



11th ANNUAL GENERAL MEETING on 31 March 2012

Annual Report 2011

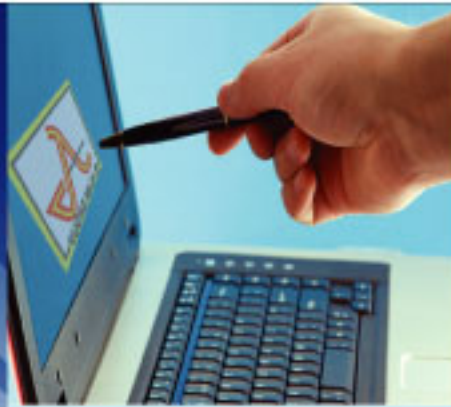


S. ALAM COLD ROLLED STEELS LIMITED



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COMPANY PROFILE

S.Alam Cold Rolled Steels Ltd. has been operating a medium large scale Industry producing and marketing of high quality Cold Rolled Strips (CR Strip) in the form of Coils and Sheets.

Legal Status	:	A Public Limited Company incorporated in Bangladesh on 12 December 2000 under the Companies Act 1994 and listed with Dhaka Stock Exchange Limited & Chittagong Stock Exchange Ltd.
Commencement of Commercial Production	:	2004
Factory	:	Kalarpool, Shikalbaha Patiya, Chittagong.
Corporate & Registered Office	:	S. Alam Bhaban 2119, Asadgonj, Chittagong. Phone : 031-636649, 636997, 611426 611195, 638258, Fax : 031-618187 E-mail : sag@s.alamgroupbd.com sharedivision@s.alamgroupbd.com Website : www.s.alamgroupbd.com
Liasion office	:	Sharif Mansion (6th Floor) 56-57, Motijheel C/A, Dhaka- 1000. Phone : 02-9560631, Fax : 02-9567483
Authorized Capital	:	Taka 350.00 Crore
Issued, Subscribed & Paid up Capital	:	Taka 98.3711Crore.
Products Variety	:	C.R. Coil, Baby coil, C.R. Cut Piece, Off Gauge, Trimming etc.
Annual Capacity	:	120,000 M. Ton





Board of Directors :

Mr. Abdus Samad	:	Chairman
Mr. Mohammed Saiful Alam	:	Managing Director
Mr. Osman Gani	:	Director

Audit Committee :

Mr. Humayun Kabir	:	Chairman
Mr. Abdus Samad	:	Member
Mr. Osman Gani	:	Member

Senior Corporate Officials :

Mr. Ghulam Muhammed	:	Company Secretary
Mr. Md. Delwar Hossain ACA	:	Head of Internal Audit (A)
Mr. Samir Kanti Dhar	:	Chief Financial Officer (A)

Auditor :

Hoda Vasi Chowdury & Co
Chartered Accountants
Delwar Bhaban (4th Floor)
104, Agrabad Commercial Area, Chittagong.

Principal Bankers :

Rupali Bank Ltd
Islami Bank (Bangladesh) Ltd.
Janata Bank Ltd.
Southeast Bank Ltd.

Insurer :

Northern General Insurance Co. Ltd.

External Credit Assessment Institution :

Credit Rating Information & Services Ltd. (CRISL)



Transmittal Letter

S. ALAM COLD ROLLED STEELS LIMITED

26 February 2012

The Shareholders
Securities and Exchange Commission
Registrar of Joint Stock Companies & Firms
Dhaka Stock Exchange Ltd.
Chittagong Stock Exchange Ltd.

Subject : Annual Report for the year ended September 30, 2011

Dear Sir(s):

We are pleased to enclose a copy of the Annual Report together with Audited Financial Statements for the year ended September 30, 2011 along with notes thereon and Directors' Report for your record/necessary measures.

Sincerely yours



Company Secretary



এস. আলম কোল্ড রোল্ড স্টীলস্ লিমিটেড
S. ALAM COLD ROLLED STEELS LIMITED

Registered Office: S. Alam Bhaban, 2119, Asadgonj, Chittagong.
Phones: 00-880-31-636997; 636649; 611426; 611195 FAX: 00-880-31-618187
Liaison Office: Sharif Mansion (6th floor), 56-57, Motijheel Commercial Area, Dhaka
Phone : 00-880-2-9560631 FAX: 00-880-2-9567483
Web: www.s.alamgroupbd.com E-mail: sharedivision@s.alamgroupbd.com

26th February 2012.

Notice of the **11th** ANNUAL GENERAL MEETING

NOTICE is hereby given that the 11th Annual General Meeting of the Company will be held on Saturday, the 31st March 2012 at 11.00 A. M at the 'Ichhamati Hall' of Hotel Agrabad, Chittagong to transact the following business and to pass and adopt necessary resolutions in that behalf:

AGENDA:

1. To receive, consider and adopt the audited financial statements of the company for the year ended 30th September 2011 along with the Directors' Report and the Auditors' Report thereon.
2. To consider and declare dividend on the basis of the recommendation of the Directors.
3. To elect Director retiring by rotation from Sponsors' Group.
4. To elect a Director from Institutional Investors' Group and a Director from General Investors' Group.
5. To appoint Auditors to hold office until the next Annual General Meeting of the Company and to fix up their remuneration.
6. To transact any other business with permission of the Chair.

By order of the Board,

Mohammed Saiful Alam
Managing Director

Notes :

- a) The Record Date is 29.02.2012.
- b) Holder(s) of the Ordinary shares of the company, whose name will appear in the Depository Register as shareholder of the company at the close of business on the Record Date, will be eligible to attend and vote at the AGM. A member entitled to attend and vote at the Meeting may appoint a Proxy in his stead. The Proxy Form, duly filled in, signed and stamped with a revenue stamp of Tk.10/00 affixed thereon must be deposited at the Registered Office of the Company not later than 48 hours before the Meeting. The Notice together with the Annual Report, Attendance Slip, and Proxy Form is being sent to all Shareholders through Courier Services and copies thereof have been uploaded in the company's web site 'www.s.alamgroupbd.com' for perusal, information and ready reference of all concerns.
- c) Admission to the Meeting room will strictly be on production of the Attendance Slip as well as verification of signature of Member(s) that the CDBL would furnish for the purpose. Shareholders may therefore collect Proxy Form and Attendance Slip, if so required, from the Registered Office or from the web site of the company. No Attendance slip shall however be issued on the date of the AGM. Any friend or children accompanying with honourable shareholder or proxy will not be allowed admission to the Meeting.
- d) Two Directors, one from the 'Institutional Investors' Group' and the other from the 'General Investors Group', shall be elected in the 11th AGM. Nomination paper in prescribed form (available at the Registered Office) must be submitted at the Registered Office of the Company during office hours within 18-03-2012 and withdrawal, if any, thereof may be made latest by 20-03-2012. The nomination form so submitted shall be scrutinized at 11.00 A. M. on 21-03-2012 and the list of valid candidates shall be displayed on Notice Board of the Share Department at the Registered Office of the company at 12.30 P. M the same day.
- e) For the sake of convenience, shareholders are requested to submit queries, if any, on the Directors' Report and the audited Accounts for the year ended 30th September 2011 at the Registered Office of the Company at least 3 working days before the date of the AGM.
- f) In terms of the SEC's Notification and the DSE Memos issued in this behalf, no benefit in cash or in kind by way of gift or otherwise, other than in the form of cash dividend or stock dividend, shall be paid to the holders of equity shares in the capital of the company.
- g) The Hon'ble shareholders are requested to submit to the Company's registered office, in due course, their written option as to whether to pay off the dividend, if declared and approved in the AGM, (a) through transfer of cash dividend to the bank of the shareholder for depositing into the shareholder's account provided the shareholder will bear the applicable service charge, if any, of the shareholder's banker OR (b) through issuance of dividend warrant in the name and address of the shareholder concerned as provided in the BO account set up. In this connection, the hon'ble shareholders are also requested to make sure that the Bank Account details in their BO Account are correct.



A Message
from
the
Chairman

Dear Shareholders,

Assala-mu-alaikum

I have the pleasure to warmly welcome you to the 11th Annual General Meeting of the company.

All of us aware of the fact that economies of most countries around the world were facing economic challenges and multifarious problems but, by the grace of Allah, Bangladesh economy did well. Thanks to the various efforts of the Government which kept the wheels of the economy rolling. All praises be to the Almighty Allah for His unending blessings for which your company, under able and fore-sighted leadership and guidance of Mr. Mohammed Saiful Alam, Managing Director, has also been able to maintain and achieve strong position in areas covering sound management, adequate earning and strong liquidity during the year under report.

Notwithstanding that the NOF type CGL plant for production of GP/CI Sheets could not be commissioned during the year under report for various reasons, the performance of business operation was satisfactory during the year under report.

The earning of Tk. 258,034,421/- as post-tax profit with EPS for the year of Tk.27.46 calculated on the weighted average outstanding number of shares of the Company as against that of the previous year of Tk.143,452,485/- with EPS on Tk.20.75 in the same circumstances as that of the previous year, is a commendable achievement. It has been possible for the management to achieve success for the support of honest, faithful and untiring services of the executives/and employees and at the same time for the continued active support and co-operation of patrons, financiers, regulators and the honorable stakeholders.

In connection with the setting up of a power plant being implemented by S. Alam Power Generation Limited, a subsidiary company of your Company, to produce electricity to ensure regular and uninterrupted power supply to your company and to sell the excess of your company's requirements, to the REB and others, it is hereby reported that the implementation process is satisfactorily in progress, and if Allah willing, the project may be in trial operation by November 2012.

In the matter of installation of one complete Non-Oxide Furnace (NOF) type Continuous Galvanizing Line (CGL) for production of GP/CI Sheets, it is reported that the project is now ready and your directors expect to commence its trial operation by the Mid March 2012 upon completion of all preliminary preparations requisite for continuous running of the plant.

There is no event affecting the values in the financial statements materially occurred after the balance sheet date except that the Directors recommended 15% cash dividend subject to approval thereof in the 11th Annual General Meeting.

May Allah shower upon us His unending blessings at all times to enable us to overcome all hurdles on our path for realization of the goal of high and sustainable growth and create our future a success in the best interest of the honourable shareholders.

Abdus Samad
Chairman

From the Desk of the Managing Director



Bismillah-ir-Rahman-ir-Raheem

My dear Shareholders,

Assala-mu-alai-kum.

It is my great pleasure to welcome you to the 11th Annual General Meeting of the Company. I am very much delighted and personally thank you very much for inspiring us with your enthusiastic presence at this meeting.

I take this opportunity to report that due to the circumstances beyond our control, the completion of installation of the Non-Oxide Furnace (NOF) type Continuous Galvanizing Line (CGL) with cut-to-length (CTL) plant for production of GP/CI Sheets has been delayed and it could not be commissioned during the year under report. I am how glad to report that the project is now ready for commencement of its trial production and is expected to be commissioned as soon as all preliminary preparations for its continuous operation are completed by Mid March 2012.

Moreover, I am also glad to report further that the installation of the Power generation plant being implemented by S. Alam Power Generation Limited, a subsidiary of your Company, with a view to ensure regular uninterrupted power supply to our project and to sell excess if any, to the national grid, REB and others is in full progress and we are optimistic that the said power generation project based on latest modern technology will, if Allah willing, be in full operation by November 2012.

It is my great pleasure to record that despite all the measures taken by your Company to improve its operation to attain larger growth, are in their implementation stages, your Company has been able to achieve its stable growth for another year. All praises and thanks are due to Allah, the Almighty. A significant growth of revenue and profit of the Company is expected in line with the implementation of NOF project successfully, Insha Allah, and your Company shall thereby be able to safeguard your interest in the Company and continue providing handsome returns for our honorable shareholders.

We assure you that we will whole-heartedly devote ourselves to achieve our aspirations to keep the graph of prosperity move upward at the same time shall always stand beside you.

May Allah bless us all with peace and prosperity.

Mohammed Saiful Alam
Managing Director.

Report of the **Directors** to the **Shareholders**



Bismillahir Rahmanir Rahim

Dear Shareholders,

It is once again a matter of great pleasure for me to welcome you all to the 11th Annual General Meeting of the Company and I take this opportunity to place before you the audited financial statements for the year ended 30th September 2011 together with the Auditors' Report thereon and brief description on affairs of the company.

1. Business activities:

During the year under report the manufacture and marketing of C. R. Steel Strips in coils/sheets continued to be the principal business activities of the company.

Net sales of the company during the year under consideration were Tk. 3,034,089,701.00 as against Tk. 1,872,282,108.00, Tk. 1,737,943,129.00 and Tk.1,508,149,013.00 of the previous three years ended respectively on 30/09/2010, 30/09/2009 and 30/09/2008.

2. Financial Results:

The financial results of the company for the year ended 30th September 2011 and recommended appropriations are as under:

(Figures in Tk. '000)

	Financial Year ended on			
	30.09.2011	30.09.2010	30.09.2009	30.09.2008
Profit before taxation	406,122	252,245	194,892	157,966
less: Provision for taxation (Deferred)	(36,404)	(39,425)	(39,541)	(36,027)
Less: Provision for Current Tax	(111,683)	(69,367)	(38,806)	Tax Holiday
Net Profit after Tax	258,035	143,452	116,545	121,959
Add: Un-appropriated profit b/f from previous year	98,363	89,053	52,525	21,252
Amount available for appropriation	356,398	232,505	169,070	143,211
Less: Proposed Dividend	15% cash (147,557)	10% stock & 5% cash (134,142)	15% cash (80,017)	17% cash (90,686)
Retained Earnings carried to Balance Sheet	208,841	98,363	89,053	52,525
Earning Per Share (EPS)	27.46	20.75	21.85	22.87

It may be mentioned here that the issued, subscribed and paid up capital of the company at the commencement of the year under consideration was Tk. 89,42,82,800/- which was raised during the year to Tk.98,37,11,000/- by issuance of 8,94,282 Ordinary shares of tk.100/- each at par as Stock Dividend to the honourable shareholders whose names appeared in the CDBL system at the close of business on the record date of 08/03/2011 fixed for eligibility for attending the 10th Annual General Meeting of the Company and for qualifying for the said Stock Dividend.

3. Credit Rating:

The Rating Committee of the Credit Rating Information and Services Limited (CRISL) had rated S. Alam Cold Rolled Steels Limited as "A+" in the Long Term (indicating Good Investment Grade) and "ST-3" in the short term (indicating Sound Liquidity) in consideration of financials of the Company up to June 2011 and other relevant quantitative as well as qualitative information up to December 31, 2011, the date of rating declaration.

4. Dividend:

The Directors recommend for declaration of 15% Cash dividend for the year ended 30th September 2011 subject to the approval thereof by the shareholders in the forthcoming Annual General Meeting keeping in view the profit of the year and consistency in recommendation of its dividend. All those shareholders whose names would appear in the Depository Register of Members in the CDBL system at the close of business on the record date, as the holder of Ordinary Shares of the Company, shall qualify for the said Dividend. The Dividend if approved by the shareholders at the Annual General Meeting will absorb Tk. 14,75,56,650/-.

5. Subsidiary company:

The Statement, as specified in sub-section of section 186 of the Companies Act, of the company's interest as holding company in the subsidiary company - S. Alam Power Generation Limited, 1994, is attached hereto in compliance with requirements of law.

6. Subsequent events:

Since end of the financial year under review nothing happened affecting financial position of the company save and except that the Directors recommend for declaration of 15% cash dividend for the year ended 30th September 2011 subject to the approval thereof by the shareholders in the forthcoming Annual General Meeting.

It is further reported that completion of installation on turn key basis of one complete Non-Oxide Furnace (NOF) type Continuous Galvanizing Line (CGL) with Cut-To-Length (CTL) and auxiliaries with most modern and economically viable technology of TENOVA of Italy for production of GP/CI Sheets to meet locally increasing demand thereof and if possible to export the same, under direct supervision of the Engineers and Supervisors from the Makers thereof namely TENOVA MULTIFORM PVT LIMITED, India, and commencement of its scheduled commercial operation by end April 2011, had for reasons beyond control been delayed inordinately. By the grace of Allah, the management had overcome all hurdles and expect the Plant to be commissioned by mid March 2012. It may be mentioned here that for production of GP/CI Sheets, the said CGL plant will use the C. R. Coils produced by the company, as its prime raw material.

7. Directors:

The names of the directors of the company during the financial year under consideration are listed below with number of shares held by him or by the institution he represents, at the beginning and end of the financial year, set opposite their respective names:

Names	Representing	At 01.10.2010	At 30.09.2011
1. Mr. Mohammed Saiful Alam	Self (Sponsor)	2,09,453 shares.	2,30,398 Shares
2. Mr. Abdus Samad	Self (Sponsor)	1,25,670 shares.	1,38,237 Shares
3. Mr. Osman Gani	Self (Sponsor)	83,780 shares.	92,158 Shares
4. Mr. Iftikhar-uz-Zaman	ICB nominee representing Institutional Investors	77,475 shares	67,992 Shares
5. Mr. A. K. M. Ali Johar, ACMA	General Investors.	39,263 shares.	Breathed his last on 03/06/2011.

Mr. Md. Osman Gani was the director who retired by rotation and re-elected in the last Annual General Meeting as Director from Sponsors' Group. Moreover, upon nomination of the ICB, Mr. Iftikhar-uz-Zaman was elected uncontested as Director representing Institutional Investors' Group while Mr. A. K. M. Ali Johar ACMA was elected on contest as Director from General Investors' Group in the last Annual General Meeting. Mr. Abdus Samad continued as Chairman of the Board of Directors while Mr. Mohammed Saiful Alam continued to be the Managing Director and Chief Executive Officer of the company.

In total 4 (four) Meetings of the Board of Directors were held during the year under report with attendance of the directors as follows:

Names	Meetings attended
1. Mr. Mohammed Saiful Alam	3
2. Mr. Abdus Samad	1
3. Mr. Md. Osman Gani	4
4. Mr. Ifikhar-uz-Zaman	4
5. Mr. A. K. Ali Johar	3

The Company has no arrangement whatsoever enabling all or any of its directors to acquire benefits by means of acquisition of shares or debenture of any body corporate.

Under the provisions of Article 96 of the Articles of Association of the Company, Managing Director being Chief Executive of the Company, shall not, while holding that office, be subject to retirement by rotation or taken into account for retiring by rotation by directors, therefore, Mr. Abdus Samad is the director from Sponsor Group retiring by rotation in the ensuing 11th Annual General Meeting, and being eligible, he offers himself for re-election.

Vacancy of one director from the Institutional Investors' Group and one from the General Investors' Group are to be filled up in the 11th Annual General Meeting from valid nominee/eligible contestant from each of the said Groups. It may be mentioned here for information of all concerned that as per provisions of the Notification No. SEC/CMRRCD/2009-193/120/Admin/--- dated 07/12/2011 issued in the interest of investors and the capital market by the Securities & Exchange Commission in continuation of its Notification No. SEC/CMRRCD/2009-193/119/Admin/34 of 22/11/2011, each director other than Independent/Nominated Director(s) of any listed company shall hold minimum 2% (two per cent) shares in the paid up capital of the Company.

8. Pattern of Shareholding:

The name-wise details of the aggregate number of shares of the company held by the associated companies and the directors as well as shareholders holding 10% or more voting interest in the company are as follows:

i) Associated companies and the shareholders holding 10% or more voting interest in the company:

Sl.No.	Names	Number of shares	Percentage
a)	S. Alam Steels Limited, Sponsor	18,43,194 shares.	18.74%
b)	S. Alam Cement Limited, Sponsor	9,21,596 shares.	9.37%
c)	S. Alam Hatchery Limited, Sponsor	9,21,596 shares.	9.37%
d)	S. Alam Bag Manufacturing Mills Ltd	48,514 shares	0.49%
e)	S. Alam Soyaseed Extraction Plant Ltd	48,514 shares	0.49%
f)	Portman Cements Limited	38,811 shares	0.39%
g)	S. Alam Properties Limited	46,269 shares	0.47%
h)	Sonali Cargo Logistics (Pvt) Limited	38,811 shares	0.39%
i)	S. Alam Refined Sugar Industries Ltd	48,514 shares	0.49%
j)	Hasan Abasan (Pvt) Limited	34,930 shares	0.36%

ii) The Directors:

Sl. No.	Names	Number of shares	Percentage
a)	Mr. Mohammed Saiful Alam	2,30,398 shares.	2.34%
b)	Mr. Abdus Samad	1,38,237 shares.	1.41%
c)	Mr. Osman Gani	92,158 shares.	0.94%
d)	Mr. Ifikhar-uz-Zaman, Nominee of ICB	67,992 shares.	0.69%

The honourable shareholders are hereby enlightened that since floating of shares by the Company through IPO and listing of its shares with both the Stock Exchanges, the Sponsors/Promoters/Directors of your company holding jointly more than the minimum requirement of holding 30% shares as recently prescribed by the Securities & Exchange Commission vide its Notification No. SEC/CMRRCD/2009-193/119/Admin/34 dated 22/10/2011 read with the Notification No. SEC/CMRRCD/2009-193/120/Admin/--- of 07/12/2011. As on the date of the Balance Sheet under report, they were holding 46.84% shares in the capital of the Company. In individual case however Mr. Abdus Samad and Mr. Md. Osman Gani were holding shares since inception, which appeared to be less than the minimum prescribed recently for individuals by the said Notifications. Upon their individual compliance with requirement of the said Notifications acquiring such number of shares, with due declarations as required by law, to raise their individual shareholding up to the minimum level recently prescribed, the Sponsors/Promoters/Directors of your Company now jointly hold 48.5% shares in the existing share capital of the Company.

During the financial year under consideration neither the Company Secretary, the Chief Financial Officer, the Head of Internal Audit and five top salaried executives of the company, nor their spouses and minor children held any share in the capital of the company.

The number of shareholders of the company as classified by their holding-shares at 30th September 2011 is as follows:

No. of holders	Holding	Total Holdings	%
10,243	Less than 500 shares	10,47,871	10.65
911	501 to 5,000 shares	11,64,334	11.84
67	5,001 to 10,000 shares	4,94,094	5.02
38	10,001 to 20,000 shares	5,23,662	5.32
11	20,001 to 30,000 shares	2,62,745	2.67
6	30,001 to 40,000 shares	2,19,127	2.23
12	40,001 to 50,000 shares	5,54,126	5.63
8	50,001 to 1,00,000 shares	5,85,005	5.95
9	1,00,001 to 10,00,000 shares	31,42,952	31.95
1	Over 10,00,000 shares	18,43,194	18.74
11,306	Total:	98,37,110	100%

9. Audit Committee:

Your directors report that due to sudden demise of Mr. A. K. M. Ali Johar ACMA, the AUDIT COMMITTEE had been re-constituted on 15/10/2011 with the following persons:

- | | |
|--|----------|
| 1. Mr. Humayun Kabir, Independent Director | Chairman |
| 2. Mr. Abdus Samad, Sponsor Director | Member |
| 3. Mr. Osman Gani, Sponsor Director | Member |

Three Meetings of the Audit Committee were held during the year under consideration with attendance of the Members as follows:

Names	Position	Meetings attended
1. Mr. A. K. Ali Johar, ACMA	Chairman	3
3. Mr. Abdus Samad	Member	3
4. Mr. Osman Gani	Member	3

10. Additional Statements:

Your Directors are pleased to report that:

- (a) the directors have made assessment of the company's ability to continue as a going concern and they are convinced that the Company has adequate resources to continue its operation in the foreseeable future and there is no significant doubts upon the company's ability to continue as going concern; therefore, the going concern basis has been adopted in preparing these financial statements;
- (b) the financial statements prepared by the management present fairly the company's affairs, the result of its operations, cash flows and changes in the equity;
- (c) proper books of account have been maintained;
- (d) company's accounting policies have consistently been applied in preparation of the financial statements and that the accounting estimates are based on reasonable and prudent concept of accounting;
- (e) all of the related Bangladesh Accounting Standard and Bangladesh Financial Reporting Standard have been followed in preparation of financial statements;
- (f) the system of internal control in assessment of risk is sound in design and has been effectively implemented and monitored;
- (g) the Audit Committee had no findings reportable to the Board of Directors during the year ended 30/09/2011; and
- (h) there is no significant deviation in the operating result from that of the previous year.
- (i) none from its directors nor its any member who hold 10% or more shares, excluding those held by mutual funds, portfolio managers and stock brokers, has borrowing through pledge of shares to lenders at the time of borrowing.

11. Corporate Governance:

The status of compliance in accordance with the requirements of the SEC Notification # SEC/CMRRCD/2006-158/Admin/02-08 dated 20th February 2006 issued u/s. 2CC of the Securities and Exchange Ordinance 1969 is annexed hereto vide Annexure-1.

12. Auditors:

The current Auditors of the company - M/s. Hoda Vasi Chowdhury & Co., Chartered Accountants, retire at the ensuing Annual General Meeting. They have satisfactorily completed audit of accounts of your Company for a consecutive period of five years. Due to the further conditions imposed by the Securities & Exchange Commission vide its Order No. SEC/CMRRCD/2009-193/104/Admin/-- dated 27/07/2011 superseding its previous Order No. SEC/CFD-71/2001/Admin/02/05 of 03/01/2002, your Company is unable to continue further consecutively with them. Your directors have in the meantime received proposals in favor of M/s. Rahman Rahman Huq, Chartered Accountants, and of M/s. Syful Shamsul Alam & Co., Chartered Accountants, for appointment for the next term. The honourable shareholders are therefore requested to appoint Auditors for the next term and to fix up their remuneration.

13. Human Resource Management:

As in the past the Company maintained harmonious and excellent industrial relationship throughout the year.

For their loyal, devoted and unrelenting services for the growth, betterment and development of the company the Directors record their appreciation of the management, of the members of staff and all employees as a whole.

14. Appreciation:

We do feel proud of the confidence bestowed upon us continuously by our valued shareholders and for supporting the activities of the company. We at the same time extend our thanks and appreciation to the bankers, insurance companies, utility providers, Auditors, customers, patrons and well wishers for their support and co-operation as well as for the confidence they reposed in the company. At the same time we place on record our appreciation, gratitude and thanks to the Government and its other agencies, the regulatory authorities including Securities and Exchange Commission, Dhaka Stock Exchange Ltd., Chittagong Stock Exchange Ltd., and the Registrar of Joint Stock Companies & Firms for the cordial help, assistance, guidance and advices which your Company received from time to time. Your Company could not have achieved what it has achieved today without their support and co-operation.

for and on behalf of Board of Directors,



Abdus Samad

Chairman

18th February 2012

Annexure-1

Status of compliance with the conditions imposed by the Commission's Notification No.SEC/CMRRCD/2006-158/Admin/02-08 dated 20th February 2006 issued under section 2CC of the Securities and Exchange Ordinance 1969:

Condition No.	Title:	Compliance Status: (Put ✓ in the appropriate column)		Explanation for non-compliance with the condition:
		Complied	Not complied	
1.1	Board's size	✓		
1.2(i)	No. of Independent Director	✓		
1.2(ii)	Appointment of Independent Director	✓		
1.3	Chairman of the Board & Chief Executive	✓		
1.4	The Directors' Report on:			
1.4(a)	Fairness of Financial Statement	✓		
1.4(b)	Maintenance of proper books of accounts.	✓		
1.4(c)	Adoption of appropriate Accounting policies and estimates.	✓		
1.4(d)	Compliance with IAS.	✓		
1.4(e)	Soundness of Internal control system	✓		
1.4(f)	Ability to continue as a going concern.	✓		
1.4(g)	Significant deviation from previous year.	✓		
1.4(h)	Presentation of last 3 years' data.	✓		
1.4(i)	Declaration of Dividend.	✓		
1.4(j)	Details of Board Meeting.	✓		
1.4(k)	Shareholding Pattern	✓		
2.1	Appointment of CFO, Head of Internal Audit and Company Secretary.	✓		
2.2	Attendance of CFO and CS at Board Meetings.	✓		
3.00	Audit Committee.	✓		
3.1(i)	Composition of Audit Committee.	✓		
3.1(ii)	Appointment of Audit Committee.	✓		
3.1(iii)	Service & Tenure of Audit Committee.	✓		

3.2(i)	Selection of Chairman of Audit Committee.	√		
3.2(ii)	Qualification of Chairman of Audit Committee.	√		
3.3.1(i)	Reporting of Audit Committee.			No such reportable findings.
3.3.1(ii)(a)	Report on conflict of interest.			No such reportable findings.
3.3.1(ii)(b)	Reporting of any fraud or irregularity or material defect in internal control system.			No such reportable findings.
3.3.1(ii)(c)	Reporting of infringement of laws.			No such reportable findings.
3.3.1(ii)(d)	Reporting of any other matter.			No such reportable findings.
3.3.2	Reporting of qualified point to Commission.			No such reportable findings.
3.4	Reporting to Shareholders and general investors.			No such reportable findings.
4.00	Non-engagement of External/Statutory Auditors:			
4.00(i)	in appraisal or valuation.	√		
4.00(ii)	in designing of Financial Information System.	√		
4.00(iii)	in Book-keeping.	√		
4.00(iv)	in Broker-dealer services.	√		
4.00(v)	in Actuarial services.	√		
4.00(vi)	in Internal Audit.	√		
4.00(vii)	in any other service.	√		
5.00	Reporting Compliance in the Directors' Report	√		



REPORT OF THE Audit Committee

Of the Board as per SEC Notification # SEC/CMRRCD/2006-158/Admin/02-08 dated 20-02-2006

Although the business and financial operations of the Company is conducted and exercised through an established internal control system by an independent internal audit team which verifies and follows-up the activities of the internal control procedures and reports to the Audit Committee through which the Board of Directors carries on a supervisory role on internal audit so that a sound financial reporting system is in place to ensure proper and adequate internal financial control.

The Audit Committee supervises performance of the management on the financial reporting; reports to the Board of Directors, the result of financial operations including mistakes, fraud, forgeries and other irregularities as well as on the findings of the internal audit findings, if there be any, from time to time to ensure instant compliance and regularization thereof; examines the financial and management operational procedure and system to assess risks and to suggest modifications in the set up or policies so as to avoid such risks; and has to review the financial statements prepared for statutory purposes.

The management takes instant steps to implement the findings of the Audit Committee and to act upon as per their suggestions; therefore, no findings of any incidents remained unresolved requiring reporting thereof to the Board of Directors for redress.

The Committee through its three Meetings held during the year under review reviewed the financial statements at 30th September 2010 as audited by Hoda Vasi Chowdhury & Co., Chartered Accountants, the Annual Report 2010 and quarterly financial statements prepared for statutory purposes as at 31st December 2010, 31st March 2011, and 30th June 2011 as well as the financial statements at 30th September 2011 and draft audit report.

It is hereby reported that:

(i) on the basis of the internal audit findings we examined the system of internal control as well as the financial records and,

(ii) we believe that our such examinations provided a reasonable basis for our opinion that proper and sufficient care had been taken for maintenance of adequate accounting records for safeguarding the company's interest and for preventing and detecting frauds and other irregularities.

Humayun Kabir
Chairman
Audit Committee.

18th February 2012.



Auditors' Report

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Financial Statements



to the **S h a r e h o l d e r s** *of*
S. ALAM COLD ROLLED STEELS LIMITED

We have audited the accompanying financial statements of S. ALAM COLD ROLLED STEELS LIMITED, which comprises the Statement of Financial Position as at 30 September 2011, and the related Comprehensive Statement of Income and Statement of Cash Flow for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards (IFRS), as adopted by the Institute of Chartered Accountants of Bangladesh, the Companies Act 1994, the Securities and Exchanges Rules 1987 and other applicable laws and regulations. This responsibility includes: designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

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 International Standards on Auditing (ISA), as adopted by the Institute of Chartered Accountants of Bangladesh. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

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

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

Opinion:

In our opinion, the Financial Statements prepared in accordance with International Financial Reporting Standards (IFRS), give a true and fair view of the state of the company's affairs as at 30 September 2011 and of the results of its operations and its cash flows for the year then ended and comply with the Companies Act 1994, the securities and Exchanges Rules 1987 and other applicable laws and regulations.

Further to our opinion in the above paragraph, we state that:

- (i) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit and made due verification thereof;
- (ii) In our opinion, proper books of account as required by law have been kept by S. Alam Cold Rolled Steels Limited so far as it appeared from our examination of those books;
- (iii) The Company's Statement of Financial Position, Statement of Comprehensive Income and its Statement of Cash Flow dealt with by the report are in agreement with the books of account and returns;
- (iv) The expenditure incurred was for the purpose of the Company's business.

Chittagong, 23 February 2012

Hoda Vasiquee
 CHARTERED ACCOUNTANTS
Habas

S. ALAM COLD ROLLED STEELS LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2011

	Note(s)	2011 Taka	2010 Taka
APPLICATION OF FUNDS			
TANGIBLE FIXED ASSETS	3	1,236,750,919	1,291,165,004
CAPITAL WORK IN PROGRESS	4	347,948,048	6,683,100
SHARE ISSUE EXPENSES	5	4,093,225	4,564,606
CURRENT ASSETS			
Stocks	6	3,787,036,373	3,972,056,127
Book Debts	7	529,761,143	120,685,452
Investment	8	268,400,000	268,400,000
Loan to S. Alam Power Generation Limited		32,025,082	7,924,852
Advances, Deposits and Prepayments	9	325,806,523	146,455,965
Cash and Bank Balances	10	318,998,517	602,596,148
		5,262,027,638	5,118,118,544
CURRENT LIABILITIES AND PROVISIONS			
Creditors and Accruals	11	(312,903,969)	(685,068,260)
Advance against sales	12	(4,695,342)	(17,514,201)
Short Term Bank Loans	13	(3,808,415,250)	(2,587,165,036)
Provision for Workers' Profit Participation Fund	14	(29,938,321)	(13,447,572)
Income Tax payable	2.06 & 15	(219,856,991)	(108,173,554)
Unclaimed Dividend	17	(9,855,942)	(10,143,837)
Current portion of Term Loan	20	(329,887,191)	(376,800,000)
Proposed Dividend		(147,556,650)	(134,142,420)
		(4,863,109,656)	(3,932,454,880)
NET CURRENT ASSETS		398,917,982	1,185,663,664
TOTAL ASSETS LESS CURRENT LIABILITIES		1,987,710,174	2,488,076,374
DEFERRED LIABILITIES			
Deferred Income Tax	2.06 & 16	(221,401,453)	(184,997,722)
NET ASSETS	Taka	1,766,308,721	2,303,078,651
SOURCE OF FUNDS			
Share Capital	18	983,711,000	894,282,800
Share Premium	19	439,337,200	439,337,200
Retained Earnings		208,840,825	98,363,054
SHAREHOLDERS' FUNDS		1,631,889,025	1,431,983,054
Term Loan (Secured)	20	30,759,581	285,419,553
Loan from Associated Companies (Unsecured)	21	103,660,115	585,676,044
TOTAL FUNDS	Taka	1,766,308,721	2,303,078,651
CONTINGENT LIABILITIES AND COMMITMENTS	28		

These financial statements should be read in conjunction with the annexed notes
and were approved by the Board of Directors on 18 February 2012
and were signed on its behalf by :

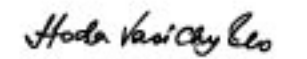

COMPANY SECRETARY


DIRECTOR


MANAGING DIRECTOR

Signed in terms of our separate report of even date annexed

Chittagong, 23 February 2012


Hoda Vasir Chy Leo
CHARTERED ACCOUNTANTS
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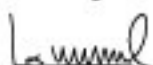
S. ALAM COLD ROLLED STEELS LIMITED

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 SEPTEMBER 2011

	Note(s)	2011 Taka	2010 Taka
Net Turnover	22	3,034,089,701	1,872,282,108
Cost of Goods Sold	23	(2,347,671,213)	(1,341,326,517)
Gross Profit		686,418,488	530,955,591
Operating Expenses			
Administration, Selling & Distribution Expenses	24	(44,511,896)	(32,427,813)
Trading Profit		641,906,593	498,527,778
Financial Expenses	25	(302,657,150)	(259,477,217)
Gross Operating Profit		339,249,443	239,050,561
Other Income - non-operating	26	89,629,314	29,900,883
		428,878,757	268,951,444
Contribution @ 5% of Operating profit to Workers' Profit Participation & Welfare Funds	14	(21,443,938)	(13,447,572)
Profit before amortisation of intangible assets		407,434,819	255,503,872
Amortisation of Share Issue Expenses	5	(1,313,230)	(3,258,693)
Net Operating Profit before Income Tax		406,121,589	252,245,179
Provision for Income Tax			
Current	2.06 & 15	(111,683,437)	(69,367,424)
Deferred	2.06 & 16	(36,403,731)	(39,425,270)
		(148,087,168)	(108,792,694)
Profit after Income Tax		258,034,421	143,452,485
Unappropriated Profit, brought forward		98,363,054	89,052,989
Profit available for Appropriation	Taka	356,397,475	232,505,474
Appropriations:			
Proposed Dividend			
Cash Dividend @ 15% (2010 @ 5%)		147,556,650	44,714,140
Stock Dividend - Nil (2010 - 10%)		-	89,428,280
Transferred to General Reserve		-	-
Transferred to Dividend Equalisation Fund		-	-
		147,556,650	134,142,420
Unappropriated Profit, carried forward		208,840,825	98,363,054
	Taka	356,397,475	232,505,474
Earning Per Share (Basic)	32	27.46	20.75

These financial statements should be read in conjunction with the annexed notes
and were approved by the Board of Directors on 18 February 2012
and were signed on its behalf by :


COMPANY SECRETARY


DIRECTOR


MANAGING DIRECTOR

Signed in terms of our separate report of even date annexed

Chittagong, 23 February 2012


Hoda Vasicy Leo
CHARTERED ACCOUNTANTS
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S. ALAM COLD ROLLED STEELS LIMITED
STATEMENT OF CASH FLOW
FOR THE YEAR ENDED 30 SEPTEMBER 2011

	Note(s)	2011 Taka	2010 Taka
CASH FLOW FROM OPERATING ACTIVITIES			
Cash received from customers & others	7, 12, 22,26	2,701,824,465	2,615,627,117
Cash paid to suppliers & employees	6,11,23,23.1	(2,691,348,403)	(2,175,256,035)
Cash received / (payment) from short term bank loan	13	1,221,250,214	(27,792,647)
Financial Expenses	25	(302,657,150)	(259,477,217)
Cash Inflow / (Outflow) from Operating Activities		929,069,126	153,101,218
CASH FLOW FROM INVESTING ACTIVITIES			
Purchase of Fixed Assets	3	(17,868,905)	(22,274,192)
Sale of Fixed Assets	3	-	2,680,000
Capital Work in Progress	4	(341,264,948)	(6,683,100)
Investment	8	-	(267,000,000)
Cash Inflow / (Outflow) from Investing Activities		(359,133,853)	(293,277,292)
CASH FLOW FROM FINANCING ACTIVITIES			
Share Issue Expenses	5	(841,849)	(5,650,119)
Loan to S. Alam Power Generation Limited	2.15	(24,100,230)	(6,613,095)
(Repayment) / Receipt of Term Loan	20	(301,572,781)	(454,248,638)
Increase In Share Capital	18	89,428,200	360,834,800
Loan (repayment) / receipt from Associated companies	21	(482,015,929)	452,496,398
Share Premium	19	-	439,337,200
Dividend paid		(134,430,315)	(77,241,327)
Cash Inflow / (Outflow) from Financing Activities		(853,532,904)	708,915,219
Net Increase/ (Decrease) in Cash & Cash Equivalents	Taka	(283,597,631)	568,739,145
Cash and Cash Equivalents at the beginning of the year		602,596,148	33,857,003
Cash and Cash Equivalents at the end of the year	Taka	318,998,517	602,596,148

These financial statements should be read in conjunction with the annexed notes

AUDITORS' REPORT TO THE SHAREHOLDERS

See Annexed Report

Shahid


COMPANY SECRETARY


DIRECTOR


MANAGING DIRECTOR

S. ALAM COLD ROLLED STEELS LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 SEPTEMBER 2011

Amount in Taka

Particulars	Share Capital	Share Premium	Unappropriated Profit	Total Equity
Balance at the beginning of the year	894,282,800	439,337,200	98,363,054	1,431,983,054
Share issued during the period:				
Issued Bonus Shares	89,428,200	-	-	89,428,200
Net Profit (after tax) transferred from Profit & Loss Account	-	-	258,034,421	258,034,421
Proposed Dividend:				
Cash dividend	-	-	(147,556,650)	(147,556,650)
Stock dividend	-	-	-	-
Balance at the end of the year	983,711,000	439,337,200	208,840,825	1,631,889,025

These financial statements should be read in conjunction with the annexed notes

AUDITORS' REPORT TO THE SHAREHOLDERS

See Annexed Report

Shahid


COMPANY SECRETARY


DIRECTOR


MANAGING DIRECTOR

S. ALAM COLD ROLLED STEELS LIMITED
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 30 SEPTEMBER 2011

1.00 THE COMPANY & ITS OPERATIONS

The Company was incorporated on 12 December, 2000 vide the certificate # C-No 3842 of 2000, as a Public Limited Company with an authorized share capital of Tk.350 crores divided into 3.5 crores ordinary shares of Tk.100 each.

The factory is situated on 14.56 acres of land at Kalarpool, Shikalbaha, Patiya, Chittagong mainly to produce high quality Cold Rolled Steel Strips (CR Strips) in the form of coils and sheets with an approved annual capacity of 120,000 Tons. The project commenced commercial production on 16th February 2004. The principal activity of the company is to produce and sell high quality Cold Rolled Steel Strips (CR Strips) in the form of coils and sheets.

2.00 ACCOUNTING POLICIES

2.01 The accounts are prepared under historical cost convention on going concern basis following generally accepted accounting principles.

2.02 Revenue recognition

Revenue is recognized as and when goods are delivered.

2.03 Fixed assets – note 3.1

Fixed assets are stated at cost less depreciation thereon. Depreciation is charged under diminishing balance method on all fixed assets other than land (freehold) and land development. Depreciation on current year's additions is charged for the full year irrespective of the date(s) of acquisition. Rates of depreciation on various categories of fixed assets are as follows:

Particulars	Rate of Depreciation
Internal Road and Embankment	10%-20%
Machinery	10%
Building	5%
Equipment and others	10%
Furniture and Fixtures	10%
Vehicles	20%

Depreciation on following assets has been calculated on the basis of capacity utilization of capital machinery:

Particulars	Capacity utilization
Factory Building (including Leased Assets)	60.30%
Capital Machinery	60.30%
Factory equipment	60.30%
Generator	60.30%
Work Roll	60.30%
Luffing Crane and Jetty construction	60.30%
Coil Cart	60.30%

2.04 Intangible Assets – note 5

Share issue expenses are amortized at 20% per annum.

2.05 Stocks– note 6

Category	Valuation
Finished Goods	Valued at lower of cost or net realizable value whichever is lower.
Raw Materials	This is valued at landed cost on FIFO method
Chemicals, Stores and Spares	These are valued at weighted average cost on FIFO method.

Shahed

S. ALAM COLD ROLLED STEELS LIMITED
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 30 SEPTEMBER 2011

2.06. Income Tax

(i) Current – note 15

The Company was allowed tax holiday for periods of five years from the date of commencement of commercial production i.e. 01 February 2004 vide National Board of Revenue's Order ref. 11(398) Anu – 1/2004/7364(2) dated 24.07.2004. The period of tax holiday of the Company expired in 31 January 2009. During the year the Company earned a net profit of Tk 406,121,589 and necessary provision for income tax has been made as per ITO/ITR 1984.

(ii) Deferred – note 16

The company has decided to adopt policy of recognition of deferred tax in accordance with the Bangladesh Accounting Standard 12 (BAS-12). Deferred tax is provided using the liability method for temporary difference between the carrying value of fixed assets as per accounts and the corresponding income tax written down value. Deferred tax is calculated at the effective Income Tax rate prevailing at the Balance Sheet date.

2.07 Borrowing costs

Borrowing costs incurred before commercial production (upto 15th February, 2004) have been capitalized to the respective fixed assets.

2.08 Employee benefits

Currently, the company does not have any employee benefit scheme, but has a plan to create a provident fund in which both company and employees will contribute an equal amount.

2.09 Earnings Per Shares (EPS)

Basic Earnings:

This represents earnings for the year attributable to ordinary shareholders. As there is no preference dividend, minority 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-32 to the Accounts)

Diluted Earnings per share:

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

2.10 Related party transactions

All the related party transactions have been accounted for, considering that these are on arms length basis.

2.11 Workers' profit participation fund – note 14

Provision for workers' profit participation has been made in the accounts @ 5% on profit before tax.

2.12 Provisions

A provision is recognized in the balance sheet when the company has a present obligation (Legal or constructive) as a result of a past event and when it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

2.13 Foreign Currency Translation

The transactions in foreign currencies are translated into taka at the rate of exchange ruling on the date when the transactions take place. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated to Bangladesh taka at the foreign exchange rate ruling at that date. Exchange currency differences, if any, arising on translation are recognized in the profit and loss account.

2.14 Reporting Period

The financial period of the Company covers from 01 October 2010 to 30 September 2011.

S. Alam

3 TANGIBLE FIXED ASSETS

3.1 Operating Fixed Assets - at Cost Less Accumulated Depreciation - note 2.01

Particulars	Operating Balance as on		Cost (Amount in Taka)		Depreciation Rate (%)	Depreciation (Amount in Taka)		Closing Balance as on 30.09.2011	Written Down Value as on 30.09.2011 (Taka)
	01.10.2010	30.09.2011	Addition During the Year	Deletion During the Year		Charge During the Year	Deletion During the Year		
Land and Land Development:									
Free-Hold Land (14.56 Acre)	62,942,890	64,777,890	2,735,000	-	-	-	-	64,777,890	64,777,890
Land Development	25,942,017	25,942,017	-	-	-	-	-	25,942,017	25,942,017
Internal Road and Drainage	3,506,580	3,506,580	-	-	10%	194,801	-	1,753,371	1,753,371
Embankment	42,507,073	42,907,073	-	-	20%	2,083,359	-	34,183,634	8,321,439
	133,998,561	136,733,561	2,735,000	-		2,275,160	-	35,938,009	100,794,552
Building									
Factory Building (Including Leased Asset)	303,888,860	309,335,170	5,046,310	-	9%	7,751,891	-	66,176,237	249,338,933
General Building	33,321,203	33,321,203	-	-	5%	1,109,863	-	10,523,709	22,797,494
	337,210,063	342,656,373	5,046,310	-		8,861,755	-	76,700,036	272,136,137
Machinery:									
Capital Machinery	1,233,517,738	1,233,517,738	-	-	10%	50,270,633	-	450,112,861	783,404,877
Equipment & Appliance:									
Factory Equipment	7,050,080	7,342,080	282,000	-	10%	336,102	-	2,104,347	5,237,733
Office Equipment	1,056,410	1,445,410	389,000	-	10%	111,598	-	441,029	1,004,381
Guest House Equipment	1,543,095	1,543,095	-	-	10%	82,156	-	803,693	739,402
Computer	1,099,900	2,042,408	72,500	-	10%	131,122	-	862,372	1,180,036
Air Conditioners	2,014,166	2,288,166	274,000	-	10%	142,344	-	1,007,069	1,281,097
Generator	1,240,000	1,240,000	-	-	10%	50,466	-	455,551	786,449
Electric Line Installation	1,786,095	7,639,284	7,639,284	-	10%	868,113	-	1,612,364	7,813,015
Gas Line Installation	3,731,904	4,238,154	507,250	-	10%	242,447	-	2,057,134	2,182,020
Fire Extinguisher	58,100	58,100	-	-	10%	2,955	-	31,503	26,597
Telephone Line Installation	398,527	398,527	-	-	10%	20,623	-	212,920	185,607
Grinding Wheel	134,666	134,666	-	-	10%	6,727	-	74,126	60,540
Water Tank	113,500	113,500	-	-	10%	5,656	-	62,595	50,905
Work Aol	1,997,025	1,993,025	-	-	10%	64,833	-	582,676	1,010,349
Radio Link & Networking (Factory)	168,890	168,890	-	-	10%	68,945	-	78,939	89,942
Tools & Tackles	121,238	121,238	-	-	10%	60,822	-	66,864	54,374
Coil Wine House	5,487,518	5,487,518	-	-	10%	301,817	-	2,750,264	2,737,254
	38,457,112	9,164,034	9,164,034	-		10,818,291	-	13,201,383	24,419,761
Furniture & Fixtures	2,592,308	2,816,479	224,171	-	10%	1,103,163	-	1,274,495	1,541,984
Lifting Cran & Jetty Construction	54,948,213	54,948,213	-	-	15%	2,823,166	-	26,558,931	28,389,282
Coil Cart	8,034,021	8,034,021	-	-	10%	2,696,409	-	2,933,091	5,090,930
Motor Vehicles	36,445,689	36,445,689	99,390	-	20%	4,704,057	-	17,728,851	18,616,228
Interior Decoration	4,170,085	4,170,085	-	-	15%	377,112	-	2,033,129	2,136,957
	1,839,303,801	1,857,293,706	17,868,905	-		72,282,992	-	920,481,207	1,276,792,912
	1,830,820,659	1,839,465,801	22,274,192	(5,751,000)		55,097,826	(2,752,041)	548,108,708	1,291,585,054

3.2 Depreciation Allocated to:

	2011 Taka	2010 Taka	Ratio
Manufacturing Expenses note 23.1	54,212,243	41,293,371	75%
Administrative and Selling Expenses note 24	18,070,748	13,764,457	25%
	72,282,991	55,057,828	100%

	2011 Taka	2010 Taka
4 CAPITAL WORK IN PROGRESS		
Capital Machinery for NOF Project	346,682,942	6,683,100
Expenses for NOF Project	1,265,106	-
Taka	347,948,048	6,683,100
5 SHARE ISSUE EXPENSES - note 2.04		
Opening Balance	4,564,606	2,173,180
Addition during the year	841,849	5,650,119
	5,406,455	7,823,299
Amortised during the year	(1,313,230)	(3,258,693)
Taka	4,093,225	4,564,606
6 STOCKS - note 2.05		
Stores & Spares - note 6.1	249,103,757	212,300,398
Stock - in - trade - note 6.2	2,062,589,192	2,851,427,380
Stock - in - transit - note 6.3	1,475,343,424	908,328,349
Taka	3,787,036,373	3,972,056,127
6.1 Stores & Spares - note 6		
Stores & Spares	249,103,757	212,300,398
Tk	249,103,757	212,300,398
6.2 Stock - in - trade - note 2.3		
Raw Materials	1,831,053,905	2,615,603,059
Work -in -Process	102,733,399	121,066,106
Finished Goods	128,801,888	114,758,215
Tk	2,062,589,192	2,851,427,380
6.3 Stock - in - transit - note 6		
Raw Materials In Bond Stock	1,467,748,769	907,734,466
Spares	7,594,655	593,883
Tk	1,475,343,424	908,328,349
7 BOOK DEBTS		
Chemon Ispat Limited	529,761,143	120,685,452
Taka	529,761,143	120,685,452
8 INVESTMENT		
S. Alam Power Generation Limited	268,400,000	268,400,000
Taka	268,400,000	268,400,000

The commercial Production of the Company is yet to be commenced.

Indeo

9 ADVANCES, DEPOSITS & PREPAYMENTS

Advances - note 9.1
Deposits - note 9.2
Prepayments - note 9.3

9.1 Advances - note 9

Expenses
Capital Expenditure
Against Construction (For NDF Project)
Bank Guarantee Margin
Advance Income Tax
VAT Current A/C
Supplementary Tax Current A/C
House & Office Rent
Others

9.2 Deposits - note 9

Chittagong City Corporation
Chittagong Palli Bidyut Samity
Bakhrabad Gas Systems Limited
Bangladesh Telecommunications Limited (BTCL)
Gramen Phone (Bd.) Limited (for mobile)
Ansar, VDP
Securax Pvt. Limited
Central Depository Bangladesh Limited
Others

9.3 Prepayments - note 9

Insurance

10 CASH & BANK BALANCES

Cash in hand
Cash at Bank - note 10.1

10.1 Balances With Schedule Banks - note 10

Rupali Bank Ltd., Anderkilla, Laldighi East, Chittagong. (CD # 200064978)
Islami Bank Bangladesh Ltd., Khatungonj, Chittagong. (CD # 1060400002802)
Dutch Bangla Bank Ltd. Local office Dilkhusa, Dhaka. (CD#0101110000016146)
Agrani Bank, New Market Branch, Chittagong. (CD # 33009854)
Agrani Bank, Laldighi East Branch, Chittagong. (CD # 33029373)
Islami Bank Bangladesh Ltd., Khatungonj, Chittagong. (MTDR)
First Security Bank Ltd., Khatungonj Branch, Chittagong. (CD # 11100008341)
First Security Bank Ltd., Khatungonj Branch, Chittagong. (SND # 2792)
First Security Bank Ltd., Khatungonj Branch, Chittagong. (MTDR)
First Security Bank Ltd., Khatungonj Branch, Chittagong. (SND # 13100003008)
EXIM Bank Limited, Khatungonj Branch, Chittagong. (CD # 1000198539)
First Security Bank Ltd., Khatungonj Branch, Chittagong. (SND # 2711)
First Security Bank Ltd., Khatungonj Branch, Chittagong. (SND # 13100002884)
Janata Bank Ltd., Shadharan Bima Corp Branch, Chittagong. (CD # 31259)
Jamuna Bank Ltd., Jubilee Road Branch, Chittagong. (CD # 00190211002260)
Rupali Bank Ltd., Anderkilla, Laldighi East, Chittagong. (STD # 240001344)
Southeast Bank Ltd. Principle office Branch, Dhaka. (CD # 11100036055)
Mercantile Bank Limited, Khatungonj Branch, Chittagong (CD # 5747)
National Bank Limited, Khatungonj Branch, Chittagong (CD # 33069282)
The City Bank Limited, Khatungonj Branch, Chittagong (CD # 2163001)
AB Bank Limited, Agrabad Branch, Chittagong (CD # 4101-774707-000)

	2011 Taka	2010 Taka
	311,060,479	134,091,467
	12,899,009	12,364,498
	1,847,035	-
Taka	325,806,523	146,455,965
	37,427,217	9,501,600
	-	1,510,000
	69,654,283	16,594,832
	70,069,916	23,862,544
	129,304,724	80,385,817
	1,303,508	325,000
	164,674	164,674
	114,000	150,000
	3,022,157	1,597,000
Tk	311,060,479	134,091,467
	4,096,232	4,096,232
	7,038,000	7,038,000
	1,200,346	631,835
	6,600	6,600
	20,000	20,000
	32,331	32,331
	-	34,000
	500,000	500,000
	5,500	5,500
Tk	12,899,009	12,364,498
	1,847,035	-
	1,847,035	-
	625	39,011
	318,997,892	602,557,137
Taka	318,998,517	602,596,148
	106,275	2,563,177
	41,494	12,456,690
	3,458	4,843
	-	10,000
	-	10,000
	21,704,068	20,287,148
	237,034	149,411
	21,446	31,190
	284,920,797	549,846,339
	18,147	-
	505,071	15,806
	34,594	45,768
	662	5,261,205
	9,610,714	6,743,116
	292,162	209,511
	238,314	4,922,549
	39,602	384
	34,080	-
	8,561	-
	1,072,926	-
	108,487	-
Tk	318,997,892	602,557,137

	2011 Taka	2010 Taka
11 CREDITORS AND ACCRUALS		
For other finance - note 11.1	304,787,620	196,259,006
For Supplies & Revenue expenses - note 11.2	8,116,349	7,256,573
Provisions for payments against Imports	-	481,552,681
Taka	312,903,969	685,068,260
11.1 For other finance - note 11		
Sundry creditors	304,787,620	196,259,006
Tk	304,787,620	196,259,006
11.2 For Supplies & Revenue expenses - note 11		
Audit fees payable	339,625	325,000
Professional fees payable	423,225	465,750
Electricity bill	4,115,726	2,845,075
Gas bill	311,036	311,036
Salary & wages	2,848,957	3,263,599
Telephone & Mobile charges payable	47,780	16,113
Office rent payable	30,000	30,000
Tk	8,116,349	7,256,573
12 ADVANCE AGAINST SALES		
Other different parties	4,695,342	17,514,201
Taka	4,695,342	17,514,201
13 SHORT TERM BANK LOANS		
Rupali Bank Ltd, Anderkilla Branch, Chittagong. (CC Hypo)	213,384,682	206,698,546
Rupali Bank Ltd, Anderkilla Branch, Chittagong. against (CC Pledge)	309,172,242	300,280,992
Rupali Bank Ltd, Anderkilla Branch, Chittagong. (LIM)	689,242,018	665,455,599
Rupali Bank Ltd, Anderkilla Branch, Chittagong. (LTR)	249,664,980	243,294,942
Islami Bank Bangladesh Ltd, Khatungonj Branch, Chittagong. (MPI) against imported Raw Materials with share of profit margin	714,736,482	786,199,059
Southeast Bank Ltd, Principal Branch, Dhaka. (LTR)	131,899,959	385,235,898
Janata Bank Limited, Chittagong (LTR)	1,172,482,079	-
Janata Bank Limited, Chittagong (PAD)	327,832,808	-
Taka	3,808,415,250	2,587,165,036
14 PROVISION FOR WORKERS' PROFIT PARTICIPATION & WELFARE FUND - note 2.11		
Opening balance	13,447,572	10,377,356
Add : Accrued interest on WPPF & WWF	2,218,849	-
	15,666,421	10,377,356
Provided @ 5% on net profit before charging WPPF	21,443,938	13,447,572
	37,110,359	23,824,928
Paid during the year	(7,172,038)	(10,377,356)
Taka	29,938,321	13,447,572
15 INCOME TAX PAYABLE - note 2.06		
Opening balance	108,173,554	38,806,130
Provision made during the year	111,683,437	69,367,424
	219,856,991	108,173,554
Paid during the year	-	-
Closing Balance	219,856,991	108,173,554
16 DEFERRED INCOME TAX - note 2.06		
Opening balance	184,997,722	145,572,452
Provision made the year	36,403,731	39,425,270
	221,401,453	184,997,722
Provision released during the year	-	-
Closing balance	221,401,453	184,997,722
17 UNCLAIMED DIVIDEND		
Remaining unclaimed on account of:		
For the year ended 30 September 2006	409,387	418,838
For the year ended 30 September 2007	995,787	1,021,437
For the year ended 30 September 2008	969,590	976,475
For the year ended 30 September 2009	1,761,467	2,478,917
Interim dividend on Preference Share	4,021,765	562,395
Final dividend on Preference Share	1,697,946	4,685,775
Taka	9,855,942	10,143,837

18 SHARE CAPITAL

		2011 Taka	2010 Taka
18.1 Authorised capital			
35,000,000 Ordinary shares of Tk 100 each	Taka	3,500,000,000	3,500,000,000
18.2 Issued, paid up & Called up capital			
8,942,828 Ordinary shares (2010 : 5,334,480 Ordinary shares) of Tk 100 each fully		894,282,800	533,448,000
894,282 Ordinary shares issued as 10% Bonus share (2010 : 26,67,240 Rights share & 941,108 shares conversion from preference share) of Tk 100 each fully		89,428,200	360,834,800
	Taka	983,711,000	894,282,800

18.3 Position of shareholding

	2011		2010	
	No. of Shares	Percentage (%) of share holding	No. of Shares	Percentage (%) of share holding
Alhaj Md. Saiful Alam	230,398	2.34	209,453	2.34
Alhaj Abdus Samad	138,237	1.41	125,670	1.41
Alhaj Md. Osman Gani	92,158	0.94	83,780	0.94
S.Alam Steels Limited	1,843,194	18.74	1,675,631	18.74
S.Alam Cement Limited	921,596	9.37	837,815	9.37
S.Alam Hatchery Limited	921,596	9.37	837,815	9.37
S.Alam Luxury Chair Coach Services Ltd.	230,398	2.34	209,453	2.34
S.Alam Vegetable Oil Limited	230,398	2.34	209,453	2.34
Bangladesh Fund	216,100	2.20	-	-
Sonali Investment Ltd.	128,157	1.30	-	-
Union Capital Limited	11,727	0.12	10,966	0.12
AB Bank Limited	-	-	30,415	0.34
ABIL - IDA	126,072	1.28	-	-
Prime Bank Ltd. 1/A-1	40,077	0.41	5,523	0.06
ICB Unit Fund	84,802	0.86	83,075	0.93
ICB	67,992	0.69	77,475	0.87
IDLC, Portfolio A/c	72,885	0.74	9,020	0.10
Others	4,481,323	45.56	4,537,284	50.74
	9,837,110	100	8,942,828	100

18.4 Classification of Shareholders by holding

Holdings	No. of Holders	No. of Shares	Total Holdings (%)
Less than 500 shares	10,243	1,047,871	10.65
501 to 5,000 shares	911	1,164,334	11.84
5,001 to 10,000 shares	67	494,094	5.02
10,001 to 20,000 shares	38	523,662	5.32
20,001 to 30,000 shares	11	262,745	2.67
30,001 to 40,000 shares	6	219,127	2.23
40,001 to 50,000 shares	12	554,126	5.63
50,001 to 100,000 shares	8	585,005	5.95
100,001 to 1,000,000 shares	9	3,142,952	31.95
Over 1,000,000 shares	1	1,843,194	18.74
	11,306	9,837,110	100.00

19 SHARE PREMIUM

	2011 Taka	2010 Taka
From 1st half conversion of Preference share to Ordinary share	220,076,900	220,076,900
From 2nd half conversion of Preference share to Ordinary share	219,260,300	219,260,300
Taka	439,337,200	439,337,200

20 TERM LOAN (SECURED)**From Banks:**

Due within one year
Due after more than one year

	2011 Taka	2010 Taka
	329,887,191	376,800,000
	30,759,581	285,419,553
Taka	360,646,772	662,219,553
a) From Rupali Bank Limited, Laldighi, Chittagong:		
Due within one year	271,200,000	271,200,000
Due after more than one year	30,759,581	192,670,704
	301,959,581	463,870,704
b) From Islami Bank Bangladesh Limited Khatungonj, Chittagong. Hire purchase Shirkatul Meelk (HPSM) A/c No. 20501064300003306		
Due within one year	-	-
Due after more than one year	-	58,715,966
	-	58,715,966
c) From Southeast Bank Limited, Principal Branch, Dhaka		
Due within one year	58,687,191	105,600,000
Due after more than one year	-	34,032,883
	58,687,191	139,632,883
	360,646,772	662,219,553

(i) Rupali Bank Limited**Security (First Charge)**

100% registered mortgage of 10 Acre factory land and building valuing Tk 1,535.70 million.

Re-payment Schedule:

Re-payment stipulated to be made by 33 quarterly installments of Tk 26,812,200 each plus accrued interest, commencing from 15 February 2005. The re-payment schedule was rearranged on 14 January 2009 and the payment to be made by 17 quarterly installments of Tk 47,466,200 each plus accrued interest, commencing from 15 February 2009.

Rate of Interest:

At the rate of 10%

(ii) Southeast Bank Limited**Security:**

Hypothecation of goods to be imported

Rate of Interest:

At the rate of 15% - 17%

21 LOAN FROM ASSOCIATED COMPANIES - (UNSECURED)

S. Alam Steels Ltd.
S. Alam Super Edible Oil Ltd.
S. Alam Vegetable Oil Ltd.
S. Alam Cement Ltd.
S. Alam Luxury Chair Coach Services Ltd.
S. Alam Refined Sugar Industries Ltd.

	2011 Taka	2010 Taka
	49,019,223	48,799,865
	17,413,374	19,044,574
	14,433,808	35,688,808
	22,793,710	24,722,086
	-	3,774,616
	-	453,646,095
Taka	103,660,115	585,676,044

These loans are unsecured and interest free without any fixed term for repayment.

22 NET TURNOVER

Sales net of VAT

Taka

2011
Taka2010
Taka3,034,089,701
3,034,089,7011,872,282,108
1,872,282,108**23 COST OF GOODS SOLD**

Opening stock of Raw Materials

HR Coil

Hydrochloric Acid

2,598,713,432
16,889,627
2,615,603,0592,701,548,150
16,313,808
2,717,861,958

Raw materials received (Purchased)

HR Coil

Hydrochloric Acid

TIN Ingot

ZINC Ingot

1,280,400,574
8,864,234
20,270,951
38,424,811
1,347,960,5701,144,999,939
3,644,570
-
-
1,148,644,509**Materials available for consumption**

Closing stock of Raw Materials - note 6

HR Coil

Hydrochloric Acid

TIN Ingot

ZINC Ingot

(1,750,864,437)
(21,493,706)
(20,270,951)
(38,424,811)
(1,831,053,905)(2,598,713,432)
(16,889,627)
-
-
(2,615,603,059)**Raw Materials Consumption**

Production Overhead - note 23.1

Cost of Production

Opening Stock of W.I.P

Opening Stock of Finished Goods

2,132,509,724
210,872,455
2,343,382,1791,250,903,408
150,172,835
1,401,076,243121,066,106
114,758,215
235,824,321
2,579,206,50058,384,335
117,690,260
176,074,595
1,577,150,838

Closing Stock of W.I.P - note 6

Closing Stock of Finished Goods - note 6

(102,733,399)
(128,801,888)
(231,535,287)
2,347,671,213(121,066,106)
(114,758,215)
(235,824,321)
1,341,326,517

Taka

23.1 PRODUCTION OVERHEAD

Stores and spares

Packing materials

Other chemicals

Salaries and Wages (including overtime)

Electricity charges

Gas bill

Fuel and lubricant-Factory (Generator)

Insurance premium

Depreciation (Note-3.2)

Medical and welfare

Labour charges

Repair and maintenance

Carrying charges

Uniform and liveries

Transportation

Stationery

Canteen expenses - Factory

Telephone charges

Lease rent expenses

47,981,469
2,700,648
853,004
36,486,726
53,186,566
3,732,432
552,065
84,678
54,212,243
177,209
50,452
7,523,665
1,009,381
4,750
1,760,000
101,369
398,892
56,906
-29,387,330
1,872,131
323,236
21,994,906
36,414,466
3,732,432
316,980
7,612,841
41,293,371
34,526
100,225
4,461,047
466,420
58,050
1,187,000
174,696
423,053
70,125
250,000

Taka

210,872,455150,172,835

24 ADMINISTRATIVE, SELLING & DISTRIBUTION EXPENSES

	2011 Taka	2010 Taka
Salaries and wages and benefits	9,868,738	5,777,165
Advertisement and publication	829,559	448,352
Depreciation (Note- 3.2)	18,070,748	13,764,457
Bank charges	666,358	148,698
Donations	151,000	321,500
Canteen expenses - office	613,499	531,568
Fees and fines	791,402	304,465
Guest house expenses	79,568	70,093
Legal and professional charges	1,029,050	777,000
Liaison office exp.	88,434	53,874
Office maintenance	493,806	408,358
Liaison Office rent	360,000	360,000
Newspaper and periodicals	5,350	900
Office decoration	72,000	64,000
Stationery	743,100	277,424
Postage and courier	678	20,104
Registration & renewal	442,786	410,313
Rent, rates and taxes	164,864	340,280
Telephone charges	200,010	162,143
Bank guarantee commission	4,042,013	4,499,024
Traveling and conveyance	385,715	412,455
Vehicle maintenance including fuel and lubricants	1,019,122	606,395
Management meeting & Conference	3,231,830	1,934,393
Electric bill-Head office	148,041	109,084
Miscellaneous expenses	674,600	300,768
Audit fee	339,625	325,000
Taka	44,511,896	32,427,813

25 FINANCIAL EXPENSES

Interest on C.C (Hypo)	26,376,136	27,226,117
Interest on C.C(Pledge)	38,392,250	40,243,371
Interest on Term Loan	57,330,885	86,997,144
Profit on HPSM	3,180,168	10,087,688
Interest on LIM	19,156,835	17,285,422
Interest on LTR	153,466,123	77,637,475
Interest on WPPF & WWF	2,218,849	-
Interest on SOD	2,535,904	-
Taka	302,657,150	259,477,217

26 OTHER INCOME (NON - OPERATING)

Profit earned on MTDR	89,629,314	28,198,942
Profit from disposal of Fixed Assets	-	1,701,941
Taka	89,629,314	29,900,883

27 BANK FACILITIES

The following facilities are available with the company's banker:

Banker	Facilities	2011 Limit Taka	2010 Limit Taka
Rupali Bank Limited	Term Loan	113.48 Crore	113.48 Crore
	Cash Credit (Hypothecation)	20 Crore	20 Crore
	Cash Credit (Pledge)	25 Crore	25 Crore
	PAD / LIM	57 Crore	57 Crore
	Bank Guarantee	30 Crore	30 Crore
	Trust Receipt (LTR)	20 Crore	20 Crore
Islami Bank Bangladesh Ltd.	HPSM (Project Loan)	-	13.34 Crore
	Working Capital (LC/NPI/Bills/MBC/BG)	200 Crore	200 Crore
Southeast Bank Limited	Term Loan	23.12 Crore	24.68 Crore
	Working Capital (LC)	40 Crore	40 Crore
	Working Capital (LTR)	38 Crore	38 Crore
Janata Bank Limited	Working Capital (LC)	275 Crore	-
	Working Capital (LTR)	208 Crore	-

28 CONTINGENT LIABILITIES AND COMMITMENTS

(a) Contingencies

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

Rupali Bank Limited

Guarantee against cash margin

Tk 13,576,892

Islami Bank Bangladesh Limited

Guarantee against cash margin

Tk 14,239,614

Guarantee against cash margin

City Bank Limited

Guarantee against cash margin

Tk 33,416,129

(b) Commitments

Capital Expenditure

Tk 179,554,636

Authorized but not contracted

Nil

Contracted but not executed

Nil

29 Net Assets Value per Share

Net Assets Value per Share

2011

Taka

173.68

2010

Taka

226.50

The Composition of Net Assets Value per share is given below :

(a) Net Assets Value during the year Tk. 1,631,889,025 (2010: Tk. 1,566,125,474)

(b) Weighted average number of Ordinary Shares at the close of business 9,396,094 nos(2010 : 6,914,375)

30 Value per share on basis of cash flow from Operating Activities:

Operating cash inflow/(outflow) per share

2011

Taka

98.88

2010

Taka

22.14

The Composition of Operating Cash Inflow/Outflow Value per share is given below :

(a) Operating Cash Inflow/Outflow during the year Tk. 929,069,126 (2010: Tk.153,101,218)

(b) Weighted average number of Ordinary Shares at the close of business 9,396,094 nos(2010: 6,914,375)

31 RELATED PARTY TRANSACTIONS

The company has transactions with other associated companies that fall within the definition of related parties as set forth by BAS - 24. Such transactions are in normal course of business and are at terms which correspond to those on arms length transactions with the third parties.

Related parties comprise of companies under common ownership and common management control. At the Balance Sheet date, trade and non-trade balances with related parties were as follows:

Name of the related parties	Nature of relationship	Types of transactions	Volume of transactions	Outstanding on 30.09.10	Pricing policies
S. Alam Steels Limited	Shareholder, Common Shareholding, Common Directorship.	Temporary loan repaid Sales (Gross)	(219,358) 49,019,223	48,799,865 -	Interest free Market price
S. Alam Cement Limited	Shareholder, Common Shareholding, Common Directorship.	Temporary loan taken	(1,928,376)	24,722,086	Interest free
S. Alam Vegetable Oil Limited	Shareholder, Common Shareholding.	Temporary loan repaid	21,255,000	35,688,808	Interest free
S. Alam Luxury Coach Services Ltd.	Shareholder, Common Shareholding, Common Directorship.	Temporary loan repaid	3,774,616	3,774,616	Interest free
S. Alam Super Edible Oil Limited	Common Shareholding.	Temporary loan repaid	1,631,200	19,044,574	Interest free
S. Alam Refined Sugar Industries Limited	Common Shareholding, Common Directorship.	Temporary loan taken	453,646,095	453,646,095	Interest free

32 BASIC EARNINGS PER SHARE (EPS)

The composition of earning per shares (EPS) is given below:

Earning per share

2011 Taka	2010 Taka
27.46	20.75

- a Earning attributed during the year to the ordinary shareholders Tk. 258,034,421 (2010: Tk 143,452,485.)
b Weighted average number of ordinary shares at the close of business 9,396,094 nos (2010: Tk 8,942,828 nos)

33 POST BALANCE SHEET EVENTS

No material events had occurred from the Balance Sheet date to the date of issue of this Balance Sheet which could materially affect the values stated in the Balance Sheet.

34 EMPLOYEES

Number of employees whose salary below Tk 4,000 per month
Number of employees whose salary above Tk 4,000 per month

	Number of Employee 2011	Number of Employee 2010
	-	-
	237	214
Total	237	214

35 CAPACITY UTILIZATION

Installed Capacity
Actual Equivalent production (0.090mm to 0.420mm)
Capacity Utilizes

120,000 M. Ton
72,367.36 M. Ton
60.30% (Say)

36 GENERAL

- 36.1 Figures appearing in these accounts have been rounded off to the nearest taka.
36.2 Previous year's phrases & amounts have been re-arranged, wherever considered necessary, to conform to the presentation for the year under review.
36.3 Bracket figure denotes negative.


COMPANY SECRETARY


DIRECTOR


MANAGING DIRECTOR



Subsidiary
PROFILE



S. ALAM POWER GENERATION LIMITED

DIRECTORS' REPORT TO THE SHAREHOLDERS

Dear Shareholders,

Your Directors have the pleasure in presenting their 3rd Report along with the audited Accounts and the Auditors' report thereon for the year ended 30th September 2011.

Your Company was incorporated on 09/04/2009 under the Companies Act 1994 vide Certificate of Incorporation # CH-6951(297) of 2009 with an object, among others, to set up, own, operate and run captive and / or independent power plant for generation of electricity. Upon commissioning of the proposed power plant, the Company will primarily ensure regular and uninterrupted power supply to the projects of S. Alam Cold Rolled Steels Limited (SACRSL) and the excess of electricity, if there be any, shall be sold to the National grid, REB and other as may be approved by the regulatory authorities.

With the subscription of Tk.26,84,00,000/- S. Alam Cold Rolled Steels Limited holds 70% equity for the time being of your Company.

In continuation of your Directors' Report of the previous year, it is reported that implementation of the 17MWe captive power plant is in progress. Your directors are optimistic that the plant will, Insha Allah, be in operation by November 2012.

Your Company did not embark upon any commercial activities during the year under report. Your Company however earned Interest Income of Tk. 1,70,74,310.00 from its temporary investment made in FDR/MTDR. As the Company has not started its commercial operation as yet, the whole of such interest income has, as in the past, been transferred to Revenue Reserve Account.

In the aforesaid circumstances, your Directors did not recommend any dividend for the approval of the valued shareholders.

For that Mr. Mohammed Saiful Alam has been appointed as Managing Director for a period of five years since the date of incorporation of the Company, therefore the other Director Mr. Abdus Samad is the Director retiring by rotation who retires being eligible, offer himself for re-election in the ensuing Annual General meeting of the Company.

M/s. Hoda Vasi Chowdhury & Co., Chartered Accountants, current auditors of the Company, retire and being eligible offer themselves for re-appointment.

Your Directors take this opportunity to record its acknowledgement of the continued guidance and assistance from the management of S. Alam Cold Rolled Steels Limited to make your Company successful.



Abdus Samad
Chairman

18th February 2012.



AUDITOR'S REPORT TO THE SHAREHOLDERS OF S. ALAM POWER GENERATION LIMITED

We have audited the accompanying financial statements of S. ALAM POWER GENERATION LIMITED, which comprises the Statement of Financial Position as at 30 September 2011 and Statement of Cash Flow for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Bangladesh Financial Reporting Standards (BFRS), the Companies Act 1994 and other applicable laws and regulations. This responsibility includes: designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

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

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

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

Opinion:

In our opinion, the Financial Statements prepared in accordance with Bangladesh Financial Reporting Standards (BFRS), give a true and fair view of the state of the company's affairs as at 30 September 2011 and of the results of its operations and its cash flows for the year then ended and comply with the Companies Act 1994 and other applicable laws and regulations.

Further to our opinion in the above paragraph, we state that:

- (i) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit and made due verification thereof;
- (ii) In our opinion, proper books of account as required by law have been kept by S. Alam Power Generation Limited so far as it appeared from our examination of those books;
- (iii) The Company's Statement of Financial Position and its Statement of Cash Flow dealt with by the report are in agreement with the books of account and returns.

Chittagong, 23 February 2012

Hoda Vasiqy Leo
CHARTERED ACCOUNTANTS
Hoda

S.ALAM POWER GENERATION LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2011

	Note(s)	2011 Taka	2010 Taka
SOURCE OF FUNDS			
Shareholders' Funds			
Share Capital	5	383,428,600	383,428,600
Revenue Reserve	6	25,477,988	11,335,274
Total Shareholders' fund		408,906,588	394,763,874
Loan Funds			
Loan from Associate Companies (Unsecured)	7	32,475,082	8,374,852
Total Funds	Total	441,381,670	403,138,726
APPLICATION OF FUNDS			
Capital Work In Progress	8	21,311,076	-
Current Assets			
Due from Associate Companies	9	86,183,300	83,320,699
Advance, Deposit and Pre-Payments	10	3,019,047	450,000
Cash and Bank Balances	11	321,593,859	300,908,132
Interest Receivable	12	17,074,310	11,335,274
Total Current Assets		427,870,516	396,014,106
Current Liabilities & Provisions:			
Liabilities for Expenses	15	50,000	133,080
Provisison For Income Tax	16	15,286,793	-
Total Current Liabilities		15,336,793	133,080
Net Current Assets		412,533,723	395,881,026
Other Assets :			
Preliminary Expenses	13	941,320	941,320
Un-Allocated Revenue Expenditure	14	6,595,551	6,316,380
Net Assets	Total	441,381,670	403,138,726

These financial statements should be read in conjunction with annexed notes

AUDITORS' REPORT TO THE SHAREHOLDERS

See annexed report



Managing Director



Director



Company Secretary

Chittagong, 23 February 2012

Hoda Vasic
CHARTERED ACCOUNTANTS

Hoda

S. ALAM POWER GENERATION LIMITED
STATEMENT OF CASH FLOW
FOR THE YEAR ENDED 30 SEPTEMBER 2011

	Note(s)	2011 Taka	2010 Taka
A. Cash Flow From Operating Activities			
(Increase)/Decrease in Current Assets:			
Due from Associate Companies	9	(2,862,601)	(81,720,699)
Advance, Deposit & Prepayment	10	(2,569,047)	(450,000)
Total (a)		(5,431,648)	(82,170,699)
Increase/(Decrease) in Current Liabilities:			
Liabilities for Expenses	15	(83,080)	83,080
Total (b)		(83,080)	83,080
Net Cash inflow / (outflow) From Operating Activities (a+b)		(5,514,728)	(82,087,619)
B. Cash Flow From Investing Activities:			
Capital Work in Progress	8	(21,311,076)	-
Un - Allocated revenue expenditure	14	(279,170)	(6,081,818)
Net Cash inflow/ (outflow) From Investing Activities:		(21,590,246)	(6,081,818)
C. Cash Flow From Financial Activities:			
Revenue Reserve	6	29,429,507	-
Associate Companies	7	24,100,230	7,063,095
Interest Receivable	12	(5,739,036)	-
Issuance of Share	5	-	381,428,600
Net Cash inflow/ (outflow) From Financial Activities:		47,790,701	388,491,695
Net Cash Increase / (Decrease) made during the year (A+B+C)		20,685,727	300,322,258
Add: Opening Cash and Bank Balances	11	300,908,132	585,875
Closing Cash and Bank Balance	11	321,593,859	300,908,133

These financial statements should be read in conjunction with annexed notes
AUDITORS' REPORT TO THE SHAREHOLDERS
 See annexed report


 Managing Director


 Director


 Company Secretary

Chittagong, 23 February 2012


 Hoda Kazi Chy Leo
 CHARTERED ACCOUNTANTS
 Hako

S. ALAM POWER GENERATION LIMITED
NOTES TO THE ACCOUNTS
For the year ended 30 September 2011

1. LEGAL FORM OF THE COMPANY

5. Alam Power Generation Limited, Chittagong a Private Company Limited by Shares was incorporated on 09 April 2009 vide Registration No. CH-6951(297) of 2009 under the Companies Act 1994.

2. NATURE OF THE BUSINESS

The company will carry on the business to install and run a captive power plant to produce and supply electricity.

3. SIGNIFICANT ACCOUNTING POLICIES :

The Financial Statements have been prepared according to Generally Accepted Accounting Principles based on Historical cost convention and the Bangladesh Accounting Standards guidelines have been followed according to the best knowledge of the company management.

4. GENERAL :

As the company not yet commenced commercial production, so no Manufacturing ,Trading and Profit & Loss Accounts have not been prepared for the period .

5. SHARE CAPITAL

Authorised Capital:

10,000,000 Ordinary Share @ TK. 100 Each

	2011 Taka	2010 Taka
TAKA	1,000,000,000	1,000,000,000
Issued, Subscribed and Paid Up Capital :		
TAKA	383,428,600	383,428,600
6. REVENUE RESERVE:		
Opening Balance	11,335,274	-
Transfer from FDR Interest - note 6.1	25,477,988	11,335,274
TAKA	36,813,262	11,335,274
6.1 Interest Received On FDR		
Less : AIT Deduction	40,764,780	-
	(2,369,047)	-
	38,395,733	-
Provision For Income Tax	(12,917,745)	-
TAKA	25,477,988	-
7. LOAN FROM ASSOCIATE COMPANIES (Unsecured)		
S. Alam Power Plant Limited	450,000	450,000
S. Alam Cold Rolled Steels Limited	32,025,082	7,924,852
TAKA	32,475,082	8,374,852
8 . Capital Work In Progress:		
Capital Machinery : L/C 0136-10-01-0036	20,990,726	-
Supply of the balance of the plant	320,350	-
TAKA	21,311,076	-
9. DUE FROM ASSOCIATE COMPANIES		
S. Alam Steels Limited	86,183,300	83,320,699
TAKA	86,183,300	83,320,699

Sales

10. ADVANCE, DEPOSITS AND PREPAYMENTS**ADVANCES :**

Consultancy (Bidco Associates)
 Advances for Income Tax (FDR)

	2011 Taka	2010 Taka
	650,000	450,000
	2,369,047	-
TAKA	3,019,047	450,000

11. CASH AND BANK BALANCE

Cash in Hand
 Cash at Bank - note 11.1

	-	-
	321,593,859	300,908,132
TAKA	321,593,859	300,908,132

11.1 Cash at Bank

First Security Islami Bank Ltd., Khatungonj Branch, Chittagong.
 National Bank Limited, Khatungonj Branch, Chittagong.
 Janata Bank Limited, Shadaran Bima Corporate Branch, Chittagong.
Fixed Deposit Receipts (FDR) / MTDR with Banks :
 Janata Bank Limited, Shadaran Bima Corporate Branch, Chittagong.
 Premier Bank Limited, Khatungonj Branch, Chittagong.

	17,331	780,027
	107,570	118,830
	182,533	9,275
	321,286,425	250,000,000
	-	50,000,000
TAKA	321,593,859	300,908,132

12. INTEREST RECEIVABLE

Interest Receivable on FDR

	17,074,310	11,335,274
TAKA	17,074,310	11,335,274

As the Company has not start its commercial production yet. Whole amount of interest is transferred to revenue reserve account.

13. PRELIMINARY EXPENSES

Preliminary Expenses

	941,320	941,320
TAKA	941,320	941,320

14. UN-ALLOCATED REVENUE EXPENSES

Salary & Allowances
 Entertainment
 Postage & Stamp
 Bank Charges
 Miscellaneous Expenses
 Legal & Professional Fee
 Traveling & Conveyance
 Stationary
 Fees & Fines
 License & Renewal Fee
 Advertisement & Publications
 Audit Fee

	-	-
	226,624	190,887
	1,040	160
	53,440	3,195
	5,403,800	5,402,000
	539,500	512,500
	43,246	30,286
	13,902	12,147
	52,900	50,700
	26,950	10,425
	84,148	4,080
	150,000	100,000
TAKA	6,595,551	6,316,380

15. LIABILITIES FOR EXPENSES

Income Tax payable
 VAT payable
 Audit Fee Payable

	-	21,020
	-	12,060
	50,000	100,000
TAKA	50,000	133,080

16. Provision For Income Tax

Income Tax Provision on FDR Interest

	15,286,793	-
TAKA	15,286,793	-


 Managing Director


 Director


 Company Secretary





এস. আলম কোল্ড রোল্ড স্টীলস্ লিমিটেড S. Alam Cold Rolled Steels Limited

(A Member of S. Alam Group)

10th Annual General Meeting

Venue: Ichamati Hall, Hotel Agrabad, Chittagong.

Date: 30th March, 2011

Time: 11.30 a.m.



PHOTOGRAPHS OF
10TH ANNUAL
GENERAL MEETING



 এস. আলম কোল্ড রোল্ড স্টীলস্ লিমিটেড
S. Alam Cold Rolled Steels Limited
(A Member of S. Alam Group)
8th Extra Ordinary General Meeting
Venue : Ichamati Hall, Hotel Agrabad, Chittagong.
Date : 19 November, 2011 Time : 11.00 a.m.





S. Alam Cold Rolled Steels Ltd.

S.ALAM BHABAN, 2119 ASADGONJ, CHITTAGONG

PROXY FORM

Affix
Revenue
Stamp of
Tk.10.00

I/We _____
of _____
being a member of S. Alam Cold Rolled Steels Ltd. do hereby appoint Mr/Mrs/Miss of _____

as my / our proxy to attend and vote for me/us on my/our behalf at the 11th Annual General Meeting of the Company to be held on Saturday, the 31st March 2012 at 11.00 a.m at the **Ichamati Hall of Hotel Agrabad**, Chittagong and at any adjournment thereof.

As witness my hand this _____ day of _____ 2012

Signature of the Proxy

Signature of the Shareholder

Date :

BO ID No. :

--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--

Dated

Note : The proxy form should reach the Corporate Office of the Company not less than 48 hours before the time fixed for the meeting.

Signature Verified

Authorized Signatory
S. Alam Cold Rolled Steels Ltd.



S. Alam Cold Rolled Steels Ltd.

S.ALAM BHABAN, 2119 ASADGONJ, CHITTAGONG

Attendance Slip

I hereby record my attendance at the 11th Annual General Meeting of the Company to be held on Saturday, the 31st March 2012 at 11.00 a.m at the **Ichamati Hall of Hotel Agrabad**, Chittagong.

BO ID Number :

--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--

Name of the Member / Proxy : _____

No. of Shares held _____

Signature _____

Date :

Note : Please Present this slip at the Reception Desk.