figures in Million)	blr
AB Bank Ltd.	* TLO of Tk.24.00	blrAA-
Agrani Bank Ltd.	** WCL of Tk.1,180.00	blrAA-
	TLO of Tk.11.70	
Al-Arafah Islami Bank Ltd.	*** WCLO of Tk.0.72	blrAA-
Bank Alfalah Ltd.	WCLO of Tk.14.75	blrAA-
BASIC Bank Ltd.	WCL of Tk.420.00	blrAA-
HSBC	WCLO of Tk.379.24	blrAA-
Habib Bank Ltd.	WCLO of Tk.87.26	blrAA-
IFIC Bank Ltd.	WCLO of Tk.71.09	blrAA-
International Leasing & Financial Services Ltd.	TLO of Tk.24.37	blrAA-
Fareast Finance & Investment Ltd.	TLO of Tk.17.98	blrAA-
Standard Bank Limited	WCL of Tk.250.00	blrAA-
Islami Bank Bangladesh Limited	WCLO of Tk.146.70	blrAA-
IDLC Finance Ltd.	TLO of Tk.116.61	blrAA-
IPDC	TLO of Tk.15.82	blrAA-
Lankabangla Finance Ltd.	TLO of Tk.434.08	blrAA-
Jamuna Bank Ltd.	WCLO of Tk.17.47	blrAA-
Mercantile Bank Ltd.	WCLO of Tk.2.46	blrAA-
National Bank Ltd.	WCLO of Tk.9.89	blrAA-
National Housing and Finance Ltd.	TLO of Tk.91.04	blrAA-
One Bank Ltd.	WCLO of Tk.240.41	blrAA-
Prime Bank Ltd.	WCLO of Tk.148.48	blrAA-
	TLO of Tk.23.33	
Pubali Bank Ltd.	WCLO of Tk.114.57	blrAA-
Standard Chartered Bank	WCLO of Tk.101.85	blrAA-
Sonali Bank Ltd.	WCLO of Tk.85.49	blrAA-
State Bank of India	WCL of Tk.140.00	blrAA-
Shahajalal Islami Bank Ltd.	WCLO of Tk.588.14	blrAA-
Trust Bank Ltd.	WCLO of Tk.60.37	blrAA-
United Commercial Bank Ltd.	WCLO of Tk.121.22	blrAA-
	TLO of Tk.520.31	
United Leasing Co. Ltd.	TLO of Tk.54.67	blrAA-
	WCLO of Tk.0.78	
Dutch Bangla Bank Ltd.	WCLO of Tk.217.90	blrAA-

* TLO-Term Loan Outstanding, ** WCL-Working Capital Limit, *** WCLO-Working Capital Loan Outstanding

1.0 RATIONALE

CRISL has reaffirmed the Long Term rating of Bangladesh Steel Re-Rolling Mills Limited (BSRML) to 'AA-' (pronounced at double A minus) and short term rating to 'ST-2' based on its audited financials and other relevant quantitative and qualitative information up-to the date of rating. The above ratings have been reassigned due to consistent maintenance of its fundamentals such as substantial growth of profit volume, good return against investment in associates, good funding flexibility, good backward, forward and horizontal integration, good branding, promotional and distribution strategy etc. However, the above factors are moderated, to some extent, by substantial outside dependency for working capital management, highly competitive market, exposure to raw material supply risk etc.

Entities rated in this category are adjudged to be of high quality, offer higher safety and have high credit quality. This level of rating indicates a corporate entity with a sound credit profile and without significant problems. Risks are modest and may vary slightly from time to time because of economic conditions. The short term rating indicates high certainty of timely

CREDIT RATING REPORT

On

BANGLADESH STEEL RE-ROLLING MILLS LIMITED

payment. Liquidity factors are strong and supported by good fundamental protection factors. Risk factors are very small.

CRISL also views the company with 'Positive Outlook' during the rating validity period, due to its expected increase of production capacity consequently leading to an enhanced market share in line with growing market demand of quality products,

2.0 COMPANY PROFILE

2.1 Background

Bangladesh Steel Re-Rolling Mills Limited, a high grade steel manufacturing company has been operating as the sister concern of BSRM Group. BSRML is considered as one of the oldest steel manufacturing plants in the country that started business in 1960. Product line of the company includes MS Rod, Channel and Angle etc. At present, the company is running with the production capacity of 120,000 M. Ton per annum. BSRML was incorporated on December 28, 1960 as a private limited company and converted into a public limited company on November 03, 2009 under the Companies Act 1994. Subsequently on January 01, 2011, BSRML has merged with its backward linkage sister concern Meghna Engineering Works Limited (MEW). The paid up capital of BSRML stood at Tk.1,558.51 million against the authorized capital of Tk.5,000.00 million as on December 31, 2013. Currently, BSRML is undergoing a Balancing Modernization Rehabilitation and Expansion (BMRE) program to enhance its annual capacity from 120,000 MT to 450,000 MT to meet up the growing demand of MS Rods in the country. After the BMRE, the long iron segment of BSRM Group will have a total capacity of 1,100,000 MT. The plants are located at 147-149, Nasirabad I/A, Baizid Bostami Road, Chittagong and 78-79 Nasirabad Industrial Area, Chittagong with its Corporate Office at Ali Mansion, Sadarghat Road, Chittagong.

One of the oldest steel manufacturers of the country

2.2 Ownership Pattern

Being a closely held public limited company, the ownership of BSRML is mainly concentrated among the sponsor shareholders, three institutional shareholder (comprised of two sister concerns) and other shareholders including employees of the company. A summary of the owners and ownership stake are delineated below:

Name of the Shareholders	Designation	December 31, 2013	
		No of Share	%
Mr. Alihussain Akberali, FCA	Chairman & MD	21,967,130	14.095
Mr. Aameir Alihussain	Director	17,069,955	10.953
Mr. Zohair Taherali	Director	5,682,204	3.646
Mrs. Tehseen Zohair Taherali	Director	6,147,822	3.945
Mrs. Sabeen Aameir	Director	4,004,600	2.570
Mrs. Bilkis Alihussain	Shareholder	16,143,581	10.357
Vortex Investments Ltd.	Shareholder	3,645,890	2.339
Mr. Saifuddin Abbas Unwala	Shareholder	8,399,000	5.389
Mr. Iqbal Hussain	Shareholder	10,870,000	6.975
Mr. Abbas Jumani	Shareholder	10,000,000	6.416
Mr. Ali Asgar Badruddin	Shareholder	20,000,000	12.832
Mr. Abdul Qadir Zohair	Shareholder	4,600	0.003
Mrs. Munira Saifuddin	Shareholder	13,880	0.009
Mr. Md. Hussain Habib	Shareholder	4,650	0.003
Mr. Faisal Iqbal Poonawala	Shareholder	4,520	0.003
Mrs. Shahnaz Hussain	Shareholder	35,840	0.023
H. Akberali & Co. Ltd.	Shareholder	26,270,116	16.856
Karnafully Engineering Works Ltd.	Shareholder	4,000,850	2.567
Mrs. Fatema Jangbarwala	Shareholder	245,000	0.157
Mr. Yusuf Nosir Jangbarwala & Batul Alibhay Tvebkhan	Shareholder	900,000	0.577
Mrs. Rezwana Khandwala	Shareholder	101,000	0.065
Various employees of BSRM Group	Shareholder	340,400	0.220
Total		155,851,038	100.000

Closely held public limited company

CREDIT RATING REPORT

On

BANGLADESH STEEL RE-ROLLING MILLS LIMITED

2.3 Products and Market Position

Dominant market presence

In 2011, the company has absorbed its sister concern Meghna Engineering Works, a backward linked concern of BSRML. After the execution of the above absorption, BSRML is now operating with two different production units – Re-rolling unit for MS Rod, Channel, Angle and Steel Melting Works Unit (SMW) for production of MS Billet. Re-rolling unit produces graded MS Rod, Angle & Channel which are ranging in various sizes and SMW produces Billet from scrap. Graded rod is generally used in civil construction. However, angles & channels are used in various applications like reinforcement, transmission towers, bridges, sheds etc. Iron Beam is widely used in construction of bridges, buildings, industrial sheds and structures etc. BSRML has other two sister concerns, which are also engaged in manufacturing of graded rod namely BSRM Steels Ltd. (production capacity: 600,000 M. Ton/annum) and BSRM Wires Ltd. (production capacity: 12,000 M. Ton/annum). BSRM Group holds almost 20% market share of graded rod in terms of production. However, few other manufacturers namely Abul Khair Steel Mills Ltd. (AKS Steel), RSRM, KSRM, Rahim Steel, GPH Ispat, Baizid Steel, SARM also manufactures the same product in Bangladesh.

3.0 GROUP PROFILE

BSRM Group is known for its long exposures in different sub-sectors of steel industry including scrap processing, billet manufacturing, manufacturing of MS Rod, Wire Rod as well as in other ancillary operations. The Group started its journey in 1952 with steel business under the splendid initiatives of five brothers of a single family. The successors of the family have been successfully running the Group since long and it is regarded as one of the best managed steel industry in the country.

4.0 CORPORATE GOVERNANCE

4.1 Board of Directors

The Board of BSRML consists of five Directors including the Chairman and the Managing Director. Mr. Alihussain Akberali, FCA, is the Chairman and the Managing Director of both BSRML and BSRM Group. Mr. Aameir Alihussain, Director of BSRML is also the Managing Director/Director of other sister concerns of the Group. Mr. Aameir is an MBA from LUMS University, Pakistan. The other Board members are eminent personalities having academic background from local and foreign universities. The Board mainly deals with strategic areas of business operation and reviews the operational performance and project development work of the company.

Good corporate governance practices

4.2 Corporate Management

The operations of BSRML are being looked after by an experienced and qualified management team having wide exposures in the Steel industry. A brief about the key professionals has been described below:

Sl. No	Name	Designation	Joining	Qualification	Experience (Years)
1	Mr. Tapan Sengupta	Executive Director	1981	B. Com	31
2	Mr. Hasan Zafar Chowdhury	Executive Director	2006	M. Sc. (Mechanical Engineering)	23
3	Mr. Kazi Anwar Ahmed	Head of Corporate Affairs	1989	M. A (Honors) (Economics)	32
4	Mr. Shekhar Ranjan Kar, FCA	Group CFO and Company Secretary	2002	M. Com (Acct.), Chartered Accountant	22
5	Mr. Md. Firoze	Head of Products & Business Development	2003	B. Sc Engr. (BUET)	32
6	Mr. Sunil Kumar Das	Head of Operations	2006	B. Sc Engineer	28

CREDIT RATING REPORT On BANGLADESH STEEL RE-ROLLING MILLS LIMITED

7	Mr. AFM Mizanur Rahman	Plant Head	2010	B. Sc Engineer	28
8	Mr. Mohinder Singh Hanspal	Plant Head	2009	B. Sc. Engr. (Mech.)	16
9	Mr. Madani M. Imtiaz Hussain	Technical Head of CPCL	2007	B. Sc. Eng.	31
10	Mr. Mohammed Reazul Kabir, FCA	Head Of Finance & Accounts	2007	M. Com (Acct.), Chartered Accountant	15
11	Mr. Md. Imtiaz Uddin Chowdhury	Head of Supply Chain	2008	MBA	11
12	Mr. Sankar Roy	Group Head (T&D)	1993	B. Sc Engineer	34
13	Mr. Md. Nizamul Haque	Plant Head	2003	M. Sc. in Metallurgical Engineer	24
14	Mr. Md. Hasnatuzzaman	Head of Maintenance	2004	B. Sc in Marine Engineering	16
15	Mr. Shobhan Mahbub Shahabuddin	National Sales Head	2009	MBA (Marketing)	20
16	Mr. Abdur Rahim	Head of Internal Audit	2012	MBA, CA (CC)	33
17	Mr. Md. Abul Hasnat	Lead Branding & Market Outreach	2007	MBA	23
18	Mrs. Ruhi Murshid Ahmed	Lead CSR, PR & Communication	2013	MBA (Finance) IBA, Dhaka	26
19	Mr. Md. Habibullah	CFO	2005	B. Com, CA (CC)	25
20	Mr. Jamil Ahmed	Head of HR	2013	MA, MBA	25
21	Mr. Muhammad Ashiqur Rahman	Lead- Compliance and Accounts- Dhaka.	2008	M. Com (Acct.), Chartered Accountant	16
22	A. K. M Saifuddin Khan	Head of Admin	2009	MBA	18
23	Tamim Wahid Al Helal	Head of IT	2009	MBA in MIS	14
24	Mr. Jashim Uddin Ahmed	Head of Technical Projects	2010	B. Sc. (Mechanical Engineering)	31

BSRML follows structured human resource policy for all the companies under the Group. The Human Resources Department of the Group consist of 30 members who looks after different HR related issues including recruitment, performance evaluation, promotion, firing etc.

BSRM Group has strong IT (Information Technology) infrastructure facilities with latest equipments which are supported by separate IT department having 13 members. The Group has already implemented Oracle based ERP software which has integrated all the departments as well as all the Group concerns in a single IT infrastructure.

The business and financial operations of the company are conducted and exercised through an established internal control system. Mid and senior level management executives are assigned and authorized to verify and approve the transaction of the company based on the specific delegation of power. A separate and autonomous internal audit cell is operating under the direct supervision of the Managing Director of the Company. BSRM Group has an independent internal audit department constituted by 12 members. The department verifies and follows-up the activities of the internal control procedures and report directly to the Managing Director. The department is free from any bar to conduct audits.

5.0 INDUSTRY OUTLOOK

Steel is a basic raw material for infrastructural development and multiple other uses. The demand for steel will inevitably grow in line with the country's economic and infrastructural development. Major buyers of mild steel and re-rolled products include individuals,

CREDIT RATING REPORT

On

BANGLADESH STEEL RE-ROLLING MILLS LIMITED

Good industry potentials

Government and institutional buyers (developers). The Government's infrastructure building activities is an important source of demand. The demand of MS rod in Bangladesh has been increasing day by day and expected to increase at the growth rate by 8% due to the economic and infrastructural development of the country, expansion of urbanization and booming construction of shopping mall, market, real estate and other construction for industrial purposes. However, construction of bridge, culvert as well as public awareness and preference is increasing for quality building materials to ensure safety and better building construction; more particularly, in recent time to save from earthquake. Due to growing consciousness among buyers and the generic nature of the products; new manufactures with efficient and high quality technology with substantial production capacity will dominate over the existing players using old technology, because of their quality and sophisticated promotional and distribution effort.

Long steel industry of Bangladesh is basically divided into two segments – one is graded (comes through auto mills) and another is non-graded (comes through manual mills) rod. Currently the size of the country's re-rolling products market is about Tk.300 billion, and 30 auto re-rolling mills and more than 300 manual re-rolling have a total production capacity of eight million tons. However, only thirty five lac tons of 40w (non-graded), 60w and 500w grade re-rolling products are being manufactured at present meeting 85% of local demand.

Local re-rolling products manufacturing sector is facing serious problems due to accelerating cost of doing business and deplorable energy supply situation. Massive political instability, high rate of bank interest, shortage of adequate capital, and frequent power outage and the sluggish real estate and housing business are few driving forces that have pulled the growth of the sector down in the recent past. The sale of mild steel (MS) rod has dropped by about 50 per cent in the period of political turmoil from which the industry is yet to come out. Basically, scarcity of raw materials in the market, price hike of fuel and power and higher interest on bank loans have pushed cost structure up by 40% in the last couple of years, eventually the manufacturers are being obligated to raise the price which resulted in lower demand in the recent past. Frequent price rise of gas & electricity and the abnormal charges in Government duty while importing billets are also responsible for the high cost of MS rod production. Although steel and engineering sector has high prospective outlook in the long run due to having the potentials discussed above - the macro economic issues mentioned above may dislocate the smooth growth of the industry in the short run.

6.0 BUSINESS ANALYSIS

6.1 Infrastructural Set-Up

BMRE is on progress

There have some changes in the infrastructural arrangement of BSRML as it has initiated BMRE program. Existing plant is equipped with automatic re-rolling modern apparatus with all supporting infrastructural arrangement and the new plant would also adopt latest available manufacturing facility. Bangladesh Power Development Board (BPDB) provides power supply for BSRM Group, currently total connected load for BSRM Group is 60 MW. Under an agreement among BPDB, BSRM Group and PGCB, a 132/33 KV substation was installed by BSRM at Khulshi Grid Substation, Chittagong. BSRM has an agreement for gas supply with Karnaphuli Gas Distribution Company Ltd. for 351,813 CM/month and 107,848 CM/month to its re-rolling unit and steel melting unit respectively. In addition, re-rolling unit has 2 diesel generators with a capacity of 250 KVA and 231 KVA respectively. Steel melting unit has another 2 diesel generator having 328 KVA capacities each. The internal and external working environment within the factory is good. There are 80 nos. fire extinguishers to protect the factory from fire incidents and there is also adequate hose pipe and nozzle for fire protection. The factory has 24 hours security guards to avoid any unexpected loss or accidents. The company also arranges fire-fighting training for the workers every year. The company provides medical facilities to the injured worker on actual basis. BSRM has a fire insurance agreement with Pragati Insurance Co. Ltd. for raw materials and finished goods with an insured amount of Tk.150.00 million.

CREDIT RATING REPORT On BANGLADESH STEEL RE-ROLLING MILLS LIMITED

6.2 Procurement Strategy

The company procures its major raw materials i.e. MS scrap from international as well as local market. Generally it imports scrap and Ferro alloy from Poland, India, Sweden, Canada, Singapore and UK and local source of raw materials is from local ship yards. However, BSRM can produce 80% billets for its total requirement while the remaining requirement is being met through import. The main overseas suppliers of billet and scrap for the company are listed below:

Smooth supply sources

- JINSU Resources Ltd, Hong Kong
- TSR Recycling GmbH & Co. KG, Germany
- SIMS Group Global Trade Corporation, USA
- Van Dalen International B.V, The Netherlands
- B.F.R.S (UK) Limited, UK
- Kawamin Pacific PTI Ltd, Singapore
- M/s. Cargill International Trading Pte Ltd, Singapore
- Cosmic Ferro Alloys Ltd, India
- Ferro Alloy Co. (Pvt) Ltd, Dhaka
- Buntly Overseas Pvt. Ltd, India
- Sova Ispat Ltd., India

The Purchase department at head office arranges the imports of raw materials under the supervision of the Managing Director and Executive Director of the company. The company also imports MS Product like H Section, Angles and Iron Beam etc.

6.3 Marketing, Promotional and Distribution Strategy

The Group has well established marketing team constituted by 5 members. The Group also has an agreement with Unitrend Limited, the professional advertising firm for unique promotional approach to attract market. The distribution channel of the Group covers almost all important locations over the country. Same channel is used for all BSRM products. It has three types of distribution network as: Factory – Dealer – End Users, Factory – Retailers – End Users, and Factory– End Users. At present, it has 540 dealers to reach its consumers. In addition, the company's own five sales depots at Dhaka, Comilla, Sylhet, Bogra, Khulna works as the market stimulating agent and as a part of the channel. However, to cater the need of the growing demand, the company has a plan to increase its dealership outlet.

Good brand image

7.0 BUSINESS PERFORMANCE

Based on the Audited Financial Statement of the company up to December 31, 2013, financial indicators are summarized below:

Reducing profitability from core operation

Indicators	(Financial year ended on December)		
	FY2013	FY2012	FY2011
Production Capacity (in M. Ton)	120,000	120,000	120,000
Production (in M. Ton)	106,810	94,127	104,118
Capacity Utilization %	89.01	78.44	86.77
Turnover (in M. Ton)	126,714	191,628	182,981
Turnover (in Million Tk.)	8,602.42	14,043.42	12,664.40
Sales Growth %	(38.74)	10.89	65.95
Cost of Goods Sold (COGS) (in Million Tk.)	8,102.32	13,345.90	11,587.85
COGS Growth %	(39.29)	15.17	61.53
Gross Profit (in Million Tk.)	500.10	697.52	1,076.32
Non-operating income and associates' profit (in Million Tk.)	1,103.19	463.02	1,371.39
Profit after Tax (PAT)	788.70	453.92	1,150.79

BSRML's business and profitability from core operation has been consistently reducing as observed from the trend of last three years. Besides its own manufactured product, the company delivers product procuring from outsides. Thus, its delivery always exceeds the production. The company has faced substantial revenue fall in FY2013 due to fall of delivery of external product coupled with reduced price of final product. Accordingly, the company has reported insignificant profit before tax in FY2013. However, having investment in

CREDIT RATING REPORT On BANGLADESH STEEL RE-ROLLING MILLS LIMITED

associates – the company has been attributed substantial amount of profit and excess of proportionate net asset value over acquisition cost. As a consequence, the company has reported substantial growth of ultimate profitability during the period under surveillance.

8.0 FINANCIAL PERFORMANCE

Indicators	FY2013	FY2012	FY2011
Return on Average Assets After Tax (ROAA) %	4.15	2.86	10.22
Return on Average Equity After Tax (ROAE) %	10.08	7.61	33.71
Return on Average Capital Employed After Tax (ROACE) %	7.80	6.03	27.74
Gross Profit Margin %	5.81	4.97	8.50
Operating Profit Margin %	3.31	3.46	6.84
Net Profit Margin %	9.17	3.23	9.09
Earning Per Share (Tk.)	5.06	2.91	7.38
Cost to Revenue Ratio %	94.19	95.03	91.50
Administrative Exp. to Revenue Ratio %	1.93	1.25	1.40
Selling & Distribution Cost to Revenue Ratio %	0.65	0.25	0.30
Finance Cost to Revenue Ratio %	3.07	1.99	3.24

Fluctuating financial performance

BSRML financial performance has been found to be fluctuating although it has reported slight rise of profitability in the latest financial year. Significant cost of goods sold in terms of revenue has pulled the gross margin down in the last couple of years. Administrative and finance cost in terms of revenue has increased in FY2013 which has resulted in marginal net margin from core operation. However, over 12% non-operating income coupled with attributed profit from associates' earnings in terms of revenue has produced a comprehensive net margin at the end.

9.0 LIQUIDITY AND CASH FLOW ANALYSIS

Indicators	Dec-13	Dec-12	Dec-11
Current Ratio (X)	0.99	1.06	0.95
Quick Ratio (X)	0.43	0.40	0.41
Cash Conversion Cycle (Days)	117	75	115

Good financial flexibility

Due to the nature of business, BSRML's liquidity remains tight. The company's current liabilities have increased in FY2013 compared to FY2012 which has mainly powered by the increase of trade creditors and payable to inter companies. Cash conversion cycle has got longer in FY2013 mainly due to the longer holding of stock. In analyzing the cash flow of BSRML, it has been observed that the company started FY2013 with opening cash and cash equivalents of Tk.85.56 million. It also has generated cash inflow of Tk.82.01 million from operating activities. However, to feed the need of substantial fund mainly in BMRE program – the company has used Tk.2,500.84 million in investing activities rising intercompany and bank borrowings. Intercompany cash transaction having accessibility to the money and capital market provides BSRM Group strong financial flexibility.

10.0 COVERAGE POSITION

Indicators	FY2013	FY2012	FY2011
Debt Service Coverage Ratio (X)	2.90	1.81	3.33
Interest Coverage Ratio (X)	5.33	3.39	5.49

Good coverage position

The company's coverage financial position has been found to be good over the last three years. EBIT and EBITDA both have been adequate to serve the interest cost and current portion of long term loan of respective years.

CREDIT RATING REPORT On BANGLADESH STEEL RE-ROLLING MILLS LIMITED

11.0 CAPITAL STRUCTURE AND LEVERAGE

(Figures in million Tk.)

Particulars	Dec-13	Dec-12	Dec-11
Total Non-Current Assets	10,719.17	9,170.18	5,878.11
Total Current Assets	10,424.96	7,670.18	8,976.69
Total Current Liabilities	10,547.22	7,203.37	9,435.12
Net Current Assets	(122.26)	466.81	(458.43)
Net Assets	10,596.91	9,636.99	5,419.68
Financed By:			
Long Term Loan	1,406.18	1,228.23	331.89
Deferred Liabilities	1,071.99	882.46	682.92
Total Non-Current Liabilities	2,478.17	2,110.69	1,014.81
Total Shareholder's Equity	8,118.74	7,526.30	4,404.87
Total Assets	21,144.13	16,840.36	14,854.80

Moderate equity base

BSRML has been operating with moderate equity based capital structure, total assets being 38.40% financed by equity in the latest financial year.

Indicators	Dec-13	Dec-12	Dec-11
Leverage Ratio (X)	1.60	1.24	2.37
Bank Borrowing to Equity (X)	0.68	0.65	0.89

Considering all outside liabilities, BSRML's leverage stood at 1.60 times at the end of FY2013 which has been mainly taken up by non-bank outstanding to equity ratio (0.92 times) where bank borrowing to equity ratio has occupied the minor part of 0.68 times. Good sum of internal capital generation (7.09% in FY2013) has prevented the leverage to reach at discomfort level driven by significant increase of short term and long term bank outstanding.

12.0 FINANCIAL INSTITUTIONS LIABILITIES AND SECURITY ARRANGEMENT

Having sound credibility and good market image, BSRML has been enjoying significant financial flexibility from banks and financial institutions. A summarized position as on March 31, 2014 has been presented below:

(Figures in Million Taka)

Banks/FI's	Limit Sanctioned			Outstanding Amount			
	Mode	Under Group	Individual	Short Term Loan		Term Loan	Total
				Non-Funded	Funded		
AB Bank Limited	Term Loan	-	180.00	-	-	24.00	24.00
Argarni Bank Ltd.	L/C, TR, CC(H), CC (P), BG	-	1,180.00	55.29	485.50	-	540.79
	Industrial Credit	-	111.94	-	-	11.70	11.70
Al-Arafah Islami Bank Ltd.	L/C, LTR, Bai Muazzal	1,650.00	-	-	0.72	-	0.72
Bank Al-Falah Ltd.	L/C, LTR, LPO	700.00	-	-	14.75	-	14.75
BASIC Bank Ltd.	L/C, LTR, SOD	-	420.00	-	0.02	-	0.02
HSBC	L/C, LTR, Utility Loan	1,500.00	700.00	24.69	354.55	-	379.24
Habib Bank Ltd.	L/C, LTR, TIME LOAN, CC OD	290.00	-	-	87.26	-	87.26
IFIC Bank Ltd.	L/C, LTR, Loan General	1,000.00	-	21.68	49.41	-	71.09
International Leasing	Term Loan	-	250.00	-	-	24.37	24.37
Fareast Finance & Investment Ltd.	Term Loan	-	200.00	-	-	17.98	17.98
Standard Bank Limited	CC	-	250.00	-	60.86	-	60.86
Islami Bank Bangladesh Limited	L/C, TR, Bai-Murabaha	2,000.00	-	15.72	130.98	-	146.70
IDLC Finance	Term Loan	-	200.00	-	-	116.61	116.61

Substantial bank exposure

CREDIT RATING REPORT

On

BANGLADESH STEEL RE-ROLLING MILLS LIMITED

Ltd.							
IPDC	Term Loan	-	65.00	-	-	15.82	15.82
Lankabangla Finance Ltd.	Term Loan	-	500.00	-	-	434.08	434.08
Jamuna Bank Ltd.	L/C, LTR, CC, Term Loan	750.00	70.00	-	-	17.47	17.47
Mercantile Bank Ltd.	L/C LTR	3,550.00	-	-	2.46	-	2.46
National Bank Ltd.	L/C, LTR, CC	1,550.00	-	-	9.89	-	9.89
National Housing and Finance Ltd.	Term Loan	-	100.00	-	-	91.04	91.04
One Bank Ltd.	L/C, LTR, Time Loan	850.00	-	-	240.41	-	240.41
	Synd. TL	600.00	-	-	-	556.80	556.80
Prime Bank Ltd.	L/C, TR, Bai-Murabaha, Izzara	750.00	-	8.48	140.00	23.33	171.81
Pubali Bank Ltd.	L/C, LTR, OD, CC	1,250.00	-	-	114.57	-	114.57
Standard Chartered Bank	L/C LTR, RL	3,050.00	-	101.85	-	-	101.85
Sonali Bank Ltd.	L/C, LTR, CC	750.00	-	-	85.49	-	85.49
State Bank of India	L/C LTR	-	140.00	-	-	-	0.00
Shahajalal Islami Bank Ltd.	L/C LTR, BM	2,050.00	-	-	588.14	-	588.14
Trust Bank Ltd.	L/C, LTR, Time Loan	1,000.00	-	-	60.37	-	60.37
UCBL	L/C (Under Syndication)	-	2,652.30	121.22	-	-	121.22
	Bridge Finance	-	-	-	520.31	-	520.31
United Leasing Co. Ltd.	Term Loan	-	70.00	-	-	54.67	54.67
	Factoring Loan	-	30.00	-	0.78	-	0.78
Dutch Bangla Bank Ltd.	L/C, LTR, OD, STL	1,500.00	-	202.18	15.72	-	217.90
Total		24,790.00	7,119.24	551.11	2,962.19	1,387.87	4,901.17

Regular repayment history

According to bankers' confidential report, maintenance of all the exposures is regular having no interruption in repayment. All the exposures adequately secured either by primary or by secondary security or both in few cases. Those are also supported by high valued personal or corporate guarantee.

13.0 RISK MANAGEMENT

13.1 Raw Materials Supply Risk

BSRM produces around 80% billets in its steel melting unit and remaining 20% are imported from overseas although sometimes it collects raw materials from BSRM Iron & Steel Company Ltd. (BISCO), another sister concern of the Group. The rise in input prices can only be compensated through increasing the selling price without compromising the quality. Such increase in prices may push the company to sell the graded rod at comparatively higher prices lowering its market competitiveness. To mitigate this type of risk, the Group has already decided to set up a billet manufacturing plant namely "BSRM Steel Mills Ltd.", the installation work of which is going on and it can then become the major billet supplier of the Group. The composition of procurement variety may facilitate the strategic benefit.

13.2 Financial Risk

The company is enjoying a significant amount of working capital loan and term loan, which occupied the major portion of its total liability. This type of dependency creates a financial cost burden that grabs a significant portion of the markup. However, the company is regular in VAT and tax payment.

13.3 Market Risk

Competition among the major players in the market plays a key role in determining the status of how each of them has positioned itself in the market. Companies with vast financial

CREDIT RATING REPORT On BANGLADESH STEEL RE-ROLLING MILLS LIMITED

resources, up-to-date technology, quality production process may gain competitive advantage over the competitors as those enables them to produce products with more quality or to invest large amounts of capital into the business. The competitors may limit the opportunity to expand its market share and may compete with it on quality and pricing of products. The business financial condition and prospects of the company could be adversely affected if it is unable to maintain its market share with its competitors and sell the products at competitive prices. In view of the above, the Group has already taken initiative to build up strong backward –forward linkage in different strategic places to dominate the market as well as to maintain the leadership in the graded rod market.

13.4 Changes in Government Policy

Variation of duty structure in case of billet import is a concern for quality rod manufacturers. Difference in tariff rate for billet and scrap also reduces the market competitiveness for quality product. Being a high valued product, the effect of source tax is very extensive in the industry. High duty rate for capital machinery import also increases the size of investment thus reduces the rate of return. Thus, the industry has substantial exposure to Government policy variation.

13.5 Political Instability

Vulnerable political situation that experienced in the recent past has adversely affected the industry. Present political situation is somewhat business friendly, however business community is suffering from lack of confidence thinking that vulnerability may come back at any time. Thus, the company is exposed to political instability risk.

14.0 SUMMARY OBSERVATION

Rating Comforts: - Substantial growth of profit volume - Good return against investment in associates - Comfortable coverage financial position - Good funding flexibility - Good backward, forward and horizontal integration - Good branding, promotional and distribution strategy	Rating Concerns: - Substantial outside dependency for capital management - Highly competitive market - Exposure to raw material supply risk
Business Prospects: - Significant market vacuum of quality products - Expansion of backward linkage	Business Challenges: - Government policy variation - Retaining strong brand image - Exposure to political instability

15.0 PROSPECTS

The demand for steel is expected to continue to rise at a greater rate in the future in line with the country's economic development and requirement for infrastructure. However, BSRM Group continues to be a dominant player and market share remains above 20%. Above all, under the dynamic leadership of Mr. Alihussain Akberali, FCA, the management team of BSRM has been working to retain the best position of the steel industry of Bangladesh in terms of providing quality product, adequate infrastructure facilities, sound management, good profitability and overall support from the Group.

END OF THE REPORT

(Information used herein is obtained from sources believed to be accurate and reliable. However, CRISL does not guarantee the accuracy, adequacy or completeness of any information and is not responsible for any errors or omissions or for the results obtained from the use of such information. Rating is an opinion on credit quality only and is not a recommendation to buy or sell any securities. All rights of this report are reserved by CRISL. Contents may be used by news media and researchers with due acknowledgement)

[We have examined, prepared, finalized and issued this report without compromising with the matters of any conflict of interest. We have also complied with all the requirements, policy procedures of the BSEC rules as prescribed by the Bangladesh Securities and Exchange Commission.]

CREDIT RATING REPORT

On

BANGLADESH STEEL RE-ROLLING MILLS LIMITED

CRISL RATING SCALES AND DEFINITIONS LONG-TERM RATINGS OF CORPORATE

RATING	DEFINITION
AAA Triple A (Highest Safety)	Investment Grade Entities rated in this category are adjudged to be of best quality, offer highest safety and have highest credit quality. Risk factors are negligible and risk free, nearest to risk free Government bonds and securities. Changing economic circumstances are unlikely to have any serious impact on this category of companies.
AA+, AA, AA- (Double A) (High Safety)	Entities rated in this category are adjudged to be of high quality, offer higher safety and have high credit quality. This level of rating indicates a corporate entity with a sound credit profile and without significant problems. Risks are modest and may vary slightly from time to time because of economic conditions.
A+, A, A- (Single A) (Adequate Safety)	Entities rated in this category are adjudged to offer adequate safety for timely repayment of financial obligations. This level of rating indicates a corporate entity with an adequate credit profile. Risk factors are more variable and greater in periods of economic stress than those rated in the higher categories.
BBB+, BBB, BBB- Triple B (Moderate Safety)	Entities rated in this category are adjudged to offer moderate degree of safety for timely repayment of financial obligations. This level of rating indicates that a company is under-performing in some areas. Risk factors are more variable in periods of economic stress than those rated in the higher categories. These entities are however considered to have the capability to overcome the above-mentioned limitations.
BB+, BB, BB- Double B (Inadequate Safety)	Speculative Grade Entities rated in this category are adjudged to lack key protection factors, which results in an inadequate safety. This level of rating indicates a company as below investment grade but deemed likely to meet obligations when due. Overall quality may move up or down frequently within this category.
B+, B, B- Single B (Risky)	Entities rated in this category are adjudged to be with high risk. Timely repayment of financial obligations is impaired by serious problems which the entity is faced with. Whilst an entity rated in this category might be currently meeting obligations in time through creating external liabilities.
CCC+, CCC, CCC- Triple C (Vulnerable)	Entities rated in this category are adjudged to be vulnerable and might fail to meet its repayments frequently or it may currently meeting obligations in time through creating external liabilities. Continuance of this would depend upon favorable economic conditions or on some degree of external support.
CC+, CC, CC- Double C (High Vulnerable)	Entities rated in this category are adjudged to be very highly vulnerable. Entities might not have required financial flexibility to continue meeting obligations; however, continuance of timely repayment is subject to external support.
C+, C, C- Single C (Extremely Speculative)	Entities rated in this category are adjudged to be with extremely speculative in timely repayment of financial obligations. This level of rating indicates entities with very serious problems and unless external support is provided, they would be unable to meet financial obligations.
D (Default)	Default Grade Entities rated in this category are adjudged to be either already in default or expected to be in default.

Note: For long-term ratings, CRISL assigns + (Positive) sign to indicate that the issue is ranked at the upper-end of its generic rating category and - (Minus) sign to indicate that the issue is ranked at the bottom end of its generic rating category. Long-term ratings without any sign denote mid-levels of each group.

SHORT-TERM RATINGS OF CORPORATE

ST-1	Highest Grade Highest certainty of timely payment. Short-term liquidity including internal fund generation is very strong and access to alternative sources of funds is outstanding. Safety is almost like risk free Government short-term obligations.
ST-2	High Grade High certainty of timely payment. Liquidity factors are strong and supported by good fundamental protection factors. Risk factors are very small.
ST-3	Good Grade Good certainty of timely payment. Liquidity factors and company fundamentals are sound. Although ongoing funding needs may enlarge total financing requirements, access to capital markets is good. Risk factors are small.
ST-4	Moderate Grade Moderate liquidity and other protection factors qualify an entity to be in investment grade. Risk factors are larger and subject to more variation.
ST-5	Non-Investment/Speculative Grade Speculative investment characteristics. Liquidity is not sufficient to ensure discharging debt obligations. Operating factors and market access may be subject to a high degree of variation.
ST-6	Default Entity is in default or is likely to default in discharging its short-term obligations. Market access for liquidity and external support is uncertain.

CREDIT RATING REPORT

On

BANGLADESH STEEL RE-ROLLING MILLS LIMITED

CRISL RATING SCALES AND DEFINITIONS BANK LOAN/ FACILITY RATING SCALES AND DEFINITIONS- LONG-TERM

RATING	DEFINITION
blr AAA (blr Triple A) (Highest Safety)	Investment Grade Bank Loan/ Facilities enjoyed by banking clients rated in this category are adjudged to have highest credit quality, offer highest safety and carry almost no risk. Risk factors are negligible and almost nearest to risk free Government bonds and securities. Changing economic circumstances are unlikely to have any serious impact on this category of loans/ facilities.
blr AA+, blr AA, blr AA- (Double A) (High Safety)	Bank Loan/ Facilities enjoyed by banking clients rated in this category are adjudged to have high credit quality, offer higher safety and have high credit quality. This level of rating indicates that the loan / facilities enjoyed by an entity has sound credit profile and without any significant problem. Risks are modest and may vary slightly from time to time because of economic conditions.
blr A+, blr A, blr A- Single A (Adequate Safety)	Bank Loan/ Facilities rated in this category are adjudged to carry adequate safety for timely repayment/ settlement. This level of rating indicates that the loan / facilities enjoyed by an entity have adequate and reliable credit profile. Risk factors are more variable and greater in periods of economic stress than those rated in the higher categories.
blr BBB+, blr BBB, blr BBB- Triple B (Moderate Safety)	Bank Loan/ Facilities rated in this category are adjudged to offer moderate degree of safety for timely repayment /fulfilling commitments. This level of rating indicates that the client enjoying loans/ facilities under-performing in some areas. However, these clients are considered to have the capability to overcome the above-mentioned limitations. Cash flows are irregular but the same is sufficient to service the loan/ fulfill commitments. Risk factors are more variable in periods of economic stress than those rated in the higher categories.
blr BB+, blr BB, blr BB- Double B (Inadequate Safety)	Speculative/ Non investment Grade Bank Loan/ Facilities rated in this category are adjudged to lack key protection factors, which results in an inadequate safety. This level of rating indicates loans/ facilities enjoyed by a client are below investment grade. However, clients may discharge the obligation irregularly within reasonable time although they are in financial/ cash problem. These loans / facilities need strong monitoring from bankers side. There is possibility of overcoming the business situation with the support from group concerns/ owners. Overall quality may move up or down frequently within this category.
blr B+, blr B, blr B- Single B (Somewhat Risk)	Bank Loan/ Facilities rated in this category are adjudged to have weak protection factors. Timely repayment of financial obligations may be impaired by problems. Whilst a Bank loan rated in this category might be currently meeting obligations in time, continuance of this would depend upon favorable economic conditions or on some degree of external support. Special monitoring is needed from the financial institutions to recover the installments.
blr CCC+, blr CCC, blr CCC- Triple C (Risky)	Risky Grade Bank Loan/ Facilities rated in this category are adjudged to be in vulnerable status and the clients enjoying these loans/ facilities might fail to meet its repayments frequently or it may currently meeting obligations through creating external support/liabilities. Continuance of this would depend upon favorable economic conditions or on some degree of external support. These loans / facilities need strong monitoring from bankers side for recovery.
blr CC+, blr CC, blr CC- Double C (High Risky)	Bank Loan/ Facilities rated in this category are adjudged to carry high risk. Client enjoying the loan/ facility might not have required financial flexibility to continue meeting obligations; however, continuance of timely repayment is subject to external support. These loans / facilities need strong monitoring from bankers side for recovery.
blr C+, blr C, blr C- (Extremely Speculative)	Bank Loan/ Facilities rated in this category are adjudged to be extremely risky in timely repayment/ fulfilling commitments. This level of rating indicates that the clients enjoying these loan/ facilities are with very serious problems and unless external support is provided, they would be unable to meet financial obligations.
blr D (Default)	Default Grade Entities rated in this category are adjudged to be either already in default or expected to be in default.

SHORT-TERM RATINGS

blr ST-1	Highest Grade Highest certainty of timely payment. Short-term liquidity including internal fund generation is very strong and access to alternative sources of funds is outstanding, Safety is almost like risk free Government short-term obligations.
blr ST-2	High Grade High certainty of timely payment. Liquidity factors are strong and supported by good fundamental protection factors. Risk factors are very small.
blr ST-3	Good Grade Good certainty of timely payment. Liquidity factors and company fundamentals are sound. Although ongoing funding needs may enlarge total financing requirements, access to capital markets is good. Risk factors are small.
blr ST-4	Satisfactory Grade Satisfactory liquidity and other protection factors qualify issues as to invest grade. Risk factors are larger and subject to more variation.
blr ST-5	Non-Investment Grade Speculative investment characteristics. Liquidity is not sufficient to insure against disruption in debt service. Operating factors and market access may be subject to a high degree of variation.
blr ST-6	Default Institution failed to meet financial obligations

A

APPLICATION FORMS

“শেয়ার বাজারে বিনিয়োগ ঝুঁকিপূর্ণ, জেনে ও বুঝে বিনিয়োগ করুন”

“Interested persons are entitled to a prospectus, if they desire, and that copies of prospectus may be obtained from the issuer and the issue manager.”

BANGLADESH STEEL RE-ROLLING MILLS LIMITED

APPLICATION FORM

APPLICATION FOR SHARES BY INVESTORS OTHER THAN NON-RESIDENT BANGLADESHI(S)

Warning: Please read the instructions at the back of this form. Incorrectly filled applications may be rejected.

Banker's Sl. No.

The Managing Director

Bangladesh Steel Re-Rolling Mills Limited

Ali Mansion, 1207/1099 Sadarghat Road, Chittagong.

Dear Sir,

I/we apply for and request you to allot me/us the number of Shares and I/we agree to accept the same or any smaller number that may be allotted to me/us upon the terms of the Company's approved Prospectus and subject to the Memorandum and Articles of Association of the Company. Further, I/we authorize you to place my/our name(s) on the Register of Members of the Company and deposit the said shares to my BO (Beneficiary Owner) Account and/or a Crossed (Account Payee only) Cheque in respect of any application money refundable by post/courier at my/our risk to the first applicant's address stated below:-

- No. of Shares..... of Tk. 35/- each including a premium of Tk. 25/- per share.
- Amount of Tk.(in figure), ...Taka (in words).....only deposited vide Cash/Cheque/Draft/Pay Order No.....Dated..... on.....Bank.....Branch
- Beneficiary Owner (B/O) Account

 Number

(If you do not mention your valid BO (Beneficiary Owners) account, your application will be treated as invalid)

- I/we agree to fully abide by the instruction given herein.

- Particulars of Applicant(s).

a) Sole/First Applicant

Name:	
Father's /Husband's name:	
Mother's name:	
Postal address:	
Occupation:	
Nationality:	
For refund warrant: Please write the correct and full name of bank and branch (Application will not be treated as valid if anyone uses a non-scheduled bank. To avoid this complication, investors are requested not to use the name of any non-scheduled bank)	
For refund purpose: I/we want refund through†Bank account*†Hand delivery/ Courier (Please put marks in which refund will be made)	
The applicant shall provide with the same Bank Account number in the application form as it is in the BO account of the applicant. Otherwise the application will be considered invalid & the subscription money may be forfeited.	
In case of deposit into the applicant's bank account, the applicant will bear the applicable charge, if any, of the applicants banker, and the issuer shall simultaneously issue a letter of intimation to the applicant containing, among others, the date and amount remitted with details of the bank through and to which bank such remittance has been effected.	
For Refund Warrant: Applicant's Bank A/C No.	
Name of the Bank:	Branch:

b) Second Applicant

Name:	
Father's /Husband's name:	
Mother's name:	
Postal address:	
Occupation:	
Nationality:	

- I/we hereby declare that I/we have read the Prospectus of 'Bangladesh Steel Re-Rolling Mills Limited', and have willingly subscribed for no of shares of Tk. 35/- each including a premium of Tk. 25/- per share on this form.

7. Specimen Signature(s):

(i) 1 st Applicant Name (in block letters)	Signature:
(ii) 2 nd Applicant Name (in block letters)	Signature:

BANK'S ACKNOWLEDGMENT

Certified that this bank has received Tk.....(in word)..... only from Mr./Mrs./Ms.....being the Application Money for nos. Ordinary Shares of Bangladesh Steel Re-Rolling Mills Ltd.

Banker's Sl. No.

Seal and Date

Authorized Signature
(Name & Designation)

Instructions:

1. As per provision of the Depository Act, 1999 and regulations made there under shares will only be issued in dematerialized condition. Please mention your BO (Beneficiary Owner) account number in the Application Form. If you do not mention your valid BO (Beneficiary Owner) Account, your application will be treated as invalid.
2. All information must be typed or written in full (in block letters) in English or in Bengali and must not be abbreviated.
3. Application must be made on the Company's printed form/photocopy or on typed copy/hand written form thereof.
4. Application must not be for less than **200** ordinary shares and must be for a multiple of **200** ordinary shares. Any application not meeting these criterions will not be considered for allotment purpose.
5. Remittance for the full amount of the shares must accompany each application and must be forwarded to any of the Bankers' to the Issue. Remittance should be in the form of cash/cheque/bank draft/pay order payable to one of the Bankers' to the Issue favoring **"BANGLADESH STEEL RE-ROLLING MILLS LIMITED"** and crossed **"A/C Payee only"** and must be drawn on a bank in the same town as the bank to which the application form has been sent.
6. In the case of a joint application form, the Allotment letter will be dispatched to the person whose name appears first on this application form and where any amount is refundable in whole or in part the same will be refunded by Account Payee cheque by post/courier service to the person named first on this application form in the manner prescribed in the Prospectus.
7. Joint application form for more than two persons will not be accepted. In case of joint application, each party must sign the application form.
8. Applications must be in the full name of individuals or companies or societies or trusts and not in the name of firms, minors or persons of unsound mind. Application from financial and market intermediary companies must be accompanied by Memorandum of Association and Articles of Associations and Certificate of Incorporation.
9. **An applicant cannot submit more than two applications, one in his/her own name and another jointly with another person. In case an applicant makes more than two applications, all applications will be treated as invalid and will not be considered for allotment purpose. In addition, 15% (fifteen) of the application money will be forfeited by the Commission and the balance amount will be refunded to the applicant.**
10. No receipt will be issued for the payment made with application, but the bankers will issue a provisional acknowledgement to the issue for application lodged with them.
11. In the case of non-allotment of securities, if the applicants' bank accounts as mentioned in their IPO Application Forms are maintained with the Bankers to the Issue, refund amount of those applicants will be directly credited into the respective bank accounts as mentioned in their IPO Application Forms. Otherwise, refund will be made only through "Account Payee" cheque(s) showing bank account number and name of bank and branch as mentioned in the application payable at Dhaka or Chittagong, as the case may be.
12. Allotment shall be made solely in accordance with the instructions of the Bangladesh Securities and Exchange Commission.
13. Making of any false statement in the application or supplying of incorrect information therein or suppressing any relevant information shall make the application liable to rejection and subject to forfeiture of application money and / or forfeiture of share (unit) before or after issuance of the same by the issuer. The said forfeited Application money or share (unit) will be deposited in account specified by the Bangladesh Securities and Exchange Commission (BSEC). This may be in addition to any other penalties as may be provided for by the law.
14. Applications which do not meet the above requirements, or applications, which are incomplete, shall not be considered for allotment purpose.
15. The Bankers' to the Issue shall be obliged to receive the A/C Payee Cheque(s) on the closing day of the subscription.
16. **No sale of securities shall be made nor shall any money be taken from any person, in connection with such sale until twenty five days after the prospectus have been published.**
17. The applicants who have applied for more than two applications using same bank account, their application will not be considered for lottery and the commission will forfeit 15% (fifteen) of their subscription money too.

Bankers to the Issue

BRAC Bank Limited

Agrabad Branch
Asad Gate Branch
Barisal Branch
Bashundhara Branch
Bogra Branch
CDA Avenue Branch
Jessore Branch

Banani Branch, Dhaka
Donia Branch
Eskaton Branch
Graphics Building Branch
Gulshan Branch
Halishohor Branch, Chittagong

Kazirdeuri Branch
Khulna Branch
Manda Branch
Mirpur Branch
Momin Road Branch, Chittagong
Narayanganj Branch

Nawabpur Branch
Rajshahi Branch
Rampura Branch
Shyamoli Branch
Uttara Branch
Zindabazar Branch, Sylhet

Bank Asia Limited

Principal Office Branch, Dhaka
MCB Dilkusha Branch, Dhaka
Corporate Branch, Dhaka
MCB Banani Branch, Dhaka
Gulshan Branch, Dhaka
Shantinagar Branch, Dhaka
North South Road Br., Dhaka
Mitford Branch, Dhaka
Uttara Branch, Dhaka

Dhanmondi Branch, Dhaka
Bashundhara Branch, Dhaka
Moghbar Branch, Dhaka
Scotia Br., Kawran Bazar, Dhaka
Mirpur Branch, Dhaka
Mohakhali Branch, Dhaka
Shymoli Branch, Dhaka
Paltan Branch, Dhaka

Progoti Soroni Branch, Dhaka
Kamal Bazar Branch, Chittagong
Strand Road Branch, Chittagong
Station Road Br., Chittagong
Bahadderhat Branch, Chittagong
CDA Avenue Br., Chittagong
Khatungonj Branch, Chittagong
Anderkilla Branch, Chittagong

MCB Sk. Mujib Road Br., Ctg.
Agrabad Branch, Chittagong
Rajshahi Branch, Rajshahi
Sylhet Main Branch, Sylhet
Sylhet Uposhahar Branch, Sylhet
Jessore Branch, Jessore
Khulna Branch, Khulna
Bogra Branch, Bogra

The City Bank Limited

Principal Office Branch, Dhaka
B B Avenue Branch, Dhaka
Imamgonj Branch, Dhaka
Johnson Branch, Dhaka
Kawran Bazar Branch, Dhaka
New Market Branch, Dhaka
VIP Road Br., Dhaka
Islampur Branch, Dhaka
Nawabgonj Branch, Dhaka

Dhanmondi Branch, Dhaka
Nawabpur Branch, Dhaka
Bangabandhu Road Br., N.Gonj
Pragati Sarani Branch, Dhaka
Zinzira Branch, Dhaka
Shymoli Branch, Dhaka
Tongi Br., Gazipur
Jubilee Road Branch, Chittagong
Chawkbazar Br., Chittagong

Pahartoli Branch, Chittagong
Agrabad Branch, Chittagong
Khatungonj Branch, Chittagong
Anderkilla Branch, Chittagong
Cox's Bazar Br. Cox's Bazar
Narsingdi Br. Narsingdi
Comilla Branch, Comilla
Rajshahi Branch, Rajshahi
Zinda Bazar Br., Sylhet

Bandar Bazar Br., Sylhet
Amborkhana Br. Sylhet
Moulvi Bazar Branch, Sylhet
Jessore Branch, Jessore
Khulna Branch, Khulna
Bogra Branch, Bogra
Barisal Branch, Barisal
Rangpur Branch, Rangpur
Sirajgonj Br., Sirajgonj

Dutch-Bangla Bank Limited

Pallabi Br. Dhaka
Mawna Br. Gazipur
Vatara Br. Dhaka
Baburhat Br. Narsingdi
Dhaka EPZ Br. Dhaka
Joypara Br. Dhaka
Keraniganj Br. Dhaka
Uttara Sonargaon Janopad Br.
Ashkona Br. Dhaka
Savar Bazar Br. Dhaka
Matuail Br. Dhaka
Dania Br. Dhaka
Bandura Br. Dhaka
Satmosjid Road Br. Dhaka
Uttar Khan Br., Dhaka
Konabary Br. Gazipur
Gazipur Chowrasta Br. Gazipur
Tongi Br. Gazipur
Mirer Bazar Br., Gazipur
Board Bazar Br. Gazipur
Narsingdi Br. Narsingdi
Narayanganj Br. Narayanganj
Pagla Br. Narayanganj

Netaiganj Br. Narayanganj
Narayanganj ,BSCIC Br. N.gonj
B.B Road Br. Narayanganj
Bhulta Br. Narayanganj
Jubilee Road Br. Chittagong
CDA Avenue Br. Chittagong
Muradpur Br. Chittagong
Chittagong EPZ Br. Chittagong
Patherhat Br. Chittagong
Hathazari Br. Chittagong
Kadamtali Br. Chittagong
Fatikchhari Br. Chittagong
Lohagara Br. Chittagong
Khatunganj Br. Chittagong
Halishahar Br. Chittagong
Chokoria Br., Cox's Bazar
Cox's Bazar Br. Cox's Bazar
Mirzapur Br. Tangail
Tangail Br. Tangail
Mymensing Br. Mymensing
Manikgonj Br. Manikgonj
Jamalpur Br. Jamalpur
Ashulia Br., Dhaka

Digpait Br. Jamalpur
Munshiganj Nr. Munshiganj
Madaripur Br. Madaripur
Satkhira Br. Satkhira
Rajshahi Br. Rajshahi
Barisal Br. Barisal
Khulna Br. Khulna
Choumuhani Br. Noakhali
Sonagazi Br. Feni
Feni Br. Feni
Kushtia Br. Kushtia
Faridpur Br. Faridpur
Shahzadpur Br. Sirajgonj
Bogra Br. Bogra
Saidpur Br. Nilphamary
Rangpur Br. Rangpur
Jessore Br. Jessore
Naogan Br. Naogaon
Basurhat Br.(Rural) Noakhali
Sremangal Br. Moulvibazar
Pabna Br. Pabna
Ruhitpur Br. Dhaka

Dinajpur Br. Dinajpur
Bhairab Br. Kishorgonj
Dagonbhuiyan Br. Feni
Gobindaganj Br. Gaibandha
Comilla Br. Comilla
Laksham Br. Comilla
Brahmanbaria Br. Brahmanbaria
Laxmipur Br. Laxmipur
Sunamganj Br. Sunamganj
Borolekha Br. Moulvibazar
Goala Bazar Br. Sylhet
Amberkhana Br. Sylhet
Habiganj Br. Habiganj
Shahajalal Uposhohor Br. Sylhet
Golapgonj Br. Sylhet
Biswanath Br. Sylhet
Sylhet Br. Sylhet
Beani Bazar Br. Sylhet
Chhatak Br. Sunamganj
Moulavi Bazar Br. Moulavi Bazar
Panchagarh Br., Panchagarh
Patuakhali Br., Patuakhali

Dhaka Bank Limited

Local Office ,Dhaka
Gulshan Branch, Dhaka
Uttara Branch,Dhaka
Khilgaon Branch, Dhaka
Dhanmondi Branch, Dhaka
Kawran Bazar Br. Dhaka

Moghbar Branch, Dhaka
Foreign Ex. Br. Dhaka
Mirpur Br.,Dhaka
Goran SME Service center Br.
Haliushahar Br.Chittagong
CDA Avenue Br., Chittagong

Agrabad Branch, Chittagong
Faridpur Br. Faridpur
Barishal Br. Barishal
Rangpur Br. Rangpur
Uposhahar Branch, Sylhet

KDA Avenue Br., Khulna
Rajshahi Branch, Rajshahi
Narayanganj Br. Narayanganj
Bhulta Br. Narayanganj
Comilla Branch, Comilla

Eastern Bank Limited

Motijheel Branch, Dhaka
Banasree Branch, Dhaka
Uttara Branch, Dhaka
Savar Branch, Dhaka
Bashundhara Branch, Dhaka
Moghbar Branch, Dhaka

Uttara Garib-E-Newaz Br., Dhaka
Mirpur Dar-us-salam Road Br.
Shymoli Branch, Dhaka
Narayanganj Br., Narayanganj
O.R. Nizam Road Br., Chittagong
Jubilee Road Branch, Chittagong

Chandgaon Branch, Chittagong
Panchlaish Br., Chittagong
Halishahar Branch, Chittagong
Mymensing SME Br. Mymensing
Rajshahi Branch, Rajshahi
Khulna Branch, Khulna

Bogra Branch, Bogra
Moulvi Bazar Branch, Sylhet
Uposhahar Branch, Sylhet
Chouhatta Br. Sylhet
Jessore Branch, Jessore

ICB

Head Office. Dhaka
Barishal Branch

Chittagong Branch
Sylhet Branch

Rajshahi Branch
Bogra Branch

Khulna Branch
Local Office Branch. Dhaka

Jamuna Bank Ltd.

Motijheel Branch, Dhaka
Dhanmondi Branch, Dhaka
Sonargaon Road Branch, Dhaka
Dilkusha Branch, Dhaka
Shantinagar, Dhaka
Moulvibazar Branch, Dhaka
Islampur Branch, Dhaka
Ring Road Branch, Dhaka

Mirpur Branch, Dhaka
Dholaikhal Branch, Dhaka
Mohakhali Branch, Dhaka
Gulshan Branch, Dhaka
Uttara Branch, Dhaka
Banani Branch, Dhaka
Malibagh Branch, Dhaka
Savar Branch, Dhaka

Konabari Branch, Gazipur
Jubilee Road Branch, Chittagong
Khatungonj Branch, Chittagong
Agrabad Branch, Chittagong
Feni Branch, Feni
Sylhet Branch, Sylhet
Narayanganj Br., Narayanganj
Comilla Branch, Comilla

Bogra Branch, Bogra
Kushtia Branch, Kushtia
Rajshahi Branch, Rajshahi
Rangpur Branch, Rangpur
Jessore Branch, Jessore
Barisal Branch, Branch

Mutual Trust Bank Limited

Babu Bazar Br. Dhaka
Banani Branch. Dhaka
Dhanmondi Branch. Dhaka
Dholaikhal Branch. Dhaka
Dilkhusa Branch. Dhaka
Elephant Road Br. Dhaka
Fulbaria Branch. Dhaka
Gulshan Branch. Dhaka
Moulvi Bazar br, Sylhet
Principal Branch. Dhaka
Panthapath Branch. Dhaka
Pallabi Branch. Dhaka
Pragati Sarani Br. Dhaka
MTB corporate Center Br,Dhaka

Savar Branch. Dhaka
Shanir Akhra Br. Dhaka
Tongi Branch. Dhaka
Gournadi Br. Barisal
Rajshahi Branch. Rajshahi
Uttara Model Town Br. Dhaka
Rangpur Branch. Rangpur
Bogra Br., Bogra
Feni Branch, Feni
Mohammadpur Br. Dhaka
Pabna Branch. Pabna
Kushtia Br. Kushtia
Jessore Br. Jessore
Syedpur Branch

Alankar Mour Br. Chittagong
CDA Avenue Br. Chittagong
Jubilee Road Br. Chittagong
Khatungonj Br. Chittagong
Agrabad Br. Chittagong
Narayanganj Br. Narayanganj
Sonargaon Br. Narayanganj
Sylhet Branch. Sylhet
Habigonj Br. Habigonj
Cox's Bazar Br., Cox's Bazar
Dagonbhuiyan Br., Feni
Ishwardi Br.,Ishwardi
Joypurhat Br.Joypurhat
Thakurgaon Branch, Thakurgaon

Mymensingh Br.,Mymensingh
Nazirhat Br., Chittagong
Aman Bazar Br., Chittagong
Noria Branch,Shariyatpur
Oxygen Mor Br., Chittagong
Baridhara Branch, Dhaka
Bashundhara Branch, Dhaka
Raipur Branch,Laxmipur
Brahmanbaria Br., Brahmanbaria
Sreenagar Branch,Dhaka
Chandra Branch
Chawk Moghaltuli Br., Dhaka
Chokoria Br., Chittagong
Comilla Branch, Comilla

Mercantile Bank Limited

Main Br., Dhaka
Dhanmondi Br., Dhaka
Kawran Bazar Br., Dhaka
Agrabad Br.
Banani Br., Dhaka
Elephant Road Br., Dhaka
Motijheel Br., Dhaka

Progati Sarani Br., Dhaka
Mirpur Br., Dhaka
Uttara Br., Dhaka
Satmasjid Road Br., Dhaka
Bijoy nagor Br., Dhaka
Nayabazar Br., Dhaka
Gulshan Br., Dhaka

Jessore Br., Jessore
Naogaon Br., Naogaon
Sylhet Br., Sylhet
Barishal Br., Barishal
Khulna Br.,Khulna
Rangpur Br.,Rangpur
Rajshahi Br.

Feni Br., Feni
Bogra Br.,Bogra
Dinajpur Br., Dinajpur
Narayanganj Br., Narayanganj
Comilla Br.,Comilla
Ring Road Br., Dhaka
Mohakhali Br., Dhaka

NCC Bank Limited

Motijheel Br. Motijheel, Dhaka
Dilkusha Br. Dhaka
Kawran Bazar Br. Dhaka
Mirpur Br. Dhaka
Dhanmondi Br., Dhaka
Mitford Br., Dhaka
Nawabpur Road Br., Dhaka
Islampur Br, Dhaka
Malibagh Br., Dhaka
Moghbazar Br., Dhaka
Pragoti Sarani Br., Dhaka
Bijoy nagar Br, Dhaka
Foreign Exchange Br. Dhaka
Shyamoli Br, Dhaka

Savar Br, Dhaka
Jatrabari Branch, Dhaka
Gulshan Br. Dhaka
Uttara Br. Dhaka
Banani Br. Dhaka
Babubazar Br., Dhaka
Bangshal Br. Dhaka
Elephant Road Br., Dhaka
Brahmanbaria Br., B.baria
Tangail Branch, Tangail
Mymensingh Br.Mymensingh
Narayanganj Br. Narayanganj
Comilla Br, Comilla
Naogaon Br., Naogaon

Khulna Br, khulna
CEPZ Br. Ctg
Jubilee Road Br. Ctg
Khatungonj Br., Ctg
O.R..Nizam Road Br., Ctg
Cox's Bazar Br., Cox's Bazar
Agrabad Br. Ctg
Anderkilla Br, Ctg
Kadamtali Br, Ctg
Majhirhat Br, Ctg
Halishahar Br., Ctg
Jessore Br. Jessore
Maijdee Branch, Noakhali
Feni Br. Feni

Rajshahi Br., Rajshahi
Laxmipur Br., Laxmipur
Rangpur Br., Rangpur
Chowmuhuni Br., Noakhali
Madaripur Br, Madaripur
Bogra Br. Bogra
Laldighirpar Br., Sylhet
Moulivi Bazar Br., Moulivi Bazar
Chowhatta Branch, Sylhet
Kushtia Br., Kushtia
Barisal Br., Barisal
Dinajpur Br. Dinajpur

One Bank Limited

Principal Branch, Dhaka
Kawran Bazar Br. Dhaka
Mirpur Br. Dhaka
Dhanmondi Br. Dhaka
Ganakbari (EPZ) Br., Dhaka
Progoti Sharani Br., Dhaka
Elephant Road Br., Dhaka
Nowabgonj Br., Dhaka
Joypara Br., Dhaka
Motijheel Br. Motijheel, Dhaka
Rajshahi Branch
Basabo Branch
Moghbazar Branch, Dhaka
Ring Road Branch, Dhaka
Tongi SME Branch, Tongi

Gulshan Br. Dhaka
Uttara Br. Dhaka
Banani Br. Dhaka
Kakrail Br., Dhaka
Imamganj Br. Dhaka
Jatrabari Br., Dhaka
Bangshal Br., Dhaka
Narayanganj Br. Narayanganj
Madhabdi Branch, Narsingdi
Cox's Bazar Br., Cox's Bazar
Shahjadpur SME Br. Sirajgonj
Satkhira Branch, Satkhira
Sherpur Branch
Rangpur Branch, Rangpur
Agrabad Br. Chittagong

CDA Avenue Br., Chittagong
Khatungonj Br. Chittagong
Jubilee Road Br. Chittagong
Nanupur Bazar Br., Chittagong
Boalkhali Br., Chittagong
Ranirhat Br., Chittagong
Chandgaon Br., Chittagong
Raozan Br. Chittagong
Dagon Bhuiyan Br., Feni
Feni Branch. Feni
Sylhet Branch., Sylhet
Laldighirpar Br., Sylhet
Raipur Br., Lazmipur
Chandragonj Br., Lakshmpur
Chowmuhuni Br., Noakhali

Islampur Br., Sylhet
Sitakunda Branch,Chittagong
Bogra Br. Bogra
Jessore Br. Jessore
Sirajgonj Br., Sirajgonj
Ramgonj Branch, Laxmipur
Banasree Br. Banasree Dhaka
Laksham Br, Laksham Comilla
Maijdee Court Br. Noakhali
Jagannathpur Branch, Dhaka
Comilla Branch
Rangamati Branch, Rangamati
Khulna Branch, Khulna
Brahmanbaria Br. B.baria

Trust Bank Limited

Radisson Water Garden Hotel
(RWGH) Br, Dhaka

Dilkusha Corp. Br. Dhaka
Principal Br. Dhaka
Joypara Br. Dhaka
Uttara Corporate Br., Dhaka
Mirpur Br. Dhaka
Karwan Bazar Br. Dhaka
Savar Cant. Br, Dhaka
S.S. Cantt. Br, Tangail

Ashugonj Br. Brahmanbaria

Joydebpur Br, Gazipur
Rajshahi Br. Rajshahi
Barishal Branch, Barishal
Narayanganj Branch
Elephant Road Br,Dhaka
Dhanmondi Br. Dhaka
Halishahar Br. Chittagong

Shahjalal Uposhohor Br., Sylhet
Khawja Yunus Ali MedicalCollege &
Hospital Br, Sirajgonj
Rangpur cant. br, Rangpur
Tongi Br, Tongi
Feni Br. Feni
Narsingdi Br., Narsigndi
Ashulia Br.,Dhaka
Kadamtali Br. Chittagong

Jalalabad Cant. Br., Sylhet

Momenshahi Cant. Br., Mymensingh
Bogra Cantt.Br. Bogra
Jessore Cant.Br. Jessore
Khulna Br, Khulna
Comilla Cantt. br, Comilla
Chowmohoni Branch
Comilla Br. Comilla

Social Islami Bank Limited

Principal Branch, Dhaka
Gulshan Branch, Dhaka
Uttara Branch, Dhaka
Islampur Branch, Dhaka
New Eskaton Branch, Dhaka
Babu Bazar Branch, Dhaka
Rampura Branch, Dhaka
Banani Branch, Dhaka

Begum Rokeya Sarani Br., Dhaka
Mirpur Branch Dhaka
Panthapath Branch, Dhaka
Dhanmondi Branch, Dhaka
Mohakhali Branch, Dhaka
Dania Rasulpur Br., Dhaka
Foreign Exchange Branch, Dhaka
South Banosree Branch Dhaka

Narayangonj Br., Narayangonj
Sonargaon Br., Narayangonj
Chandpur Br., Chandpur
Comilla Branch Comilla
Agrabad Br., Chittagong
Chawk Bazar Branch, Chittagong
Feni Branch, Feni

Rajshahi Branch, Rajshahi
Sylhet Branch, Sylhet
South Surma Branch, Sylhet
Khulna Branch, Khulna
Jessore Branch, Jessore
Rangpur Branch, Rangpur
Barisal Branch, Barisal

United Commercial Bank Limited

Principal Branch, Dhaka
Nayabazar Branch, Dhaka
Mirpur Branch, Dhaka
Uttara Branch, Dhaka
Corporate Branch, Dhaka
Gulshan Branch, Dhaka
Mohakhali Branch, Dhaka
Barisal Branch, Barisal

Dhanmondi Branch, Dhaka
Banani Branch, Dhaka
Narayangonj Br., Narayangonj
Tejgaon Branch, Dhaka
Bijoy nagar Branch, Dhaka
Mymensing Br. Mymensing
Faridpur Branch, Faridpur
Rajshahi Branch, Rajshahi

Pabna Branch, Pabna
Agrabad Branch, Chittagong
Khatungonj Branch, Chittagong
Jubilee Road Branch, Chittagong
Cox's Bazar Br. Cox's Bazar
Maijdee Court Br., Noakhali
Comilla Branch, Comilla

Sylhet Br., Sylhet
Dinajpur Br. Dinajpur
Kushtia Branch, Kushtia
Jessore Branch, Jessore
Khulna Branch, Khulna
Bogra Branch, Bogra
Rangpur Branch, Rangpur

“শেয়ার বাজারে বিনিয়োগ ঝুঁকিপূর্ণ, জেনে ও বুঝে বিনিয়োগ করুন”

“Interested persons are entitled to a prospectus, if they desire, and that copies of prospectus may be obtained from the issuer and the issue manager.”

BANGLADESH STEEL RE-ROLLING MILLS LIMITED

APPLICATION FORM

Application for shares by non-resident Bangladeshi(s)

(To be sent directly to the company's Dhaka office)

Warning: Please read the instructions at the back of this form. Incorrectly filled applications may be rejected.

The Managing Director

Bangladesh Steel Re-Rolling Mills Limited

Ali Mansion,

1207/1099 Sadarghat Road, Chittagong.

Dear Sir,

I/we apply for and request you to allot me/us the following number of Shares and I/we agree to accept the same or any smaller number that may be allotted to me/us upon the terms of the Company's approved Prospectus and subject to the Memorandum and Articles of Association of the Company. Further, I/we authorize you to place my/our name(s) on the Register of Members of the Company as the holder(s) of.....Shares allotted to me/us pursuant to his application and credit the said shares to my BO (Beneficiary Owner) Account and/or a Crossed (Account Payee only) Cheque in respect of any application money refundable by post/courier at my/our risk to the first applicant's address stated below:

- No. of Shares..... of Tk. 35/- each including a premium of Tk. 25/- per share.
- Amount of Tk. (in figure)..... (in words).....only
Convertible into US Dollar 1.00 =Tk., UK Pound Sterling 1.00 Tk....., and Euro 1.00
Tk.....
- Payment by cheque/draft no....., dated....., for US Dollar or UK Pound
Sterling or Euro or Tk.....drawn
on.....Bank.....Branch.
- Beneficiary Owner (B/O) Account Number

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(If you do not mention your valid BO (Beneficiary Owners) account, your application will be treated as invalid)

5. I/we agree to fully abide by the instruction given herein.

6. Particulars of Applicant(s).

a) Sole/First Applicant

Name:	
Father's /Husband's name:	
Mother's name:	
Mailing address:	
Occupation:	Nationality:
Passport No.	Valid up to:
Date of Birth	Telephone No. (If any)
For refund warrant: Please write the correct and full name of bank and branch (Application will not be treated as valid if anyone uses a non-scheduled bank. To avoid this complication, investors are requested not to use the name of any non-scheduled bank)	
Applicant's Bank A/C No.	
Name of the Bank:	Branch

The applicant shall provide with the same bank account number in the application form as it is in the B O account of the applicant. Otherwise the application will be considered invalid & the subscription money may be forfeited.

b) Second Applicant

Name:	
Father's /Husband's name:	
Mother's name:	
Mailing address:	
Occupation:	Nationality:
Passport No.	Valid up to:
Date of Birth:	Telephone No. (If any)

Nominee's Name:

Name:	
Mailing Address:	

7. I/we hereby declare that I/we have read the Prospectus of 'Bangladesh Steel Re-Rolling Mills Limited', and have willingly subscribed for no of shares of Tk. 35/- each including a premium of Tk. 25/- per share on this form.

8. Specimen Signature(s):

	Name in Block Letters	Signature
Sole/First Applicant:		
Second Applicant:		
Nominee:		

* Please see the instructions in paragraphs 14 &15 for the evidence required to establish non-resident Bangladeshi status

Instructions:

1. As per provision of the Depository Act, 1999 and regulations made there under shares will only be issued in dematerialized condition. Please mention your BO (Beneficiary Owner) account number in the Application Form. If you do not mention your valid BO (Beneficiary Owner) account, your application will be treated as invalid.

2. All information must be written or typed in block letters in English and must not be abbreviated.

3. An application must not be for less than 200 Ordinary Shares and must be for a multiple of 200 ordinary shares. Any application not meeting this criterion will not be considered for allotment purpose.

4. An application must be accompanied by a foreign demand draft drawn on a bank payable at Dhaka or cheque drawn out of foreign currency deposit account maintained in Bangladesh for the full value of shares favoring **"BANGLADESH STEEL RE-ROLLING MILLS LIMITED"** and crossed "Account Payee only".

5. An application shall be sent by the applicant directly to the Company by 05/02/2015 so as to reach the Company by 14/02/2015. Applications sent after 05/02/2015 or received by the Company after 14/02/2015 will not be considered for allotment purpose.

6. Refund against over-subscription shall be made in the currency in which the value of shares was paid for by the applicant at the same rate as stated on the application form through Account Payee cheque payable at Dhaka with bank account number, Bank's name and Branch as indicated in the securities application form.

7. In case of over-subscription, allotment shall be made by lottery solely in accordance with the instructions by BSEC.

8. Money receipt on clearance of draft or cheque, as the case may be, shall be sent by post to the applicant by the Company.

9. Joint application by two persons will be acceptable. In such a case, allotment or refund shall be made by post to the first applicant. Not that a non-resident Bangladeshi ("NRB") applicant cannot submit more than two applications, one in his/her own name and another jointly with another person by one Cheque/DD/PO by US \$/UK Pound Sterling/ EURO/Taka (supported by a foreign currency encashment certificate). More than two applications by one Cheque/DD/PO by US \$/UK Pound Sterling/ EURO/Taka (supported by a foreign currency encashment certificate) will not be allowed.

10. Application must be made by an individual, a corporation or company, a trust or a society and not by a firm, minor or persons of unsound mind.

11. Making of any false statement in the application or supplying of incorrect information therein or suppressing any relevant information in the application shall make the Application liable to rejection and subject to forfeiture of application money and / or forfeiture of share (unit) before or after issuance of the same by the issuer. The said forfeited application money or share (unit) will be deposited in account specified by the Bangladesh Securities and Exchange Commission (BSEC). This may be in addition to any other penalties as may be provided for by the law.

12. The intending NRB applicants shall deposit share money by US\$/UK Pound Sterling/EURO draft drawn on any Bank and payable in Dhaka, Bangladesh, or through a nominee by paying out of foreign currency deposit account maintained in Bangladesh or in Taka, supported by foreign currency encashment certificate issued by the concerned bank, for the value of securities applied for through crossed bank cheque marking **"Account Payee only"**. So that the issuer's collecting bank can clear the proceeds and deposit the same into issuer company's account in time.

13. The spot buying rate (TT Clean) in US Dollar, UK Pound Sterling and EURO of Sonali Bank at the day of subscription opening will be applicable for the Non Resident Bangladeshi (NRB) applicants.

14. The applicant shall furnish photocopies of relevant pages of valid passports in support of his being a NRB, dual citizenship or of the foreign passport bearing an endorsement from the concerned Bangladeshi Embassy to the effect that no visa is required for him to travel to Bangladesh.

15. In case of joint NRB application joint applicant shall also submit supporting papers /documents in support of their being a NRB as mentioned in para-14 (above).

16. An applicant cannot submit more than two applications, one in his/her own name and another jointly with another person. In case an applicant makes more than two applications, all applications will be treated as invalid and will not be considered for allotment purpose. In addition, 15% (fifteen) of the application money will be forfeited by the Commission and the balance amount will be refunded to the applicant.

17. No sale of securities shall be made nor shall any money be taken from any person, in connection with such sale until twenty five (25) days after the prospectus have been published.

18. In the case of non-allotment of securities, if the applicants' bank accounts as mentioned in their IPO Application Forms are maintained with the Bankers to the Issue, refund amount of those applicants will be directly credited into the respective bank accounts as mentioned in their IPO Application Forms. Otherwise, refund will be made only through "Account Payee" cheque(s) with bank account number and name of bank branch as mentioned in the application payable at Dhaka or Chittagong, as the case may be.

19. The applicants who have applied for more than two applications using same bank account, their application will not be considered for lottery and the commission may forfeit whole or part of their application too.

THE NRB APPLICATION ALONG WITH THE FOREIGN CURRENCY DRAFT, AS ABOVE, IS TO BE SUBMITTED TO THE COMPANY'S DHAKA OFFICE DIRECTLY WITHIN THE STIPULATED TIME MENTIONED IN PARA 5.

“শেয়ার বাজারে বিনিয়োগ ঝুঁকিপূর্ণ, জেনে ও বুঝে বিনিয়োগ করুন”

“Interested persons are entitled to a prospectus, if they desire, and that copies of prospectus may be obtained from the issuer and the issue manager.”

BANGLADESH STEEL RE-ROLLING MILLS LIMITED
APPLICATION FORM

APPLICATION FOR SHARES BY AFFECTED SMALL INVESTORS (ফতিহর ক্ষুদ্র বিনিয়োগকারী)

Warning: Please read the instructions at the back of this form. Incorrectly filled applications may be rejected.

Banker's Sl. No.

The Managing Director
Bangladesh Steel Re-Rolling Mills Limited
Ali Mansion,
1207/1099 Sadarghat Road, Chittagong.

Dear Sir,

I/we apply for and request you to allot me/us the number of Shares and I/we agree to accept the same or any smaller number that may be allotted to me/us upon the terms of the Company's approved Prospectus and subject to the Memorandum and Articles of Association of the Company. Further, I/we authorize you to place my/our name(s) on the Register of Members of the Company and deposit the said shares to my/our BO (Beneficiary Owner) Account and/or a Crossed (Account Payee only) Cheque in respect of any application money refundable by post/courier at my/our risk to the first applicant's address stated below:-

1. No. of Ordinary Shares..... of Tk. 35/- each including a premium of Tk. 25/- per share.
2. Amount of Tk.(in figure), ...Taka (in words).....only deposited vide Cash/Cheque/Draft/Pay Order No.....Dated.....on.....Bank.....Branch

3. Beneficiary Owner (B/O) Account Number

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(If you do not mention your valid BO (Beneficiary Owners) account, your application will be treated as invalid)

4. I/we agree to fully abide by the instruction given herein.

5. Particulars of Applicant(s).

a) Sole/First Applicant

Name:	
Father's /Husband's name:	
Mother's name:	
Postal address:	
Occupation: Nationality: Telephone No (If any)	
For refund warrant: Please write the correct and full name of bank and branch (Application will not be treated as valid if anyone uses a non-scheduled bank. To avoid this complication, investors are requested not to use the name of any non-scheduled bank)	
For refund purpose: I/we want refund through†Bank account*†Hand delivery/ Courier (Please put marks in which refund will be made)	
The applicant shall provide with the same Bank Account number in the application form as it is in the BO account of the applicant. Otherwise the application will be considered invalid & the subscription money may be forfeited.	
In case of deposit into the applicant's bank account, the applicant will bear the applicable charge, if any, of the applicants banker, and the issuer shall simultaneously issue a letter of intimation to the applicant containing, among others, the date and amount remitted with details of the bank through and to which bank such remittance has been effected.	
For Refund Warrant: Applicant's Bank A/C No.	
Name of the Bank:	Branch:

b) Second Applicant

Name:	
Father's /Husband's name:	
Mother's name:	
Postal address:	
Occupation: Nationality: Telephone No (If any)	

6. I/we hereby declare that I/we have read the Prospectus of 'Bangladesh Steel Re-Rolling Mills Limited', and have willingly subscribed for no of shares of Tk. 35/- each including a premium of Tk. 25/- per share on this form.

7. Specimen Signature(s):

(i) 1 st Applicant Name (in block letters)	Signature:
(ii) 2 nd Applicant Name (in block letters)	Signature:

BANK'S ACKNOWLEDGMENT

Certified that this bank has received Tk. (in figure).....(in word)..... only from Mr./Mrs./Ms.....being the Application Money for nos. Ordinary Shares of **Bangladesh Steel Re-Rolling Mills Limited**.

Banker's Sl. No.

Seal and Date

Authorized Signature
(Name & Designation)

Instructions:

1. As per provision of the Depository Act, 1999 and regulations made there under shares will only be issued in dematerialized condition. Please mention your BO (Beneficiary Owner) account number in the Application Form. If you do not mention your valid BO (Beneficiary Owner) Account, your application will be treated as invalid.
2. All information must be typed or written in full (in block letters) in English or in Bengali and must not be abbreviated.
3. Application must be made on the Company's printed form/photocopy or on typed copy/hand written form thereof.
4. Application must not be for less than **200** ordinary shares and must be for a multiple of **200** ordinary shares. Any application not meeting these criterions will not be considered for allotment purpose.
5. Remittance for the full amount of the shares must accompany each application and must be forwarded to any of the Bankers' to the Issue. Remittance should be in the form of cash/cheque/bank draft/pay order payable to one of the Bankers' to the Issue favoring **"Bangladesh Steel Re-Rolling Mills Limited"** and crossed **"A/C Payee only"** and must be drawn on a bank in the same town as the bank to which the application form has been sent.
6. In the case of a joint application form, the Allotment letter will be dispatched to the person whose name appears first on this application form and where any amount is refundable in whole or in part the same will be refunded by Account Payee cheque by post/courier service to the person named first on this application form in the manner prescribed in the Prospectus.
7. Joint application form for more than two persons will not be accepted. In case of joint application, each party must sign the application form.
8. Applications must be in the full name of individuals or companies or societies or trusts and not in the name of firms, minors or persons of unsound mind. Application from financial and market intermediary companies must be accompanied by Memorandum of Association and Articles of Associations and Certificate of Incorporation.
9. **An applicant cannot submit more than two applications, one in his/her own name and another jointly with another person. In case an applicant makes more than two applications, all applications will be treated as invalid and will not be considered for allotment purpose. In addition, 15% (fifteen) of the application money will be forfeited by the Commission and the balance amount will be refunded to the applicant.**
10. No receipt will be issued for the payment made with application, but the bankers will issue a provisional acknowledgement to the issue for application lodged with them.
11. In the case of non-allotment of securities, if the applicants' bank accounts as mentioned in their IPO Application Forms are maintained with the Bankers to the Issue, refund amount of those applicants will be directly credited into the respective bank accounts as mentioned in their IPO Application Forms. Otherwise, refund will be made only through "Account Payee" cheque(s) showing bank account number and name of bank and branch as mentioned in the application payable at Dhaka or Chittagong, as the case may be.
12. Allotment shall be made solely in accordance with the instructions of the Bangladesh Securities and Exchange Commission.
13. Making of any false statement in the application or supplying of incorrect information therein or suppressing any relevant information shall make the application liable to rejection and subject to forfeiture of application money and / or forfeiture of share (unit) before or after issuance of the same by the issuer. The said forfeited Application money or share (unit) will be deposited in account specified by the Bangladesh Securities and Exchange Commission (BSEC). This may be in addition to any other penalties as may be provided for by the law.
14. Applications which do not meet the above requirements, or applications, which are incomplete, shall not be considered for allotment purpose.
15. The Bankers' to the Issue shall be obliged to receive the A/C Payee Cheque(s) on the closing day of the subscription of the IPO.
16. **No sale of securities shall be made nor shall any money be taken from any person, in connection with such sale until twenty five days after the prospectus have been published.**
17. The applicants who have applied for more than two applications using same bank account, their application will not be considered for lottery and the commission will forfeit 15% (fifteen) of their subscription money too.
18. **ঋতিগ্রস্ত ক্ষুদ্র বিনিয়োগকারীগণ সকল পাবলিক ইস্যুতে একক অথবা যৌথ হিসাবের যে কোনটি অথবা উভয়টি হতে সংরক্ষিত ২০% কোটায় আবেদন করতে পারবেন । তবে তারা ইচ্ছা করলে ঋতিগ্রস্ত সংরক্ষিত ২০% কোটায় আবেদন না করে সাধারণ বিনিয়োগকারীদের জন্য নির্ধারিত কোটায়ও আবেদন করতে পারবেন ।**

Bankers to the Issue

BRAC Bank Limited

Agrabad Branch
Asad Gate Branch
Barisal Branch
Bashundhara Branch
Bogra Branch
CDA Avenue Branch
Jessore Branch

Bank Asia Limited

Principal Office Branch, Dhaka
MCB Dilkusha Branch, Dhaka
Corporate Branch, Dhaka
MCB Banani Branch, Dhaka
Gulshan Branch, Dhaka
Shantinagar Branch, Dhaka
North South Road Br., Dhaka
Mitford Branch, Dhaka
Uttara Branch, Dhaka

The City Bank Limited

Principal Office Branch, Dhaka
B B Avenue Branch, Dhaka
Imamgonj Branch, Dhaka
Johnson Branch, Dhaka
Kawran Bazar Branch, Dhaka
New Market Branch, Dhaka
VIP Road Br., Dhaka
Islampur Branch, Dhaka
Nawabgonj Branch, Dhaka

Dutch-Bangla Bank Limited

Pallabi Br. Dhaka
Mawna Br. Gazipur
Vatara Br. Dhaka
Baburhat Br. Narsingdi
Dhaka EPZ Br. Dhaka
Joypara Br. Dhaka
Keraniganj Br. Dhaka
Uttara Sonargaon Janopad Br.
Ashkona Br. Dhaka
Savar Bazar Br. Dhaka
Matuail Br. Dhaka
Dania Br. Dhaka
Bandura Br. Dhaka
Satmosjid Road Br. Dhaka
Uttar Khan Br., Dhaka
Konabary Br. Gazipur
Gazipur Chowrasta Br. Gazipur
Tongi Br. Gazipur
Mirer Bazar Br., Gazipur
Board Bazar Br. Gazipur
Narsingdi Br. Narsingdi
Narayanganj Br. Narayanganj
Pagla Br. Narayanganj

Dhaka Bank Limited

Local Office ,Dhaka
Gulshan Branch, Dhaka
Uttara Branch,Dhaka
Khilgaon Branch, Dhaka
Dhanmondi Branch, Dhaka
Kawran Bazar Br. Dhaka

Eastern Bank Limited

Motijheel Branch, Dhaka
Banasree Branch, Dhaka
Uttara Branch, Dhaka
Savar Branch, Dhaka
Bashundhara Branch, Dhaka
Moghbaraz Branch, Dhaka

ICB

Head Office. Dhaka
Barishal Branch

Jamuna Bank Ltd.

Motijheel Branch, Dhaka
Dhanmondi Branch, Dhaka
Sonargaon Road Branch, Dhaka
Dilkusha Branch, Dhaka
Shantinagar, Dhaka
Moulvibazar Branch, Dhaka
Islampur Branch, Dhaka
Ring Road Branch, Dhaka

Banani Branch, Dhaka
Donia Branch
Eskaton Branch
Graphics Building Branch
Gulshan Branch
Halisoher Branch, Chittagong

Dhanmondi Branch, Dhaka
Bashundhara Branch, Dhaka
Moghbaraz Branch, Dhaka
Scotia Br., Kawran Bazar, Dhaka
Mirpur Branch, Dhaka
Mohakhali Branch, Dhaka
Shymoli Branch, Dhaka
Paltan Branch, Dhaka

Dhanmondi Branch, Dhaka
Nawabpur Branch, Dhaka
Bangabandhu Road Br., N.Gonj
Pragati Sarani Branch, Dhaka
Zinzira Branch, Dhaka
Shymoli Branch, Dhaka
Tongi Br., Gazipur
Jubilee Road Branch, Chittagong
Chawkbazar Br., Chittagong

Netaiganj Br. Narayanganj
Narayanganj ,BSCIC Br. N.gonj
B.B Road Br. Narayanganj
Bhulta Br. Narayanganj
Jubilee Road Br. Chittagong
CDA Avenue Br. Chittagong
Muradpur Br. Chittagong
Chittagong EPZ Br. Chittagong
Patherhat Br. Chittagong
Hathazari Br. Chittagong
Kadamtali Br. Chittagong
Fatikchhari Br. Chittagong
Lohagara Br. Chittagong
Khatunganj Br. Chittagong
Halishahar Br. Chittagong
Chokoria Br., Cox's Bazar
Cox's Bazar Br. Cox's Bazar
Mirzapur Br. Tangail
Tangail Br. Tangail
Mymensing Br. Mymensing
Manikgonj Br. Manikgonj
Jamalpur Br. Jamalpur
Ashulia Br., Dhaka

Moghbaraz Branch, Dhaka
Foreign Ex. Br. Dhaka
Mirpur Br.,Dhaka
Goran SME Service center Br.
Haliushahar Br.Chittagong
CDA Avenue Br., Chittagong

Uttara Garib-E-Newaz Br., Dhaka
Mirpur Dar-us-salam Road Br.
Shymoli Branch, Dhaka
Narayanganj Br., Narayanganj
O.R. Nizam Road Br., Chittagong
Jubilee Road Branch, Chittagong

Chittagong Branch
Sylhet Branch

Mirpur Branch, Dhaka
Dholaikhal Branch, Dhaka
Mohakhali Branch, Dhaka
Gulshan Branch, Dhaka
Uttara Branch, Dhaka
Banani Branch, Dhaka
Malibagh Branch, Dhaka
Savar Branch, Dhaka

Kazirdeuri Branch
Khulna Branch
Manda Branch
Mirpur Branch
Momin Road Branch, Chittagong
Narayanganj Branch

Progoti Soroni Branch, Dhaka
Kamal Bazar Branch, Chittagong
Strand Road Branch, Chittagong
Station Road Br., Chittagong
Bahadderhat Branch, Chittagong
CDA Avenue Br., Chittagong
Khatunganj Branch, Chittagong
Anderkilla Branch, Chittagong

Pahartoli Branch, Chittagong
Agrabad Branch, Chittagong
Khatunganj Branch, Chittagong
Anderkilla Branch, Chittagong
Cox's Bazar Br. Cox's Bazar
Narsingdi Br. Narsingdi
Comilla Branch, Comilla
Rajshahi Branch, Rajshahi
Zinda Bazar Br., Sylhet

Digpait Br. Jamalpur
Munshiganj Nr. Munshiganj
Madaripur Br. Madaripur
Satkhira Br. Satkhira
Rajshahi Br. Rajshahi
Barisal Br. Barisal
Khulna Br. Khulna
Choumuhani Br. Noakhali
Sonagazi Br. Feni
Feni Br. Feni
Kushtia Br. Kushtia
Faridpur Br. Faridpur
Shahzadpur Br. Sirajganj
Bogra Br. Bogra
Saidpur Br. Nilphamary
Rangpur Br. Rangpur
Jessore Br. Jessore
Naogaon Br. Naogaon
Basurhat Br.(Rural) Noakhali
Sremangal Br. Moulvibazar
Pabna Br. Pabna
Ruhitpur Br. Dhaka

Agrabad Branch, Chittagong
Faridpur Br. Faridpur
Barishal Br. Barishal
Rangpur Br. Rangpur
Uposahar Branch, Sylhet

Chandgaon Branch, Chittagong
Panchlaish Br., Chittagong
Halishahar Branch, Chittagong
Mymensing SME Br. Mymensing
Rajshahi Branch, Rajshahi
Khulna Branch, Khulna

Rajshahi Branch
Bogra Branch

Konabari Branch, Gazipur
Jubilee Road Branch, Chittagong
Khatunganj Branch, Chittagong
Agrabad Branch, Chittagong
Feni Branch, Feni
Sylhet Branch, Sylhet
Narayanganj Br., Narayanganj
Comilla Branch, Comilla

Nawabpur Branch
Rajshahi Branch
Rampura Branch
Shyamoli Branch
Uttara Branch
Zindabazar Branch, Sylhet

MCB Sk. Mujib Road Br., Ctg.
Agrabad Branch, Chittagong
Rajshahi Branch, Rajshahi
Sylhet Main Branch, Sylhet
Sylhet Uposahar Branch, Sylhet
Jessore Branch, Jessore
Khulna Branch, Khulna
Bogra Branch, Bogra

Bandar Bazar Br., Sylhet
Amborkhana Br. Sylhet
Moulvi Bazar Branch, Sylhet
Jessore Branch, Jessore
Khulna Branch, Khulna
Bogra Branch, Bogra
Barisal Branch, Barisal
Rangpur Branch, Rangpur
Sirajgonj Br., Sirajgonj

Dinajpur Br. Dinajpur
Bhairab Br. Kishorgonj
Dagonbhuiyan Br. Feni
Gobindaganj Br.Gaibandha
Comilla Br. Comilla
Laksham Br. Comilla
Brahmanbaria Br. Brahmanbaria
Laxmipur Br. Laxmipur
Sunamganj Br. Sunamganj
Borolekha Br. Moulvibazar
Goala Bazar Br. Sylhet
Amberkhana Br. Sylhet
Habiganj Br. Habiganj
Shahajalal Uposohor Br. Sylhet
Golapgonj Br. Sylhet
Biswanath Br. Sylhet
Sylhet Br. Sylhet
Beani Bazar Br. Sylhet
Chhatak Br. Sunamganj
Moulavi Bazar Br. Moulavi Bazar
Panchagarh Br., Panchagarh
Patuakhali Br., Patuakhali

KDA Avenue Br., Khulna
Rajshahi Branch, Rajshahi
Narayanganj Br. Narayanganj
Bhulta Br. Narayanganj
Comilla Branch, Comilla

Bogra Branch, Bogra
Moulvi Bazar Branch, Sylhet
Uposahar Branch, Sylhet
Chouhatta Br. Sylhet
Jessore Branch, Jessore

Khulna Branch
Local Office Branch. Dhaka

Bogra Branch, Bogra
Kushtia Branch, Kushtia
Rajshahi Branch, Rajshahi
Rangpur Branch, Rangpur
Jessore Branch, Jessore
Barisal Branch, Branch

Mutual Trust Bank Limited

Babu Bazar Br. Dhaka
 Banani Branch. Dhaka
 Dhanmondi Branch. Dhaka
 Dholaikhal Branch. Dhaka
 Dilkhusa Branch. Dhaka
 Elephant Road Br. Dhaka
 Fulbaria Branch. Dhaka
 Gulshan Branch. Dhaka
 Moulvi Bazar br, Sylhet
 Principal Branch. Dhaka
 Panthapath Branch. Dhaka
 Pallabi Branch. Dhaka
 Pragati Sarani Br. Dhaka
 MTB corporate Center Br,Dhaka

Mercantile Bank Limited

Main Br., Dhaka
 Dhanmondi Br., Dhaka
 Kawran Bazar Br., Dhaka
 Agrabad Br.
 Banani Br., Dhaka
 Elephant Road Br., Dhaka
 Motijheel Br., Dhaka

NCC Bank Limited

Motijheel Br. Motijheel, Dhaka
 Dilkusha Br. Dhaka
 Kawran Bazar Br. Dhaka
 Mirpur Br. Dhaka
 Dhanmondi Br., Dhaka
 Mitford Br., Dhaka
 Nawabpur Road Br., Dhaka
 Islampur Br, Dhaka
 Malibagh Br., Dhaka
 Moghbazar Br., Dhaka
 Pragoti Sarani Br., Dhaka
 Bijoynagar Br, Dhaka
 Foreign Exchange Br. Dhaka
 Shyamoli Br, Dhaka

One Bank Limited

Principal Branch, Dhaka
 Kawran Bazar Br. Dhaka
 Mirpur Br. Dhaka
 Dhanmondi Br. Dhaka
 Ganakbari (EPZ) Br., Dhaka
 Progoti Sharani Br., Dhaka
 Elephant Road Br., Dhaka
 Nowabgonj Br., Dhaka
 Joypara Br., Dhaka
 Motijheel Br. Motijheel, Dhaka
 Rajshahi Branch
 Basabo Branch
 Moghbazar Branch, Dhaka
 Ring Road Branch, Dhaka
 Tongi SME Branch, Tongi

Trust Bank Limited

Radisson Water Garden Hotel
 (RWGH) Br, Dhaka
 Dilkhusa Corp. Br. Dhaka

Principal Br. Dhaka
 Joypara Br. Dhaka
 Uttara Corporate Br., Dhaka
 Mirpur Br. Dhaka
 Karwan Bazar Br. Dhaka
 Savar Cant. Br, Dhaka
 S.S. Cantt. Br, Tangail

Savar Branch. Dhaka
 Shanir Akhra Br. Dhaka
 Tongi Branch. Dhaka
 Gournadi Br. Barisal
 Rajshahi Branch. Rajshahi
 Uttara Model Town Br. Dhaka
 Rangpur Branch. Rangpur
 Bogra Br., Bogra
 Feni Branch, Feni
 Mohammadpur Br. Dhaka
 Pabna Branch. Pabna
 Kushtia Br. Kushtia
 Jessore Br. Jessore
 Syedpur Branch

Progoti Sarani Br., Dhaka
 Mirpur Br., Dhaka
 Uttara Br., Dhaka
 Satmasjid Road Br., Dhaka
 Bijoynagar Br., Dhaka
 Nayabazar Br., Dhaka
 Gulshan Br., Dhaka

Savar Br, Dhaka
 Jatrabari Branch, Dhaka
 Gulshan Br. Dhaka
 Uttara Br. Dhaka
 Banani Br. Dhaka
 Babubazar Br., Dhaka
 Bangshal Br. Dhaka
 Elephant Road Br., Dhaka
 Brahmanbaria Br., B.baria
 Tangail Branch, Tangail
 Mymensingh Br.Mymensingh
 Narayangonj Br. Narayangonj
 Comilla Br, Comilla
 Naogaon Br., Naogaon

Gulshan Br. Dhaka
 Uttara Br. Dhaka
 Banani Br. Dhaka
 Kakrail Br., Dhaka
 Imamganj Br. Dhaka
 Jatrabari Br., Dhaka
 Bangshal Br., Dhaka
 Narayangonj Br. Narayangonj
 Madhabdi Branch, Narsingdi
 Cox's Bazar Br., Cox's Bazar
 Shahjadpur SME Br. Sirajgonj
 Satkhira Branch, Satkhira
 Sherpur Branch
 Rangpur Branch, Rangpur
 Agrabad Br. Chittagong

Ashugonj Br. Brahmanbaria

Joydebpur Br, Gazipur

Rajshahi Br. Rajshahi
 Barishal Branch, Barishal
 Narayangonj Branch
 Elephant Road Br,Dhaka
 Dhanmondi Br. Dhaka
 Halishahar Br. Chittagong

Alankar Mour Br. Chittagong
 CDA Avenue Br. Chittagong
 Jubilee Road Br. Chittagong
 Khatungonj Br. Chittagong
 Agrabad Br. Chittagong
 Narayangonj Br. Narayangonj
 Sonargaon Br. Narayangonj
 Sylhet Branch. Sylhet
 Habigonj Br. Habigonj
 Cox's Bazar Br., Cox's Bazar
 Dagonbhuiyan Br., Feni
 Ishwardi Br.,Ishwardi
 Joypurhat Br.Joypurhat
 Thakurgaon Branch, Thakurgaon

Jessore Br., Jessore
 Naogaon Br., Naogaon
 Sylhet Br., Sylhet
 Barishal Br., Barishal
 Khulna Br.,Khulna
 Rangpur Br.,Rangpur
 Rajshahi Br.

Khulna Br, khulna
 CEPZ Br. Ctg
 Jubilee Road Br. Ctg
 Khatungonj Br., Ctg
 O.R..Nizam Road Br., Ctg
 Cox's Bazar Br., Cox's Bazar
 Agrabad Br. Ctg
 Anderkilla Br, Ctg
 Kadamtali Br, Ctg
 Majhirghat Br, Ctg
 Halishahar Br., Ctg
 Jessore Br. Jessore
 Majdee Branch, Noakhali
 Feni Br. Feni

CDA Avenue Br., Chittagong
 Khatungonj Br. Chittagong
 Jubilee Road Br. Chittagong
 Nanupur Bazar Br., Chittagong
 Boalkhali Br., Chittagong
 Ranirhat Br., Chittagong
 Chandgaon Br., Chittagong
 Raozan Br. Chittagong
 Dagon Bhuiyan Br., Feni
 Feni Branch. Feni
 Sylhet Branch., Sylhet
 Laldighirpar Br., Sylhet
 Raipur Br., Lazmipur
 Chandragonj Br., Lakshmipur
 Chowmuhuni Br., Noakhali

Shahjalal Uposohor Br., Sylhet

Khawja Yunus Ali MedicalCollege
 & Hospital Br, Sirajgonj
 Rangpur cant. br, Rangpur
 Tongi Br, Tongi
 Feni Br. Feni
 Narsingdi Br., Narsigndi
 Ashulia Br.,Dhaka
 Kadamtali Br. Chittagong

Mymensingh Br.,Mymensingh
 Nazirhat Br., Chittagong
 Aman Bazar Br., Chittagong
 Noria Branch,Shariyatpur
 Oxygen Mor Br., Chittagong
 Baridhara Branch, Dhaka
 Bashundhara Branch, Dhaka
 Raipur Branch,Laxmipur
 Brahmanbaria Br., Brahmanbaria
 Sreenagar Branch,Dhaka
 Chandra Branch
 Chawk Moghaltuli Br., Dhaka
 Chokoria Br., Chittagong
 Comilla Branch, Comilla

Feni Br., Feni
 Bogra Br.,Bogra
 Dinajpur Br., Dinajpur
 Narayangonj Br., Narayangonj
 Comilla Br.,Comilla
 Ring Road Br., Dhaka
 Mohakhali Br., Dhaka

Rajshahi Br., Rajshahi
 Laxmipur Br., Laxmipur
 Rangpur Br., Rangpur
 Chowmuhuni Br., Noakhali
 Madaripur Br, Madaripur
 Bogra Br. Bogra
 Laldighirpar Br., Sylhet
 Moulivi Bazar Br., Moulivi Bazar
 Chowhatta Branch, Sylhet
 Kushtia Br., Kushtia
 Barisal Br., Barisal
 Dinajpur Br. Dinajpur

Islampur Br., Sylhet
 Sitakunda Branch,Chittagong
 Bogra Br. Bogra
 Jessore Br. Jessore
 Sirajgonj Br., Sirajgonj
 Ramgonj Branch, Laxmipur
 Banasree Br. Banasree Dhaka
 Laksham Br, Laksham Comilla
 Majdee Court Br. Noakhali
 Jagannathpur Branch, Dhaka
 Comilla Branch
 Rangamati Branch, Rangamati
 Khulna Branch, Khulna
 Brahmanbaria Br. B.baria

Jalalabad Cant. Br., Sylhet

Momenshahi Cant. Br., Mymensingh

Bogra Cantt.Br. Bogra
 Jessore Cant.Br. Jessore
 Khulna Br, Khulna
 Comilla Cantt. br, Comilla
 Chowmohoni Branch
 Comilla Br. Comilla

Social Islami Bank Limited

Principal Branch, Dhaka
Gulshan Branch, Dhaka
Uttara Branch, Dhaka
Islampur Branch, Dhaka
New Eskaton Branch, Dhaka
Babu Bazar Branch, Dhaka
Rampura Branch, Dhaka
Banani Branch, Dhaka

Begum Rokeya Sarani Br., Dhaka
Mirpur Branch Dhaka
Panthapath Branch, Dhaka
Dhanmondi Branch, Dhaka
Mohakhali Branch, Dhaka
Dania Rasulpur Br., Dhaka
Foreign Exchange Branch, Dhaka
South Banosree Branch Dhaka

Narayangonj Br., Narayangonj
Sonargaon Br., Narayangonj
Chandpur Br., Chandpur
Comilla Branch Comilla
Agrabad Br., Chittagong
Chawk Bazar Branch, Chittagong
Feni Branch, Feni

Rajshahi Branch, Rajshahi
Sylhet Branch, Sylhet
South Surma Branch, Sylhet
Khulna Branch, Khulna
Jessore Branch, Jessore
Rangpur Branch, Rangpur
Barisal Branch, Barisal

United Commercial Bank Limited

Principal Branch, Dhaka
Nayabazar Branch, Dhaka
Mirpur Branch, Dhaka
Uttara Branch, Dhaka
Corporate Branch, Dhaka
Gulshan Branch, Dhaka
Mohakhali Branch, Dhaka
Barisal Branch, Barisal

Dhanmondi Branch, Dhaka
Banani Branch, Dhaka
Narayangonj Br., Narayangonj
Tejgaon Branch, Dhaka
Bijoynagar Branch, Dhaka
Mymensing Br. Mymensing
Faridpur Branch, Faridpur
Rajshahi Branch, Rajshahi

Pabna Branch, Pabna
Agrabad Branch, Chittagong
Khatungonj Branch, Chittagong
Jubilee Road Branch, Chittagong
Cox's Bazar Br. Cox's Bazar
Maijdee Court Br., Noakhali
Comilla Branch, Comilla

Sylhet Br., Sylhet
Dinajpur Br. Dinajpur
Kushtia Branch, Kushtia
Jessore Branch, Jessore
Khulna Branch, Khulna
Bogra Branch, Bogra
Rangpur Branch, Rangpur

New IPO Application Process

1. In addition to the existing IPO application process, applicants can also apply through their Stockbroker/Merchant Bankers in the following process:

Step-1 (Applicant)

- a) Applicants other than Non-resident Bangladeshi (NRB) and Foreign applicants for public issue of securities shall submit application/ instruction, within the subscription period, to the Stockbroker/ Merchant Banker where the applicant maintains BO account
- b) The application/instruction may be submitted in prescribed paper or electronic form, which shall contain the Customer ID, Name, BO Account Number, Number of Securities applied for, Total Amount and Category of the Applicant. At the same time the applicant shall make the application money available in respective customer account maintained with the Stockbroker/Merchant Banker. No margin facility, advance or deferred payment is permissible for this purpose. Application/ instructions shall be preserved by the same Stockbroker/ Merchant Banker up to 6 months from listing of the securities with exchange.

Step-2 (Intermediary)

- a) The Stockbroker/ Merchant Banker shall maintain separate bank account only for this purpose namely "Public Issue Application Account". The Stockbroker/ Merchant Banker shall verify the availability of fund and if find in order, block the customer account for an amount equivalent to the application money, accumulate all the application/instructions received up to the subscription closing date, deposit the amount in the "Public Issue Application Account" maintained with its bank, instruct the banker to block the account for an amount equivalent to the aggregate application money and to issue a certificate in this regard. In case of application submitted by the Stock-dealer or the Merchant Banker's own portfolio, the application amount should also be transferred to the "Public Issue Application Account".
- b) Banker of the Stockbroker/ Merchant Banker shall block the account(s) as requested for, issue a certificate confirming the same and provide it to the respective Stockbroker/ Merchant Banker. The Stockbroker/ Merchant Banker shall prepare category wise lists of the applicants containing Customer ID, Name, BO Account Number and Number of Securities applied for, and within 03 (three) working days from the subscription closing date, send it to the issuer both in electronic (text format with tilde '~' separator) and printed format along with the certificate issued by its banker.

Step-3 (Issuer)

- a) The issuer shall prepare consolidated list of the applications and send the applicants' BOIDs in electronic (text format with tilde '~' separator) format in a CDROM to CDBL for verification. CDBL shall verify the BOIDs as to whether the BO accounts of the applicants are active or not. Along with the verification report, CDBL shall provide the issuer with an updated database of the applicants containing BO Account Number, Name, Addresses, Parents' Name, Joint Account Information and Bank Account Information. After receiving verification report and information from CDBL, the issuer shall scrutinize the applications, prepare category wise consolidated lists of the valid and invalid applications, submit status reports of subscription to the Commission and the stock exchanges and conduct lottery in line with the conditions of the consent letter
- b) Within 02 (two) working days of conducting lottery, the issuer shall:
 - i. send the lists of the successful and unsuccessful applicants (other than NRB and foreign) in electronic (text format with tilde '~' separator) and printed format to the Stockbroker/Merchant Banker, request them to unblock the amount blocked earlier and remit the amount of successful applicants to the issuers respective Escrow Account opened for subscription purpose.
 - ii. Issue allotment letters in the names of successful applicants in electronic format with digital signatures and send those to respective Stockbroker/Merchant Bankers. To credit the allotted

shares to the respective BO accounts, the issuer shall send consolidated allotment data (BOLD and number of securities) in text format in a CDROM to CDBL

Step-4 (Intermediary)

- a) On the next working day of receiving the documents from the issuer and issue manager, the stockbroker/ Merchant Banker shall request its banker to release the amount blocked earlier and remit the aggregate amount of successful applicants deducting service charge to the 'Escrow' account of the issuer opened for the subscription purpose.
- b) On the next working day of receiving request from the Stockbrokers/ Merchant Bankers, their bankers shall unblock the amount blocked in the account(s) and remit the amount as requested for to the issuer's 'Escrow' account. Simultaneously, the stockbrokers/ Merchant Bankers shall unblock the customer accounts; inform the successful applicants about allotment of securities and the unsuccessful applicants about releasing their blocked amounts. The unblocked amounts of unsuccessful applicants shall be placed as per their instructions.

Miscellaneous:

- a) The issuer and Issue Manager(s) shall jointly ensure compliance of the above.
 - b) The Stockbroker/ Merchant Banker shall be entitled to service charge at a rate of 0.05% on the total amount of application money received by them. The service charge shall be paid by the issuer and deducted by the Stockbroker/ Merchant Banker from the amount of successful applicants while remitting to the issuer. In case of shortage of the service charge, the Stockbroker/ Merchant Banker shall send a bill to the issuer and the issuer shall pay it within 02 (two) working days. The Stockbroker/ Merchant Banker shall provide the issuer with a statement of the remittance amount and the processing fee.
2. The above application process is a pilot project and optional for investors, i.e. investors can apply either following new process through stockbroker/ merchant banker or in existing process through banker to the issue.
 3. List of the Stockbroker/ Merchant Bankers participating in the pilot project shall be disclosed in the prospectus and abridged version thereof. Only the applicants maintaining accounts with the Stockbroker/ Merchant Bankers name contained in the list can apply through the new process.

List of the Stockbroker/Merchant Bankers to receive IPO applications

DSE Stockbrokers

SL.No.	Name of TREC Holder	TREC No.	SL.No.	Name of TREC Holder	TREC No.
1	A. K. Khan Securities Ltd.	6	44	Mona Finan. Consultancy & Sec. Ltd.	164
2	International Leasing Securities Limited	9	45	Tobarrak Securities Ltd.	172
3	Brac epl stock brokerage ltd.	11	46	T. A. Khan Securities Co. Ltd.	174
4	MAH Securities Limited	13	47	BLI Securities Limited	175
5	Adil Securities Ltd.	17	48	Peoples Equities Ltd.	176
6	Greenland Equities Ltd.	18	49	Commerce Bank Securities and Investment Ltd.	180
7	Royal Capital Ltd.	21	50	UCB Capital Management Limited	181
8	Vision Capital Management Ltd.	24	51	Razzak Securities Ltd.	184
9	ETBL Securities & Exchange Ltd.	31	52	Delta Capital Limited	185
10	Daulatunnessa Equities Limited	37	53	G M F Securities Ltd.	186
11	Haji Ahmad Brothers Securities Ltd.	41	54	Globe Securities Limited	189
12	Rapid Securities Limited	42	55	Eminent Securities Ltd.	191
13	AB & Company Limited	43	56	DBL Securities Limited	193
14	M- Securities Ltd.	44	57	Parkway Securities Ltd.	194
15	SAHCO Securities Limited	46	58	MTB Securities Ltd.	197
16	Imtiyaz Husain Securities Limited	50	59	AD Holdings Limited	213
17	Mian Abdur Rashid Securities Ltd.	53	60	Pubali Bank Securities Ltd.	214
18	Shahjahan Securities Limited	64	61	Mika Securities Ltd.	215
19	ASENZ Securities Ltd.	65	62	BRB Securities Limited	220
20	Popular Equities Ltd.	68	63	Modern Securities Ltd.	229
21	Mohammad Talha & Co Ltd.	69	64	IIDFC Securities Limited	238
22	HAC Securities Limited	74	65	A N W Securities Ltd.	240
23	Asia Securities Ltd.	88	66	One Securities Ltd.	241
24	Uniroyal Securities Ltd.	89	67	Apex Investments Limited	7
25	Md. Fakhru Islam Securities Ltd.	90	68	Alpha Equities Ltd.	56
26	SIBL Securities Ltd.	94	69	IDLC Securities Ltd.	58
27	Salta Capital Limited	95	70	Square Securities Management Ltd.	76
28	Jamal Ahmed Securities Ltd.	97	71	R. N. Trading Limited	78
29	Howlader Equity Services Limited	102	72	Alhaj Securities & Stocks Limited	93
30	Islami Bank Securities Limited	107	73	Remons Investment & Securities Ltd.	108
31	Ettihad Securities Ltd.	110	74	Midway Securities Ltd.	142
32	A N F Management Company Limited	117	75	Investment Promotion Services Limited	158
33	K- Securities and Consultants Ltd.	122	76	Oshadhi Securities Ltd.	208
34	Rose Securities Ltd.	125	77	United Financial Trading Co. Ltd.	227
35	Dynamic Securities Consultants Ltd.	126	78	Expo Traders Ltd.	230
36	LankaBangla Securities Ltd.	132	79	Popular Life Insurance Company Ltd.	232
37	Moshihor Securities Ltd.	134	80	Dhaka Securities Ltd.	239
38	Cosmopolitan Traders (Pvt.) Ltd.	146	81	NLI Securities Ltd.	244
39	Joytun Securities Intl. Ltd.	148	82	Shyamol Equity Management Limited	3
40	Shakil Rizvi Stock Ltd.	149	83	Phoenix Securities Limited	4
41	EMES Securities Ltd.	155	84	Crest Securities Ltd.	8
42	Standard Bank Securities Ltd.	156	85	Khwaja Equity Services Limited	10
43	Trustee Securities Ltd.	162	86	Pasha Capital Ltd.	12

SL.No.	Name of TREC Holder	TREC No.	SL.No.	Name of TREC Holder	TREC No.
87	ACE Capital Management Service Ltd.	16	141	C-Maart Securities Limited	183
88	Azam Securities Limited	19	142	Jahan Securities Ltd.	195
89	BDBL Securities Ltd.	20	143	Stock & Bond Limited	199
90	Ershad Securities Limited	23	144	Total Communication Ltd.	200
91	Arena Securities Ltd.	25	145	AB Securities Ltd.	201
92	EBL Securities Limited	26	146	Prilink Securities Ltd.	202
93	SAR Securities Ltd.	27	147	Modern Equity Limited	206
94	Sadeque Finance Management Ltd.	28	148	United Enterprises & Co. Ltd.	207
95	Kazi Firoz Rashid Securities Limited	29	149	Mondol Securities Ltd.	209
96	Ibrahim Securities Limited	33	150	Wifang Securities Ltd.	210
97	B & B Enterprise Limited	34	151	Sharp Securities Limited	216
98	Rashid Investment Services Limited	35	152	Rasti Securities Consultant Ltd.	217
99	Quayum Securities Limited	38	153	A. L. Securities Ltd.	222
100	Aries Securities Ltd.	48	154	Mercantile Bank Securities Limited	224
101	S. B. Securities Limited	51	155	Shohrab Securities & Trade Ltd.	225
102	M. Zubair Securities Limited	52	156	FAREAST Stocks & Bonds Ltd.	226
103	UGC Securities Limited	54	157	Akij Securities Ltd.	231
104	Global Securities Ltd.	60	158	Shahjalal Islami Bank Securities Ltd.	233
105	NCCB Securities & Financial Services Ltd.	61	159	AIBL Capital Market Services Ltd.	234
106	E- Securities Ltd.	66	160	PHP Stock & Securities Ltd.	235
107	Sinha Securities Limited	67	161	Premier Bank Securities Ltd.	236
108	First Capital Securities Ltd.	70	162	Bank Asia Securities Limited	237
109	Multi Securities & Services Limited	75	163	Trust Bank Securities Ltd.	242
110	Md. Sahidullah Securities Limited	91	164	BD Sunlife Securities Ltd.	248
111	Dhanmondi Securities Ltd.	98	165	Sterling Stocks & Securities Ltd.	249
112	Island Securities Ltd.	106	166	S & H Equities Limited	2
113	Nouvelle Securities Ltd.	112	167	Federal Securities And Investment Limited	45
114	CMSL Securities Limited	113	168	H R Securities & Investments Limited	72
115	Ahmed Iqbal Hasan Securities Ltd.	114	169	Prime Islami Securities Ltd.	104
116	Nabiul Karim Securities Limited	115	170	PFI Securities Limited	79
117	Murshed Securities Limited	116	171	Ali Securities Co. Limited	105
118	Saad Securities Ltd.	118	172	R N I Securities Ltd.	128
119	Dragon Securities Limited	119	173	Aloco Securities Ltd.	139
120	Sheltech Brokerage Limited	120	174	A.B Ispahani Securities Ltd.	1
121	SCL Securities Limited	121	175	A. R Chowdhury Securities Ltd.	22
122	Shahed Securities Ltd	123	176	B. D Finance Securities Ltd.	30
123	ICB Securities Trading Company Limited	129	177	Bulbul Securities Ltd.	32
124	Thea Securities Ltd.	130	178	Al-Muntaha Trading. Co Ltd	49
125	Harpoon Securities Ltd.	131	179	Green Delta Securities Ltd.	59
126	Kazi Equities Ltd.	135	180	Desa Securities Ltd.	85
127	Securities Broking & Management Services Ltd.	136	181	Country Stock (Bangladesh)	99
128	Al-Haja Jahanara Securities Ltd.	138	182	ARC Securities Ltd.	100
129	K.H.B. Securities Ltd.	143	183	Alliance Securities & Management Ltd.	137
130	City Brokerage Limited	145	184	Bali Securities Ltd.	153
131	Indicate Securities Consultants Ltd.	154	185	Getway Equity Resources Ltd.	157
132	Anwar Securities Ltd.	160	186	SES Company Limited (Unicap Securities Ltd.	163
133	Haji Mohammad Ali Securities Ltd.	165	187	Times Securities Ltd.	166
134	Subvalley Securities Ltd.	168	188	Habibur Rahman Securities Ltd.	187
135	Merchant Securities Limited	169	189	IFIC Securities Ltd.	192
136	Shah Mohammad Sagir & Co. Ltd.	171	190	M&Z Securities Ltd.	196
137	Hazrat Amanat Shah Securities Ltd.	173	191	Synthia Securities Ltd.	204
138	Anchor Securities Ltd.	177			
139	JKC Securities Ltd.	179			
140	Nur-E-Alam Siddique & Company Ltd.	182			

CSE Stockbrokers

SL.No.	Name of TREC Holder	TREC No.	SL.No.	Name of TREC Holder	TREC No.
1	Alpha Securities Ltd.	CSE 001	43	Skys Securities Limited	CSE 084
2	ISPI Securities Limited	CSE 002	44	Purabi Securities Ltd.	CSE 087
3	Meenhar Securities Limited	CSE 003	45	D. N. Securities Ltd.	CSE 089
4	South Asia Securities Limited	CSE 004	46	LankaBangla Securities limited	CSE 091
5	Island Securities Ltd.	CSE 005	47	Square Securities Management Ltd.	CSE 092
6	Chittagong Capital Ltd.	CSE 006	48	Holy City Securities Ltd.	CSE 093
7	Saya Securities Ltd.	CSE 010	49	Inter-Continental Securities Ltd.	CSE 094
8	First Capital Securities Limited.	CSE 011	50	PFI Securities Limited	CSE 095
9	BREC EPL Stock Brokerage Ltd.	CSE 013	51	International Securities Co. Ltd.	CSE 096
10	UCB Capital Management Ltd.	CSE 015	52	Multi Securities & Services Limited	CSE 097
11	Adams Securities Limited	CSE 016	53	Mona Financial Consultancy and Securities Ltd.	CSE 103
12	North West Securities Ltd.	CSE 019	54	Pubali Bank Securities Ltd.	CSE 105
13	EBL Securities Ltd.	CSE 021	55	NC Securities Limited	CSE 107
14	Salta Capital Limited	CSE 022	56	Cordial Securities Limited	CSE 113
15	Uttara Exchange And Securities Limited	CSE 024	57	Hassan Shares & Securities Ltd.	CSE 114
16	Be Rich Limited	CSE 027	58	Hallmark Securities Ltd.	CSE 117
17	RAK Capital Ltd.	CSE 028	59	IDLC Securities Ltd.	CSE 119
18	PHP Stocks & Securities Ltd.	CSE 031	60	Western Securities Investment Management Ltd.	CSE 120
19	Synet Securities Ltd.	CSE 033	61	Far East Shares & Securities Ltd.	CSE 123
20	Pioneer Shares & Securities Ltd.	CSE 034	62	Amin Securities & Consultants Ltd.	CSE 128
21	Hillcity Securities Ltd.	CSE 037	63	Phoenix Securities Limited	CSE 131
22	S.R.Capital Ltd.	CSE 038	64	NCCB Securities and Financial Services Ltd.	CSE 132
23	Remons Investment & Securities Ltd.	CSE 042	65	City Brokerage Ltd.	CSE 133
24	United Financial Trading Company Ltd.	CSE 043	66	Shahjalal Islami Bank Securities Limited	CSE 134
25	Kishwar Securities Investment Ltd.	CSE 047	67	Popular Life Insurance Company Ltd.	CSE 135
26	Impel Shares & Securities Ltd.	CSE 049	68	Premier Leasing Securities Ltd.	CSE 136
27	Mirpur Securities Limited	CSE 050	69	Fareast Stocks & Bonds Limited.	CSE 138
28	E- Securities Limited	CSE 052	70	AIBL Capital Market Services Ltd.	CSE 139
29	Royal Capital Limited	CSE 053	71	SIBL Securities Limited	CSE 142
30	Prime Financial Consultants & Equities Ltd.	CSE 055	72	Islami Bank Securities Ltd.	CSE 146
31	Kabir Securities Limited	CSE 056	73	ONE Securities Limited	CSE 148
32	Eastern Shares & Securities Ltd.	CSE 058	74	British bangla Securities Ltd.	CSE 008
33	Reliance Securities Consultant Ltd.	CSE 059	75	Chittagong Shares and Securities Ltd.	CSE 060
34	CMSL Securities Limited	CSE 061	76	Finvest Services Limited	CSE 066
35	Prudential Capital Ltd.	CSE 062	77	SES Company Ltd	CSE 082
36	Associated Capital Securities Ltd.	CSE 063	78	Ten Star (PVT. Limited	CSE 100
37	Platinum Securities Limited	CSE 064	79	Vantage Securities Ltd.	CSE 115
38	T.K. Shares & Securities Ltd.	CSE 069	80	Green Delta Securities Ltd.	CSE 130
39	Ahmed Securities Services Ltd.	CSE 070	81	A.A Securities Ltd.	CSE 032
40	Sohel Securities Ltd.	CSE 076	82	Moharam Securities Ltd.	CSE 108
41	International Leasing Securities Limited	CSE 080	83	Megacity Securities Ltd.	CSE 116
42	DBL Securities Limited	CSE 081	84	First Lead Securities Ltd.	CSE 122

Merchant Bankers

Sl.No.	Name of the Merchant Bankers	Sl.No.	Name of the Merchant Bankers
1	ICB Capital Management Ltd.	20	BMSL Investment Ltd.
2	IDLC Investments Ltd.	21	EBL Investments Ltd.
3	EXIM Islami Investment Ltd.	22	AAA Finance & Investment Limited.
4	Imperial Capital Limited	23	PLFS Investments Ltd.
5	AFC Capital Ltd.	24	Sonali Investment Ltd.
6	Prime Finance Capital Management Ltd.	25	IIDFC Capital Ltd.
7	FAS Capital Management Ltd.	26	IL Capital Ltd.
8	Trust Bank Investment Limited	27	Grameen Capital Management Ltd.
9	City Bank Capital Resources Ltd.	28	Alpha Capital Management Ltd.
10	UniCap Investments Limited	29	Rupali Investment Ltd.
11	SBL Capital Management Ltd.	30	Uttara Finance and Investment Ltd.
12	Jamuna Bank Capital Management Ltd.	31	Green Delta Capital Ltd.
13	LankaBangla Investments Ltd.	32	First Securities Services Ltd.
14	EC Securities Limited	33	Southeast Bank Capital Services Ltd.
15	BLI Capital Limited	34	Janata Capital and Investment Ltd.
16	Prime Bank Investment Ltd.	35	First Security Islami Capital & Investment Ltd.
17	AIBL Capital Management Ltd.	36	Swadesh Investment Management Ltd.
18	BRAC EPL Investments Limited	37	BD Finance Capital Holdings Ltd.
19	MTB Capital Ltd.	38	AB Investment Limited

Additional Disclosures and Clarifications by Management

1. Name wise schedule of interest receivable and interest receivable realized during the period ended on 31 December, 2013

Name wise schedule of interest receivables as on 31 December, 2013 and the amount of interest received have been furnished below:

Name wise schedule of interest receivables as on 31 December, 2013

Particulars	Interest Receivable on 31.12.2013	Subsequently received	Date of Receipt
BSRM Ispat Ltd.	10,972,637	10,972,637	28/02/2014
BSRM Wires Ltd.	576,155	576,155	28/02/2014
Chittagong Power Company. Ltd.	502,400	502,400	28/02/2014
BSRM Logistics Ltd.	6,712,966	6,712,966	28/02/2014
BSRM Recycling Industries.Ltd.	3,518,926	3,518,926	28/02/2014
H.Akberali & Co. Ltd.	49,616,928	49,616,928	28/02/2014
FDR interest	6,596,554	6,596,554	28/02/2014
Total	78,496,566	78,496,566	

Interest received during the period ended 31 December 2013

Company Name	Interest Receivable on 31.12.2012	Subsequently Received	Date of Receipt
BSRM Ispat Ltd.	17,750,931	17,750,931	27/02/2013
BSRM Wires Ltd.	4,808,340	4,808,340	27/02/2013
Chittagong Power Co. Ltd.	2,287,008	2,287,008	27/02/2013
BSRM Logistics Ltd.	10,613,772	10,613,772	27/02/2013
BSRM Recycling Inds.Ltd.	9,940,831	9,940,831	27/02/2013
H.Akberali & Co. Ltd.	84,570,891	84,570,891	27/02/2013
BSRM Iron & Steel Co. Ltd.	18,909,472	18,909,472	27/02/2013
	148,881,245	148,881,245	

2. Subsequent position of liability to PDB

Liability to PDB as on 31 December 2013 has completely been paid off on 28 January, 2014.

3. Poor Liquidity Ratios:

The management has undertaken a BMRE plan to increase the production capacity to 450,000 M. Ton per annum. The renovated plant will go in to production by the end of this year. As the demand for quality MS product specially demand for BSRM product is increasing, we firmly believe that, the profitability of the mill will increase in future. This new mill will supply MS rod, channel, angle, flat bar etc of high quality to the market. Moreover, as the BSRM group is under implementation of setting up a billet melting plant, namely "BSRM Steel Mills Limited", it will ensure uninterrupted supply of MS billet - the basic raw material for BSRM. BSRM will be free from volatile raw material price fluctuation risk in future. It will ensure stable profitability of the company and will gradually develop its current as well as liquidity ratio.

Dated: July 1, 2014

Sd/-
Alihussain Akberali, FCA
Managing Director

Additional Disclosures and Clarifications by Auditor Relating to the Financial Statements

Compliance of Condition 4 of Commission's Consent letter dated 16/06/2010 & 19/09/2010:

From our verification and examination of company's books and records we found that all transactions excluding petty cash expenditures were effected through the company's bank accounts.

Dated: 19 January 2014

Sd/-
Rahman Rahman & Huq
Chartered Accountants

Additional Disclosure by Auditor on the Financial Statements

This is to certify that we, Rahman Rahman Huq, Chartered Accounts being auditor of Bangladesh Steel Re-Rolling Mills Ltd., physically verified the inventories of the company as of 31 December 2013 in accordance with the Bangladesh Standards on Auditing (BAS).

Dated: 01 July 2014

Sd/-
Rahman Rahman & Huq
Chartered Accountants