

16th

**ANNUAL GENERAL
MEETING 2017**



S. ALAM COLD ROLLED STEELS LIMITED

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Auditors' Report & Audited Financial Statements of S. Alam Power Generation Ltd.

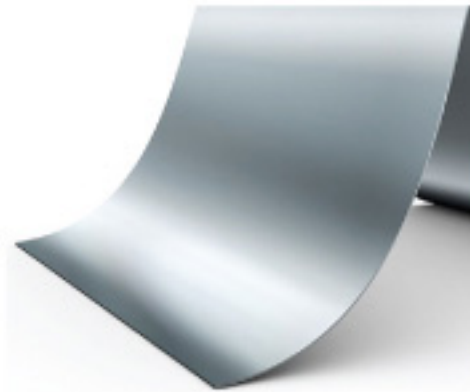
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Snapshots

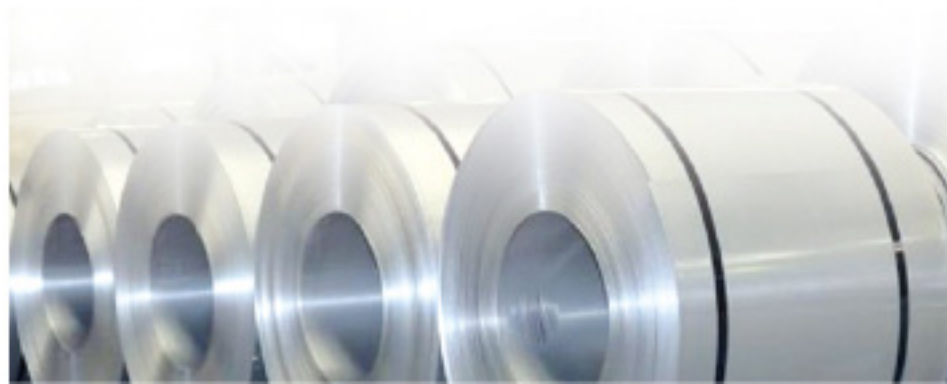
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Proxy Form

COMPANY *Profile*



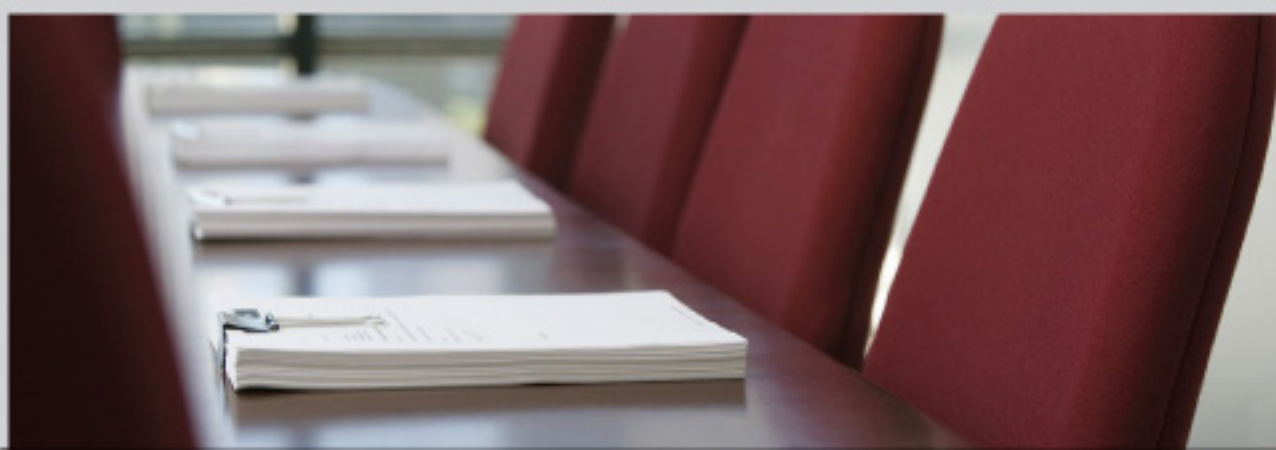
Legal Status	: A Public Limited Company incorporated in Bangladesh on 12 December 2000 under the Companies Act 1994 and listed with Dhaka Stock Exchange Limited & Chittagong Stock Exchange Ltd.
Date of Listing with DSE & CSE	: 16 May 2006
Commencement of Commercial Production	: 2004
Factory	: Kalarpool, Shikalbaha, Patiya, Chittagong.
Corporate & Registered Office	: S. Alam Bhaban 2119 Asadgonj, Chittagong. Phone : +88-031-636649 636997, 611426, 611195, 638258 Fax : +88-031-2869284 E-mail : 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
Authorized Capital	: Taka 350.00 Crore
Issued, Subscribed & Paid up Capital	: Taka 98.3711Crore.
Products Variety	: C. R. Coil Plant - C.R. Coil NOF Plant - C.I. Sheet & G.P. Sheet
Annual Installed Capacity	: C. R. Coil Plant - 1,20,000 M. Ton NOF Plant - 72,000 M. Ton





MANAGEMENT *Apparatus*

- **Board of Directors**
 - Mr. Abdus Samad : Chairman
 - Mr. Mohammed Saiful Alam : Managing Director
 - Mr. Md. Osman Gani : Director
 - Mr. Nasir Uddin Ahmed FCMA : ICB nominee and Director elected from Institutional Investors
 - Ms. Halima Begum : Director elected from General Investors
 - Mr. Mohammed Ishaque : Independent Director
 - Mr. Monotosh Chandra Roy FCA : Independent Director
- **Audit Committee**
 - Mr. Mohammed Ishaque : Chairman
 - Mr. Abdus Samad : Member
 - Mr. Md. Osman Gani : Member
- **Company Secretary**
 - Mr. Ghulam Muhammed : Company Secretary
- **Senior Corporate Officials**
 - Mr. Subrata Kumar Bhowmick FCA : Executive Director (Finance)
 - Mr. Moshir Rahman : General Manager (Mills)
 - Mr. Md. Delwar Hossain FCA : Head of Internal Audit
 - Mr. Shimul Nandy : Chief Financial Officer
- **Auditors**
 - Hoda Vasi Chowdhury & Co.
Chartered Accountants
Delwar Bhaban (4th Floor)
104, Agrabad Commercial Area
Chittagong, Bangladesh
- **Principal Bankers**
 - Rupali Bank Ltd.
 - Islami Bank (Bangladesh) Ltd.
 - Janata Bank Ltd.
 - Export Import Bank of Bangladesh Ltd.
- **Insurer**
 - Northern General Insurance Co. Ltd.
- **External Credit Assessment Institution**
 - Alpha Credit Rating Limited





Transmittal Letter

15 November 2016

To :

The Shareholders
Bangladesh Securities & Exchange Commission
The Registrar of Joint Stock Companies & Firms
The Dhaka Stock Exchange Limited
The Chittagong Stock Exchange Limited

Sub : Annual Report for the Period ended 30 June 2016

Dear Sir(s),

We are pleased to transmit a copy of the Annual Report 2016 together with the audited consolidated financial statements of S. Alam Cold Rolled Steels Limited and its subsidiary, individual audited financial statements of S. Alam Cold Rolled Steels Limited and its subsidiary S. Alam Power Generation Limited comprising the statement of financial position as at 30th June 2016 and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the 9 months period then ended along with notes thereon along with the Directors' Report and the Audit Committee Report for your information and record.

Yours sincerely,

Ghulam Muhammed
Company Secretary



এস. আলম কোল্ড রোল্ড স্টীলস লিমিটেড

S. ALAM COLD ROLLED STEELS LIMITED

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

বার্ষিক সাধারণ সভার বিজ্ঞপ্তি

এই বিজ্ঞপ্তির মাধ্যমে জানানো যাচ্ছে যে, অত্র কোম্পানীর ১৬তম বার্ষিক সাধারণ সভা নিম্নলিখিত বিষয়াদি সম্পাদনকল্পে আগামী ৭ জানুয়ারি, ২০১৭ শনিবার সকাল ১১-০০টায় চিটাগাং ক্লাব লিমিটেড, এস এস খালেদ রোড, চট্টগ্রামে অনুষ্ঠিত হবে।

আলোচ্যসূচি : (Ordinary Business)

- ১। ২০১৬ সালের ৩০ জুন সমাপ্ত মেয়াদের নিরীক্ষিত আর্থিক বিবরণীসমূহ, পরিচালকমণ্ডলীর প্রতিবেদন এবং নিরীক্ষকদের প্রতিবেদন গ্রহণ এবং অনুমোদন।
- ২। ৩০ জুন ২০১৬ তারিখে সমাপ্ত মেয়াদের জন্য লভ্যাংশ ঘোষণা।
- ৩। পরিচালকমণ্ডলী নির্বাচন / পুনঃনির্বাচন / নিয়োগ অনুমোদন।
- ৪। পরবর্তী আর্থিক বছরের জন্য অডিটর নিয়োগ ও তাদের পারিশ্রমিক নির্ধারণ।

১৩ নভেম্বর, ২০১৬ ইং


মোহাম্মদ সাইফুল আলম
ব্যবস্থাপনা পরিচালক

দ্রষ্টব্য :

- ০১। রেকর্ড ডেট: ৭ নভেম্বর ২০১৬। রেকর্ড ডেট-এ সিডিবিএল ডিপোজিটরি রেজিস্টার এবং কোম্পানির সদস্য বইতে নিবন্ধিত শেয়ারহোল্ডারগণ উপরোক্ত সাধারণ সভায় যোগদানসহ অনুমোদিত লভ্যাংশ পাওয়ার যোগ্য বলে বিবেচিত হবেন।
- ০২। প্রঞ্জি: সদস্যবৃন্দ এই সাধারণ সভায় উপস্থিত থাকতে এবং ভোট প্রদান করতে পারেন কিংবা তাঁর পক্ষে উপস্থিত থাকতে এবং ভোট দানের জন্য অন্য একজন প্রঞ্জি নিয়োগ করতে পারেন। সভা অনুষ্ঠানের জন্য নির্ধারিত সময়ের ৭২ ঘণ্টা পূর্বে সংযুক্ত প্রঞ্জি ফরম নিয়মানুযায়ী স্ট্যাম্প সহকারে পূরণ করে কোম্পানির রেজিস্টার্ড অফিসে অবশ্যই জমা দিতে হবে।
- ০৩। কেবলমাত্র হাজিরাপত্র উপস্থাপন সাপেক্ষে হলে প্রবেশ করা যাবে। কুরিয়ার বা ডাকযোগে যথাসময়ে বাৎসরিক প্রতিবেদন / হাজিরাপত্র না পেয়ে থাকলে কোম্পানির চট্টগ্রাম / ঢাকাস্থ অফিস হতে অথবা ওয়েবসাইট হতে ডাউনলোড এর মাধ্যমে সংগ্রহ করা যাবে। বাৎসরিক প্রতিবেদন ২০১৬ কোম্পানির ওয়েবসাইটে আপলোড করা হয়েছে।
- ০৪। পরিচালক নির্বাচন:
 - (ক) পর্যায়ক্রমিক অবসরগ্রহণকারী উদ্যোক্তা পরিচালক আইনানুগ পুনঃনির্বাচিত হবে।
 - (খ) প্রাতিষ্ঠানিক শেয়ারহোল্ডারগণ হতে এক জন এবং সাধারণ শেয়ারহোল্ডারগণ হতে এক জন পরিচালক নির্বাচনের মনোনয়নপত্র ১৮-১২-২০১৬ হতে ২২-১২-২০১৬ পর্যন্ত কোম্পানির প্রধান কার্যালয়ে অফিস চলাকালীন সময়ে পাওয়া যাবে।
 - (গ) মনোনয়নপত্র যথাযথ পূরণ ও স্বাক্ষর করতঃ প্রয়োজনীয় কাগজ পত্রাদিসহ কোম্পানির প্রধান কার্যালয়, এস. আলম ভবন, ২১১৯, আহাদগঞ্জ, চট্টগ্রামে ২৭-১২- ২০১৬ তারিখের মধ্যে অবশ্যই জমা দিতে হবে।
 - (ঘ) মনোনয়নপত্র প্রত্যাহারের শেষ তারিখ ২৮-১২-২০১৬।
 - (ঙ) যথাযথ বাছাইয়ের পর যোগ্য পরিচালক পদ-প্রার্থীদের চূড়ান্ত তালিকা ২৯-১২-২০১৬ তারিখে কোম্পানির প্রধান কার্যালয়ের নোটিশ বোর্ডে প্রকাশ করা হবে।
- ০৫। বাংলাদেশ সিকিউরিটিজ এন্ড এক্সচেঞ্জ কমিশন এর নোটিফিকেশন এবং ডিএসইর মেমোসমূহ অনুযায়ী বার্ষিক সাধারণ সভায় উপস্থিতির জন্য কোনরূপ গিফট / নগদ সুবিধা প্রদানের ব্যবস্থা থাকবে না।
- ০৬। হিসাব বিবরণী ও প্রতিবেদনসমূহের উপর কোন অনুসন্ধান থাকলে ব্যাখ্যা প্রদানের সুবিধার্থে তা সভা আরম্ভের তিন কার্যদিবস পূর্বে কোম্পানির নিবন্ধিত কার্যালয়ে দাবিলের জন্য অনুরোধ করা যাচ্ছে।



Message from the | Chairman

Dear Shareholders,
Assala-mu-alaikum

It is my great pleasure once again to warmly welcome you all, on behalf of the Board of Directors, to the 16th Annual General Meeting of the company.

We are grateful to the Almighty Allah for the business performance that our company attained during the period under report that shall have to be considered satisfactory.

Alhamdulillah, your company under the able and far-sighted leadership and guidance of its Managing Director Mr. Mohammed Saiful Alam, was able to earn revenue income for the period covering 9 months of Tk. 2,836,000,112/- as against that of the previous year of Tk. 4,194,127,414/- covering 12 months.

The post-tax consolidated profit earning for the period of nine months is Tk.104, 378,013/- with EPS of Tk. 1.08 whereas that of the previous year covering the period of twelve months was Tk. 120,702,334/- with the EPS of Tk. 1.23 The decrease was due to shorter period of operation due to mandatory closing of financial year on 30 June each year commencing from 30 June 2016 to comply with the amendments made in this behalf in the Income Tax Ordinance, 1984.

It is notable that S. Alam Power Generation Limited, a subsidiary of this company, has started its commercial operation from 28 August 2016. If a conducive and business friendly environment prevails and things remain positive we expect to keep the graph of our company's prosperity upward.

Except that the Directors recommended 10% cash dividend subject to approval thereof in the 16th Annual General Meeting and that S. Alam Power Generation Limited, a subsidiary of the company, commenced its commercial operation on and from 28 August 2016, there is no other event affecting the values in the financial statements materially occurred after the balance sheet date.

In the end, I take this opportunity to express my heartfelt thanks to all of you for your continued support, patronization and for the confidence you have reposed in the Company.

Thank you all once again.

Abdus Samad
Chairman



FROM THE DESK OF THE
Managing Director

Bismillahir Rahmanir Raheem

My dear Shareholders,
Assala-mu-alaikum

I, on behalf of the Board of Directors of the Company as well as on my own behalf, heartily welcome you all to the 16th Annual General Meeting of the Company.

You are aware of the fact that in view of the amendments made under sub-sections 35(f) and 35(g) of the Income Tax Ordinance, 1984, we have to close mandatorily, with due process, our financial statements on 30 June 2016 with operation period of nine months only commencing from 01 October 2015 to 30 June 2016. Subsequent financial statements closing on 30 June each shall cover the period of twelve months as usual. Although your company had to close its financial year covering a period of nine months, it had with hard endeavor and efforts been able Alhamdulillah to maintain the ratio of its growth as near to that it attained last year covering the period of twelve months.

S. Alam Power Generation Limited, a subsidiary of your Company, has been able to commence commercial operation of its medium sized Power Generation Plant on and from 28 August 2016. Your Company expects resumption of its graph of prosperity moving upward next year if congenial business atmosphere prevails and other things remains favorable.

With expression of my heartfelt thanks and gratitude to you all for the support and faith you placed in us and in our accomplishments, the administration and the management of your company pledge its whole-hearted devotions and continued efforts to achieve our aspirations for the growth and prosperity of the Company and to safeguard your interest in the Company.

A handwritten signature in black ink, consisting of a stylized 'M' and 'S' followed by a long horizontal line.

Mohammed Saiful Alam
Managing Director

Directors' Report to the Shareholders:

Bismillahir Rahmanir Rahim

Dear Shareholders,

Let me begin by saying what a great pleasure it is, once again, for me to welcome you all to the 16th Annual General Meeting of the Company, and to place before you the audited financial statements for the period ended 30 June 2016 covering 9 months from 01 October 2015 to 30 June 2016 together with the Auditors' Report thereon and brief description on affairs of the company.

1. Business activities:

The principal business activities of the company during the year under report continued to be the manufacturing and marketing of C. R. Steel Strips in coils/sheets and production of GP/CI Sheets in its NOF Type Continuous Galvanizing Line (CGL). The performance of your company as depicted herein relates therefore to these segments / products of the company.

2. Change of Company's Financial Year:

In view of the amendments as made under sub-section 35(f) & (g) of section 2, of the Income Tax Ordinance 1984, it is now mandatory upon all companies except those engage in banking and insurance business, to close their accounts uniformly on 30 June each year. In compliance therewith we have, with due process closed our accounts on 30 June 2016 covering the period of 9 months from 01-10-2015 to 30-06-2016 instead of the year ended 30 September 2016, and the subsequent Financial Statements to be closed on 30 June each year shall cover the period of 12 months each year.

3. Financial Results:

Key operating and financial results of the company and recommended appropriations for the nine months period ended 30 June 2016 with comparative figures for the previous five years in summarized form are as under:

(Figures in nearest Tk. '000)

Particulars	Financial Year ended on				
	***30.06.2016 (consolidated)	30.09.2015 (consolidated)	30.09.2014 (consolidated)	30.09.2013 (consolidated)	30.09.2012 (consolidated)
Net Sales	2,836,000	4,194,127	3,354,656	3,777,715	3,702,374
Profit before tax	111,533	124,368	138,008	273,490	467,851
Less: Provision for Deferred Tax	(4,655)	1,335	(27,075)	(49,557)	(3,817)
Less: Provision for Current Tax	(2,500)	(5,000)	(15,500)	(27,841)	(128,890)
Net Profit after Tax	104,378	120,702	95,433	196,092	335,144
Proposed/Declared Dividend	10% Cash	15% Cash	15% cash	13% cash	15% cash
Earnings Per Share (EPS)	1.08	1.23	0.98	1.94	3.31

Note: The figure depicted in the above table under <***30.06.2016> covers the period of 9 months from 01-10-2015 to 30-06-2016.

The comparison of the EPS between the Quarterly and 9 Months period ended 30.06.2016 Financial Statements are noted below:

	1 st Quarter ended 31.12.2015	2 nd Quarter ended 31.03.2016	9 Months period ended 30.06.2016
Earnings Per Share (EPS) (Consolidated) Excluding non-Controlling interest.	0.22	0.84	1.08

4. Industry outlook and possible future developments in the industry:

The primary sector of steel industry is to produce raw materials such as billets, plates, rounds, and Hot Rolled (HR) Coils/Plates, for the secondary sector which produces value added items like angles, channels, wire rod, cold rolled (CR) coils / sheets and galvanized coils / sheets.

CR coils are mainly used for manufacturing of CI/GP Sheets which are largely and commonly used in roofing, slide cladding, making of water tanks and as fencing material.

Around 80% of the population of Bangladesh lives in rural areas. Due to high prices compared to their average income, most of its people are not in a position to construct their households by rod, cement and bricks, rather have to depend on low cost materials such as thatch, bamboo, CI Sheet etc. Around 30% households in rural and urban areas are constructed with CI/GP Sheet materials. As supportive material CI/GP Sheets are widely used in other civil constructions as well. Moreover, huge quantities of GP/CI Sheet are used annually by different Government bodies and agencies in carrying out various development activities each year on the basis of volume of the Annual Development Plan (ADP) of the Government of Bangladesh. Domestic demand of CI/GP Sheet is catered successfully by the CI/GP Sheet manufacturing industries of the country.

Being primary raw material for manufacturing of CI/GP Sheet, demand for CR Coil/Strips depends on the performance of the CI/GP Sheet manufacturing industries of the country. Dependence on CI/GP Sheet for household and other civil constructions could neither be stable nor be diminishing rather it would be increasing due to high spiralling prices of Rod, Cement and Bricks. GP/CI Sheet manufacturers integrated with CRC manufacturing facility shall be the clear gainer because easy access to raw materials (CRC) is one of the factors determining profitability of CI/GP Sheet manufacturing industry.

As producer of CR Coil/Strips since inception and as producer also of eco-friendly NOF type CI/GP Sheet since very recent past S. Alam Cold Rolled Steels Limited falls under secondary sector and has a strong presence in the domestic market as one of the leading producers thereof.

Future development as well as growth of the CR Coil manufacturing industry along with its eco-friendly NOF Type CI/GP Sheet manufacturing project, is therefore bright and healthy subject however to containing the adversities, if any, which arise to hamper economic activities for maintaining upward trend of its growth.

5. Segment-wise / Product-wise Performance:

(Figures in nearest Taka '000)

	As at 30.06.2016			As at 30.09.2015		
	CR Coil	GP/CI Sheet (NOF)	Total	CR Coil	GP/CI Sheet (NOF)	Total
Revenue	1,913,174	922,826	2,836,000	3,288,405	905,722	4,194,127
Cost of Sales	(1,686,209)	(843,300)	(2,529,509)	(2,959,252)	(823,533)	(3,782,785)
Gross Profit (GP)	226,964	79,526	306,490	329,153	82,189	411,342
GP in % of Revenue	11.86%	8.62%	10.81%	10.01%	9.07%	9.81%
Selling, Distribution & Administrative Cost	(43,518)	(3,951)	(47,469)	(72,673)	(2,851)	(75,524)
Other Income	292	-	292	1,046	-	1,046
Operating Result	183,738	75,575	259,313	257,526	79,338	336,864
Finance Income (Net)	(137,013)	-	(137,013)	(200,232)	-	(200,232)
Net Profit before Provisions	46,725	75,575	122,300	57,294	79,338	136,632
Contribution to WPPF & WF	(2,336)	(3,779)	(6,115)	(2,865)	(3,967)	(6,832)
Profit before Tax	44,389	71,796	116,185	54,429	75,371	129,800
Profit in % of Revenue	2.32%	7.78%	4.10%	1.66%	8.32%	3.09%

6. Risks and concerns:

As a matter of fact and like others in the business activities, your Company is also exposed to an increasing degree of risks that can adversely affect the functioning of the Company. The management is however vigilant at all times to identify and mitigate such potential risks.

The risks that may affect functioning of the Company include, but are not limited to:

- Seasonal fluctuations as well as inflationary pressures affecting demand of the company's products;
- Adverse economic conditions and environment;
- Increase in cost of raw materials, transportation and storage;
- Attrition of key staff and technical personnel as well as labour relations;
- Changes in VAT, Tax and other laws creating regulatory pressures;
- Political uncertainty and sluggish business situation in the country.

The preparation of financial statements required the management to make some forward looking estimates and assumptions within the meaning of applicable laws and speculations for accounting of certain items of the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities, depreciation and amortization, taxes, reserves and contingencies. Actual result may differ from those estimates, expressed or implied.

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

Particulars	9 Months period ended on 30.06.2016 (Consolidated)	Year ended on 30.09.2015 (Consolidated)	Increase/(Decrease) based on Turnover of the year under reports
Cost of Goods Sold	89.19% of Turnover	90.19% of Turnover	(1.00%)
Gross Profit Margin	10.81% of Turnover	9.81% of Turnover	1.00%
Net Profit Margin	3.68% of Turnover	2.88% of Turnover	0.80%

(a) Cost of Goods Sold:

Compared to that of the previous year covering 12 months the Cost of Goods sold of the period ended on 30/06/2016 covering 9 months under report witnessed a decrease by 1.00% on the Turnover of the period . Reason for such decrease during the period under report is attributable to the decrease in the import price of raw materials compared to those of the previous year as compared to selling price to those of the previous year.

(b) Gross Profit Margin:

On comparison with that of the previous year Gross Profit Margin in relation to the Turnover of the year under report recorded 1.00% increase. Reason is attributable primarily to the decrease in the import price of raw material. The management had with its best endeavours and efforts been able however to attain the increase in the GP Margin.

(c) Net Profit Margin:

Net Profit Margin in relation to the Turnover of the period under report, recorded 0.80% increase on comparison with that of the previous year for the reasons as stated above.

8. Discussion on continuity of any Extra-Ordinary gain / loss:

There is no Extra-Ordinary gain / loss of the Company during the period under report therefore question for discussion of continuity thereof does not arise.

9. Dividend:

The Directors recommend 10% Cash dividend for the period ended 30th June 2016 covering 9 months period of operation from the 01 October 2015 to 30 June 2016 instead of year ended on 30 September 2016 keeping in view the profit of the period and consistency in recommendation of its dividend taking, at the same time, into consideration of the fact that the Company had to invest in the equity of its subsidiary, S. Alam Power Generation Limited to meet its project cost and other requirements, which the Company as its parent company financing from its own source as interest free temporary loan. 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, shall qualify for the said Dividend.

10. Subsidiary company:

S. Alam Power Generation Limited was incorporated on 09/04/2009 with 70% of its Equity held by this company with object among others to set up, operate and run a captive and / or independent power plant to produce and supply electricity. Upon commissioning and testing of the plant, it started its commercial operation on and from 28 August 2016.

In compliance with the condition No. 5 of the Corporate Governance Guidelines issued by the BSEC vide its Notification No. SEC/CMRRCD/2006-158/134/Admin/44 of 07/08/2012, Mr. Mohammad Ishaque, Independent Director of this holding Company, had been nominated to be a Director on the Board of Directors of the said subsidiary of this company. Moreover, in order to enable the subsidiary of this Company to raise its number of Directors in compliance with the condition of the said Corporate Governance Guidelines, your directors also nominated Mr. Md. Osman Gani and Mr. Md. Abdullah Hasan for appointment as Directors representing this holding company in the said subsidiary company.

As required by the said Corporate Governance Guidelines, minutes of the Board Meeting of the subsidiary company are now placed regularly for review at the following Board Meeting of this holding company, and the affairs of the subsidiary company are also reviewed at such Board Meeting of this holding company.

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

11. Subsequent events:

Save and except that *S. Alam Power Generation Limited*, a 70 % subsidiary of *S. Alam Cold Rolled Steels limited*, started its commercial operation on and from 28 August 2016 and that that the Directors recommend for declaration of 10% cash dividend for the 9 months period ended 30th June 2016 subject to the approval thereof by the shareholders in the forthcoming Annual General Meeting, nothing happened affecting financial position of the company since end of the financial period under review.

12. Utilization of proceeds from public issues, right issues and / or through any other instruments:

It is one again reiterated that:

- (a) the proceeds of Tk. 12,00,00,000/- raised in March 2006 through IPO for subscription at par for 12,00,000 Ordinary shares of Tk. 100/- each had, been utilized to pay off the debt liabilities of the Rupali Bank Limited by way of Project loan.
- (b) the proceeds of Tk.26,67,24,000/- raised in February 2010 through Right Issue at par of 26,67,240 Ordinary shares of Tk. 100/- each had been utilized towards the company's subscription of 70% equity in the *S. Alam Power Generation Limited*, a subsidiary of this company, incorporated with a view to set up a medium size captive power plant. The Project commenced its commercial operation on and from 28 August 2016.
- (c) the proceeds of Tk.53, 34, 48,000/- raised in January 2010 by issue at par of 53, 34,480 Fully convertible 6% Dividend Preference Shares of Tk.100/- each had been utilized to finance the procurement and installation of one complete Non-Oxide Furnace (NOF) type Continuous Galvanizing Line (CGL) to produce CI / GP Sheets. The said 53,34,480 Fully Convertible 6% Dividend Preference Shares of Tk.100/- each had in two stages been converted into 9,41,108 Ordinary Shares of Tk.100/- each i. e 50% of each Preference Share had at the first stage been converted into 4,66,471 Ordinary Shares of Tk. 100/- each at Tk.571/79 and the remaining 50% thereof had at the second stage been converted into 4,74,637 Ordinary Shares of Tk. 100/- each at Tk.561/95 being the prices arrived at 30% discount to the weighted average price of the DSE during the period from 15/11/2009 respectively to 30/04/2010 and 31/07/2010. The Project commenced its commercial operation on and from 11/07/2013.

13. Directors:

The names of the directors of the company during the financial period under consideration are listed below with number of shares held by them or by the institution they represent, at the beginning and end of the financial period, set opposite their respective names:

Sl.No.	Name of the Directors	Representing	At 30/09/2015 Shares of Tk.10/- each	At 30/06/2016 Shares of Tk.10/- each
1.	Mr. Mohammed Saiful Alam	Self (Sponsor)	23,03,980	23,03,980
2.	Mr. Abdus Samad	Self (Sponsor)	19,67,430	19,67,430
3.	Mr. Osman Gani	Self (Sponsor)	19,67,430	19,67,430
4.	Mr. Nasir Uddin Ahmed, FCMA	ICB Nominee representing Institutional Investors	(ICB) 30,78,420	(ICB) 30,78,420
5.	Ms. Halima Begum	General Investors	1,000	1,000
6.	Mr. Mohammad Ishaque	Independent Director	Nil	Nil
7.	Mr. Monotosh Chandra Roy, FCA	Independent Director	Nil	Nil

Upon his retirement by rotation and being eligible, Mr. Abdus Samad was re-elected in the last Annual General Meeting as Director from Sponsors' Group. Moreover, upon his further nomination by the ICB, Mr. Nasir Uddin Ahmed, FCMA, was elected un-contest as Director representing Institutional Investors' Group while Ms. Halima Begum was also re-elected un-contest as Director from General Investors' Group in the last Annual General Meeting.

For the appointment / re-appointment of directors the following information are disclosed to the shareholders in case of appointment / re-appointment of Director, in compliance with the Condition No. 1.5(xxii) of the Corporate Governance Guidelines of the Commission:

(a) Mr. Abdus Samad. (Sponsors' Group)

He is an industrialist and Vice Chairman of S. Alam Group and is actively engaged in trade and commerce. In addition to his holding of directorship in the Company, he holds directorship in S. Alam Steels Ltd., S. Alam Cement Ltd., S. Alam Hatchery Ltd., S. Alam Luxury Chair Coach Services Ltd., S. Alam Soyaseed Extraction Plant Ltd., S. Alam Brothers Ltd., S. Alam Tank Terminal Ltd., S. Alam Properties Ltd., Portman Cements Ltd., S. Alam Power Generation Ltd., Sonali Cargo Logistics (Pvt) Ltd., Fatehabad Farm Ltd., Al-Arafah Islami Bank Ltd., Northern General Insurance Co. Ltd., and AIBL Capital Market Services Ltd. Moreover, he is Managing Director of S. Alam Power Plant Ltd., Karnaphuli Prakritik Gas Co. Ltd., and Marine Empire Ltd., and at the same time he is the Chairman, Board of Directors of the Al-Arafah Islami Bank Ltd. He also is the nominee Director at Reliance Finance Ltd., Sponsor-shareholder of S. Alam Super Edible Oil Ltd., and S. Alam Vegetable Oil Ltd., and proprietor of Samad Trading Agency. He is also involved in various socio-cultural organizations such as Baitus Sharaf Foundation, Chattagram Samity (Dhaka), Patiya Samity (Chittagong), Chittagong Club Ltd., Army Golf Club (Dhaka) and Uttara Club Ltd., (Dhaka).

(b) Mr. Nasir Uddin Ahmed FCMA. (Institutional Investors' Group)

Mr. Nasir Uddin Ahmed FCMA is the General Manager of the ICB with 32 years' service experience with various financial institutions of the Government of Bangladesh and professionally is a Fellow member of the Institute of Cost and Management Accountants of Bangladesh.

(c) Ms. Halima Begum (General Investors' Group)

Ms. Halima Begum is a graduate with long experience in the field of trade and commerce, and is a Director, on nomination, of the Reliance Finance Limited.

Consequent upon his re-election to the Board in the last Annual General Meeting, Mr. Abdus Samad was re-elected by the Directors as the Chairman of the Board of Directors. In total 4 (four) Meetings of the Board of Directors were held during the year under report with attendance of the directors as follows:

Sl.No.	Directors	Meetings attended
1.	Mr. Mohammed Saiful Alam	2
2.	Mr. Abdus Samad	4
3.	Mr. Osman Gani	4
4.	Mr. Nasir Uddin Ahmed, FCMA	3
5.	Ms. Halima Begum	3
6.	Mr. Mohammad Ishaque	4
7.	Mr. Monotosh Chandra Roy FCA	4

The Directors who were absent in the meeting were granted leave in advance.

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 retirement by rotation of directors. Mr. Osman Gani therefore the director from Sponsor Group shall retire by rotation in the ensuing 16th Annual General Meeting who being eligible, offers for re-election.

Vacancy in the position of one director from the Institutional Investors' Group and one from the General Investors' Group are to be filled up in the 16th Annual General Meeting from valid nominee/eligible contestant from each of the said Groups.

It is re-iterated that in compliance with the Notification No SEC/CMRRCD/2009-193/120/Admin/35 dated 07/12/2011 issued by the Bangladesh 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 the company holds minimum 2% (two percent) shares in the paid up capital of the Company and the Sponsors/Promoters/Directors jointly hold 48.5% shares in the existing share capital of the Company.

Subject to the consent of the shareholders in the ensuing Annual General Meeting, the tenure of the office of the Managing Director held by Mr. Mohammed Saiful Alam had been extended by the Directors for further period of five years on and from 01 April 2016.

Subject to approval of the shareholders in the ensuing Annual General Meeting, Mr. Monotosh Chandra Roy FCA had been appointed as Independent Director for the second term of three years on and from 29/08/2016.

14. Directors' Remuneration:

Save and except fee for attending Board Meeting, no remuneration or allowances had been given to any Director during the year under report. The members of the Board of Directors get fee of Tk.8, 000/- for each meeting of the Board of Directors which he / she attends. No such fee was however paid to any Director for attending any Meeting of the Audit Committee. The fee so paid to the Directors during the period under report, are noted below:

Sl.No	Name of Directors	Position	Board Meetings	
			Attendance	Total fee paid
1.	Mr. Mohammed Saiful Alam	Managing Director	2	13,000/-
2.	Mr. Abdus Samad	Director	4	29,000/-
3.	Mr. Osman Gani	Director	4	29,000/-
4.	Mr. Nasir Uddin Ahmed, FCMA	Director, ICB Nominee	3	21,000/-
5.	Ms. Halima Begum	Director, General Investors' Group	3	21,000/-
6.	Mr. Mohammad Ishaque	Independent Director	4	29,000/-
7.	Mr. Monotosh Chandra Roy FCA	Independent Director	4	29,000/-
TOTAL				171,000/-

All Meetings of the Board of Directors were held in Chittagong during the year under report, Mr. Nasir Uddin Ahmed FCMA, ICB Nominee Director representing Institutional Investors' Group, had been reimbursed of his travelling and halting expenses at actual which he incurred in attending meetings of the Board of Directors in Chittagong for which a director so doing is entitled under Article 82 of the Articles of Association of the Company.

15. Pattern of Shareholding:

The name-wise details of the aggregate number of shares of the company held by:-

a) Associated companies and other related parties:

Sl.No.	Names	Number of shares	Percentage
a)	S. Alam Bag Manufacturing Mills Limited	44,100	0.045
b)	S. Alam Soyaseed Extraction Plant Limited	4,85,140	0.493
c)	Portman Cements Limited	3,88,110	0.395
d)	S. Alam Properties Limited	4,62,690	0.470
e)	Sonali Cargo Logistics (Pvt.) Limited	3,88,110	0.395
f)	S. Alam Refined Sugar Industries Limited	1,77,350	0.180
g)	Hasan Abasan (Pvt.) Limited	3,49,300	0.355

b) The Directors, Chief Executive Officer, Company Secretary, Chief Financial Officer, Head of Internal Audit and their spouse and minor children (name-wise details):

Sl. No.	Names	Position	Number of shares	Percentage
a)	Mr. Mohammed Saiful Alam	Managing Director	23,03,980	2.342
	Spouse - Ms. Farzana Parveen	xxxxx	4,31,890	0.439
	Minor Children	xxxxx	Nil	0
b)	Mr. Abdus Samad	Director	19,67,430	2
	Spouse and Minor Children	xxxxx	Nil	0
c)	Mr. Md. Osman Gani	Director	19,67,430	2
	Spouse and Minor Children	xxxxx	Nil	0
d)	Mr. Nasir Uddin Ahmed, FCMA	ICB Nominee Director	Nil	0
	Spouse and Minor Children	xxxxx	Nil	0
e)	Ms. Halima Begum	Director from General Shareholders	1,000	0.001
	Spouse and Minor Children	xxxxx	Nil	0
f)	Mr. Mohammad Ishaque	Independent Director	Nil	0
	Spouse and Minor Children	xxxxx	Nil	0
g)	Mr. Monotosh Chandra Roy, FCA	Independent Director	Nil	0
	Spouse and Minor Children	xxxxx	Nil	0
h)	Mr. Subrata Kumar Bhowmick FCA	Executive Director (Finance)	Nil	0
	Spouse and Minor Children	xxxxx	Nil	0
i)	Mr. Ghulam Muhammed	Company Secretary	Nil	0
	Spouse and Minor Children	xxxxx	Nil	0
j)	Mr. Shimul Nandy	Chief Financial Officer	Nil	0
	Spouse and Minor Children	xxxxx	Nil	0
k)	Mr. Md. Delwar Hossain FCA	Head of Internal Audit	Nil	0
	Spouse and Minor Children	xxxxx	Nil	0

c) Executives - Top 5 (five) salaried employees of the company other than the Directors, Chief Executive Officer, Company Secretary, Chief Financial Officer and Head of Internal Audit :

Sl. No.	Names	Position	Number of shares	Percentage
a)	Mr. Moshir Rahman Spouse and Minor Children	General Manager (Mills) xxxxx	2,200 0	0.00224 0
b)	Mr. Humayun Kabir Spouse and Minor Children	DGM (Corporate) xxxxx	0 0	0 0
c)	Mr. Shafiu Alam Spouse and Minor Children	Asstt.General Manager (NOF) xxxxx	0 0	0 0
d)	Mr. Md. Shah Alam Spouse and Minor Children	Manager xxxxx	0 0	0 0
e)	Mr. Mohsin Alam Chowdhury Spouse and Minor Children	Deputy Manager xxxxx	0 0	0 0

d) Shareholders holding 10% or more voting interest in the company (name-wise details):

Sl.No.	Names	Number of shares	Percentage
a)	S. Alam Steels Limited, Sponsor	1,84,31,940	18.737

e) The number of shareholders of the company as classified by their holding-shares on 9 months period ended 30th June 2016 is disclosed under Note No. 12.01 and 12.02 to the Consolidated Financial Statements attached to this Annual Report.

16. Audit Committee:

The Audit Committee, as a sub-committee of the Board of Directors, assists the Board in ensuring that the financial statements reflect true and fair view of the state of affairs of the Company and in ensuring good monitoring system within the business, and is responsible to the Board.

The primary role of the Audit Committee is to oversee the financial reporting process and disclosure of financial information, monitor internal control risk management process, oversee hiring and performance of external auditors, review the adequacy of internal audit function, monitor choice of accounting policies and principles, review management letters / letter of internal control weakness issued by statutory auditors, review statement of significant related party transactions submitted by the management, review along with the management the quarterly, half yearly and annual financial statements before submission to the Board for approval.

The Audit Committee is comprised of Mr. Mohammad Ishaque as its Chairman, Mr. Abdus Samad and Mr. Md. Osman Gani as its Members. All Members of the Audit Committee are financially literate.

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

Sl.No.	Name of the Directors	Position	Meetings attended
1.	Mr. Mohammad Ishaque	Chairman	2
2.	Mr. Abdus Samad	Member	2
3.	Mr. Osman Gani	Member	2

17. Basis for Related Party Transactions:

All transactions with related parties are made on arm's length basis in ordinary course of business. A Statement of all related parties transactions are disclosed at Notes 42.00 of the Consolidated Financial Statements attached to this Annual Report.

18. Additional Statements:

Directors of your company 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 state of affairs, the result of its operations, cash flows and changes in the equity;
- (c) proper books of account have been maintained;
- (d) appropriate accounting policies have consistently been applied in preparation of the financial statements and that the accounting estimates are based on reasonable and prudent judgement;
- (e) International Accounting Standards (IAS)/Bangladesh Accounting Standards (BAS) /International Financial Reporting Standards (IFRS) and Bangladesh Financial Reporting Standards (BFRS) as applicable in Bangladesh, have been followed in preparation of financial statements and any departure there-from has been adequately disclosed;
- (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 30/06/2016;
- (h) no significant variance occurs between Quarterly Financial performance and Annual Financial Statements;
- (i) there is no significant deviation in the operating result from that of the previous year; and
- (j) 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 borrowed through pledge of shares to lenders at the time of borrowing.

19. Corporate Governance:

The Directors state in accordance with the Annexure-I attached to the Directors' Report as to whether the company has complied with the conditions on comply basis under BSEC Notification # SEC/CMRRCD/2006-158/134/Admin/44 dated 07-08-2012 issued u/s. 2CC of the Securities and Exchange Ordinance 1969. Your company also obtained a certificate from M/s.Rahman Mostafa Alam & Co., Chartered Accountants, regarding compliance of aforesaid conditions during the 9 months period under report and attached as Annexure-II.

20. 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 the second year. Being eligible in terms of the conditions imposed by the Bangladesh Securities & Exchange Commission vide its Order No. SEC/CMRRCD/2009-193/104/Admin/--- dated 27/07/2011, they seek re-appointment for the next term. The honourable shareholders are therefore requested to appoint Auditors for the next term and to fix up their remuneration.

21. Human Resource Management:

To offset the growing challenge arises out of open market competition and to capture the greater pie of the market, the company has formed a talent pool with a clear succession. Your company is being represented by the professionals and graduates from top-ranked institutions of the country to place it atop. Employee satisfaction, strategic orientation, compliance to the regulation, corporate environment etc. are some common ingredients of Human Resources Management of the company. As in the past the Company maintained harmonious and excellent industrial relationship throughout the year.

22. 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 the Bangladesh Securities and Exchange Commission, the Dhaka Stock Exchange Ltd., the 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

Date : 10 November 2016

Status of compliance with the conditions imposed by the Commission's Notification No. SEC/CMRRCD/2006-158/134/Admin/44 dated 07 August 2012 issued under section 2CC of the Securities and Exchange Ordinance 1969:

(Report under condition No. 7.00)

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not complied	
1. 1.1	BOARD OF DIRECTORS: Board's Size: Members not be less than 5(Five) and more than 20 (Twenty).	✓		
1.2 1.2 (i)	Independent Directors: At least one fifth (1/5) of the total number of directors.	✓		
1.2 (ii) a)	Does not hold any share in the company or hold less than one percent (1%) shares of the total paid up shares of the company.	✓		
1.2 (ii) b)	Is not a sponsor of the company and is not connected with the company's any sponsor or director or shareholder who holds one percent (1%) or more shares of the total paid up shares of the company on the basis of family relationship.	✓		
1.2 (ii) c)	Does not have any other relationship, whether pecuniary or otherwise, with the company or its subsidiary / associated companies.	✓		
1.2 (ii) d)	Is not a member, director or officer of any stock exchange	✓		
1.2 (ii) e)	Is not a shareholder, director or officer of any member of stock exchange or an intermediary or the capital market	✓		
1.2 (ii) f)	Is not a partner or an executive or was not a partner or an executive during the preceding 3(three) years of the concerned company's statutory audit firm.	✓		
1.2 (ii) g)	Shall not be an independent director in more than 3(three) listed companies.	✓		
1.2 (ii) h)	Has not been convicted by a court of competent jurisdiction as a defaulter in payment of any loan to a bank or a Non-bank Financial Institution (NBF)	✓		
1.2 (ii) i)	Has not been convicted for a criminal offence involving moral turpitude.	✓		
1.2 (iii)	Appointed by the Board of Directors and approved by the shareholders in the Annual General Meeting (AGM)	✓		
1.2 (iv)	The post of independent director(s) can not remain vacant for more than 90 (ninety) days	✓		
1.2 (v)	The Board laid down a code of conduct of all Board members and annual compliance of the code is recorded.	✓		
1.2 (vi)	The tenure of office of an independent director is for a period of 3(three) years, extendable for 1(one) term only.	✓		Mr. Monotosh Chandra Roy FCA has been re-appointed on 29/08/2016 by the BOD for the 2 nd term of further 03 years subject to approval thereof by the Shareholders at their ensuing 16 th AGM.
1.3 1.3 (i)	Qualification of Independent Director: Is a knowledgeable individual with integrity and ability to ensure compliance with financial, regulatory and corporate laws and can make meaningful contribution to business.	✓		

1.3 (ii)	Is a Business Leader /Corporate Leader / Bureaucrat/ University Teacher / with Economics or Business Studies or Law background / Professionals like Chartered Accountants, Cost & Management Accountants and Chartered Secretaries with at least 12(twelve) years of corporate management / professional experiences..	✓		
1.3 (iii)	Relaxation of the above qualifications in special cases subject to prior approval of the commission.			Not Applicable.
1.4	Chairman of the Board and Chief Executive Officer: The positions are filled by different individuals. The Chairman is elected from among the directors of the company. The Board of Directors clearly defined respective roles and responsibilities of the Chairman and the Chief Executive Officer.	✓ ✓		
1.5	Directors' Report to Shareholders includes statements as to:	✓		
1.5 (i)	- Industry outlook and possible future developments in the industry.	✓		
1.5 (ii)	- Segment-wise or product-wise performance.	✓		
1.5 (iii)	- Risks and concerns.	✓		
1.5 (iv)	- A discussion on Cost of Goods sold, Gross profit Margin and Net Profit Margin.	✓		
1.5 (v)	- Discussion on continuity of any Extra-Ordinary gain or loss.	✓		
1.5 (vi)	- Basis for related party transactions and a statement disclosing all related party transactions.	✓		
1.5 (vii)	- Utilization of proceeds from public issues, rights issues and / or through any other instruments.	✓		
1.5 (viii)	- Explanation if the financial results deteriorate after the company goes for Initial Public Offering (IPO), Repeat Public Offering (RPO), Rights Offer, Direct Listing, etc.			Not Applicable
1.5 (ix)	- Explanation of the management if significant variance occurs between Quarterly Financial performance and Annual Financial Statements.			Not Applicable
1.5 (x)	- Remuneration to directors including independent directors.	✓		
1.5 (xi)	- The financial statements prepared by the management of the company present fairly its state of affairs, the result of its operations, cash flows and changes in equity.	✓		
1.5 (xii)	- Proper books of account have been maintained.	✓		
1.5 (xiii)	- Appropriate accounting policies have been consistently applied in preparation of the financial statements and that the accounting estimates are based on reasonable and prudent judgment.	✓		
1.5 (xiv)	- International Accounting Standards (IAS)/ Bangladesh Accounting Standards (BAS)/ International Financial Reporting Standards (IFRS)/ Bangladesh Financial Reporting Standards (BFRS), as applicable in Bangladesh, have been followed in preparation of the financial statements and any departure there-from has been adequately disclosed.	✓		
1.5 (xv)	- The system of internal control is sound in design and has been effectively implemented and monitored.	✓		
1.5 (xvi)	- There are no significant doubts upon the company's ability to continue as a going concern. (If not considered to be a going concern, the fact and reasons thereof)	✓		

1.5 (xvii)	- Significant deviations from the last year's operating results of the company have been highlighted with explanation of reasons thereof.			Not Applicable
1.5 (xviii)	- Summarized Key operating and financial data of at least preceding 5(five) years.	✓		
1.5 (xix)	- Reasons if the company did not declare dividend (cash or stock) for the year.			Not Applicable
1.5 (xx)	- The number of Board meetings held during the year and attendance by each director.	✓		
1.5 (xxi)	Pattern of shareholding disclosing aggregate number of shares held by:			
1.5 (xxi) a)	- Parent/ Subsidiary /Associated Companies and other related parties (name wise details).	✓		
1.5 (xxi) b)	- Directors, Chief Executive Officer, Company Secretary, Chief Financial Officer, Head of Internal Audit and their spouse and minor children (name wise details).	✓		
1.5 (xxi) c)	- Executives i.e top five salaried employees other than Directors, CEO, Company Secretary, CFO and Head of Internal Audit.	✓		
1.5 (xxi) d)	- Shareholders holding ten percent (10%) or more voting interest in the company (name wise details).	✓		
1.5 (xxii)	In case of appointment/re-appointment of a director:			
1.5 (xxii) a)	A brief resume of the Director.	✓		
1.5 (xxii) b)	Nature of expertise in specific functional areas.	✓		
1.5 (xxii) c)	Names of companies in which also holds the directorship and the membership of committees of the Board.	✓		
2	CHIEF FINANCIAL OFFICER (CFO), HEAD OF INTERNAL AUDIT AND COMPANY SECRETARY (CS):			
2.1	Appointment: - appointed a CFO, a Head of Internal Audit (Internal Control and Compliance) and a CS. - The Board of Directors clearly defined their respective roles, responsibilities and duties.	✓ ✓		
2.2	Board Meetings attendance: - The CFO and the CS attend the meetings of the Board of Directors except such part thereof which involves consideration of an agenda item relating to their personal matters.	✓		
3.	AUDIT COMMITTEE:			
3. (i)	- Have an Audit committee as a Sub-committee of the Board of Directors.	✓		
3. (ii)	- Assisted the Board of Directors in ensuring that the financial statements reflect true and fair view of the state of affairs of the company and in ensuring a good monitoring system within the business.	✓		
3. (iii)	- Is responsible to the Board of Directors. - The duties of the Audit Committee shall be clearly set forth in writing.	✓		
3.1	Constitution of the Audit Committee:			
3.1 (i)	- Is composed of at least 3 (three) members.	✓		
3.1 (ii)	- The Board of Directors appointed members of the Audit Committee who are directors of the company with inclusion of at least 1 (one) independent director.	✓		
3.1 (iii)	- All member of the audit committee are "financially literate" with at least 1(one) member having accounting or related financial management experience.	✓		

3.1 (iv)	- To ensure continuity of the performance of work of the Audit Committee the Board of Directors appointed the new Committee member(s) to fill up the vacancy (ies) immediately or within 1 (one) month from the date of such vacancy (ies) when the term of service of the Committee Members expired or any of them unable to hold office until expiration of the term of service, thus making the number of the Committee members to be lower than the prescribed number of 3(three) persons,	√		
3.1 (v)	- The Company Secretary acted as the Secretary of the Committee.	√		
3.1 (vi)	- The quorum of the Audit Committee meeting does not constitute without at least 1(one) independent director.	√		
3.2	Chairman of the Audit Committee:			
3.2 (i)	- The Board of Directors selected 1(one) member of the Audit Committee, who is an Independent Director, to be its Chairman.	√		
3.2 (ii)	- Chairman of the audit committee shall remain present in the Annual General Meeting (AGM)	√		
3.3	Role of Audit Committee:			
3.3 (i)	- Oversee the financial reporting process.	√		
3.3 (ii)	- Monitor choice of accounting policies and principles.	√		
3.3 (iii)	- Monitor Internal Control Risk management process.	√		
3.3 (iv)	- Oversee hiring and performance of external auditors.	√		
3.3 (v)	- Review along with the management, the annual financial statements before submission to the board for approval.	√		
3.3 (vi)	- Review along with the management, the quarterly and half yearly financial statements before submission to the board for approval.	√		
3.3 (vii)	- Review the adequacy of internal audit function.	√		
3.3 (viii)	- Review statement of significant related party transactions submitted by the management.	√		
3.3 (ix)	- Review Management Letters / Letter of Internal Control weakness issued by statutory auditors.	√		
3.3 (x)	When money is raised through Initial Public Offering (IPO) / Repeat Public Offering (RPO) / Rights Issue: - The Audit Committee has been disclosed about the uses / applications of funds by major category (capital expenditure, sales and marketing expense, working capital, etc.), on a quarterly basis, as a part of quarterly declaration of financial results. - Further, on an annual basis, a statement of funds utilized for the purposes other than those stated in the offer document / prospectus, has been prepared.	√ √		
3.4	Reporting of the Audit Committee:			
3.4.1 (i)	Reporting to the Boards of Directors: - Report on its activities to the Board of Directors.	√		
3.4.1 (ii)	Report immediately on the following findings:			No such matter arisen.
3.4.1 a)	- Report on conflicts of interests.			
3.4.1 b)	- Suspected or presumed fraud or irregularity or material defect in the internal control system			No.

3.4.1 (ii) c)	- Suspected infringement of laws, including securities related laws, rules and regulations.			No.
3.4.1 (ii) d)	- Any other matter requiring immediate disclosure to the Board of Directors.			No.
3.4.2	Reporting to the Authorities: - Report to the Commission made by the Audit Committee of its such finding about anything which has material impact on the financial condition and results of operation which has been reported and discussed with the Board of Directors and the management that any rectification is necessary but it finds that such rectification has been unreasonably ignored, upon reporting of such matters to the Board of Directors for three times or completion of a period of 6(six) months from the date of first reporting to the Board of Directors, whichever is earlier.			No such matter arisen.
3.5	Reporting to the Shareholders and General Investors: - Report on activities carried out by the Audit Committee, including that made to the Board of Directors under condition 3.4.1(ii) above during the year, shall be signed by the Chairman of the Audit Committee and disclosed in the annual report of the company.	√		
4.	EXTERNAL / STATUTORY AUDITORS -Their non-engagement to perform following services:	√		
4 (i)	Appraisal or valuation services or fairness opinions.	√		
4 (ii)	Financial information systems design and implementation.	√		
4 (iii)	Book-keeping or other services related to the accounting records or financial statements.	√		
4 (iv)	Broker-dealer services.	√		
4 (v)	Actuarial services.	√		
4 (vi)	Internal audit services.	√		
4 (vii)	Any other services that the Audit Committee determines.	√		
4 (viii)	No Partner or employees of the external audit firms possess any share of the company at least during the tenure of their audit assignment of the company.	√		
4 (ix)	Audit/certification services on compliance of corporate governance as required under clause (i) of condition No. 7.	√		
5.	SUBSIDIARY COMPANY:			
5 (i)	- Provision relating to the composition of the Board of Directors of the holding company shall be made applicable to the composition of the Board of Directors of the subsidiary company.	√		
5 (ii)	- At least 1(one) independent director on the Board of Directors of the holding company is a director on the Board of Directors of the subsidiary company.	√		
5 (iii)	- The Minutes of the Board Meeting of the subsidiary company are placed for review at the following Board Meeting of the holding company	√		
5 (iv)	- The Minutes of the respective Board meeting of the holding company stated that they have reviewed the affairs of the subsidiary company also.	√		
5 (v)	- The Audit Committee of the holding company reviewed the financial statements, in particular the investments	√		

5 (v)	- The Audit Committee of the holding company reviewed the financial statements, in particular the investments made by the subsidiary company.	√		
6.	DUTIES OF CEO AND CFO: The CEO and CFO certified to the Board that:	√		
6 6 a)	(i) (i) - They have reviewed financial statements for the year and that to the best of their knowledge and belief: - These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading	√		
6 b)	(i) - These statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards and applicable laws.	√		
6 (ii)	- There are, to the best of knowledge and belief, no transactions entered into by the company during the years, which are fraudulent, illegal, or violation of the company's code of conduct.	√		
7. 7. (i)	REPORTING AND COMPLIANCE OF CORPORATE GOVERNANCE: The company obtained certificate from a practicing professional Accountant / Secretary (Chartered Accountant / Cost and Management Accountant / Chartered Secretary) regarding compliance of conditions of Corporate Governance Guidelines of the Commission and sent the same to the shareholders along with the Annual Report on a yearly basis.	√		
7. (ii)	The directors stated, in accordance with the prescribed Annexure, in this directors' report whether the company has complied with those conditions.	√		

Certificate on

Financial Statements

by the Managing Director (CEO) & the Chief Financial Officer (CFO).
(vide Condition # 6 of the Corporate Governance Guidelines of the BSEC)

01 October 2016

The Board of Directors
S. Alam Cold Rolled Steels Limited
Chittagong

We hereby certify to the Board that :-

(i) We have reviewed Financial Statements for the period ended 30th June 2016 of the S. Alam Cold Rolled Steels Limited and that to the best of our knowledge and belief:-

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

(b) These statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards and applicable laws.

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



Shimul Nandy
Chief Financial Officer (CFO)



Mohammed Saiful Alam
Managing Director / CEO



Rahman Mostafa Alam & Co
Chartered Accountants



TO WHOM IT MAY CONCERN

Certificate on Compliance with the Conditions of Corporate Governance Guidelines

This is to certify that the management of **S. Alam Cold Rolled Steels Limited** complied with the necessary requirements of Corporate Governance for the period ended on June 30, 2016 as per compliance requirements of the conditions imposed Bangladesh Securities and Exchange Commission's Notification SEC/CMRRCD/2006-158/134/Admin/44 dated 07 August 2012 issued under sec 2CC of the Securities and Exchange Ordinance, 1969.

Dated : Chittagong
November 13, 2016

Rahman Mostafa Alam & Co
Chartered Accountants

REPORT OF THE AUDIT COMMITTEE

Under condition 3.5 of the BSEC Notification # SEC/CMRRCD/2006-158/134/Admin/44 dated 07-08-2012.

The Honorable Shareholders,

It gives me great pleasure to present, once again, the Annual report of the Audit committee for the period ended 30th June 2016 covering 9 months from 01-10-2015 to 30-06-2016.

The business and financial operations of the Company are 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 monitoring the choice of accounting policies / principles and overseeing the financial reporting process and in ensuring good monitoring system within the business by its review on regular basis of the effectiveness and adequacy of internal audit function and by continuous monitoring of the Internal Control Risk management process, the Committee assisted the Board of Directors in ensuring that the financial statements reflect true and fair view of the state of affairs of the company. The Committee also oversee hiring and performance of the external auditors. As part of its oversight process, the Chairman of the Committee, held regular individual discussions with the external auditors, the CFO, the Head of Internal Audit (Internal Control & Compliance), the management and head of concerned departments, and keeps the Committee regularly informed about the results of such discussions. Moreover, the Chairman of the Committee briefs regularly to the Chairman of the Board of Directors about the activities of the Audit Committee. The Committee reviewed also the compliance mechanisms and systems of the company to ensure that the company satisfies all legal and regulatory requirements and that the Code of Conduct is being adhered to. It is not the duty of the Audit Committee to (a) plan or conduct audits, (b) prepare the Company's financial statements, or (c) determine or certify that the Company's financial statements and disclosures are complete and accurate and are in accordance with rules and regulations. These are the responsibilities of the management and of the external auditors.


It is reported that through two of its Meetings held during the period ended 30th June 2016 covering 9 months from 01-10-2015 to 30-06-2016 and subsequent period to date of this Report, the Committee reviewed the financial statements as at 30th June 2016 and quarterly financial statements prepared for statutory purposes as at 31st December 2015 and 31st March 2016. For its review, the members of the Committee were provided with comprehensive documentation for the period ended 30th June 2016, some of which were in draft form, including the annual financial statements and the auditors' report thereon, drafts of the Directors' report and that of the Audit Committee as well as the proposal made by the Board of Directors on the appropriation of profits, draft Price Sensitive Information for dissemination and the draft Notice of the 16th Annual General Meeting of the Company. Following intensive review of the documents and discussion with the management and the external auditors, the Committee recommended that the Board of Directors should approve the annual Financial Statements along with the other documentations as also reviewed by the Committee in connection therewith and relevant thereto. In addition to those documents, the Audit Committee reviewed the financial statements in particular the investments made, of the S. Alam Power Generation Limited, a subsidiary of this Company, for period ended 30th June 2016. Moreover, in their oversight role the Committee reviewed with the management the un-audited financial statements for the 1st Quarter ended 31st December 2015 along with the draft Financial Information extracted there-from for publication in the Press and recommended that the Board of Directors should approve the same and comply with requirements of law in this behalf. The Committee also conducted a self-evaluation of its activities in the same Meeting. It did not result in any need for action with regard to the Committee's activities or with regard to the content or procedure of the Meetings.

The Audit Committee in the context aforesaid reports as follows:

- (i) In our oversight role, we review on regular basis the effectiveness and adequacy of internal control system as well as the financial records on the basis of findings of the internal audit team;
- (ii) We believe that our such review 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; and
- (iii) We did not find, during the period under report, any material deviation, discrepancies or any adverse findings / observations in the following areas of reporting:
 - conflict of interests;
 - suspected or presumed fraud or irregularity or material defect in the internal control system;
 - suspected infringement of laws, including securities related laws, rules and regulations; and
 - any other matter requiring immediate disclosure to the Board.

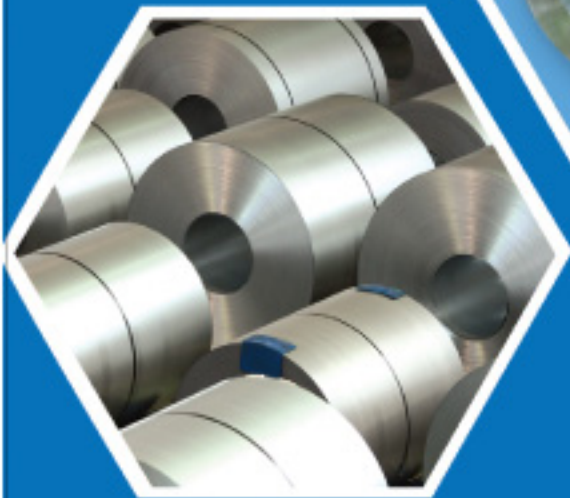
The Audit Committee further reports that:

- (i) we have reviewed along with the management the financial statements for the period ended 30th June 2016 before submission thereof to the board for approval, and we found adequate arrangement to present a true and fair view of the activities and financial status of the Company; and
- (ii) we have, in addition thereto, reviewed
 - (a) the statement of significant related party transactions for the period ended 30th June 2016 submitted by the management and found that such transactions were made on arm's length basis in the ordinary course of business; and
 - (b) the financial statements, in particular the investments made, of the S. Alam Power Generation Limited, a subsidiary of this Company, for the nine months period ended 30th June 2016.


Mohammad Ishaque
Chairman, Audit Committee.

01 October 2016.

Auditors' Report & Financial Statements 2016



Hoda Vasi Chowdhury & Co

Chartered Accountants

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS ON CONSOLIDATED FINANCIAL STATEMENTS OF S. ALAM COLD ROLLED STEELS LIMITED AND ITS SUBSIDIARY

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of S. Alam Cold Rolled Steels Limited and its subsidiary which comprise the consolidated statement of financial position as at 30 June 2016, and the consolidated statement of Profit or Loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the period then ended and a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with Bangladesh Financial Reporting Standards (BFRS), the Companies Act 1994, the Securities and Exchange 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 consolidated 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 consolidated financial statements based on our audit. We conducted our audit in accordance with Bangladesh Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation of consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated 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 Consolidated Financial Statements prepared in accordance with Bangladesh Accounting Standard (BAS) & Bangladesh Financial Reporting Standards (BFRS), give a true and fair view of the state of the company's affairs as at 30 June 2016 and of the results of its operations and its cash flows for the period then ended and comply with the Companies Act 1994, the Securities and Exchange Rules 1987 and other applicable laws and regulations.

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

- 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;
- 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 and returns;
- the consolidated statement of financial position and consolidated statement of profit or loss and other comprehensive income dealt with by the report are in agreement with the books of account; and
- the expenditure incurred was for the purposes of the Company's business.

Chittagong, 01 October 2016

Hoda Vasi Chowdhury & Co

Chartered Accountants

HVC

S.ALAM COLD ROLLED STEELS LIMITED
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2016

	Note(s)	30 June 2016 Taka	30 Sept 2015 Taka
ASSETS & PROPERTIES			
NON CURRENT ASSETS & PROPERTIES			
Property, Plant and Equipment	5	1,828,463,397	1,897,092,110
Capital Work-In-Progress	6	2,310,473,895	2,167,468,517
CURRENT ASSETS			
Inventories	7	4,370,602,812	4,380,925,058
Accounts Receivables	8	2,594,100,454	2,994,166,151
Advances, Deposits and Prepayments	9	754,651,849	618,923,513
Short Term Investment	10	47,060,235	145,432,564
Cash and Cash Equivalents	11	9,173,888	4,769,541
TOTAL ASSETS & PROPERTIES		11,914,526,530	12,208,777,454
SHAREHOLDERS' EQUITY & LIABILITIES			
SHAREHOLDERS' EQUITY			
Share Capital	12	983,711,000	983,711,000
Share Premium		433,930,746	433,930,746
Retained Earnings		494,572,864	536,355,968
NON CONTROLLING INTEREST			
		133,699,126	135,094,659
NON-CURRENT LIABILITIES			
Long Term Loan	13	1,590,368,008	1,649,846,694
Deferred Tax Liabilities	21.2	303,906,811	299,251,677
CURRENT LIABILITIES			
Trade Creditors	14	1,657,636,351	1,551,984,506
Short Term Liabilities	15	5,611,975,936	5,323,834,649
Liabilities for Expenses	16	23,845,817	21,200,550
Advance against Sales	17	8,782,517	35,282,776
Due to Affiliated Companies	18	145,926,483	719,642,886
Current Portion of Long Term Loan	19	262,816,000	262,816,000
Liability against Unclaimed Dividend	20	28,242,151	25,648,553
Provision for Income Tax	21.1	152,630,993	153,408,449
Provision for Workers' Profit Participation & Welfare Fund	22	74,822,875	62,015,052
Other Liabilities	23	7,658,852	14,753,289
TOTAL SHAREHOLDERS' EQUITY & LIABILITIES		11,914,526,530	12,208,777,454
Net Asset Value Per Share	32	19.44	19.86
Contingent Liabilities and Commitments	34 & 41		

These consolidated financial statements should be read in conjunction with the annexed notes
and were approved by the Board of Directors on 01.10.2016
and were signed on its behalf by:


COMPANY SECRETARY


DIRECTOR


MANAGING DIRECTOR

Signed in terms of our separate report of even date annexed

Chittagong, 01 October 2016


Chartered Accountants


S.ALAM COLD ROLLED STEELS LIMITED

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE PERIOD FROM 01 OCTOBER 2015 TO 30 JUNE 2016

	Note(s)	30 June 2016 Taka	(Restated) 30 June 2015 Taka	30 Sept 2015 Taka
Revenue	24	2,836,000,112	3,283,819,253	4,194,127,414
Cost of sales	25	(2,529,509,680)	(2,884,220,835)	(3,782,784,896)
Gross Profit		<u>306,490,432</u>	<u>399,598,418</u>	<u>411,342,518</u>
Selling and distribution costs	26	(1,968,588)	(11,288,684)	(11,388,684)
Administrative costs	27	(50,502,837)	(49,631,464)	(69,889,255)
		<u>(52,471,425)</u>	<u>(60,920,148)</u>	<u>(81,277,939)</u>
Operating Profit		<u>254,019,007</u>	<u>338,678,270</u>	<u>330,064,579</u>
Finance costs	29	(147,715,455)	(165,365,699)	(223,941,718)
Profit before Non- operating Income		<u>106,303,552</u>	<u>173,312,571</u>	<u>106,122,861</u>
Other income	28	648,934	340,776	1,386,220
Finance income	30	10,695,659	21,014,231	23,690,334
Net Profit before tax and WPP and Welfare Fund		<u>117,648,145</u>	<u>194,667,578</u>	<u>131,199,415</u>
Contribution to WPP and Welfare Fund	22	(6,114,998)	(9,782,635)	(6,831,624)
Profit before income tax		<u>111,533,147</u>	<u>184,884,943</u>	<u>124,367,791</u>
Income tax expenses:				
Current Tax:				
Current year	21.1	(2,500,000)	(49,410,779)	(5,000,000)
Deferred tax	21.2	(4,655,134)	-	1,334,543
		<u>(7,155,134)</u>	<u>(49,410,779)</u>	<u>(3,665,457)</u>
Net profit after tax for the year		<u>104,378,013</u>	<u>135,474,164</u>	<u>120,702,334</u>
Net Profit after tax attributable to				
Shareholders of the Company		105,773,546	135,774,788	122,332,255
Non-controlling interest		(1,395,533)	(300,624)	(1,629,921)
		<u>104,378,013</u>	<u>135,474,164</u>	<u>120,702,334</u>
Basic Earnings Per Share	31	<u>1.08</u>	<u>1.38</u>	<u>1.23</u>

These consolidated financial statements should be read in conjunction with the annexed notes
and were approved by the Board of Directors on 01.10.2016
and were signed on its behalf by:


COMPANY SECRETARY


DIRECTOR


MANAGING DIRECTOR

Signed in terms of our separate report of even date annexed

Chittagong, 01 October 2016


Chartered Accountants



S.ALAM COLD ROLLED STEELS LIMITED
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE PERIOD FROM 01 OCTOBER 2015 TO 30 JUNE 2016

	<u>Note(s)</u>	30 June 2016 Taka	30 Sept 2015 Taka
Cash flows from operating activities			
Cash received from customers		3,209,565,550	2,890,617,436
Cash paid to suppliers		(2,292,114,236)	(4,499,416,979)
Cash paid to employees		(78,306,449)	(91,590,131)
Cash paid for operating expenses		(17,844,202)	(40,702,405)
Payment of income tax		(136,321,454)	(152,154,808)
Payment for WPP&WF		(5,860,981)	(6,034,825)
Net cash inflow/(outflow) from operating activities (A)		673,977,364	(1,895,282,137)
Cash flows from investing activities			
Capital work-in-progress		(143,005,378)	(233,456,155)
Acquisition of property, plant and equipment		(4,991,200)	(1,280,456)
Proceeds from sale of property, plant and equipment		385,000	3,537,205
Investment in fixed deposit receipt		98,372,329	(30,915,642)
Interest received from fixed deposit receipt		11,058,435	24,031,110
Net cash Inflow/(outflow) from investing activities (B)		(38,180,814)	(238,083,938)
Cash flows from financing activities			
Proceeds from / (Repayment of) long term loan		(59,478,686)	(184,353,280)
Proceeds / (Repayment of) from short term loan		288,141,287	995,071,992
Proceeds from / (Repayment to) affiliated companies		(573,716,403)	1,711,231,380
Dividend paid		(144,963,052)	(151,006,188)
Cash paid for financial expenses		(141,375,349)	(216,523,435)
Net cash inflow/(outflow) from financing activities (C)		(631,392,203)	2,154,420,469
Net increase/(decrease) of cash and cash equivalents for the year (A+B+C)		4,404,347	1,371,878
Cash and cash equivalents at the beginning of the year		4,769,541	3,397,663
Cash and cash equivalents at the end of the year		9,173,888	4,769,541
Net Operating Cash Flow Per Share	33	6.85	(19.47)

These consolidated financial statements should be read in conjunction with the annexed notes
and were approved by the Board of Directors on 01.10.2016
and were signed on its behalf by:


COMPANY SECRETARY


DIRECTOR


MANAGING DIRECTOR

S.ALAM COLD ROLLED STEELS LIMITED
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD FROM 01 OCTOBER 2015 TO 30 JUNE 2016

Particulars	Share Capital	Share Premium	Retained Earnings	Total	Non-Controlling Interest	Total
	Taka	Taka	Taka	Taka	Taka	Taka
Balance as on 01 October 2015	983,711,000	433,930,746	536,355,968	1,953,997,714	135,094,659	2,089,092,373
Cash dividend declared for the year 2015	-	-	(147,556,650)	(147,556,650)	-	(147,556,650)
Net Profit after tax for the year 2016	-	-	105,773,546	105,773,546	(1,395,533)	104,378,013
Balance as on 30 June 2016	983,711,000	433,930,746	494,572,864	1,912,214,610	133,699,126	2,045,913,736
Balance as on 01 October 2014	983,711,000	433,930,746	561,580,363	1,979,222,109	136,724,580	2,115,946,689
Cash dividend declared for the year 2014	-	-	(147,556,650)	(147,556,650)	-	(147,556,650)
Net Profit after tax for the year 2015	-	-	122,332,255	122,332,255	(1,629,921)	120,702,334
Balance as on 30 September 2015	983,711,000	433,930,746	536,355,968	1,953,997,714	135,094,659	2,089,092,373

These consolidated financial statements should be read in conjunction with the annexed notes
and were approved by the Board of Directors on 01.10.2016
and were signed on its behalf by:

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COMPANY SECRETARY

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DIRECTOR

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MANAGING DIRECTOR

S.ALAM COLD ROLLED STEELS LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD FROM 01 OCTOBER 2015 TO 30 JUNE 2016

1.00 BACKGROUND AND INFORMATION

1.01 Formation and Legal Status

S. Alam Cold Rolled Steels Limited is a public company limited by shares is domiciled in Bangladesh. The address of the company's registered office is S. Alam Bhaban, 2119 Asadgonj, Chittagong, Bangladesh. The Company was formed and incorporated with the Registrar of Joint Stock Companies and Firms in Bangladesh on December 12, 2000 vide the certificate C-No 3842 of 2000 under Companies Act (Act XVIII) of 1994 as a public company limited by share. 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 16th May 2016

1.02 Nature of the business

The main activity of the company is to manufacture and sell high quality Cold Rolled Steel Strips (CR Strips) in the form of coils and sheets, CI sheets and GP sheets . The company has set up its factory on 12.04 acres of land at Kalarpool, Shikalbaha, Patiya, Chittagong, Bangladesh.

The company commenced commercial production of CR Strips plant from 16th February 2004 with an approved annual capacity of 120,000 MT and NOF Plant of GP and CI Sheets from 11 July 2013 with an annual capacity of 72,000 M Tons.

1.03 Description of subsidiary

S. Alam Power Generation Limited

S. Alam Cold Rolled Steels Limited has acquired 70% equity interest in S. Alam Power Generation Limited. i.e. 2,773,570 Ordinary Shares of Tk. 100 each at a cost of Tk. 277,357,000.

S. Alam Power Generation Limited, Chittagong is a private company limited by shares incorporated on 09 April 2009 Vide Registration No. CH- 6951(297) of 2009 under the Companies Act (Act XVIII) of 1994 with the Registrar of Joint Stock Companies and Firms, Chittagong, Bangladesh. Its registered office is located at S.Alam Bhaban, 2119, Asadgonj, Chittagong, Bangladesh. The main objective of the company is to install and run power plant to produce and supply electricity.

The company did not commence business operation during the year under audit.

2.00 Basis of Preparation

2.01 Statement of compliance

These consolidated financial statements have been prepared in accordance with Bangladesh Financial Reporting Standards (BFRSs) and 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

The Board of Directors has authorized these consolidated financial statements on 01 October 2016.

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) The Listing Regulations of Dhaka Stock Exchange (DSE)
- (vii) The Listing Regulations of Chittagong Stock Exchange (CSE)
- (viii) Bangladesh Labour Act 2006 etc.

2.04 Accounting convention and assumption

These consolidated financial statements have been prepared on going concern basis under the historical cost convention method.

2.05 Functional and presentation currency

These consolidated financial statements are expressed in Bangladesh Taka which is both functional currency and reporting currency of the Company. The figures of financial statements have been rounded off to the nearest Taka.

2.06 Statement of Cash flows

Consolidated Statement of Cash Flows is prepared principally in accordance with BAS 7 "Statement of Cash Flows" and the cash flow from the operating activities have been presented under direct method as prescribed by Securities and Exchange Rules, 1987.

2.07 Use of estimates and judgments

The preparation of the consolidated financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates and underlying assumptions, which are reviewed on an ongoing basis. Revision to accounting estimates is recognized in the period in which the estimates are revised and in any future periods affected.

2.08 Comparative information

Comparative information has been disclosed in respect of the year 2015 for all numeric information in the Consolidated Financial Statements and also the narrative and descriptive information where it is relevant for understanding of the current year's Consolidated Financial Statements.

Re-arrangement

Comparative figures have been rearranged wherever considered necessary to ensure better comparability with the current period without causing any impact on the profit and value of assets and liability as reported in the consolidated financial statement.

2.09 Going concern

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

2.10 Reporting period

These consolidated financial statements of the Company consistently cover a period from 01 October 2015 to 30 June 2016.

3.00 Significant Accounting Policies

These consolidated financial statements have been prepared in compliance with requirement of BASs (Bangladesh Accounting Standards) as adopted by the Institute of Chartered Accountants of Bangladesh (ICAB) as applicable in Bangladesh. The following BASs are applicable for the consolidated financial statements for the year under audit:

BAS-1	Presentation of Financial Statements
BAS-2	Inventories
BAS-7	Statement of Cash Flows
BAS-8	Accounting Policies, Changes in Accounting Estimates and Errors
BAS-10	Events after the Reporting Period
BAS-12	Income Taxes
BAS-16	Property, Plant and Equipment
BAS-18	Revenue
BAS-19	Employee benefits
BAS-21	The effects of Changes in Foreign Exchange Rates
BAS-23	Borrowing Costs
BAS-24	Related Party Disclosures
BAS-26	Accounting and Reporting by Retirement Benefit Plans
BAS-33	Earnings per share
BAS-36	Impairment of Assets
BAS-37	Provisions, Contingent Liabilities and Contingent Assets
BFRS-5	Non-current Assets Held for Sale and Discontinued Operations
BAS-32	Financial Instrument: Presentation
BAS-39	Financial Instrument: Recognition and Measurement
BFRS-7	Financial Instrument: Disclosure

3.01 Basis of Consolidation

3.01.1 Subsidiary

The subsidiary is the entity controlled by S. Alam Cold Rolled Steels Limited. Control exists S. Alam Cold Rolled Steels Limited has the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities. In assessing control, potential voting rights that presently are exercisable are taken into account. The financial statements of subsidiary are included in the consolidated financial statements upon establishment of that control until the date that control ceases. The accounting policies of subsidiaries have been changed when it is necessary to align them with the policies adopted by S. Alam Cold Rolled Steels Limited.

3.01.2 Non - Controlling Interests

The group measures non - controlling interests in the subsidiary at their proportionate share of the subsidiary's identifiable net assets which are generally at fair value adjustments to non - controlling interests are based on a proportionate amount of the net assets of the subsidiary.

3.01.3 Transactions eliminated on consolidation

Intra - group balances and transactions, and any unrealised income and expenses arising from intra - group transactions, are eliminated in preparing the consolidated financial statements. Unrealised losses, if any, are eliminated in the same way as unrealised gains, but only to the extent there is no evidence of impairment.

3.02 Property, plant and equipment

Items of property, plant and equipment are stated at cost less accumulated depreciation thereon.

3.02.1 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 other 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 in profit or loss.

3.02.2 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 expensed as incurred.

3.02.3 Depreciation

Items of property, plant and equipment are depreciated from the date they are available for use or in respect of self constructed assets, from the date that the asset is completed and ready for use. 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 calculated on diminishing balance method over the estimated useful lives of each parts of property, plant and equipment. Depreciation is generally recognized in profit or loss unless the amount is included in the carrying amount of another assets. Leased assets are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the company will obtain ownership by the end of the lease term. Land is not depreciated. Depreciation is charged on addition when the assets are available for use or ready for use or from date of acquisition. In case of disposal of fixed asset, depreciation is charged up to date of disposal. The principal annual rates are as follows.

<u>Assets</u>	<u>Rates (%)</u>
Land and land development	Nil
Internal Road and Embankment	10% - 20%
Buildings	5% - 10%
Plant and Machinery	10%
Equipment and appliances	10%
Furniture and Fixtures	10%
Luffing Crane and Jetty Construction	15%
Coil Cart	10%
Motor Vehicle	20%
Interior Decoration	15%

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

<u>Particulars</u>	<u>Capacity utilization</u>	
	<u>CR Coil Plant</u>	<u>NOF Plant</u>
Factory Building (including Leased Assets)	87.220%	27.101%
Capital Machinery	87.220%	27.101%
Factory equipment	87.220%	27.101%
Generator	87.220%	27.101%
Work Roll	87.220%	27.101%
Luffing Crane and Jetty construction	87.220%	27.101%
Coil Cart	87.220%	27.101%

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

3.03 Capital work in progress

The costs incurred during the year for paying advance to Uttam Steel Corporation against two pieces purchase of corrugation roll machine regarding NOF Project at existing factory premises at Kalarpool, Shikalbaha, Patiya, Chittagong, Bangladesh.

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. In case of manufactured inventories and work-in-process, cost includes an appropriate share of production overheads based on normal operating capacity. Details of valuation methods are stated below:

<u>Category</u>	<u>Valuation</u>
Finished Goods -	Finished Goods are valued at Cost or Net Realisable Value whichever is lower.
Work-in-process-	At Prime cost + Proportionate Factory Overhead.
Raw materials -	Based on weighted average method.
Raw Materials (Inbond items)	At Book Value
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.

Stock in transit represents the cost incurred up to the reporting date against the items that were not received at factory till that date.

3.05 Revenue Recognition

Revenue from sale of goods is measured at the fair value of the consideration received or receivable, net of returns and allowances, trade discounts and rebates, if any. In compliance with the requirements of BAS 18: "Revenue", revenue is recognized only when:

- i. The products are invoiced and dispatched to the customers;
- ii. Interest income is accrued on a time basis by reference to the principal outstanding at the effective interest applicable.

3.06 Trade receivables

Trade 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 debtors if, any receivables are not realized within the credit period.

3.07 Transactions with Affiliated companies

These represents balance amounts due to / from affiliated companies which are derived from short term loan, short term financial arrangement availed from/paid to affiliated companies as and when required to meet working capital and sale of goods from time to time. These are interest free and there is no fixed term of repayment. These balances are unsecured but considered good and realisable.

3.08 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 consolidated statement of profit or loss and other comprehensive income.

3.09 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.

3.10 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.

Non-derivative financial assets

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

The Company derecognises 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.

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

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 recognised 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 recognised in profit or loss.

Held-to-maturity financial assets

If the company has the positive intent and ability to hold debt securities to maturity, then such financial assets are classified as held-to-maturity. Held-to-maturity financial assets are recognized initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, held-to-maturity financial assets are measured at amortized cost using the effective interest method, less any impairment losses.

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 recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, loans and receivables are measured at amortized cost using the effective interest method, less any impairment losses.

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 receivables

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

Available-for-sale financial assets

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. When an investment is derecognized the gain or loss accumulated in equity is reclassified to profit or loss.

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

Non-derivative 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 costs. Subsequent to initial recognition, these financial liabilities are measured at amortized cost using the effective interest method.

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

(a) Share capital (ordinary shares)

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

(b) 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. After initial recognition these are carried at amortised cost.

(c) 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.

3.11 Employee benefit schemes

Currently, the company have gratuity and termination benefit scheme, but has a plan to create a provident fund in which both company and employees will contribute an equal amount.

3.12 Workers' profit participation fund

Appropriate provision has been made for Workers' Profit Participation Fund and Workers' Welfare Fund as per provisions of law.

3.13 Provisions and contingencies

A provision is recognised 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.

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

3.14 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-31) to the Consolidated Financial Statements.

Diluted Earnings per share:

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.

3.15 Finance income and finance costs

Finance income comprises interest income on funds invested that are recognised in profit or loss.

Finance costs comprise interest expenses on borrowing that are recognised in profit or loss as and when incurred.

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalized using the effective interest method.

3.16 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 retranslation are recognized in profit or loss.

3.17 Income tax expenses

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

Current tax:

The Company was allowed tax holiday for the period of five years from the month 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 on 31 January 2009. Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using the tax rates enacted or substantially enacted at the reporting date, and any adjustment to tax payable in respect of previous year.

Deferred tax:

Deferred tax is recognised 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 recognised to the extent that it is probable that future taxable profits will be available against which the deductible temporary differences can be utilised. 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 realised.

3.18 Impairment

Non-derivative 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.

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 profit or loss.

3.19 Leases

3.19.01 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.

3.19.02 Operating lease

Leases that are not finance lease are considered as operating leases and the leased assets are not recognised in the company's Consolidated 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.

3.19.03 Determining whether an arrangement contains a lease

At inception of an arrangement, the company determines whether such an arrangement is or contains a lease. This will be the case if the following two criteria are met.

- i) The fulfillment of the arrangement is dependent on the use of a specific assets or assets; and
- ii) The arrangement contains a right to use the assets(s).

At inception or on reassessment of the arrangement the company separates payments and other consideration required by such an arrangement into those for the lease and those for other elements on the basis of their relative fair values.

4.00 New Standards and interpretations not yet adopted

All new standards and interpretations adopted by the Institute of Chartered Accountants of Bangladesh (ICAB) during the period beginning on or after 01 October 2015, which have significant effect on the consolidated financial statements of the company are duly complied with.

5 PROPERTY, PLANT AND EQUIPMENT

A. Cost

	30 June 2016 Taka	30 Sept 2015 Taka
Opening Balance	2,812,453,861	2,655,120,262
Addition during the year	4,991,200	162,698,036
	<u>2,817,445,061</u>	<u>2,817,818,298</u>
Deletion during the year	(1,324,800)	(5,364,437)
Total Cost	<u>2,816,120,261</u>	<u>2,812,453,861</u>

B. Accumulated Depreciation

Opening Balance	915,361,751	831,402,718
Charged during the year	73,521,071	86,831,709
	<u>988,882,822</u>	<u>918,234,427</u>
Adjustments during the year	(1,225,958)	(2,872,676)
Total Depreciation	<u>987,656,864</u>	<u>915,361,751</u>

Written Down Value (WDV) as on 30 June 2016 (A-B)

	<u>1,828,463,397</u>	<u>1,897,092,110</u>
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Detail of Property, Plant & Equipment and Depreciation as on 30 June 2016 are shown in the notes 5.1

5.1 Property, plant and equipment - at cost less Accumulated Depreciation

Assets' category	Cost			Closing balance as on 30.06.2016	Depreciation Rate (%)	Depreciation			Closing balance as on 30.06.2016	Carrying amount as on 30.06.2016
	Opening balance as on 01.10.2015	Addition	Disposal/ Adjustment			Opening balance as on 01.10.2015	Charged for the year	Adjustment for disposal during the year		
A. Land and land development:										
Land/Freehold (12.04 Acres)	74,136,760	-	-	74,136,760	-	-	-	-	-	74,136,760
Land Development	21,416,417	-	-	21,416,417	-	-	-	-	-	21,416,417
Internal Road and Drainage	3,506,380	-	-	3,506,380	10%	350,638	-	-	2,442,650	1,063,730
Embankment	42,507,074	4,153,000	-	46,660,074	20%	39,028,614	885,586	-	39,984,200	6,675,874
	141,566,631	4,153,000	-	145,719,631		41,404,914	971,936	-	42,426,850	103,292,981
B. Buildings:										
Factory Building (including Lease Asset)	304,368,680	-	-	304,368,680	5%	90,799,449	6,991,605	-	97,791,140	206,577,540
Factory Building (NOF Plant)	257,346,737	-	-	257,346,737	5%	4,478,516	2,572,215	-	7,050,731	250,296,006
General Building	33,321,203	-	-	33,321,203	5%	14,732,579	696,960	-	15,449,539	17,871,664
Coal Ware House	5,467,518	-	-	5,467,518	10%	3,684,728	133,831	-	3,818,559	1,648,959
	600,504,138	-	-	600,504,138		113,715,264	10,394,701	-	124,109,965	476,394,173
C. Plant and machinery										
Capital Machinery	1,213,517,738	-	-	1,213,517,738	10%	637,439,670	39,028,056	-	676,467,726	537,050,012
Capital Machinery (NOF Plant)	626,594,801	-	-	626,594,801	10%	13,293,332	12,427,197	-	25,720,529	600,874,272
	1,860,112,539	-	-	1,860,112,539		650,733,002	51,505,253	-	702,228,255	1,157,874,284
D. Equipment and appliances:										
Factory Equipment	22,691,689	-	-	22,691,689	10%	7,027,166	1,025,630	-	8,052,796	14,638,893
Factory Equipment (NOF Plant)	1,946,579	390,000	-	2,296,579	10%	41,685	43,224	-	84,909	2,211,670
Office Equipment	1,585,190	-	-	1,585,190	10%	793,696	99,266	-	894,962	730,228
Computer	1,543,095	-	-	1,543,095	10%	1,057,973	36,417	-	1,094,390	448,705
Generator	2,678,708	-	-	2,678,708	10%	1,415,155	94,853	-	1,510,008	1,168,700
Air Conditioners	5,039,316	475,000	-	5,514,316	10%	2,208,948	217,918	-	2,506,866	3,007,450
Generator	1,240,000	-	-	1,240,000	10%	641,606	39,180	-	680,786	559,214
Electric Line Installation (NOF Plant)	2,735,225	-	-	2,735,225	10%	2,005,395	56,289	-	2,061,684	693,541
Electric Line Installation (NOF Plant)	12,851,881	-	-	12,851,881	10%	3,581,468	695,916	-	4,277,384	8,574,497
Gas Line Installation	4,569,134	-	-	4,569,134	10%	2,921,018	123,723	-	3,044,741	1,524,413
Fire Extinguisher	58,100	-	-	58,100	10%	40,651	1,310	-	41,961	16,139
Telephone Line Installation	398,527	-	-	398,527	10%	276,751	9,142	-	285,893	112,634
Water Tank	134,666	-	-	134,666	10%	94,946	2,982	-	97,928	36,738
Work Roll	113,500	-	-	113,500	10%	80,101	2,507	-	82,608	30,892
Radiolink and Networking (Factory)	1,593,025	-	-	1,593,025	10%	824,269	50,334	-	874,603	718,422
Tools and Tackles	433,880	-	-	433,880	10%	159,634	20,587	-	180,221	253,659
	121,238	-	-	121,238	10%	85,563	2,678	-	88,241	32,997
	59,753,773	825,000	-	60,578,773		23,338,025	2,481,956	-	25,819,981	34,758,792
E. Furniture and Fixtures										
Furniture and Fixtures	3,993,091	13,200	-	4,006,291	10%	2,012,446	148,749	-	2,161,195	1,845,096
Furniture and Fixtures (NOF Plant)	201,205	-	-	201,205	10%	78,391	15,982	-	94,373	106,832
	4,284,586	13,200	-	4,297,586		2,090,837	164,731	-	2,255,568	2,042,018
F. Lifting Crane and Jety Construction										
Crane	54,948,213	-	-	54,948,213	15%	36,250,487	1,836,343	-	38,086,830	16,861,383
Crane	8,024,021	-	-	8,024,021	10%	4,150,428	253,622	-	4,404,050	3,619,971
Motor vehicles	79,089,864	-	-	79,089,864	20%	40,574,208	5,786,920	-	46,361,128	32,629,894
Interior Decoration	4,170,096	-	-	4,170,096	15%	3,054,586	125,609	-	3,180,195	989,901
	2,812,453,861	4,991,200	1,324,820	2,818,753,881		915,361,751	73,521,071	1,225,958	987,656,864	1,828,463,997
	2,655,120,262	162,698,036	5,364,437	2,812,453,861		831,402,718	86,831,709	2,872,676	915,361,751	1,897,092,110
						Depreciation allocated to:				
						30.06.2016	30.06.2015	30.09.2015		
						831,402,718	86,831,709	2,872,676	915,361,751	1,897,092,110
						Cost of sales (note 25)				
						55,140,803	49,073,108	65,123,782		
						18,380,268	16,357,703	21,707,927		
						73,521,071	65,430,811	86,831,709		
						Administrative costs (note 27)				

	30 June 2016 Taka	30 Sept 2015 Taka
6 Capital Work-in-Progress - NOF Project & Power Generation Project		
Opening Balance	2,167,468,517	2,095,429,942
Expenditure incurred during the year (note - 6.01)	143,355,378	233,456,155
	2,310,823,895	2,328,886,097
Transferred to Property, Plant and Equipment (note - 6.01)	(350,000)	(161,417,580)
Closing Balance	2,310,473,895	2,167,468,517

6.01 The break-up of Capital work-in-progress is as follows:

Particulars	Opening Balance	Expenditure incurred	Capitalized during the year	Closing Balance
Building				
Factory Building	19,438,815	-	-	19,438,815
Plant and Machineries				
Capital Machineries				
L/C No: 0136-11-01-0036	1,743,518,984	127,184,570	-	1,870,703,554
L/C No: 0136-11-01-0061	258,580,478	52,622	-	258,633,100
L/C No: 0136-11-99-0037	78,238,483	8,998	-	78,247,481
Machinery Installation	22,974,418	15,864,188	-	38,838,606
Other Equipments	41,087,053	-	-	41,087,053
Equipment & Appliances				
Factory Equipments	1,038,200	245,000	350,000	933,200
Computers	444,550	-	-	444,550
Air Conditioners	100,800	-	-	100,800
Furniture and Fixtures				
	346,736	-	-	346,736
Gas Line Installation				
	1,700,000	-	-	1,700,000
Balance as on 30 June 2016	2,167,468,517	143,355,378	350,000	2,310,473,895
Balance as on 30 September 2015	2,095,429,942	233,456,155	161,417,580	2,167,468,517

7 Inventories

Raw Materials - note 7.1	2,604,498,008	1,519,290,973
Raw Materials-In-Bond items	919,323,291	2,051,732,313
Work-in-Process - note 7.2	158,951,495	177,007,832
Finished Goods - note 7.3	295,039,375	306,852,827
Stores and Spares	370,602,220	293,678,210
Stock - in - transit	6,446,108	13,775,245
Lubricant Oil	1,872,640	1,872,640
HFO	13,702,500	16,450,000
LFO	167,175	265,018
	4,370,602,812	4,380,925,058

7.01 Raw materials - note 7

	30 June 2016		30 Sept 2015	
	Qty. (MT)	Taka	Qty. (MT)	Taka
H.R Coil	31,249.04	1,209,464,300	4,231.69	283,485,652
Hydrochloric Acid	5,241.65	35,400,625	4,798.84	32,528,953
TIN Ingot	42.14	86,666,131	44.53	91,579,405
ZINC Ingot	5,118.52	1,169,596,176	4,125.45	1,016,225,023
LEAD Ingot	334.53	78,210,057	336.32	78,629,014
ZINC Alloy	60.93	14,194,721	24.27	5,508,136
Antimony Ingot	-	-	0.45	566,295
Chromic Acid	27.54	10,965,998	24.93	10,768,495
		2,604,498,008		1,519,290,973

7.02 Work-in-Process - note 7

	30 June 2016 Taka	30 Sept 2015 Taka
CR Coil	84,264,712	136,643,540
NOF	74,686,783	40,364,292
	158,951,495	177,007,832

7.03 Finished Goods-note 7

	30 June 2016 Taka	30 Sept 2015 Taka
CR Coil	29,360,498	46,987,715
C.I & GP Sheet	265,678,877	259,865,112
	295,039,375	306,852,827

8 Accounts Receivable

Against CR Coil	2,541,578,195	2,823,968,584
Against C.I and G.P Sheet	52,522,259	170,197,567
	2,594,100,454	2,994,166,151

The directors believe that above receivables are good and fully realisable. Hence, no provision is required at this stage.

	30 June 2016 Taka	30 Sept 2015 Taka
9 Advances, Deposits and Prepayments		
Advances (note - 9.01)	732,761,170	591,955,757
Deposits (note - 9.02)	15,287,636	15,287,636
Prepayments (note-9.03)	6,603,043	11,680,120
	754,651,849	618,923,513
9.01 Advances- note 9		
Against Expenses	1,215,293	1,259,896
Against Salary	4,353,000	6,253,500
Bank Guarantee Margin	103,488,335	99,831,077
Advance Income Tax	609,049,294	476,151,309
VAT current account	648,072	1,267,956
Supplementary Tax Current A/C	164,674	164,674
Consultancy (BIDCO Associates)	650,000	650,000
Energy Pac Engineering Ltd.	-	227,500
S.S Enterprise	300,000	300,000
Against C&F Bills	-	15,915
Green Development Construction	-	100,000
Others	12,892,502	5,733,930
	732,761,170	591,955,757
9.02 Deposits- note 9		
Chittagong City Corporation	4,096,232	4,096,232
Chittagong Palli Bidyut Samity-1	7,038,000	7,038,000
Karnaphuli Gas Distribution Co. Ltd.	1,200,346	1,200,346
Bangladesh Telecommunications Company Limited (BTCL)	6,600	6,600
Gramen Phone (BD) Limited (For mobile)	20,000	20,000
Ansar, VDP	32,331	32,331
Central Depository Bangladesh Limited	500,000	500,000
VAT Account for Appeal fee	2,394,127	2,394,127
	15,287,636	15,287,636
9.03 Prepayments- note 9		
Prepaid insurance	5,097,988	11,565,754
Internet Service	108,648	114,366
Fees & Renewal to BSTI	1,396,407	-
	6,603,043	11,680,120

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

10 Short Term Investment			
Name of banks			
Fixed Deposit Receipts:			
Janata Bank Limited		-	100,075,027
Rupali Bank Limited		16,149,428	15,400,000
Islami Bank Bangladesh Limited		30,910,807	29,957,537
		47,060,235	145,432,564
11 Cash and Cash Equivalents			
Cash in hand (note - 11.01)		78,491	104,236
Cash at banks (note - 11.02)		9,095,397	4,665,305
		9,173,888	4,769,541
11.01 Cash in hand - note 11			
Head office		33,479	746
Factory office		45,012	103,490
		78,491	104,236
11.02 Cash at Banks - note 11			
Bank	Branch	Account No.	
AB Bank Ltd.	Agrabad Br., Chittagong.	CD#4101-774707-000	96,159
Agrani Bank Ltd.	New Market Br., Chittagong.	CD#33009854	3,045
Agrani Bank Ltd.	Laddighi Br., Chittagong.	CD#29373	2,645
Al-Arafah Islami Bank Ltd	Kharungonj, Chittagong.	CD# 00411100004909	22,503
Dutch Bangla Bank Ltd.	Local Office, Dhaka.	CD#0101110000016146	26,120
EXIM Bank Ltd.	Kharungonj, Chittagong.	CD#00411100004909	80,151
First Security Islami Bank Ltd.	Kharungonj, Chittagong.	SND#13100002884	5,351
First Security Islami Bank Ltd.	Kharungonj, Chittagong.	SND#13100003008	5,133,583
First Security Islami Bank Ltd.	Kharungonj, Chittagong.	SND#13100002711	36,837
First Security Islami Bank Ltd.	Kharungonj, Chittagong.	SND#1310002792	20,164
First Security Islami Bank Ltd.	Anderkilla, Chittagong.	CD#13411100003882	2,276,593
First Security Islami Bank Ltd.	Kharungonj, Chittagong.	CD#010211100009425	69,095
Islami Bank Bangladesh Ltd.	Kharungonj, Chittagong.	CD#10601002130	65,577
Jamuna Bank Ltd.	Jubilee Road Branch, Chittagong.	CD#00190211002260	22,377
Janata Bank Ltd.	Shadharan Bima Corp Branch, Ctg.	CD#001031259	83,957
Janata Bank Ltd.	Shadharan Bima Corp Branch, Ctg.	CD#001031226	14,353
Mercantile Bank Ltd.	Kharungonj Branch, Chittagong.	CD#011211100005747	7,730
National Bank Ltd.	Kharungonj Branch, Chittagong.	CD#0002-33069282	7,469
National Bank Ltd.	Kharungonj Branch, Chittagong.	CD#1002000515781	86,805
Rupali Bank Ltd.	Anderkilla, Corporate Branch, Ctg.	CD#200064978	780,174
Rupali Bank Ltd.	Anderkilla, Corporate Branch, Ctg.	STD#240001344	109,729
Southeast Bank Ltd.	Principal Office, Dhaka.	CD#11100036055	29,185
The City Bank Ltd.	Kharungonj Branch, Chittagong.	CD#1101002163001	2,585
Union Bank Ltd.	Kharungonj Branch, Chittagong.	CD # 0101010000801	66,830
Union Bank Ltd.	Gulshan Branch, Dhaka.	CD # 0021010001342	46,380
			9,095,397
			4,665,305

12 Share Capital

Authorized capital

350,000,000 Ordinary Shares of Tk. 10 each

Issued, Subscribed, Called up and Paid up capital

98,371,100 Ordinary Shares of Tk.10/- each fully paid

30 June 2016 Taka	30 Sept 2015 Taka
3,500,000,000	3,500,000,000
3,500,000,000	3,500,000,000
98,371,100	98,371,100
98,371,100	98,371,100

12.01 Shareholding position

Name of shareholders	% of Holding	Number of Shares of Tk 10 each	Number of Shares of Tk 10 each
Mr. Mohammed Saiful Alam	2.342%	2,303,980	2,303,980
Mr. Abdus Samad	2.000%	1,967,430	1,967,430
Mr. Md. Osman Gani	2.000%	1,967,430	1,967,430
S.Alam Steels Ltd	18.737%	18,431,940	18,431,940
S.Alam Cement Ltd.	9.369%	9,215,960	9,215,960
S.Alam Hatchery Ltd.	9.369%	9,215,960	9,215,960
S.Alam Luxury Chair Coach Services Ltd.	2.342%	2,303,980	2,303,980
S.Alam Vegetable Oil Ltd.	2.342%	2,303,980	2,303,980
Bangladesh Fund	4.879%	4,800,000	4,800,000
ABIL-IDA	0.061%	60,000	60,000
ICB Unit Fund	0.949%	934,020	934,020
ICB	3.129%	3,078,420	3,078,420
Others	42.480%	41,788,000	41,788,000
	100.00%	98,371,100	98,371,100

12.02 Classification of shares by holding

Class by number of shares	No. of Holders Nos	No. of Shares Nos	% of Holding
Less than 500	3,278	652,284	0.66%
From 500 to 5,000	4,709	8,036,753	8.17%
From 5,001 to 10,000	508	3,769,452	3.83%
From 10,001 to 20,000	223	3,240,701	3.29%
From 20,001 to 30,000	83	2,126,946	2.16%
From 30,001 to 40,000	40	1,391,315	1.41%
From 40,001 to 50,000	25	1,155,924	1.18%
From 50,001 to 100,000	36	2,628,979	2.67%
From 100,001 to 1,000,000	57	16,704,959	16.98%
From 1,000,001 and above	12	58,663,787	59.64%
Total	8,971	98,371,100	100%

13 Long Term Loan

Due within one year - note 19

Due more than one year - note 13.01 & 13.02

262,816,000	262,816,000
1,590,368,008	1,649,846,694
1,853,184,008	1,912,662,694

13.01 Rupali Bank Limited - note 16

Term Loan Account No - 690000102 - note 13.01.1

Term Loan Account No - 690000143 - note 13.01.2

268,768,964	398,959,210
110,605,471	163,580,555
379,374,435	562,539,765

13.01.1 Loan Account No. 690000102 - note 13.01

Opening Balance

Loan received during the year

Interest charged during the year

Other charges during the year

607,775,210	823,999,060
-	-
56,294,754	102,666,150
15,000	10,000
664,084,964	926,675,210

Payment during the year

(186,500,000)

(318,900,000)

Current portion of term loan

477,584,964

607,775,210

(208,816,000)

398,959,210

Limit amount

Not Applicable

Purpose

To meet shortage of working capital

Sanction date

03.03.13

Interest rate

13%

Security

Hypothecation of Import Goods & Personal Guarantee from all directors.

Repayment method

Quarterly

13.01.2 Loan Account No. 690000143 - note 13.01

Opening Balance

Loan received during the year

Interest charged during the year

Other charges during the year

217,580,555

262,248,635

-

18,909,916

33,545,920

15,000

10,000

236,505,471

295,804,555

Payment during the year

(71,900,000)

(78,224,000)

Current portion of term loan

164,605,471

217,580,555

(54,000,000)

110,605,471

163,580,555

Limit amount

Tk 257,000,000

Purpose

To meet shortage of working capital

Sanction date

22.05.14

Interest rate

13%

Security

Hypothecation of Import Goods & Personal Guarantee from all directors.

Repayment method

Monthly

	30 June 2016 Taka	30 Sept 2015 Taka
13.02 Project loan - note 13		
Due within one year	-	-
Due after more than one year	1,210,993,573	1,087,306,929
	<u>1,210,993,573</u>	<u>1,087,306,929</u>

Terms of Project loan

Lenders: Janata Bank Ltd., Sadharan Bima Corp. Branch, Chittagong.
Janata Bank Ltd. sanctioned an amount of Tk. 98 Crore as project loan.

Total loan facilities: Tk. 98 Crore.

Interest rate:

Interest rate is 15.00% on quarterly rest or at applicable rate as determined by bank from time to time.

Disbursement:

The disbursement was made on 06.06.2013.

Repayments

Re-payment stipulated to be made by 24 quarterly installments plus accrued interest for each, commencing after grace period.

Loan period

The entire loan amount shall be re-paid by eight(8) years including grace period of one (1) year.

Securities:

- 100% registered mortgage of 241.59 decimal factory land and building valuing Tk 171.20 million.
- Hypothecation on all existing and proposed plant and machineries, furniture and fixture including inventories.
- Personal guarantee of all directors of the company jointly and individually.

Purpose:

For meeting expenditure for capital machineries.

14 Trade creditors

Liability against Deferred L/C	1,484,015,039	1,124,238,215
Customs Authority-Inbond Duty	171,909,702	419,935,265
Sundry Creditors	1,711,610	7,811,026
	<u>1,657,636,351</u>	<u>1,551,984,506</u>

These represent amount (Sundry creditors) payable to various local parties against supply of Materials (ITCL), Packing material and Spare parts.

15 Short Term Liabilities

Loan against Trust Receipt (LTR) (note - 15.01)	2,438,683,558	2,216,674,407
Loan against CC Pledge and Hypo (note - 15.02)	3,173,292,378	3,107,160,242
	<u>5,611,975,936</u>	<u>5,323,834,649</u>

15.01 Short Term Bank Loan (LTR)- note 15

Janata Bank Ltd., Shadharan Bima Corp Branch, Ctg.	2,438,683,558	2,216,674,407
	<u>2,438,683,558</u>	<u>2,216,674,407</u>

15.02 Loan against CC Pledge, Hypo, LIM, PAD and MPI- note 15

Rupali Bank Ltd., Anderkilla, Corporate Branch, Ctg (CC Hypo)	254,564,587	232,463,493
Rupali Bank Ltd., Anderkilla, Corporate Branch, Ctg (CC Pledge)	318,435,747	290,636,990
Rupali Bank Ltd., Anderkilla, Corporate Branch, Ctg (LIM)	5,826,001	18,891,037
Rupali Bank Ltd., Anderkilla, Corporate Branch, Ctg (PAD)	20,427,308	-
Janata Bank Ltd., Shadharan Bima Corp Branch, Ctg. (PAD)	426,219,203	427,448,267
Islami Bank Bangladesh Ltd., Khatungonj Branch, Ctg. (MPI)	1,207,841,689	1,284,807,038
Exim Bank Ltd., Khatungonj Branch, Ctg (Bia-Muazzal Hypo)	939,977,843	852,913,417
	<u>3,173,292,378</u>	<u>3,107,160,242</u>

15.03 Terms and conditions of the above liabilities are as follows:

15.03.1 Lender: Rupali Bank Ltd., Anderkilla, Corporate Branch, Chittagong

Types of Liabilities	Sanctioned limit (Figures in crore)	Rate of Interest %
CC Hypo	20	14.00%
CC Pledge	25	14.00%
LC, PAD & LIM	57	14.00%
LTR	20	14.00%
Bank Guarantee	30	0.00%

Security:

- Hypothecation of import goods, post dated cheque.
- 100% registered mortgage of land and project building situated in Shikalbaha, Chittagong, Bangladesh.

15.03.2 Lender: Janata Bank Ltd., Shadharan Bima Corp Branch, Chittagong

Types of Liabilities	Sanctioned limit (Figures in crore)	Rate of Interest %
LTR	208	At applicable rate determine from
LC/PAD	275	time to time.

Security:

LC/Bill of Lading , corporate guarantee & personal guarantee of all directors.

15.03.3 Lender: Islami Bank Bangladesh Ltd., Khatungonj Branch, Chittagong

Types of Liabilities	Sanctioned limit (Figures in crore)	Rate of Profit %
TR	75	12.00%
LC/MPI /BG	150	12.00%

Security:

1. Post dated cheque, corporate guarantee & personal guarantee of all directors.
2. Hypothecation of inventories, goods in warehouse and Bank Guarantee etc.

15.03.4 Lender: Export Import Bank of Bangladesh Ltd., Khatungonj Branch, Chittagong

Types of Liabilities	Sanctioned limit (Figures in crore)	Rate of Interest %
Bai-Muazzal (HYPO)	81.97	12.00%

Security:

1. Post dated cheque, corporate guarantee & personal guarantee of all directors.
2. Hypothecation of inventories, goods in warehouse and Bank Guarantee etc.

16 Liabilities for Expenses

	30 June 2016 Taka	30 Sept 2015 Taka
Audit fee	450,000	450,000
Chittagong Palli Bidyut Samity -1	11,938,096	8,660,658
Karnaphuli Gas Distribution Co. Ltd.	804,622	828,534
Salary and Allowances	256,573	7,407,487
Telephone and Mobile charges	19,513	19,859
Liason Office Rent and Expenses	22,677	6,718
Against C & F	147,202	109,280
Advertisement bills	-	11,385
Transportation	732,550	241,500
Karnaphuli Filling Station Limited	347,930	173,565
Against store and spare	9,012,232	733,998
Sundry Creditors	114,422	2,557,566
	23,845,817	21,200,550

17 Advance against Sales

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

	8,782,517	35,282,776
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18 Due to Affiliated Companies

	145,926,483	719,642,886
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19 Long Term Loan-Current Portion

These represent current portion of long term loans from financial institutions which are repayable within next twelve months from 01 July, 2016 and consist of as follows:

Term loan - note 19	262,816,000	262,816,000
	262,816,000	262,816,000

19.01 Term Loan (Payment within one year)- note 19

Rupali Bank Limited		
Term Loan Account No - 690000102	208,816,000	208,816,000
Term Loan Account No - 690000143	54,000,000	54,000,000
	262,816,000	262,816,000

20 Liability against unclaimed dividend

Opening Balance	25,648,553	29,098,091
Dividend declared during the year	147,556,650	147,556,650
	173,205,203	176,654,741
Dividend paid	(144,963,052)	(151,006,188)
Closing Balance	28,242,151	25,648,553

The break up of unclaimed dividend is given below:

Unclaimed dividend on Ordinary Share	26,742,134	24,148,004
Unclaimed dividend on Convertible Preference Share	1,500,017	1,500,549
	28,242,151	25,648,553

	30 June 2016 Taka	30 Sept 2015 Taka	
21 Provision for Income Tax			
For Current Tax - note 21.1	152,630,993	153,408,449	
For Deferred Tax - note 21.2	303,906,811	299,251,677	
	<u>456,537,804</u>	<u>452,660,126</u>	
21.1 Provision for Current Tax - note 21			
Opening Balance	153,408,449	151,963,545	
Provision made during the year	2,500,000	5,000,000	
	155,908,449	156,963,545	
Adjusted during the year - note 21.1.1	(3,277,456)	(3,555,096)	
Closing Balance	<u>152,630,993</u>	<u>153,408,449</u>	
21.1.1 Adjusted during the year - note 21.1			
Tax paid in cash	3,277,456	1,000,000	
Adjusted with Advance Income Tax	-	2,555,096	
	<u>3,277,456</u>	<u>3,555,096</u>	
21.2 Provision for Deferred Tax - note 21			
Opening Balance	299,251,677	300,586,220	
Provision made during the year	4,655,134	-	
	303,906,811	300,586,220	
Provision realized during the year	-	(1,334,543)	
Closing balance	<u>303,906,811</u>	<u>299,251,677</u>	
	Carrying Amount (Taka)	Tax Base (Taka)	Taxable / (Deductible) Temporary Difference (Taka)
A. Deferred Tax Liability			
As on 30 June 2016:			
Property, Plant and Equipment (Except Land)	1,732,910,220	517,282,978	1,215,627,242
Applicable Tax Rate			25%
			<u>303,906,811</u>
B. Deferred Tax Liability			
As on 30 September 2015:			
Property, Plant and Equipment (Except Land)	1,801,538,933	604,532,224	1,197,006,709
Applicable Tax Rate			25%
			<u>299,251,677</u>
Provision made/(Realized) during the year (A-B)			4,655,134
		30 June 2016 Taka	30 Sept 2015 Taka
22 Provision for Workers' Profit Participation & Welfare Fund (WPP & WF)			
Opening Balance		62,015,052	53,799,970
Accrued interest on WPP and WF		6,333,755	7,418,283
Provided during the year @ 5% on net profit before tax		6,114,998	6,831,624
		12,448,753	14,249,907
		74,463,805	68,049,877
Paid during the year		(5,860,981)	(6,034,825)
Provision transferred/ adjusted during the year		6,220,051	-
Closing Balance		<u>74,822,875</u>	<u>62,015,052</u>
23 Other Liabilities			
Income Tax deducted at source from salary		277,314	125,800
Income Tax deducted at source-others		30,724	896,013
Against Right share application		24,000	24,000
Against share application money (IPO)		374,455	374,455
VAT deducted at source		48,026	208,637
WPP and Welfare Fund		6,904,333	13,124,384
		<u>7,658,852</u>	<u>14,753,289</u>

	30 June 2016 Taka	(Restated) 30 June 2015 Taka	30 Sept 2015 Taka
24 Revenue			
Sales of CR Coil-Net of VAT	1,798,390,874	2,500,277,481	3,141,554,866
Sale of C.I Sheet-Net of VAT	882,226,559	599,311,184	830,842,883
Sale of G.P Sheet-Net of VAT	24,027,628	20,357,000	29,184,735
Sale of Scrap-Net of VAT	131,355,051	163,873,588	192,544,930
	2,836,000,112	3,283,819,253	4,194,127,414
25 Cost of Sales			
Opening Stock of Raw Materials (note 25.01 to 25.08)	1,519,290,973	985,852,657	985,852,657
Purchased during the year (note 25.01 to 25.08)	3,300,929,183	3,360,679,053	3,857,592,524
	4,820,220,156	4,346,531,710	4,843,445,181
Closing Stock of Raw Materials (note 25.01 to 25.08)	(2,604,498,008)	(1,634,095,686)	(1,519,290,973)
Cost of raw materials consumed	2,215,722,148	2,712,436,024	3,324,154,208
Add: Manufacturing Expenses:			
Power (Electricity)	108,269,099	91,128,517	121,015,186
Gas	7,675,436	6,630,772	8,900,798
Fuel and Lubricants- Factory Generator	1,437,440	625,600	1,169,600
Factory overhead (note - 25.09)	86,151,261	63,662,807	96,593,558
Consumption of Stores and Spares	23,822,705	30,327,269	41,419,505
Consumption of Packaging materials	1,258,874	2,440,262	2,175,795
Consumption of other chemicals	162,125	239,234	698,400
Depreciation (note- 5.01)	55,140,803	49,073,108	65,123,782
	283,917,743	244,127,569	337,096,624
Cost of Goods Manufactured	2,499,639,891	2,956,563,593	3,661,250,832
Add: Opening stock of WIP (CR)	136,643,540	140,337,132	140,337,132
Opening stock of WIP (NOF)	40,364,292	11,965,600	11,965,600
Less: Closing stock of WIP (CR)	84,264,712	186,071,980	136,643,540
Closing stock of WIP (NOF)	74,686,783	35,896,742	40,364,292
	2,517,696,228	2,886,897,603	3,636,545,732
Add: Opening stock of Finished Goods (CR)	46,987,715	22,832,199	22,832,199
Opening stock of Finished Goods (NOF)	259,865,112	430,259,792	430,259,792
Less: Closing stock of Finished Goods (CR)	29,360,498	26,495,436	46,987,715
Closing stock of Finished Goods (NOF)	265,678,877	429,273,323	259,865,112
Cost of sales	2,529,509,680	2,884,220,835	3,782,784,896
25.01 Raw Materials Consumed - H.R Coil			
Opening Stock of raw materials	283,485,652	222,368,090	222,368,090
Add: Purchased during the year	2,883,625,012	2,848,028,319	3,216,163,015
	3,167,110,664	3,070,396,409	3,438,531,105
Less: Closing Stock of Raw Materials	1,209,464,300	515,573,075	283,485,652
Cost of raw materials consumed	1,957,646,364	2,554,823,334	3,155,045,453
25.02 Raw Materials Consumed - Hydrochloric Acid			
Opening Stock of raw materials	32,528,953	29,747,324	29,747,324
Add: Purchased during the year	8,441,068	6,608,000	10,072,321
	40,970,021	36,355,324	39,819,645
Less: Closing Stock of raw materials	35,400,625	30,301,321	32,528,953
Consumption of Hydrochloric Acid	5,569,396	6,054,003	7,290,692
25.03 Raw Materials Consumed - TIN Ingot			
Opening Stock of raw materials	91,579,405	58,870,603	58,870,603
Add: Purchased during the year	-	35,319,270	35,512,846
	91,579,405	94,189,873	94,383,449
Less: Closing Stock of raw materials	86,666,131	91,390,238	91,579,405
Consumption of TIN Ingot	4,913,274	2,799,635	2,804,044
25.04 Raw Materials Consumed - ZINC Ingot			
Opening Stock of raw materials	1,016,225,023	578,946,005	578,946,005
Add: Purchased during the year	391,003,973	459,944,291	585,406,848
	1,407,228,996	1,038,890,296	1,164,352,853
Less: Closing Stock of raw materials	1,169,596,176	900,379,890	1,016,225,023
Consumption of ZINC Ingot	237,632,820	138,510,406	148,127,830
25.05 Raw Materials Consumed - LEAD Ingot			
Opening Stock of raw materials	78,629,014	78,931,075	78,931,075
Add: Purchased during the year	-	-	-
	78,629,014	78,931,075	78,931,075
Less: Closing Stock of raw materials	78,210,057	78,644,912	78,629,014
Consumption of Lead Ingot	418,957	286,163	302,061
25.06 Raw Materials Consumed - ZINC Alloy			
Opening Stock of raw materials	5,508,136	12,944,176	12,944,176
Add: Purchased during the year	16,634,130	-	-
	22,142,266	12,944,176	12,944,176
Less: Closing Stock of raw materials	14,194,721	5,982,110	5,508,136
Consumption of ZINC Alloy	7,947,545	6,962,066	7,436,040
25.07 Raw Materials Consumed - Antimony Ingot			
Opening Stock of raw materials	566,295	3,234,738	3,234,738
Add: Purchased during the year	-	-	-
	566,295	3,234,738	3,234,738
Less: Closing Stock of raw materials	-	736,196	566,295
Consumption of Antimony Ingot	566,295	2,498,542	2,668,443

	30 June 2016 Taka	(Restated) 30 June 2015 Taka	30 Sept 2015 Taka
25.08 Raw Materials Consumed - Chromic Acid			
Opening Stock of raw materials	10,768,495	810,646	810,646
Add: Purchased during the year	1,225,000	10,779,173	10,437,494
	11,993,495	11,589,819	11,248,140
Less: Closing Stock of raw materials	10,965,998	11,087,944	10,768,495
Consumption of Chromic Acid	1,027,497	501,875	479,645
25.09 Factory Overhead			
Salaries and allowances	57,433,032	48,257,903	73,389,568
Insurance expenses	8,831,502	4,516,709	6,479,265
Medical expenses	166,334	375,536	518,663
Labour charges	138,318	75,218	146,068
Repairs and Maintenance	11,464,628	5,635,969	8,478,497
Carrying charges-raw materials	2,422,763	151,235	1,204,290
Uniform and liveries	104,909	9,230	9,230
Transportation	2,169,497	1,365,000	2,250,804
Printing & stationery	223,650	194,468	254,901
Canteen expenses-Factory	390,182	376,266	400,254
Telephone and Internet charges	151,129	275,812	325,913
Miscellaneous expenses	872,320	1,084,770	1,350,760
Registration and renewal	657,272	272,339	324,939
Rent, rates and taxes	14,509	2,000	20,000
Travelling and conveyance expenses	72,467	99,573	127,865
Vehicle maintenance	1,038,749	531,444	873,206
Lease rent expenses	-	439,335	439,335
	86,151,261	63,662,807	96,593,558
26 Selling and Distribution Costs			
Advertisement	1,968,588	11,288,684	11,388,684
	1,968,588	11,288,684	11,388,684
27 Administrative Costs			
Salaries and allowances	15,623,003	12,986,852	20,268,631
Depreciation (note-5.01)	18,380,268	16,357,703	21,707,927
Donation and subscriptions	2,654,715	11,925,744	13,759,174
Canteen expenses	419,428	345,390	706,540
Fees and renewals	1,119,381	598,374	611,803
Guest house expenses	603,510	511,050	698,580
Legal and professional expenses	990,000	103,500	171,000
Liaison office expenses	73,510	55,491	95,124
Office maintenance expenses	285,611	449,776	596,009
Liaison office rent	299,700	283,500	378,000
Office decoration	60,990	48,000	72,000
Stationery expenses	350,190	337,665	410,147
Registration and renewal	540,008	535,956	594,056
Rent, rates and taxes	138,250	131,665	175,553
Telephone and e-mail expenses	157,454	130,357	192,510
Travelling and conveyance expenses	189,037	163,183	222,938
Vehicle maintenance	1,508,382	1,060,225	1,299,642
Management meeting and conference	2,120,002	1,997,584	2,073,139
Electricity expenses	174,061	71,479	250,686
Miscellaneous expenses	1,184,411	1,537,970	1,531,970
Insurance expenses	3,180,926	-	3,623,826
Audit fees	450,000	-	450,000
	50,502,837	49,631,464	69,889,255
28 Other Income			
Profit on sale of fixed assets	286,158	-	1,045,444
Miscellaneous income	362,776	340,776	340,776
	648,934	340,776	1,386,220
29 Finance Costs			
Bank charges	438,520	1,891,712	411,993
Interest on Cash Credit (Hypo)	26,086,094	23,871,497	32,453,616
Interest on Cash Credit (Pledge)	32,783,757	29,955,527	40,685,303
Interest on Term loan	75,204,670	104,921,182	136,212,070
Interest on WPP & WF	6,333,755	-	7,418,283
Bank guarantee commission	6,868,659	4,725,781	6,760,453
	147,715,455	165,365,699	223,941,718
30 Finance Income			
Interest income from MTDR and MDSS	6,777,337	8,141,119	10,391,968
Interest on STD/SND	201,981	147,029	147,035
Interest income from FDR	3,716,341	12,726,083	13,151,331
	10,695,659	21,014,231	23,690,334
31 Basic Earnings Per Share (EPS)			
Profit attributable to the ordinary shareholders	105,773,546	135,774,788	122,332,255
Number of shares outstanding during the year	98,371,100	98,371,100	98,371,100
Basic Earnings Per Share (EPS)	1.08	1.38	1.23

32 Net Asset Value Per Share (NAV)

	30 June 2016 Taka	30 Sept 2015 Taka
Total Assets	11,914,526,530	12,208,777,454
Less: Total Liabilities	10,002,311,920	10,254,779,740
Net Asset Value (NAV)	1,912,214,610	1,953,997,714
Number of ordinary shares outstanding during the year	98,371,100	98,371,100
Net Asset Value Per Share (NAV)	19.44	19.86

33 Net Operating Cash Flow Per Share

Cash flows from operating activities	673,977,364	(1,914,964,653)
Number of shares outstanding during the year	98,371,100	98,371,100
Net Operating Cash Flow Per Share	6.85	(19.47)

34 Contingent Liabilities

The company had the following contingent liabilities at the reporting date:

Particulars	Amount (Tk.)	Present status
Penalty imposed by VAT Authority in 2011	35,000,000	Pending before the VAT Appellate Tribunal for verdict.

No provision has been made on the reporting date against above contingent liabilities as outcome of the above pending cases are uncertain.

35 Quantitative Movement of Inventories**35.01 Raw Materials:****Opening Stock of Raw Materials**

	30 June 2016 M.Ton	30 Sept 2015 M.Ton
H.R Coil	4,231.69	3,117.34
Hydrochloric Acid	4,798.84	4,277.51
TIN Ingot	44.53	25.86
ZINC Ingot	4,125.45	2,419.52
LEAD Ingot	336.32	337.61
ZINC Alloy	24.27	57.02
Antimony Ingot	0.45	2.59
Chromic Acid	24.93	3.36
	13,586.48	10,240.81

Add: Purchased during the year

H.R Coil	67,528.69	49,180.25
Hydrochloric Acid	1,257.93	1,596.28
TIN Ingot	-	20.00
ZINC Ingot	2,009.13	2,311.35
LEAD Ingot	-	-
ZINC Alloy	72.18	-
Antimony Ingot	-	-
Chromic Acid	5.00	23.00
	70,872.93	53,130.88
Raw materials available for consumption	84,459.41	63,371.69

Less: Raw Materials Consumed

H.R Coil	40,511.34	48,065.90
Hydrochloric Acid	815.12	1,074.95
TIN Ingot	2.39	1.33
ZINC Ingot	1,016.06	605.42
LEAD Ingot	1.79	1.29
ZINC Alloy	35.52	32.75
Antimony Ingot	0.45	2.14
Chromic Acid	2.39	1.43
	42,385.06	49,785.21

Closing Stock of Raw Materials

H.R Coil	31,249.04	4,231.69
Hydrochloric Acid	5,241.65	4,798.84
TIN Ingot	42.14	44.53
ZINC Ingot	5,118.52	4,125.45
LEAD Ingot	334.53	336.32
ZINC Alloy	60.93	24.27
Antimony Ingot	-	0.45
Chromic Acid	27.54	24.93
	42,074.35	13,586.48

35.02 **Finished Goods:**

A. In Cold Rolled Plant

Opening stock		
Add: Produced during the year		
Less: Transferred to NOF plant during the year		
Available for sale		
Less: Sold during the year		
Closing stock		

B. In NOF Plant

Opening stock		
Add: Produced during the year		
Available for sale		
Less: Sold during the year		
Closing stock		

	30 June 2016 M.Ton	30 Sept 2015 M.Ton
	642	281
	37,166	43,117
	37,808	43,398
	12,923	7,145
	24,885	36,253
	24,349	35,611
	536	642
	2,728	4,646
	11,954	7,123
	14,682	11,769
	12,015	9,041
	2,667	2,728

36 **Guarantees**

The following Bank guarantees were outstanding on the reporting date:

Bank Guarantee Against Karnaphuli Gas Distribution Co. Ltd.	2,392,300	2,310,400
Deposit to Customs Authority against duty claim under appeal	59,877,607	16,714,814
Bank Guarantee Against Customs Authority under Bond	171,909,702	521,794,706
	234,179,609	540,819,920

37 **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

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 analyse 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.

37.01 **Credit risk**

Credit risk is risk of financial loss if a customer fails to meet its contractual obligations which arises principally from the Company's receivables from customers and investment in securities.

37.01.01 **Exposure to credit risk**

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

	30 June 2016 Taka	30 Sept 2015 Taka
Accounts Receivables	2,594,100,454	2,994,166,151
Cash and Cash Equivalents	9,173,888	4,769,541
	2,603,274,342	2,998,935,692

(a) **Trade receivables**

The company's management has not 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.

Ageing of trade and other receivables

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

	30 June 2016 Taka	30 Sept 2015 Taka
0-90 days	-	-
91- 180 days	648,525,114	170,197,567
Over 180 days	1,945,575,341	2,821,581,379
	2,594,100,454	2,991,778,946

(b) **Cash and cash equivalents**

The company held cash and cash equivalents of Tk. 9,173,888 at 30 June 2016 (2015: Tk. 4,769,541), which represents its minimum credit exposure on these assets. The balance with banks are maintained with local branch of domestic scheduled banks.

37.02 Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations affiliated with its financial liabilities that are settled by delivering cash. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The following are the contractual maturities of financial liabilities:

	2 to 12 months	Contractual cash flows	Carrying amount
Non-derivative financial liabilities:			
As at 30 June 2016			
Trade creditors	1,657,636,351	1,657,636,351	1,657,636,351
Liabilities for expenses	23,845,817	23,845,817	23,845,817
Other liabilities	7,658,852	7,658,852	7,658,852
	1,689,141,020	1,689,141,020	1,689,141,020
As at 30 September 2015			
Trade creditors	1,551,984,506	1,551,984,506	1,551,984,506
Liabilities for expenses	21,200,550	21,200,550	21,200,550
Other liabilities	14,753,289	14,753,289	14,753,289
	1,587,938,345	1,587,938,345	1,587,938,345

37.03 Market risk

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

37.03.01 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 30 June 2016, the Company was exposed to foreign currency risk in respect of financial liabilities denominated in the following currencies:

	30 June 2016		30 Sept 2015	
	US\$	Taka	US\$	Taka
Exposure to currency risk				
Foreign currency denominated assets:				
Trade receivables	-	-	-	-
Foreign currency denominated liabilities:				
Liabilities for expenses (L/C liability)	18,769,927	1,484,015,039	14,745,461	1,124,238,215
	18,769,927	1,484,015,039	14,745,461	1,124,238,215
Net exposure	18,769,927	1,484,015,039	14,745,461	1,124,238,215

The following significant exchange rate is applied during the year:

U S dollar	79.06	76.24
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A change of 10 basis points in foreign currencies would have increased/(decreased) equity and profit or loss of the company by Taka 18,769,927

37.03.02 Transaction risk

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

37.03.03 Economic risk

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

37.03.04 Interest risk

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

38 Operating Segments:

The company has two reportable segments, as described below which are the company's strategic divisions. These strategic divisions offer different products and are managed separately because they require different technology and marketing strategies. The following summary describes the operation in each of the company's reportable segments.

- i) Cold Rolled Strips: Includes purchasing of hot roll and manufacturing and distribution of CR Strips.
- ii) Near-Ordnite Furnace (NOF): Includes purchasing of CR Strips and manufacturing and distribution of CI and GP Sheets.
- iii) Power: Includes generally and distribution of electricity. The division did not commence its operation yet.

Information about reportable segments	30 June 2016			30 June 2015			30 September 2015					
	Cold Rolled Taka	NOF Taka	Power Taka	Total Taka	Cold Rolled Taka	NOF Taka	Power Taka	Total Taka	Cold Rolled Taka	NOF Taka	Power Taka	Total Taka
External Revenues:												
Local Sales	1,798,390,874	906,154,187	-	2,704,545,061	2,500,277,481	619,668,184	-	3,119,945,665	3,141,554,866	860,027,618	-	4,001,582,484
Scrap Sales	114,783,202	16,571,849	-	131,355,051	129,995,384	34,478,204	-	163,873,588	146,849,804	45,095,126	-	192,544,930
Total External Sales and Reportable Segment Revenue	1,913,174,076	922,826,036	-	2,836,000,112	2,629,672,865	654,146,388	-	3,283,819,253	3,288,404,670	905,722,744	-	4,194,127,414
Cost of sales	1,686,329,344	843,302,256	-	2,529,529,600	2,314,380,879	569,639,996	-	2,884,220,875	2,999,251,712	823,513,184	-	3,782,764,896
Gross Profit	226,844,692	79,525,740	-	306,495,432	315,092,026	84,506,392	-	399,598,418	329,152,958	82,189,560	-	411,342,518
% of Gross Profit before Tax	11.86	8.62	-	10.81	11.98	12.92	-	12.17	10.01	9.07	-	9.81
Reportable Segment Profit before Tax	44,389,078	71,795,876	(4,651,807)	111,533,147	198,015,071	77,855,001	(965,129)	194,884,943	75,371,091	54,429,771	(5,433,071)	124,367,791
Other income	291,730	-	357,224	648,954	1,176	-	339,600	340,776	1,046,620	-	339,600	1,386,220
Finance income	10,695,659	-	-	10,695,659	21,014,231	-	-	21,014,231	23,680,334	-	-	23,680,334
Finance costs	147,709,104	-	6,351	147,715,455	165,946,860	-	18,839	165,965,699	223,922,187	-	19,531	223,941,718
Depreciation & Amortisation	57,776,537	15,404,534	-	73,181,071	57,408,994	8,021,817	-	65,430,811	76,188,533	10,643,176	-	86,831,709
Share of Profit / (Loss) of Non-Controlling Interest - Net of Tax	-	-	(1,395,533)	(1,395,533)	-	-	-	-	-	-	(1,629,921)	(1,629,921)
Reportable Segment Assets	6,894,440,424	2,648,561,000	2,371,525,096	11,914,526,520	11,907,719,152	2,496,865,349	2,245,186,978	16,649,765,499	10,655,701,028	2,594,516,989	2,229,714,036	15,489,932,053
Capital Expenditure	4,641,200	245,000	138,119,178	143,005,378	1,200,456	-	129,378,713	135,659,169	13,200,456	161,417,560	233,351,155	408,049,191
Reportable Segments Liabilities	8,635,817,272	1,494,489	1,231,101,063	9,868,612,794	12,742,865,678	6,248,145	1,797,574,717	14,546,588,540	12,171,414,761	2,955,529	1,191,716,121	13,366,086,391

38.01 Reconciliation of Reportable Segments - note 38

Liabilities

Total Liabilities for reportable segments
Add: others Liabilities
Total liabilities

30 June 2016 Taka	30 Sept 2015 Taka
9,868,612,794	13,366,086,391
7,658,852	14,753,289
9,876,271,646	13,380,839,680

39 Production Capacity

SACRSL Plant:

Installed Capacity (In M.Ton) for 9 months on 30 June 2016

Actual Equivalent Production-0.090mm to 0.420mm (In M.Ton)

Capacity utilised (%)

30 June 2016 M.Ton	30 Sept 2015 M.Ton
90,000	120,000
78,504.86	94,200.60
87.220%	78.50%

NOF Plant:

Installed Capacity (In M.Ton) for 9 months on 30 June 2016

Actual Equivalent Production-0.090mm to 0.420mm (In M.Ton)

Capacity utilised (%)

54,000	72,000
14,634.74	8,499.79
27.101%	11.81%

Number of Employees - Para 3 of Schedule XI, Part II

Salary Range (Monthly)	Head Office		Factory				Total Number of Employees
	Officer	Staff	Casual	Officer	Staff	Worker	
For the year ended 30 June 2016	19	6	10	75	34	230	374
Below 3,000	-	-	-	-	-	-	-
From Tk 3,000 thru Tk 5,300	-	-	-	-	-	-	-
From Tk 5,300 thru Tk 15,000	-	6	10	4	-	230	250
Above 15,000	19	-	-	71	34	-	124
For the year ended 30 September 2015	17	9	9	76	31	220	362

40 Attendance Status of Board Meeting of Directors and Honorarium

During the year ended 30 June 2016, there were 4(Four) Board meetings held. The attendance status of all the meetings and honorarium of directors are as follows:

SL	Name of the Directors	Position	Meeting Held	Attendance	Honorarium per Attendance in First Meeting	Honorarium per Attendance in 2nd meeting to 4th meeting	Total Honorarium
1	Mr. Mohammad Saiful Alam	Managing Director	4	2	5,000	8,000	13,000
2	Mr. Abdus Samad	Chairman	4	4	5,000	8,000	29,000
3	Mr. Osman Gani	Director	4	4	5,000	8,000	29,000
4	Mr. Nasir Uddin Ahmed, FCMA	Director (ICB Nominee)	4	3	5,000	8,000	21,000
5	Ms. Halima Begum	Director (General Investors' Group)	4	3	5,000	8,000	21,000
6	Mr. Mohammad Ishaque	Independent Director	4	4	5,000	8,000	29,000
7	Mr. Monotosh Chandra Roy, FCA	Independent Director	4	4	5,000	8,000	29,000

41 Capital Commitment

There are capital expenditure commitment for Tk. 0.20 crore in respect of Balance of the Plant (BOP) against capital machinery.

42 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 and balances as on reporting date have been set in accordance with the provisions of BAS-24.

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

Name of parties	Relationship	Nature of Transactions	Outstanding as on 30 June 2016	
Chemon Ispat Limited	Affiliated Company	Sales and Short term Loan	2,280,719,431	Dr
S. Alam Steels Ltd.	Affiliated Company and Share Holder	Sales and Short Term Loan	297,280,870	Dr
S. Alam Trading Co. (Pvt) Ltd.	Affiliated Company	Short Term Loan	979,745,987	Dr
S. Alam Super Edible Oil Ltd.	Affiliated Company	Short Term Loan	65,494,163	Dr
S. Alam Vegetable Oil Ltd.	Affiliated Company and Share Holder	Short Term Loan	47,662,913	Dr
S. Alam & Co.	Affiliated Company	Short Term Loan	93,069,000	Dr
S. Alam Brothers Limited	Affiliated Company	Short Term Loan	94,972,737	Dr
Global Trading Corporation Ltd.	Affiliated Company	Short Term Loan	1,482,461,418	Dr
Sonali Traders	Affiliated Company	Short Term Loan	191,995,455	Dr
S. Alam Refined Sugar Industries Ltd.	Affiliated Company	Short Term Loan	1,319,867,668	Cr
Annex Business Corner	Affiliated Company	Short Term Loan	230,000,000	Cr
Learned Business House	Affiliated Company	Short Term Loan	190,000,000	Cr
Renown Business & Trading House	Affiliated Company	Short Term Loan	152,500,000	Cr
Rainbow Corporation	Affiliated Company	Short Term Loan	43,000,000	Cr
Jashim Trading Corporation	Affiliated Company	Short Term Loan	125,936,979	Cr
Ansar Enterprise	Affiliated Company	Short Term Loan	285,000,000	Cr
Sunbeam Traders	Affiliated Company	Short Term Loan	96,700,000	Cr
Fancy Fare Corporation	Affiliated Company	Short Term Loan	75,000,000	Cr
Dulari Enterprise	Affiliated Company	Short Term Loan	86,950,000	Cr
MLM Corporation	Affiliated Company	Short Term Loan	81,000,000	Cr
Nabit Trading	Affiliated Company	Short Term Loan	44,000,000	Cr
Tayub & Brothers	Affiliated Company	Short Term Loan	55,600,000	Cr
United Super Traders	Affiliated Company	Short Term Loan	31,569,553	Cr
Zinnah Corporation	Affiliated Company	Short Term Loan	77,575,000	Cr
Unique Trade & Business House	Affiliated Company	Short Term Loan	44,400,000	Cr
Enovation Trade	Affiliated Company	Short Term Loan	30,000,000	Cr
Others receivable (with balance less than 3 crore)	Affiliated Company	Short Term Loan	24,108,423	Dr
Others payable (with balance less than 3 crore)	Affiliated Company	Short Term Loan	192,759,485	Cr

43 Events After The Reporting Period

The Board of Directors in their meeting held on 01 October 2016 recommended 10% Cash dividend for the period ended from 01 October 2015 to 30 June 2016.

44 GENERAL

Figures appearing in these accounts have been rounded off to the nearest taka.

Previous year's phrases & amounts have been restated and re-arranged, wherever considered necessary, to conform to the presentation for the period under review.

These financial statements should be read in conjunction with the annexed notes and were approved by the Board of Directors on 01.10.2016 and were signed on its behalf by :


COMPANY SECRETARY


DIRECTOR


MANAGING DIRECTOR

Hoda Vasi Chowdhury & Co
Chartered Accountants

**INDEPENDENT AUDITOR'S REPORT
TO THE SHAREHOLDERS OF
S. ALAM COLD ROLLED STEELS LIMITED**

Report on the Financial Statements

We have audited the accompanying financial statements of S. Alam Cold Rolled Steels Limited which comprise the statement of financial position as at 30 June 2016, and the statement of Profit or Loss and other comprehensive income, statement of changes in equity and statement of cash flows for the period 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, the Securities and Exchange 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 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 prepared in accordance with Bangladesh Accounting Standard (BAS) & Bangladesh Financial Reporting Standards (BFRS), give a true and fair view of the state of the company's affairs as at 30 June 2016 and of the results of its operations and its cash flows for the period then ended and comply with the Companies Act 1994, the Securities and Exchange Rules 1987 and other applicable laws and regulations.

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

- (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 and returns;
- (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, 01 October 2016

Hoda Vasi Chowdhury & Co
Chartered Accountants
HVC

S.ALAM COLD ROLLED STEELS LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2016

	Note(s)	30 June 2016 Taka	30 Sept 2015 Taka
ASSETS & PROPERTIES			
NON CURRENT ASSETS & PROPERTIES			
Property, Plant and Equipment	5	1,801,934,127	1,870,562,840
Capital Work-In-Progress	6	-	105,000
Investment	7	277,357,000	277,357,000
CURRENT ASSETS			
Inventories	8	4,354,860,497	4,362,337,400
Accounts Receivables	9	2,594,100,454	2,994,166,151
Advances, Deposits and Prepayments	10	736,052,801	602,368,086
Short Term Investment	11	47,060,235	145,432,564
Short Term Loan to Subsidiary Companies	12	701,030,276	677,349,808
Cash and Cash Equivalents	13	8,993,319	4,091,375
TOTAL ASSETS & PROPERTIES		10,521,388,709	10,933,770,224
SHAREHOLDERS' EQUITY & LIABILITIES			
SHAREHOLDERS' EQUITY			
Share Capital	14	983,711,000	983,711,000
Share Premium		433,930,746	433,930,746
Retained Earnings		466,235,232	504,762,062
NON-CURRENT LIABILITIES			
Long Term Loan	15	379,374,435	562,539,765
Deferred Tax Liabilities	23.2	303,906,811	299,251,677
CURRENT LIABILITIES			
Trade Creditors	16	1,657,636,351	1,551,984,506
Short Term Liabilities	17	5,611,975,936	5,323,834,649
Liabilities for Expenses	18	23,681,395	18,531,509
Advance against Sales	19	8,782,517	35,282,776
Due to Affiliated Companies	20	141,173,063	718,532,385
Current Portion of Long Term Loan	21	262,816,000	262,816,000
Liability against Unclaimed Dividend	22	28,242,151	25,648,553
Provision for Income Tax	23.1	137,463,845	136,530,905
Provision for Workers' Profit Participation & Welfare Fund	24	74,822,875	62,015,052
Other Liabilities	25	7,636,352	14,398,639
TOTAL SHAREHOLDERS' EQUITY & LIABILITIES		10,521,388,709	10,933,770,224
Net Asset Value Per Share	34	19.15	19.54
Contingent Liabilities and Commitments	36 & 43		

These financial statements should be read in conjunction with the annexed notes
and were approved by the Board of Directors on 01.10.2016
and were signed on its behalf by:


COMPANY SECRETARY


DIRECTOR


MANAGING DIRECTOR

Signed in terms of our separate report of even date annexed

Chittagong, 01 October 2016


Chartered Accountants



S.ALAM COLD ROLLED STEELS LIMITED
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE PERIOD ENDED 01 OCTOBER TO 30 JUNE 2016

	Note(s)	30 June 2016 Taka	(Restated) 30 June 2015 Taka	30 Sept 2015 Taka
Revenue	26	2,836,000,112	3,283,819,253	4,194,127,414
Cost of sales	27	<u>(2,529,509,680)</u>	<u>(2,884,220,835)</u>	<u>(3,782,784,896)</u>
Gross Profit		306,490,432	399,598,418	411,342,518
Selling and distribution costs	28	<u>(1,968,588)</u>	<u>(11,288,684)</u>	<u>(11,388,684)</u>
Administrative costs	29	<u>(45,500,177)</u>	<u>(48,325,574)</u>	<u>(64,136,115)</u>
		<u>(47,468,765)</u>	<u>(59,614,258)</u>	<u>(75,524,799)</u>
Operating Profit		259,021,667	339,984,160	335,817,719
Finance costs	31	<u>(147,709,104)</u>	<u>(165,346,860)</u>	<u>(223,922,187)</u>
Profit before Non- operating Income		111,312,563	174,637,300	111,895,532
Other income	30	291,730	1,176	1,046,620
Finance income	32	10,695,659	21,014,231	23,690,334
Net Profit before tax and WPP and Welfare Fund		122,299,952	195,652,707	136,632,486
Contribution to WPP and Welfare Fund	24	<u>(6,114,998)</u>	<u>(9,782,635)</u>	<u>(6,831,624)</u>
Profit before income tax		116,184,954	185,870,072	129,800,862
Income tax expenses:				
Current Tax:				
Current year	23.1	<u>(2,500,000)</u>	<u>(49,410,779)</u>	<u>(5,000,000)</u>
Deferred tax	23.2	<u>(4,655,134)</u>	<u>-</u>	<u>1,334,543</u>
		<u>(7,155,134)</u>	<u>(49,410,779)</u>	<u>(3,665,457)</u>
Net profit after tax for the year		<u>109,029,820</u>	<u>136,459,293</u>	<u>126,135,405</u>
Basic Earnings Per Share	33	<u>1.11</u>	<u>1.39</u>	<u>1.28</u>

These financial statements should be read in conjunction with the annexed notes
and were approved by the Board of Directors on 01.10.2016
and were signed on its behalf by:


COMPANY SECRETARY


DIRECTOR


MANAGING DIRECTOR

Signed in terms of our separate report of even date annexed


Chittagong, 01 October 2016


Chartered Accountants


S.ALAM COLD ROLLED STEELS LIMITED
STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED 01 OCTOBER TO 30 JUNE 2016

	Note(s)	30 June 2016 Taka	30 Sept 2015 Taka
Cash flows from operating activities			
Cash received from customers		3,209,565,550	2,890,617,436
Cash paid to suppliers		(2,292,114,236)	(4,499,416,979)
Cash paid to employees		(77,705,250)	(91,303,828)
Cash paid for operating expenses		(16,688,220)	(39,544,729)
Payment of income tax		(134,465,045)	(149,599,212)
Payment for WPP&WF		(5,860,981)	(6,034,825)
Net cash inflow/(outflow) from operating activities (A)		682,731,818	(1,895,282,137)
Cash flows from investing activities			
Capital work-in-progress		105,000	161,312,580
Acquisition of property, plant and equipment		(4,991,200)	(162,698,036)
Proceeds from sale of property, plant and equipment		385,000	3,537,205
Short term loan to subsidiary companies		(23,680,468)	872,250,662
Investment in fixed deposit receipt		98,372,329	(30,915,642)
Interest received from fixed deposit receipt		10,701,231	23,691,510
Net cash Inflow/(outflow) from investing activities (B)		80,891,892	867,178,279
Cash flows from financing activities			
Proceeds from / (Repayment of) long term loan		(183,165,330)	(260,891,930)
Proceeds / (Repayment of) from short term loan		288,141,287	995,071,992
Proceeds from / (Repayment to) affiliated companies		(577,359,322)	662,354,003
Dividend paid		(144,963,052)	(151,006,188)
Cash paid for financial expenses		(141,375,349)	(216,503,904)
Net cash inflow/(outflow) from financing activities (C)		(758,721,766)	1,029,023,973
Net increase/(decrease) of cash and cash equivalents for the year (A+B+C)		4,901,944	920,115
Cash and cash equivalents at the beginning of the year		4,091,375	3,171,260
Cash and cash equivalents at the end of the year		8,993,319	4,091,375
Net Operating Cash Flow Per Share	35	6.94	(19.27)

These financial statements should be read in conjunction with the annexed notes
and were approved by the Board of Directors on 01.10.2016
and were signed on its behalf by:


COMPANY SECRETARY


DIRECTOR


MANAGING DIRECTOR

S.ALAM COLD ROLLED STEELS LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 01 OCTOBER TO 30 JUNE 2016

Particulars	Share Capital	Share Premium	Retained Earnings	Total
	Taka	Taka	Taka	Taka
Balance as on 01 October 2015	983,711,000	433,930,746	504,762,062	1,922,403,808
Cash dividend declared for the year 2015	-	-	(147,556,650)	(147,556,650)
Net Profit after tax for the year 2016	-	-	109,029,820	109,029,820
Balance as on 30 June 2016	983,711,000	433,930,746	466,235,232	1,883,876,978
Balance as on 01 October 2014	983,711,000	433,930,746	526,183,307	1,943,825,053
Cash dividend declared for the year 2014	-	-	(147,556,650)	(147,556,650)
Net Profit after tax for the year 2015	-	-	126,135,405	126,135,405
Balance as on 30 September 2015	983,711,000	433,930,746	504,762,062	1,922,403,808

These financial statements should be read in conjunction with the annexed notes
and were approved by the Board of Directors on 01.10.2016
and were signed on its behalf by:

Shukla


COMPANY SECRETARY


DIRECTOR


MANAGING DIRECTOR

S.ALAM COLD ROLLED STEELS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 01 OCTOBER TO 30 JUNE 2016

1 BACKGROUND AND INFORMATION

1.01 Formation and Legal Status

S. Alam Cold Rolled Steels Limited is a public company limited by shares is domiciled in Bangladesh. The address of the company's registered office is S. Alam Bhaban, 2119 Asadgonj, Chittagong, Bangladesh. The Company was formed and incorporated with the Registrar of Joint Stock Companies and Firms in Bangladesh on December 12, 2000 vide the certificate C-No 3842 of 2000 under Companies Act (Act XVIII) of 1994 as a public company limited by share. 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 16th May 2006.

1.02 Nature of the business

The main activity of the company is to manufacture and sell high quality Cold Rolled Steel Strips (CR Strips) in the form of coils and sheets, CI sheets and GP sheets . The company has set up its factory on 12.04 acres of land at Kalarpool, Shikalbaha, Patiya, Chittagong, Bangladesh. The company commenced commercial production of CR Strips plant from 16th February 2004 with an approved annual capacity of 120,000 MT and NOF Plant of GP and CI Sheets from 11 July 2013 with an annual capacity of 72,000 M Tons.

2 Basis of Preparation

2.01 Statement of compliance

These financial statements have been prepared in accordance with Bangladesh Financial Reporting Standards (BFRSs) and 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

The Board of Directors has authorized these financial statements on 01 October 2016.

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) The Listing Regulations of Dhaka Stock Exchange (DSE)
- (vii) The Listing Regulations of Chittagong Stock Exchange (CSE)
- (viii) Bangladesh Labour Act 2006 etc.

2.04 Accounting convention and assumption

These financial statements have been prepared on going concern basis under the historical cost convention method.

2.05 Functional and presentation currency

The financial statements are expressed in Bangladesh Taka which is both functional currency and reporting currency of the Company. The figures of financial statements have been rounded off to the nearest Taka.

2.06 Statement of Cash flows

Statement of Cash Flows is prepared principally in accordance with BAS 7 " Statement of Cash Flows" and the cash flow from the operating activities have been presented under direct method as prescribed by Securities and Exchange Rules, 1987.

2.07 Use of estimates and judgments

The preparation of the financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates and underlying assumptions, which are reviewed on an ongoing basis. Revision to accounting estimates is recognized in the period in which the estimates are revised and in any future periods affected.

2.08 Comparative information

Comparative information has been disclosed in respect of the year 2015 for all numeric information in the Financial Statements and also the narrative and descriptive information where it is relevant for understanding of the current years Financial Statements.

Re-arrangement

Comparative figures have been rearranged wherever considered necessary to ensure better comparability with the current period without causing any impact on the profit and value of assets and liability as reported in the financial statement.

2.09 Going concern

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

2.10 Reporting period

The financial statements of the Company consistently cover a period from 01 October 2015 to 30 June 2016 for all reported periods.

3 Significant Accounting Policies

The financial statements have been prepared in compliance with requirement of BASs (Bangladesh Accounting Standards) as adopted by the Institute of Chartered Accountants of Bangladesh (ICAB) as applicable in Bangladesh. The following BASs are applicable for the financial statements for the year under audit:

BAS-1	Presentation of Financial Statements
BAS-2	Inventories
BAS-7	Statement of Cash Flows
BAS-8	Accounting Policies, Changes in Accounting Estimates and Errors
BAS-10	Events after the Reporting Period
BAS-12	Income Taxes
BAS-16	Property, Plant and Equipment
BAS- 18	Revenue
BAS -19	Employee benefits
BAS-21	The effects of Changes in Foreign Exchange Rates
BAS-23	Borrowing Costs
BAS-24	Related Party Disclosures
BAS-26	Accounting and Reporting by Retirement Benefit
BAS-33	Earnings per share
BAS-36	Impairment of Assets
BAS-37	Provisions, Contingent Liabilities and Contingent
BFRS-5	Non-current Assets Held for Sale and Discontinued Operations
BAS-32	Financial Instrument: Presentation
BAS-39	Financial Instrument: Recognition and Measurement
BFRS-7	Financial Instrument: Disclosure

3.01 Property, plant and equipment

Items of property, plant and equipment are stated at cost less accumulated depreciation thereon.

3.01.1 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 other 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 in profit or loss.

3.01.2 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 expensed as incurred.

3.01.3 Depreciation

Items of property, plant and equipment are depreciated from the date they are available for use or in respect of self constructed assets, from the date that the asset is completed and ready for use. 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 calculated on diminishing balance method over the estimated useful lives of each parts of property, plant and equipment. Depreciation is generally recognized in profit or loss unless the amount is included in the carrying amount of another assets. Leased assets are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the company will obtain ownership by the end of the lease term. Land is not depreciated. Depreciation is charged on addition when the assets are available for use or ready for use or from date of acquisition. In case of disposal of fixed asset, depreciation is charged up to date of disposal. The principal annual rates are as follows.

<u>Assets</u>	<u>Rates (%)</u>
Land and land development	Nil
Internal Road and Embankment	10% - 20%
Buildings	5% - 10%
Plant and Machinery	10%
Equipment and appliances	10%
Furniture and Fixtures	10%
Luffing Crane and Jetty Construction	15%
Coil Cart	10%
Motor Vehicle	20%
Interior Decoration	15%

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

<u>Particulars</u>	<u>Capacity utilization</u>	
	<u>CR Coil Plant</u>	<u>NOF Plant</u>
Factory Building (including Leased Assets)	87.220%	27.101%
Capital Machinery	87.220%	27.101%
Factory equipment	87.220%	27.101%
Generator	87.220%	27.101%
Work Roll	87.220%	27.101%
Luffing Crane and Jetty construction	87.220%	27.101%
Coil Cart	87.220%	27.101%

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

3.02 Capital work in progress

The costs incurred during the year for paying advance to Uttam Steel Corporation against two pieces purchase of corrugation roll machine regarding NOF Project at existing factory premises at Kalarpool, Shikalbaha, Patiya, Chittagong, Bangladesh.

3.03 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. In case of manufactured inventories and work-in-process, cost includes an appropriate share of production overheads based on normal operating capacity. Details of valuation methods are stated below:

<u>Category</u>	<u>Valuation</u>
Finished Goods -	Finished Goods are valued at Cost or Net Realisable Value whichever is lower.
Work-in-process-	At Prime cost + Proportionate Factory Overhead.
Raw materials -	Based on weighted average method.
Raw Materials (Inbond items)	At Book Value
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.

Stock in transit represents the cost incurred up to the reporting date against the items that were not received at factory till that date.

3.04 Revenue Recognition

Revenue from sale of goods is measured at the fair value of the consideration received or receivable, net of returns and allowances, trade discounts and rebates, if any. In compliance with the requirements of BAS 18: "Revenue", revenue is recognized only when:

- i. The products are invoiced and dispatched to the customers;
- ii. Interest income is accrued on a time basis by reference to the principal outstanding at the effective interest applicable.

3.05 Trade receivables

Trade 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 debtors if, any receivables are not realized within the credit period.

3.06 Transactions with Affiliated companies

These represents balance amounts due to / from affiliated companies which are derived from short term loan, short term financial arrangement availed from/paid to affiliated companies as and when required to meet working capital and sale of goods from time to time. These are interest free and there is no fixed term of repayment. 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 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.

Non-derivative financial assets

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

The Company derecognises 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.

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

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 recognised 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 recognised in profit or loss.

Held-to-maturity financial assets

If the company has the positive intent and ability to hold debt securities to maturity, then such financial assets are classified as held-to-maturity. Held-to-maturity financial assets are recognized initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, held-to-maturity financial assets are measured at amortized cost using the effective interest method, less any impairment losses.

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 recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, loans and receivables are measured at amortized cost using the effective interest method, less any impairment losses.

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 receivables

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

Available-for-sale financial assets

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. When an investment is derecognized the gain or loss accumulated in equity is reclassified to profit or loss.

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

Non-derivative 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 costs. Subsequent to initial recognition, these financial liabilities are measured at amortized cost using the effective interest method.

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

(a) Share capital (ordinary shares)

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

(b) 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. After initial recognition these are carried at amortised cost.

(c) 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.

3.10 Employee benefit schemes

Currently, the company have gratuity and termination benefit scheme, but has a plan to create a provident fund in which both company and employees will contribute an equal amount.

3.11 Workers' profit participation fund

Appropriate provision has been made for Workers' Profit Participation Fund and Workers' Welfare Fund as per provisions of law.

3.12 Provisions and contingencies

A provision is recognised 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.

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

3.13 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-33 to the Financial Statements).

Diluted Earnings per share:

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.

3.14 Finance income and finance costs

Finance income comprises interest income on funds invested that are recognised in profit or loss.

Finance costs comprise interest expenses on borrowing that are recognised in profit or loss as and when incurred.

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalized using the effective interest method.

3.15 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 retranslation are recognized in profit or loss.

3.16 Income tax expenses

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

Current tax:

The Company was allowed tax holiday for the period of five years from the month 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 on 31 January 2009. Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using the tax rates enacted or substantially enacted at the reporting date, and any adjustment to tax payable in respect of previous year.

Deferred tax:

Deferred tax is recognised 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 recognised to the extent that it is probable that future taxable profits will be available against which the deductible temporary differences can be utilised. 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 realised.

3.17 Impairment

Non-derivative 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.

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 profit or loss.

3.18 Leases

3.18.01 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.

3.18.02 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.

3.18.03 Determining whether an arrangement contains a lease

At inception of an arrangement, the company determines whether such an arrangement is or contains a lease. This will be the case if the following two criteria are met.

- i) The fulfillment of the arrangement is dependent on the use of a specific assets or
- ii) The arrangement contains a right to use the assets(s).

At inception or on reassessment of the arrangement the company separates payments and other consideration required by such an arrangement into those for the lease and those for other elements on the basis of their relative fair values.

3.19 Segment reporting

Segment results include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly corporate assets, head office expenses and tax assets and liabilities.

4 New Standards and interpretations not yet adopted

All new standards and interpretations adopted by the Institute of Chartered Accountants of Bangladesh (ICAB) during the period beginning on or after 01 October 2015, which have significant effect on the financial statements of the company are duly complied with.

5 PROPERTY, PLANT AND EQUIPMENT

A. Cost

	30 June 2016 Taka	30 Sept 2015 Taka
Opening Balance	2,785,924,591	2,628,590,992
Addition during the year	4,991,200	162,698,036
	<u>2,790,915,791</u>	<u>2,791,289,028</u>
Deletion during the year	(1,324,800)	(5,364,437)
Total Cost	<u>2,789,590,991</u>	<u>2,785,924,591</u>

B. Accumulated Depreciation

Opening Balance	915,361,751	831,402,718
Charged during the year	73,521,071	86,831,709
	<u>988,882,822</u>	<u>918,234,427</u>
Adjustments during the year	(1,225,958)	(2,872,676)
Total Depreciation	<u>987,656,864</u>	<u>915,361,751</u>

**Written Down Value (WDV)
as on 30 June 2016 (A-B)**

<u>1,801,934,127</u>	<u>1,870,562,840</u>
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Detail of Property, Plant & Equipment and Depreciation as on 30 June 2016 are shown in the notes 5.1

5.1 Property, plant and equipment - at cost less Accumulated Depreciation

Assets' category	Cost			Depreciation Rate (%)	Depreciation			Closing balance as on 30.06.2016	Carrying amount as on 30.06.2016
	Opening balance as on 01.10.2015	Addition	Disposal/ Adjustment		Closing balance as on 30.06.2016	Charged for the year	Adjustment for disposal during the year		
	Taka	Taka	Taka		Taka	Taka	Taka		
A. Land and land developments:									
Land-Freehold (12.04 Acres)	47,607,490	-	-	-	-	-	-	-	47,607,490
Land Development	21,416,417	-	-	-	-	-	-	-	21,416,417
Internal Road and Drainage	3,506,580	-	-	10%	86,350	-	2,442,650	1,063,930	
Embankment	42,507,074	4,153,000	-	20%	39,058,614	-	39,984,200	6,675,874	
	115,037,561	4,153,000	-		41,454,914	-	42,426,850	76,763,711	
B. Building:									
Factory Building (Including Leased Asset)	304,368,680	-	-	5%	90,799,445	-	97,791,140	206,577,540	
Factory Building (NOF Plant)	257,346,737	-	-	5%	4,478,516	-	7,050,731	250,296,006	
General Building	33,321,203	-	-	5%	14,732,575	-	15,449,535	17,871,668	
Coil Ware House	5,667,518	-	-	10%	3,684,728	-	3,818,559	1,648,959	
	600,504,138	-	-		113,715,264	-	124,109,965	476,394,173	
C. Plant and machinery									
Capital Machinery	1,233,517,738	-	-	10%	637,439,670	-	676,467,726	557,050,012	
Capital Machinery (NOF Plant)	626,594,801	-	-	10%	13,293,332	-	25,770,529	600,824,272	
	1,860,112,539	-	-		650,733,002	-	702,238,255	1,157,874,284	
D. Equipment and appliances:									
Factory Equipment	22,691,689	-	-	10%	7,027,166	-	8,052,796	14,638,893	
Factory Equipment (NOF Plant)	1,946,579	350,000	-	10%	43,224	-	84,509	2,211,670	
Office Equipment	1,585,190	-	-	10%	795,696	-	854,962	730,228	
Guest House Equipment	1,543,095	-	-	10%	1,037,973	-	1,094,390	448,705	
Computer	2,678,708	-	-	10%	1,415,155	-	1,510,008	1,168,700	
Air Conditioners	5,039,316	475,000	-	10%	2,288,948	-	2,506,866	3,007,450	
Generator	1,240,000	-	-	10%	641,606	-	680,786	559,214	
Electric Line Installation	2,735,225	-	-	10%	2,005,395	-	2,061,684	693,541	
Electric Line Installation (NOF Plant)	12,831,881	-	-	10%	3,581,468	-	4,277,384	8,574,497	
Gas Line Installation	4,569,154	-	-	10%	2,921,018	-	3,044,741	1,524,413	
Fire Extinguisher	58,100	-	-	10%	40,651	-	41,961	16,139	
Telephone Line Installation	398,527	-	-	10%	276,751	-	285,893	112,634	
Grinding Wheel	134,666	-	-	10%	94,946	-	97,928	36,738	
Water Tank	113,500	-	-	10%	80,101	-	82,628	30,892	
Work Roll	1,593,025	-	-	10%	824,269	-	874,603	718,422	
Radlink and Networking (Factory)	433,880	-	-	10%	159,634	-	180,221	253,659	
Tools and Trucks	121,238	-	-	10%	85,563	-	88,241	32,997	
	59,733,773	825,000	-		23,338,025	-	25,819,981	34,738,792	
E. Furniture and Fixtures									
Furniture and Fixtures	3,993,091	13,200	-	10%	2,012,446	-	148,749	1,845,096	
Furniture and Fixtures (NOF Plant)	291,295	-	-	10%	78,191	-	94,373	196,922	
	4,284,386	13,200	-		2,090,637	-	2,255,568	2,042,018	
F. Luffing Crane and Jetty Construction									
G. Coil Cart	51,948,213	-	-	15%	36,250,487	-	38,086,830	16,861,383	
H. Motor vehicles	8,024,021	-	-	10%	4,150,428	-	4,404,050	3,619,971	
I. Interior Decoration	79,089,864	-	1,334,800	20%	40,574,208	-	45,135,170	32,629,894	
	4,170,096	-	-	15%	3,054,586	-	3,180,195	989,901	
	2,785,924,591	4,991,200	1,334,800		915,361,251	-	987,656,864	1,801,934,127	
30 June 2016 Taka	2,628,590,992	162,698,036	5,364,437		831,402,718	-	915,361,251	1,870,562,840	
30 Sept 2015 Taka									
					30,06,2016	30,06,2015	30,09,2015		
					Taka	Taka	Taka		
					55,140,803	49,073,108	65,123,782		
					18,300,268	16,357,703	21,707,927		
					73,521,071	65,430,811	86,831,709		

Depreciation allocated to:

Cost of sales (note 27)

Administrative costs (note 28)

	30 June 2016 Taka	30 Sept 2015 Taka
6 Capital Work-in-Progress - NOF Project		
Opening Balance	105,000	161,417,580
Expense incurred during the year	245,000	105,000
	350,000	161,522,580
Transferred to Property, Plant and Equipment	(350,000)	(161,417,580)
Closing Balance	-	105,000

The break-up of Capital work-in-progress is as follows:

Factory Building (NOF Plant)	-	-
Factory Equipment (NOF Plant)	245,000	105,000
	245,000	105,000

The above costs incurred during the year for paying advance to Uttam Steel Corporation against two pieces purchase of corrugation roll machine regarding NOF Project at existing factory premises at Kalarpool, Shikalbaha, Paliya, Chittagong, Bangladesh.

7 Investment

7 Investment		
5. Alam Power Generation Limited		
	277,357,000	277,357,000
	277,357,000	277,357,000

7.1 The Company holds 70% shares of S. Alam Power Generation Limited.

7.2 The Company got allotment of 2,773,570 shares of Tk. 100 each of S. Alam Power Generation Limited.

7.3 As per Audited Financial Position as on 30 June 2016 Net Asset Value (NAV) per share of S. Alam Power Generation Limited. is Tk. 113.49 (30 September 2015 : Tk 114.66).

7.4 The commence of commercial operation of captive power plant project has been started from 28th August 2016.

8 Inventories

Raw Materials - note 8.1	2,604,498,008	1,519,290,973
Raw Materials-In-Bond items	919,323,291	2,051,732,313
Work-in-Process - note 8.2	158,951,495	177,007,832
Finished Goods - note 8.3	295,039,375	306,852,827
Stores and Spares	370,602,220	293,678,210
Stock - in - transit	6,446,108	13,775,245
	4,354,860,497	4,362,337,400

8.1 Raw materials - note 8

	30 June 2016		30 Sept 2015	
	Qty. (MT)	Taka	Qty. (MT)	Taka
H.R Coil	31,249.04	1,209,464,300	4,231.69	283,485,652
Hydrochloric Acid	5,241.65	35,400,625	4,798.84	32,528,953
TIN Ingot	42.14	86,666,131	44.53	91,579,405
ZINC Ingot	5,118.52	1,169,596,176	4,125.45	1,016,225,023
LEAD Ingot	334.53	78,210,057	336.32	78,629,014
ZINC Alloy	60.93	14,194,721	24.27	5,508,136
Antimony Ingot	-	-	0.45	566,295
Chromic Acid	27.54	10,965,998	24.93	10,768,495
		2,604,498,008		1,519,290,973

8.2 Work-in-Process - note 8

	30 June 2016 Taka	30 Sept 2015 Taka
CR Coil	84,264,712	136,643,540
NOF	74,686,783	40,364,292
	158,951,495	177,007,832

8.3 Finished Goods-note 8

CR Coil	29,360,498	46,987,715
C.I & GP Sheet	265,678,877	259,865,112
	295,039,375	306,852,827

9 Accounts Receivable

Against CR Coil	2,541,578,195	2,823,968,584
Against C.I and G.P Sheet	52,522,259	170,197,567
	2,594,100,454	2,994,166,151

The directors believe that above receivables are good and fully realisable. Hence, no provision is required at this stage.

10 Advances, Deposits and Prepayments

Advances (note - 10.01)	718,278,842	577,153,314
Deposits (note - 10.02)	15,287,636	15,287,636
Prepayments (note-10.03)	2,486,323	9,927,136
	736,052,801	602,368,086

10.01 Advances- note 10

Against Expenses	1,215,293	1,259,896
Against Salary	4,353,000	6,253,500
Bank Guarantee Margin	103,488,335	99,831,077
Advance Income Tax	595,540,266	462,642,281
VAT current account	648,072	1,267,956
Supplementary Tax Current A/C	164,674	164,674
Others	12,869,202	5,733,930
	718,278,842	577,153,314

	30 June 2016 Taka	30 Sept 2015 Taka
10.02 Deposits- note 10		
Chittagong City Corporation	4,096,232	4,096,232
Chittagong Palli Bidyut Samity-1	7,038,000	7,038,000
Karnaphuli Gas Distribution Co. Ltd.	1,200,346	1,200,346
Bangladesh Telecommunications Company Limited (BTCL)	6,600	6,600
Gramen Phone (BD) Limited (For mobile)	20,000	20,000
Ansar, VDP	32,331	32,331
Central Depository Bangladesh Limited	500,000	500,000
VAT Account for Appeal fee	2,394,127	2,394,127
	15,287,636	15,287,636
10.03 Prepayments- note 10		
Insurance	981,268	9,812,770
Internet Service	108,648	114,366
Fees & Renewal to BSTI	1,396,407	-
	2,486,323	9,927,136

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

11 Short Term Investment

Name of banks

Fixed Deposit Receipts:

Janata Bank Limited

Rupali Bank Limited

Islami Bank Bangladesh Limited

-	100,075,027
16,149,428	15,400,000
30,910,807	29,957,537
47,060,235	145,432,564

12 Short Term Loan to Subsidiary Companies

S. Alam Power Generation Limited

701,030,276	677,349,808
701,030,276	677,349,808

13 Cash and Cash Equivalents

Cash in hand - note 13.01

Cash at banks - note 13.02

68,175	100,746
8,925,144	3,990,629
8,993,319	4,091,375

13.01 Cash in hand - note 13

Head office

Factory office

33,479	746
34,696	100,000
68,175	100,746

13.02 Cash at Banks - note 13

Bank	Branch	Account No.		
AB Bank Ltd.	Agrabad Br., Chittagong.	CD#4101-774707-000	96,159	92,147
Agrani Bank Ltd.	New Market Br., Chittagong.	CD#33009854	3,045	4,195
Agrani Bank Ltd.	Laldighi Br., Chittagong.	CD#29373	2,645	5,295
Al-Arafah Islami Bank Ltd	Khatungonj, Chittagong.	CD# 00411100004909	22,503	-
Dutch Bangla Bank Ltd.	Local Office , Dhaka.	CD#010111000016146	26,120	23,385
EXIM Bank Ltd.	Khatungonj, Chittagong.	CD#00411100004909	80,151	2,056
First Security Islami Bank Ltd.	Khatungonj , Chittagong.	SND#13100002884	5,351	6,804
First Security Islami Bank Ltd.	Khatungonj , Chittagong.	SND#13100003008	5,133,583	2,380,266
First Security Islami Bank Ltd.	Khatungonj , Chittagong.	SND#13100002711	36,837	36,791
First Security Islami Bank Ltd.	Khatungonj , Chittagong.	SND#1310002792	20,164	20,712
First Security Islami Bank Ltd.	Anderkilla , Chittagong.	CD#13411100003882	2,276,593	155,469
Islami Bank Bangladesh Ltd.	Khatungonj , Chittagong.	CD#10601002130	65,577	115,681
Jamuna Bank Ltd.	Jubilee Road Branch, Chittagong.	CD#00190211002260	22,377	24,027
Janata Bank Ltd.	Shadharan Bima Corp Branch, Ctg.	CD#001031259	83,957	448,800
Mercantile Bank Ltd.	Khatungonj Branch, Chittagong.	CD#011211100005747	7,730	11,250
National Bank Ltd.	Khatungonj Branch, Chittagong.	CD#0002-33069282	7,469	7,929
Rupali Bank Ltd.	Anderkilla, Corporate Branch, Ctg.	CD#200064978	780,174	438,103
Rupali Bank Ltd.	Anderkilla, Corporate Branch, Ctg.	STD#240001344	109,729	107,258
Southeast Bank Ltd.	Principal Office, Dhaka.	CD#11100036055	29,185	31,025
The City Bank Ltd.	Khatungonj Branch, Chittagong.	CD#1101002163001	2,585	30,392
Union Bank Ltd.	Khatungonj Branch, Chittagong.	CD # 0101010000801	66,830	1,014
Union Bank Ltd.	Gulshan Branch, Dhaka.	CD # 0021010001342	46,380	48,030
			8,925,144	3,990,629

14 Share Capital

Authorised capital:

350,000,000 Ordinary Shares of Tk. 10 each

3,500,000,000

3,500,000,000

Issued, Subscribed, Called up and Paid up capital:

98,371,100 Ordinary Shares of Tk.10/- each fully paid

983,711,000

983,711,000

14.01 Shareholding position

Name of shareholders	% of Holding	Number of Shares of Tk 10 each	Number of Shares of Tk 10 each
Mr. Mohammed Saiful Alam	2.342%	2,303,980	2,303,980
Mr. Abdus Samad	2.000%	1,967,430	1,967,430
Mr. Md. Osman Gani	2.000%	1,967,430	1,967,430
S. Alam Steels Ltd	18.737%	18,431,940	18,431,940
S. Alam Cement Ltd.	9.369%	9,215,960	9,215,960
S. Alam Hatchery Ltd.	9.369%	9,215,960	9,215,960
S. Alam Luxury Chair Coach Services Ltd.	2.342%	2,303,980	2,303,980
S. Alam Vegetable Oil Ltd.	2.342%	2,303,980	2,303,980
Bangladesh Fund	4.879%	4,800,000	4,800,000
ABIL-IDA	0.061%	60,000	60,000
ICB Unit Fund	0.949%	934,020	934,020
ICB	3.129%	3,078,420	3,078,420
Others	42.480%	41,788,000	41,788,000
	100.00%	98,371,100	98,371,100

14.02 Classification of shares by holding

Class by number of shares	No. of Holders Nos	No. of Shares Nos	% of Holding
Less than 500	3,278	652,284	0.66%
From 500 to 5,000	4,709	8,036,753	8.17%
From 5,001 to 10,000	508	3,769,452	3.83%
From 10,001 to 20,000	223	3,240,701	3.29%
From 20,001 to 30,000	83	2,126,946	2.16%
From 30,001 to 40,000	40	1,391,315	1.41%
From 40,001 to 50,000	25	1,155,924	1.18%
From 50,001 to 100,000	36	2,628,979	2.67%
From 100,001 to 1,000,000	57	16,704,959	16.98%
From 1,000,001 and above	12	58,663,787	59.64%
Total	8,971	98,371,100	100%

15 Long Term Loan

Due within one year -note-21

262,816,000

Due more than one year - note-15.01

379,374,435

642,190,435

825,355,765

15.01 Rupali Bank Limited - note 15

Term Loan Account No - 690000102 - note 15.01.1

268,768,964

398,959,210

Term Loan Account No - 690000143 - note 15.01.2

110,605,471

163,580,555

379,374,435

562,539,765

15.01.1 Loan Account No. 690000102 - note 15.01

Opening Balance

607,775,210

823,999,060

Loan received during the year

-

-

Interest charged during the year

56,294,754

102,666,150

Other charges during the year

15,000

10,000

664,084,964

926,675,210

Payment during the year

(186,500,000)

(318,900,000)

477,584,964

607,775,210

Current portion of term loan

(208,816,000)

(208,816,000)

268,768,964

398,959,210

Limit amount	:	Not Applicable
Purpose	:	To meet shortage of working capital
Sanction date	:	03.03.13
Interest rate	:	13%
Security	:	Hypothecation of Import Goods & Personal Guarantee from all directors.
Repayment method	:	Quarterly

15.01.2 Loan Account No. 690000143 - note 15.01

	30 June 2016 Taka	30 Sept 2015 Taka
Opening Balance	217,580,555	262,248,635
Loan received during the year	-	-
Interest charged during the year	18,909,916	33,545,920
Other charges during the year	15,000	10,000
	<u>236,505,471</u>	<u>295,804,555</u>
Payment during the year	(71,900,000)	(78,224,000)
	<u>164,605,471</u>	<u>217,580,555</u>
Current portion of term loan	(54,000,000)	(54,000,000)
Closing Balance	<u>110,605,471</u>	<u>163,580,555</u>

Limit amount	:	Tk 257,000,000
Purpose	:	To meet shortage of working capital
Sanction date	:	22.05.14
Interest rate	:	13%
Security	:	Hypothecation of Import Goods & Personal Guarantee from all directors.
Repayment method	:	Monthly

16 Trade creditors

Liability against Deferred L/C	1,484,015,039	1,124,238,215
Customs Authority-Inbond Duty	171,909,702	419,935,265
Sundry Creditors	1,711,610	7,811,026
	<u>1,657,636,351</u>	<u>1,551,984,506</u>

These represent amount (Sundry creditors) payable to various local parties against supply of Materials (HCL), Packing material and Spare parts.

17 Short Term Liabilities

Loan against Trust Receipt (LTR) (note - 17.01)	2,438,683,558	2,216,674,407
Loan against CC Pledge and Hypo (note - 17.02)	3,173,292,378	3,107,160,242
	<u>5,611,975,936</u>	<u>5,323,834,649</u>

17.01 Short Term Bank Loan (LTR)- note 17

Janata Bank Ltd., Shadharan Bima Corp Branch, Ctg.	2,438,683,558	2,216,674,407
	<u>2,438,683,558</u>	<u>2,216,674,407</u>

17.02 Loan against CC Pledge, Hypo, LIM, PAD and MPI- note 17

Rupali Bank Ltd., Anderkilla, Corporate Branch, Ctg (CC Hypo)	254,564,587	232,463,493
Rupali Bank Ltd., Anderkilla, Corporate Branch, Ctg (CC Pledge)	318,435,747	290,636,990
Rupali Bank Ltd., Anderkilla, Corporate Branch, Ctg (LIM)	5,826,001	18,891,037
Rupali Bank Ltd., Anderkilla, Corporate Branch, Ctg (PAD)	20,427,308	-
Janata Bank Ltd., Shadharan Bima Corp Branch, Ctg. (PAD)	426,219,203	427,448,267
Islami Bank Bangladesh Ltd., Khatungonj Branch, Ctg, (MPI)	1,207,841,689	1,284,807,038
Exim Bank Ltd., Khatungonj Branch, Ctg (Bia-Muazzal Hypo)	939,977,843	852,913,417
	<u>3,173,292,378</u>	<u>3,107,160,242</u>

17.03 Terms and conditions of the above liabilities are as follows:

17.03.1 Lender: Rupali Bank Ltd., Anderkilla, Corporate Branch, Chittagong

Types of Liabilities	Sanctioned limit (Figures in crore)	Rate of Interest
CC Hypo	20	14.00%
CC Pledge	25	14.00%
LC, PAD & LIM	57	14.00%
LTR	20	14.00%
Bank Guarantee	30	0.00%

Security:

1. Hypothecation of import goods, post dated cheque.
2. 100% registered mortgage of land and project building situated in Shikalbaha, Chittagong, Bangladesh.

17.03.2 Lender: Janata Bank Ltd., Shadharan Bima Corp Branch, Chittagong

Types of Liabilities	Sanctioned limit (Figures in crore)	Rate of Interest %
LTR	208	At applicable rate
LC/PAD	275	determine from time to time.

Security:

LC/Bill of Lading, corporate guarantee & personal guarantee of all directors.

17.03.3 Lender: Islami Bank Bangladesh Ltd., Khatungonj Branch, Chittagong

Types of Liabilities	Sanctioned limit (Figures in crore)	Rate of Profit %
TR	75	12.00%
LC/MPI /BG	150	12.00%

Security:

1. Post dated cheque, corporate guarantee & personal guarantee of all directors.
2. Hypothecation of inventories, goods in warehouse and Bank Guarantee etc.

17.03.4 Lender: Export Import Bank of Bangladesh Ltd., Khatungonj Branch, Chittagong

Types of Liabilities	Sanctioned limit (Figures in crore)	Rate of Interest %
Bai-Muazzal (HYPO)	81.97	12.00%

Security:

1. Post dated cheque, corporate guarantee & personal guarantee of all directors.
2. Hypothecation of inventories, goods in warehouse and Bank Guarantee etc.

18 Liabilities for Expenses

	30 June 2016 Taka	30 Sept 2015 Taka
Audit fee	400,000	400,000
Chittagong Palli Bidyut Samity -1	11,938,096	8,660,658
Karnaphuli Gas Distribution Co. Ltd.	804,622	828,534
Salary and Allowances	256,573	7,346,012
Telephone and Mobile charges	19,513	19,859
Liason Office Rent and Expenses	22,677	6,718
Against C & F	147,202	109,280
Advertisement bills	-	11,385
Transportation	732,550	241,500
Karnaphuli Filling Station Limited	347,930	173,565
Against store and spare	9,012,232	733,998
	23,681,395	18,531,509

19 Advance against Sales

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

20 Due to Affiliated Companies

141,173,063 **718,532,385**

21 Long Term Loan-Current Portion

These represent current portion of long term loans from financial institutions which are repayable within next twelve months from 01 July, 2016 and consist of as follows:

Term loan (note - 15)	262,816,000	262,816,000
	262,816,000	262,816,000

	30 June 2016 Taka	30 Sept 2015 Taka
21.01 Term Loan (Payment within one year)- note 21		
Rupali Bank Limited		
Term Loan Account No - 690000102	208,816,000	208,816,000
Term Loan Account No - 690000143	54,000,000	54,000,000
	262,816,000	262,816,000
22 Liability against unclaimed dividend		
Opening Balance	25,648,553	29,098,091
Dividend declared during the year	147,556,650	147,556,650
	173,205,203	176,654,741
Dividend paid	(144,963,052)	(151,006,188)
Closing Balance	28,242,151	25,648,553
The break up of unclaimed dividend is given below:		
Unclaimed dividend on Ordinary Share	26,742,134	24,148,004
Unclaimed dividend on Convertible Preference Share	1,500,017	1,500,549
	28,242,151	25,648,553
23 Provision for Income Tax		
For Current Tax - note 23.1	137,463,845	136,530,905
For Deferred Tax - note 23.2	303,906,811	299,251,677
	441,370,656	435,782,582
23.1 Provision for Current Tax - note 23		
Opening Balance	136,530,905	132,530,905
Provision made during the year	2,500,000	5,000,000
	139,030,905	137,530,905
Adjusted during the year - note 23.1.1	(1,567,060)	(1,000,000)
Closing Balance	137,463,845	136,530,905
23.1.1 Adjusted during the year - note 23.1		
Tax paid in cash	1,567,060	1,000,000
Adjusted with Advance Income Tax	-	-
	1,567,060	1,000,000

Year wise Income Tax assessment status is as follows

Accounting Year	Assessment Year	Present Status
30 September 2012 and earlier years	2013-2014 and earlier years	Assessment Completed
30 September 2013	2014-2015	Assessment Completed and thereafter further stages under process
30 September 2014	2015-2016	Assessment Completed and thereafter further stages under process
30 September 2015	2016-2017	Income Tax Return submitted and under process to complete Assessment

23.2 Provision for Deferred Tax - note 23

Opening Balance	299,251,677	300,586,220
Provision made during the year	4,655,134	-
	303,906,811	300,586,220
Provision realized during the year	-	(1,334,543)
Closing balance	303,906,811	299,251,677

A. Deferred Tax Liability

As on 30 June 2016:

	Carrying Amount (Taka)	Tax Base (Taka)	Taxable /(Deductible) Temporary Difference (Taka)
Property, Plant and Equipment (Except Land)	1,732,910,220	517,282,978	1,215,627,242
Applicable Tax Rate			25%
			303,906,811

B. Deferred Tax Liability

As on 30 September 2015:

Property, Plant and Equipment (Except Land)	1,801,538,933	604,532,224	1,197,006,709
Applicable Tax Rate			25%
			<u>299,251,677</u>

Provision made/(Realized) during the year (A-B) 4,655,134

	30 June 2016 Taka	30 Sept 2015 Taka
24 Provision for Workers' Profit Participation & Welfare Fund (WPP & WF)		
Opening Balance	62,015,052	53,799,970
Accrued interest on WPP and WF	6,333,755	7,418,283
Provided during the year @ 5% on net profit before tax	6,114,998	6,831,624
	<u>12,448,753</u>	<u>14,249,907</u>
	74,463,805	68,049,877
Paid during the year	(5,860,981)	(6,034,825)
Provision transferred/ adjusted during the year	6,220,051	-
Closing Balance	<u>74,822,875</u>	<u>62,015,052</u>
25 Other Liabilities		
Income Tax deducted at source from salary	277,314	125,800
Income Tax deducted at source-others	30,724	750,000
Against Right share application	24,000	24,000
Against share application money (IPO)	374,455	374,455
VAT deducted at source	25,526	-
WPP and Welfare Fund	6,904,333	13,124,384
	<u>7,636,352</u>	<u>14,398,639</u>

	30 June 2016 Taka	(Restated) 30 June 2015 Taka	30 Sept 2015 Taka
26 Revenue			
Sales of CR Coil-Net of VAT	1,798,390,874	2,500,277,481	3,141,554,866
Sale of C.I Sheet-Net of VAT	882,226,559	599,311,184	830,842,883
Sale of G.P Sheet-Net of VAT	24,027,628	20,357,000	29,184,735
Sale of Scrap-Net of VAT	131,355,051	163,873,588	192,544,930
	<u>2,836,000,112</u>	<u>3,283,819,253</u>	<u>4,194,127,414</u>
27 Cost of Sales			
Opening Stock of Raw Materials (note 27.01 to 27.08)	1,519,290,973	985,852,657	985,852,657
Purchased during the year (note 27.01 to 27.08)	3,300,929,183	3,360,679,053	3,857,592,524
	4,820,220,156	4,346,531,710	4,843,445,181
Closing Stock of Raw Materials (note 27.01 to 27.08)	(2,604,498,008)	(1,634,095,686)	(1,519,290,973)
Cost of raw materials consumed	<u>2,215,722,148</u>	<u>2,712,436,024</u>	<u>3,324,154,208</u>
Add: Manufacturing Expenses:			
Power (Electricity)	108,269,099	91,128,517	121,015,186
Gas	7,675,436	6,630,772	8,900,798
Fuel and Lubricants- Factory Generator	1,437,440	625,600	1,169,600
Factory overhead (note - 27.09)	86,151,261	63,662,807	96,593,558
Consumption of Stores and Spares	23,822,705	30,327,269	41,419,505
Consumption of Packaging materials	1,258,874	2,440,262	2,175,795
Consumption of other chemicals	162,125	239,234	698,400
Depreciation (note- 5.01)	55,140,803	49,073,108	65,123,782
	<u>283,917,743</u>	<u>244,127,569</u>	<u>337,096,624</u>
Cost of Goods Manufactured	<u>2,499,639,891</u>	<u>2,956,563,593</u>	<u>3,661,250,832</u>
Add: Opening stock of WIP (CR)	136,643,540	140,337,132	140,337,132
Opening stock of WIP (NOF)	40,364,292	11,965,600	11,965,600
Less: Closing stock of WIP (CR)	84,264,712	186,071,980	136,643,540
Closing stock of WIP (NOF)	74,686,783	35,896,742	40,364,292
	<u>2,517,696,228</u>	<u>2,886,897,603</u>	<u>3,636,545,732</u>
Add: Opening stock of Finished Goods (CR)	46,987,715	22,832,199	22,832,199
Opening stock of Finished Goods (NOF)	259,865,112	430,259,792	430,259,792
Less: Closing stock of Finished Goods (CR)	29,360,498	26,495,436	46,987,715
Closing stock of Finished Goods (NOF)	265,678,877	429,273,323	259,865,112
Cost of sales	<u>2,529,509,680</u>	<u>2,884,220,835</u>	<u>3,782,784,896</u>

	30 June 2016 Taka	(Restated) 30 June 2015 Taka	30 Sept 2015 Taka
27.01 Raw Materials Consumed - H.R Coil			
Opening Stock of raw materials	283,485,652	222,368,090	222,368,090
Add: Purchased during the year	<u>2,883,625,012</u>	<u>2,848,028,319</u>	<u>3,216,163,015</u>
	3,167,110,664	3,070,396,409	3,438,531,105
Less: Closing Stock of Raw Materials	1,209,464,300	515,573,075	283,485,652
Cost of raw materials consumed	<u>1,957,646,364</u>	<u>2,554,823,334</u>	<u>3,155,045,453</u>
27.02 Raw Materials Consumed - Hydrochloric Acid			
Opening Stock of raw materials	32,528,953	29,747,324	29,747,324
Add: Purchased during the year	<u>8,441,068</u>	<u>6,608,000</u>	<u>10,072,321</u>
	40,970,021	36,355,324	39,819,645
Less: Closing Stock of raw materials	35,400,625	30,301,321	32,528,953
Consumption of Hydrochloric Acid	<u>5,569,396</u>	<u>6,054,003</u>	<u>7,290,692</u>
27.03 Raw Materials Consumed - TIN Ingot			
Opening Stock of raw materials	91,579,405	58,870,603	58,870,603
Add: Purchased during the year	-	35,319,270	35,512,846
	91,579,405	94,189,873	94,383,449
Less: Closing Stock of raw materials	86,666,131	91,390,238	91,579,405
Consumption of TIN Ingot	<u>4,913,274</u>	<u>2,799,635</u>	<u>2,804,044</u>
27.04 Raw Materials Consumed - ZINC Ingot			
Opening Stock of raw materials	1,016,225,023	578,946,005	578,946,005
Add: Purchased during the year	<u>391,003,973</u>	<u>459,944,291</u>	<u>585,406,848</u>
	1,407,228,996	1,038,890,296	1,164,352,853
Less: Closing Stock of raw materials	1,169,596,176	900,379,890	1,016,225,023
Consumption of ZINC Ingot	<u>237,632,820</u>	<u>138,510,406</u>	<u>148,127,830</u>
27.05 Raw Materials Consumed - LEAD Ingot			
Opening Stock of raw materials	78,629,014	78,931,075	78,931,075
Add: Purchased during the year	-	-	-
	78,629,014	78,931,075	78,931,075
Less: Closing Stock of raw materials	78,210,057	78,644,912	78,629,014
Consumption of Lead Ingot	<u>418,957</u>	<u>286,163</u>	<u>302,061</u>
27.06 Raw Materials Consumed - ZINC Alloy			
Opening Stock of raw materials	5,508,136	12,944,176	12,944,176
Add: Purchased during the year	<u>16,634,130</u>	-	-
	22,142,266	12,944,176	12,944,176
Less: Closing Stock of raw materials	14,194,721	5,982,110	5,508,136
Consumption of ZINC Alloy	<u>7,947,545</u>	<u>6,962,066</u>	<u>7,436,040</u>
27.07 Raw Materials Consumed - Antimony Ingot			
Opening Stock of raw materials	566,295	3,234,738	3,234,738
Add: Purchased during the year	-	-	-
	566,295	3,234,738	3,234,738
Less: Closing Stock of raw materials	-	736,196	566,295
Consumption of Antimony Ingot	<u>566,295</u>	<u>2,498,542</u>	<u>2,668,443</u>
27.08 Raw Materials Consumed - Chromic Acid			
Opening Stock of raw materials	10,768,495	810,646	810,646
Add: Purchased during the year	<u>1,225,000</u>	<u>10,779,173</u>	<u>10,437,494</u>
	11,993,495	11,589,819	11,248,140
Less: Closing Stock of raw materials	10,965,998	11,087,944	10,768,495
Consumption of Chromic Acid	<u>1,027,497</u>	<u>501,875</u>	<u>479,645</u>



	30 June 2016 Taka	(Restated) 30 June 2015 Taka	30 Sept 2015 Taka
27.09 Factory Overhead			
Salaries and allowances	57,433,032	48,257,903	73,389,568
Insurance expenses	8,831,502	4,516,709	6,479,265
Medical expenses	166,334	375,536	518,663
Labour charges	138,318	75,218	146,068
Repairs and Maintenance	11,464,628	5,635,969	8,478,497
Carrying charges-raw materials	2,422,763	151,235	1,204,290
Uniform and liveries	104,909	9,230	9,230
Transportation	2,169,497	1,365,000	2,250,804
Printing & stationery	223,650	194,468	254,901
Canteen expenses-Factory	390,182	376,266	400,254
Telephone and Internet charges	151,129	275,812	325,913
Miscellaneous expenses	872,320	1,084,770	1,350,760
Registration and renewal	657,272	272,339	324,939
Rent, rates and taxes	14,509	2,000	20,000
Travelling and conveyance expenses	72,467	99,573	127,865
Vehicle maintenance	1,038,749	531,444	873,206
Lease rent expenses	-	439,335	439,335
	86,151,261	63,662,807	96,593,558
28 Selling and Distribution Costs			
Advertisement	1,968,588	11,288,684	11,388,684
	1,968,588	11,288,684	11,388,684
29 Administrative Costs			
Salaries and allowances	15,083,279	12,822,752	19,920,853
Depreciation (note-5.01)	18,380,268	16,357,703	21,707,927
Donation and subscriptions	2,649,415	11,925,000	13,750,000
Canteen expenses	401,939	292,877	647,253
Fees and renewals	1,119,381	598,374	611,803
Guest house expenses	603,510	511,050	698,580
Legal and professional expenses	675,000	103,500	163,500
Liaison office expenses	73,510	55,491	95,124
Office maintenance expenses	171,021	183,740	265,253
Liaison office rent	299,700	283,500	378,000
Office decoration	60,990	48,000	72,000
Stationery expenses	338,949	323,349	375,529
Registration and renewal	30,000	-	36,300
Rent, rates and taxes	138,250	131,665	175,553
Telephone and e-mail expenses	157,454	130,357	192,510
Travelling and conveyance expenses	135,655	159,958	180,493
Vehicle maintenance	1,508,382	1,060,225	1,299,642
Management meeting and conference	2,120,002	1,997,584	2,073,139
Electricity expenses	174,061	71,479	250,686
Miscellaneous expenses	979,411	1,268,970	841,970
Audit fees	400,000	-	400,000
	45,500,177	48,325,574	64,136,115
30 Other Income			
Profit on sale of fixed assets	286,158	-	1,045,444
Miscellaneous income	5,572	1,176	1,176
	291,730	1,176	1,046,620
31 Finance Costs			
Bank charges	432,169	1,872,873	392,462
Interest on Cash Credit (Hypo)	26,086,094	23,871,497	32,453,616
Interest on Cash Credit (Pledge)	32,783,757	29,955,527	40,685,303
Interest on Term loan	75,204,670	104,921,182	136,212,070
Interest on WPP & WF	6,333,755	-	7,418,283
Bank guarantee commission	6,868,659	4,725,781	6,760,453
	147,709,104	165,346,860	223,922,187
32 Finance Income			
Interest income from MTDR and MDDS	6,777,337	8,141,119	10,391,968
Interest on STD/SND	201,981	147,029	147,035
Interest income from FDR	3,716,341	12,726,083	13,151,331
	10,695,659	21,014,231	23,690,334
33 Basic Earnings Per Share (EPS)			
Profit attributable to the ordinary shareholders	109,029,820	136,459,293	126,135,405
Number of shares outstanding during the year	98,371,100	98,371,100	98,371,100
Basic Earnings Per Share (EPS)	1.11	1.39	1.28

	30 June 2016 Taka	30 Sept 2015 Taka
34 Net Asset Value Per Share (NAV)		
Total Assets	10,521,388,709	10,933,770,224
Less: Total Liabilities	8,637,511,731	9,011,366,416
Net Asset Value (NAV)	1,883,876,978	1,922,403,808
Number of ordinary shares outstanding during the year	98,371,100	98,371,100
Net Asset Value Per Share (NAV)	19.15	19.54
35 Net Operating Cash Flow Per Share		
Cash flows from operating activities	682,731,818	(1,895,282,137)
Number of shares outstanding during the year	98,371,100	98,371,100
Net Operating Cash Flow Per Share	6.94	(19.27)

36 Contingent Liabilities

The company had the following contingent liabilities at the reporting date:

Particulars	Amount (Tk.)	Present status
Penalty imposed by VAT Authority in 2011	35,000,000	Pending before the VAT Appellate Tribunal for verdict.

No provision has been made on the reporting date against above contingent liabilities as outcome of the above pending cases are uncertain.

37 Quantitative Movement of Inventories

37.01

Raw Materials:

Opening Stock of Raw Materials

	30 June 2016 M.Ton	30 Sept 2015 M.Ton
H.R Coil	4,231.69	3,117.34
Hydrochloric Acid	4,798.84	4,277.51
TIN Ingot	44.53	25.86
ZINC Ingot	4,125.45	2,419.52
LEAD Ingot	336.32	337.61
ZINC Alloy	24.27	57.02
Antimony Ingot	0.45	2.59
Chromic Acid	24.93	3.36
	13,586.48	10,240.81

Add: Purchased during the year

H.R Coil	67,528.69	49,180.25
Hydrochloric Acid	1,257.93	1,596.28
TIN Ingot	-	20.00
ZINC Ingot	2,009.13	2,311.35
LEAD Ingot	-	-
ZINC Alloy	72.18	-
Antimony Ingot	-	-
Chromic Acid	5.00	23.00
	70,872.93	53,130.88
	84,459.41	63,371.69

Raw materials available for consumption

Less: Raw Materials Consumed

H.R Coil	40,511.34	48,065.90
Hydrochloric Acid	815.12	1,074.95
TIN Ingot	2.39	1.33
ZINC Ingot	1,016.06	605.42
LEAD Ingot	1.79	1.29
ZINC Alloy	35.52	32.75
Antimony Ingot	0.45	2.14
Chromic Acid	2.39	1.43
	42,385.06	49,785.21

Closing Stock of Raw Materials

H.R Coil	31,249.04	4,231.69
Hydrochloric Acid	5,241.65	4,798.84
TIN Ingot	42.14	44.53
ZINC Ingot	5,118.52	4,125.45
LEAD Ingot	334.53	336.32
ZINC Alloy	60.93	24.27
Antimony Ingot	-	0.45
Chromic Acid	27.34	24.93
	42,074.35	13,586.48

37.02

Finished Goods:

A. In Cold Rolled Plant

Opening stock	642	281
Add: Produced during the year	37,166	43,117
	37,808	43,398
Less: Transferred to NOF plant during the year	12,923	7,145
Available for sale	24,885	36,253
Less: Sold during the year	24,349	35,611
Closing stock	536	642

B. In NOF Plant

Opening stock	2,728	4,646
Add: Produced during the year	11,254	7,123
Available for sale	14,682	11,769
Less: Sold during the year	12,015	9,041
Closing stock	2,667	2,728

38 Guarantees

The following Bank guarantees were outstanding on the reporting date:

	30 June 2016 Taka	30 Sept 2015 Taka
Bank Guarantee Against Karnaphuli Gas Distribution Co. Ltd.	2,392,300	2,310,400
Deposit to Customs Authority against duty claim under appeal	59,877,607	16,714,814
Bank Guarantee Against Customs Authority under Bond	171,909,702	521,794,706
	234,179,609	540,819,920

39 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

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 analyse the risks faced by the Company to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies, procedures and systems are reviewed regularly to reflect changes in market conditions and the company's activities.

39.01 Credit risk

Credit risk is risk of financial loss if a customer fails to meet its contractual obligations which arises principally from the Company's receivables from customers and investment in securities.

39.01.01 Exposure to credit risk

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

	30 June 2016 Taka	30 Sept 2015 Taka
Accounts Receivables	2,394,100,454	2,994,166,151
Cash and Cash Equivalents	8,993,319	4,091,375
	<u>2,603,093,773</u>	<u>2,998,257,526</u>

(a) Trade receivables

The company's management has not 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

Ageing of trade and other receivables

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

	30 June 2016 Taka	30 Sept 2015 Taka
0-90 days	-	-
91- 180 days	648,525,114	170,197,567
Over 180 days	<u>1,945,575,341</u>	<u>2,821,581,379</u>
	<u>2,894,100,454</u>	<u>2,991,778,946</u>

(b) Cash and cash equivalents

The company held cash and cash equivalents of Tk. 8,993,319 at 30 June 2016 (2015: Tk. 4,091,375), which represents its minimum credit exposure on these assets. The balance with banks are maintained with local branch of domestic scheduled banks.

39.02 Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations affiliated with its financial liabilities that are settled by delivering cash. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The following are the contractual maturities of financial liabilities:

	2 to 12 months	Contractual cash flows	Carrying amount
Non-derivative financial liabilities:			
As at 30 June 2016			
Trade creditors	1,657,636,351	1,657,636,351	1,657,636,351
Liabilities for expenses	23,681,395	23,681,395	23,681,395
Other liabilities	7,636,352	7,636,352	7,636,352
	<u>1,688,954,098</u>	<u>1,688,954,098</u>	<u>1,688,954,098</u>
As at 30 September 2015			
Trade creditors	1,551,984,506	1,551,984,506	1,551,984,506
Liabilities for expenses	18,531,509	18,531,509	18,531,509
Other liabilities	14,398,639	14,398,639	14,398,639
	<u>1,584,914,654</u>	<u>1,584,914,654</u>	<u>1,584,914,654</u>

39.03 Market risk

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

39.03.01 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 30 June 2016, the Company was exposed to foreign currency risk in respect of financial liabilities denominated in the following currencies:

	30 June 2016		30 Sept 2015	
	US\$	Taka	US\$	Taka
Exposure to currency risk				
Foreign currency denominated assets:				
Trade receivables	-	-	-	-
Foreign currency denominated liabilities:				
Liabilities for expenses (L/C liability)	18,769,927	1,484,015,039	14,745,461	1,124,238,215
	<u>18,769,927</u>	<u>1,484,015,039</u>	<u>14,745,461</u>	<u>1,124,238,215</u>
Net exposure				
	<u>18,769,927</u>	<u>1,484,015,039</u>	<u>14,745,461</u>	<u>1,124,238,215</u>

The following significant exchange rate is applied during the year:

U S dollar 79.06 76.24

A change of 10 basis points in foreign currencies would have increased/(decreased) equity and profit or loss of the company by Taka 18,769,927

39.03.02 Transaction risk

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

39.03.03 Economic risk

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

39.03.04 Interest risk

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

40 Operating Segments :

The company has two reportable segments, as described below which are the company's strategic divisions. These strategic divisions offer different products and are managed separately because they require different technology and marketing strategies. The following summary describes the operation in each of the company's reportable segments.

i) Cold Rolled Strips: Includes purchasing of hot roll and manufacturing and distribution of CR Strips.

ii) Non-Oxide Furnace (NOF): Includes purchasing of CR Strips and manufacturing and distribution of CI and GP Steels.

Information about reportable segments :	30 June 2016			30 June 2015			30 September 2015		
	Cold Rolled Taka	NOF Taka	Total Taka	Cold Rolled Taka	NOF Taka	Total Taka	Cold Rolled Taka	NOF Taka	Total Taka
External Revenues :									
Local Sales	1,798,390,874	906,254,187	2,704,645,061	2,500,277,481	619,668,184	3,119,945,665	3,141,554,866	860,027,618	4,001,582,484
Scrap Sales	114,783,202	16,571,849	131,355,051	129,395,384	34,478,204	163,873,588	146,849,804	45,695,126	192,544,930
Total External Sales and Reportable Segment Revenue	1,913,174,076	922,826,036	2,836,000,112	2,629,672,865	654,146,388	3,283,819,253	3,288,404,670	905,722,744	4,194,127,414
Cost of sales	1,686,209,384	843,300,296	2,529,509,680	2,314,580,839	569,639,996	2,884,220,835	2,959,251,712	823,533,184	3,782,784,896
Gross Profit	226,964,692	79,525,740	306,490,432	315,092,026	84,506,392	399,598,418	329,152,958	82,189,560	411,342,518
% of Gross Profit before Tax	11.86	8.62	10.81	11.98	12.92	12.17	10.01	9.07	9.81
Reportable Segment Profit before Tax	64,389,078	71,795,876	116,184,954	103,525,579	77,855,001	181,380,580	75,371,091	54,429,771	129,800,862
Other income	291,730	-	291,730	1,176	-	1,176	1,046,620	-	1,046,620
Finance income	10,695,659	-	10,695,659	21,014,231	-	21,014,231	23,690,334	-	23,690,334
Finance costs	147,709,104	-	147,709,104	165,346,860	-	165,346,860	223,922,187	-	223,922,187
Depreciation & Amortisation	57,716,537	15,804,534	73,521,071	57,408,994	8,021,817	65,430,811	76,188,533	10,643,176	86,831,709
Reportable Segment Assets	7,595,470,699	2,648,561,010	10,244,031,709	10,613,406,323	2,648,561,010	13,261,967,333	11,249,548,462	2,584,247,255	13,833,795,717
Capital Expenditure	4,641,200	245,000	4,886,200	1,280,456	-	1,280,456	13,280,456	161,417,580	174,698,036
Reportable Segments Liabilities	8,635,817,272	1,694,459	8,637,511,731	11,653,665,395	1,694,459	11,655,359,854	12,171,414,761	2,935,509	12,174,350,270

40.01 Reconciliation of Reportable Segments -note 40

Assets

Total Assets from reportable segments

Add: Others- Investment

Total Assets

30 June 2016 Taka	30 Sept 2015 Taka
10,244,051,709	13,833,795,717
277,357,000	277,357,000
10,521,388,709	14,111,152,717

Liabilities

Total Liabilities for reportable segments

Add: others Liabilities

Total liabilities

8,637,511,731	12,174,350,270
7,636,352	14,398,639
8,645,148,083	12,188,748,909

41 Production Capacity

SACRSL Plant:

Installed Capacity (In M.Ton) for nine months on 30 June 2016

Actual Equivalent Production-0.090mm to 0.420mm (In M.Ton)

Capacity utilised (%)

30 June 2016 M.Ton	30 Sept 2015 M.Ton
90,000	120,000
78,504.86	94,200.60
87.220%	78.50%

NOF Plant:

Installed Capacity (In M.Ton) for nine months on 30 June 2016

Actual Equivalent Production-0.090mm to 0.420mm (In M.Ton)

Capacity utilised (%)

54,000	72,000
14,634.74	8,499.79
27.101%	11.81%

Number of Employees - Para 3 of Schedule XI, Part II

Salary Range (Monthly)	Head Office		Factory			Total Number of Employees	
	Officer	Staff	Casual	Officer	Staff		Worker
For the year ended 30 June 2016	19	6	10	75	34	230	374
Below 3,000	-	-	-	-	-	-	-
From Tk 3,000 thru Tk 5,300	-	-	-	-	-	-	-
From Tk 5,300 thru Tk 15,000	-	6	10	4	-	230	250
Above 15,000	19	-	-	71	34	-	124
For the year ended 30 September 2015	17	9	9	71	31	220	357

42 Attendance Status of Board Meeting of Directors and Honorarium

During the year ended 30 June 2016, there were 4(Four) Board meetings held. The attendance status of all the meetings and honorarium of directors are as follows:

Sl.	Name of the Directors	Position	Meeting Held	Attendance	Honorarium per Attendance in First Meeting	Honorarium per Attendance in 2nd meeting to 4th meeting	Total Honorarium
1	Mr. Mohammad Saiful Alam	Managing Director	4	2	5,000	8,000	13,000
2	Mr. Abclus Samad	Chairman	4	4	5,000	8,000	29,000
3	Mr. Osman Gani	Director	4	4	5,000	8,000	29,000
4	Mr. Nasir Uddin Ahmed, FCMA	Director (ICB Nominee)	4	3	5,000	8,000	21,000
5	Ms. Halima Begum	Director (General Investors' Group)	4	3	5,000	8,000	21,000
6	Mr. Mohammad Ishaque	Independent Director	4	4	5,000	8,000	29,000
7	Mr. Monotosh Chandra Roy, FCA	Independent Director	4	4	5,000	8,000	29,000

43 Capital Commitment

The company had no capital commitment at the reporting date.

44 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 and balances as on reporting date have been set in accordance with the provisions of BAS-24.

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

Name of parties	Relationship	Nature of Transactions	Outstanding as on 30 June 2016	
Chemon Ispat Limited	Affiliated Company	Sales and Short term Loan	2,280,719,431	Dr
S. Alam Steels Ltd.	Affiliated Company and Share Holder	Sales and Short Term Loan	260,858,764	Dr
S. Alam Trading Co. (Pvt) Ltd.	Affiliated Company	Short Term Loan	979,745,987	Dr
S. Alam Power Generation Limited	Subsidiary	Short Term Loan	701,030,276	Dr
S. Alam Super Edible Oil Ltd.	Affiliated Company	Short Term Loan	65,494,163	Dr
S. Alam Vegetable Oil Ltd.	Affiliated Company and Share Holder	Short Term Loan	47,762,913	Dr
S. Alam & Co.	Affiliated Company	Short Term Loan	93,069,000	Dr
S. Alam Brothers Limited	Affiliated Company	Short Term Loan	56,822,737	Dr
Global Trading Corporation Ltd.	Affiliated Company	Short Term Loan	1,560,461,418	Dr
Sonali Traders	Affiliated Company	Short Term Loan	200,970,404	Dr
S. Alam Refined Sugar Industries Ltd.	Affiliated Company	Short Term Loan	1,319,817,668	Cr
Annex Business Corner	Affiliated Company	Short Term Loan	230,000,000	Cr
Learned Business House	Affiliated Company	Short Term Loan	190,000,000	Cr
Renown Business & Trading House	Affiliated Company	Short Term Loan	152,500,000	Cr
Rainbow Corporation	Affiliated Company	Short Term Loan	43,000,000	Cr
Jashim Trading Corporation	Affiliated Company	Short Term Loan	125,936,979	Cr
Ansar Enterprise	Affiliated Company	Short Term Loan	285,000,000	Cr
Sunbeam Traders	Affiliated Company	Short Term Loan	96,700,000	Cr
Fancy Fare Corporation	Affiliated Company	Short Term Loan	75,000,000	Cr
Dulari Enterprise	Affiliated Company	Short Term Loan	86,950,000	Cr
M.M Corporation	Affiliated Company	Short Term Loan	81,000,000	Cr
Nabir Trading	Affiliated Company	Short Term Loan	44,000,000	Cr
Tayub & Brothers	Affiliated Company	Short Term Loan	55,600,000	Cr
United Super Traders	Affiliated Company	Short Term Loan	31,569,553	Cr
Zinnah Corporation	Affiliated Company	Short Term Loan	77,575,000	Cr
Unique Trade & Business House	Affiliated Company	Short Term Loan	44,400,000	Cr
Enovation Trade	Affiliated Company	Short Term Loan	30,000,000	Cr
Others receivable (with balance less than 3 crore)	Affiliated Company	Short Term Loan	13,609,000	Dr
Others payable (with balance less than 3 crore)	Affiliated Company	Short Term Loan	190,059,485	Cr

45 Events After The Reporting Period

The Board of Directors in their meeting held on 01 October 2016 recommended 10% Cash dividend for the period ended from 01 October 2015 to 30 June 2016.

46 GENERAL

Figures appearing in these accounts have been rounded off to the nearest taka.

Previous year's phrases & amounts have been restated and re-arranged, wherever considered necessary, to conform to the presentation for the period under review.

These financial statements should be read in conjunction with the annexed notes and were approved by the Board of Directors on 01.10.2016 and were signed on its behalf by :


COMPANY SECRETARY


DIRECTOR


MANAGING DIRECTOR



SUBSIDIARY

Profile

S. Alam Power Generation Ltd.



DIRECTORS' REPORT *to the* Shareholders

Dear Shareholders,

It is a matter of great pleasure for your Directors in presenting their 8th Annual Report along with the audited Accounts and the Auditors' Report thereon for the period ended 30th June 2016 covering 9 months from 01 October 2015 to 30 June 2016.

It is reported that the 17MWe captive power plant started its commercial production from the 28 August 2016. Your directors expect that the annual turnover of the Company from the said power project would be around Tk .108.00 Crore, if the electricity it produces at the rated capacity could be sold.

Save and except its engagement in implementation of the power plant, your Company did not embark upon any commercial activities during the period under report. Your Directors therefore did not recommend any dividend for the approval by the valued shareholders.

Mr. Osman Gani is the Director retiring by rotation this year. Being eligible, he offers himself for re-election in the ensuing Annual General meeting of the Company.

Being a subsidiary of S. Alam Cold Rolled Steels Limited, a stock exchange listed company, certain conditions of the Corporate Governance Guidelines (CGG) issued by the Bangladesh Securities & Exchange Commission vide its Notification # SEC/CMRRCD/2006-158/134/Admin/44 of 07/08/2012 are made applicable to this subsidiary company on comply basis and in its compliance, the number of directors of this company has been raised from two to five by co-option of three nominees inclusive of one Independent Director of the holding company, as Directors of the company. They, excluding the nominated Independent Director, are considered for the purpose of retirement by rotation. In addition thereto, Minutes of this subsidiary company and its affairs are made compulsorily to be reviewed in the following Board Meeting of the Holding company, and it has also been made mandatory that the Audit Committee of the holding Company has to review the financial statements in particular the investments made by this subsidiary company. In compliance of such provisions of law, the Minutes of the Board of Directors as well as the affairs of this company, in particular the investments made by this subsidiary company, have regularly been reviewed by the Board of Directors of SACRSL in their Meetings held during the period under report, and the financial statements of your company for the nine months period ended 30/06/2016 have also been reviewed by the Audit Committee of the SACRSL.

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

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, the holding company, to make your Company successful.



Abdus Samad
Chairman

10 November 2016.



Hoda Vasi Chowdhury & Co

Chartered Accountants

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

Report on the Financial Statements

We have audited the accompanying financial statements of S. Alam Power Generation Limited ("the Company") which comprise the statement of financial position as at 30 June 2016, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the period 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 30 June 2016, and of its financial performance and its cash flows for the period then ended in accordance with Bangladesh Financial Reporting Standards.

Report on Other Legal and Regulatory Requirements

In accordance with the Companies Act 1994, we also report the following:

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

Chittagong, 01 October 2016

Hoda Vasi Chowdhury
CHARTERED ACCOUNTANTS
HVC

S. ALAM POWER GENERATION LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2016

	<u>Note(s)</u>	30 June 2016 Taka	30 Sept 2015 Taka
ASSETS & PROPERTIES			
NON CURRENT ASSETS & PROPERTIES			
Property, Plant and Equipment	6	35,486,270	35,486,270
Capital Work-in-Progress	7	2,310,473,925	2,167,363,517
CURRENT ASSETS			
Inventory	8	15,742,315	18,587,658
Advances, Deposits and Prepayments	9	18,599,048	16,555,427
Cash and Cash Equivalents	10	180,569	678,166
TOTAL ASSETS & PROPERTIES		2,380,482,127	2,238,671,038
SHAREHOLDERS' EQUITY AND LIABILITIES			
SHAREHOLDERS' EQUITY			
Share Capital	11	395,072,700	395,072,700
Retained Earnings		53,278,088	57,929,865
NON CURRENT LIABILITIES			
Long Term Loan	12	1,210,993,573	1,087,306,929
CURRENT LIABILITIES			
Liabilities for Expenses	13	186,922	3,023,691
Short Term Loan from Holding Companies	14	701,030,276	677,349,808
Due to Affiliated Companies	15	4,753,420	1,110,501
Provision for Income Tax	16	15,167,148	16,877,544
TOTAL SHAREHOLDERS EQUITY AND LIABILITIES		2,380,482,127	2,238,671,038
Net Asset Value Per Share	22	113.49	114.66
Capital Commitments	25	0.20 Crore	1.77 Crore


COMPANY SECRETARY


DIRECTOR


MANAGING DIRECTOR

These financial statements should be read in conjunction with the annexed notes
and were approved by the Board of Directors on 01.10.2016
and were signed on its behalf by:

Chittagong, 01 October 2016


CHARTERED ACCOUNTANTS





S. ALAM POWER GENERATION LIMITED
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE PERIOD ENDED 01 OCTOBER TO 30 JUNE 2016

	<u>Note(s)</u>	30 June 2016 Taka	(Restated) 30 June 2015 Taka	30 Sept 2015 Taka
Revenue	1.02	-	-	-
Cost of sales		-	-	-
Gross profit		-	-	-
Operating Expenses				
Pre-operation expenses	17	(3,852,999)	(447,830)	(4,311,534)
Administrative expenses	18	(1,149,631)	(875,010)	(1,441,606)
Operating Profit		(5,002,630)	(1,322,840)	(5,753,140)
Finance costs	19	(6,351)	(18,839)	(19,531)
		(5,008,981)	(1,341,679)	(5,772,671)
Other income	20	357,204	339,600	339,600
Profit before tax		(4,651,777)	(1,002,079)	(5,433,071)
Income tax expenses:				
Current Tax:				
Current year	16	-	-	-
Profit after tax		(4,651,777)	(1,002,079)	(5,433,071)
Earnings per share:				
Basic earnings per share	21	(1.18)	(0.25)	(1.38)

These financial statements should be read in conjunction with the annexed notes
and were approved by the Board of Directors on 01.10.2016
and were signed on its behalf by:


COMPANY SECRETARY


DIRECTOR


MANAGING DIRECTOR

Chittagong, 01 October 2016


CHARTERED ACCOUNTANTS



S. ALAM POWER GENERATION LIMITED
STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED 01 OCTOBER TO 30 JUNE 2016

	<u>Note(s)</u>	30 June 2016 Taka	30 Sept 2015 Taka
Cash flows from operating activities			
Cash paid to suppliers		(5,140,834)	(15,545,024)
Cash paid to employees		(601,199)	(286,303)
Cash paid for administrative expenses		(1,155,982)	(1,461,137)
Cash received from Other income		357,204	339,600
Payment of income tax		(1,856,409)	(2,409,583)
Net cash inflow/(outflow) from operating activities (A)		<u>(8,397,220)</u>	<u>(19,362,447)</u>
Cash flows from investing activities			
Capital work-in-progress		(143,110,408)	(233,351,155)
Acquisition of property, plant and equipment		-	-
Net cash Inflow/(outflow) from investing activities (B)		<u>(143,110,408)</u>	<u>(233,351,155)</u>
Cash flows from financing activities			
Increase/(Decrease) in Share Capital		-	-
Proceeds from long term loan		123,686,644	76,538,650
Share money deposit		-	-
Proceeds from short term loan		-	-
Cash received from/(paid to) holding companies		23,680,468	94,744,108
Cash received from/(paid to) affiliated companies		3,642,919	81,882,607
Cash paid for financial expenses		-	-
Net cash inflow/(outflow) from financing activities (C)		<u>151,010,031</u>	<u>253,165,365</u>
Net increase/(decrease) of cash and cash equivalents for the year (A + B + C)		(497,597)	451,763
Cash and cash equivalents at the beginning of the year		678,166	226,403
Cash and cash equivalents at the end of the year		<u>180,569</u>	<u>678,166</u>
Net Operating Cash Flow Per Share	23	<u>(2.13)</u>	<u>(4.90)</u>

These financial statements should be read in conjunction with the annexed notes
and were approved by the Board of Directors on 01.10.2016
and were signed on its behalf by:


COMPANY SECRETARY


DIRECTOR


MANAGING DIRECTOR



S. ALAM POWER GENERATION LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 01 OCTOBER TO 30 JUNE 2016

Particulars	<u>Share Capital</u> Taka	<u>Retained Earnings</u> Taka	<u>Total</u> Taka
Balance as on 01 October 2015	395,072,700	57,929,865	453,002,565
Net Profit after tax for the year 2016	-	(4,651,777)	(4,651,777)
Balance as on 30 June 2016	395,072,700	53,278,088	448,350,788
Balance as on 01 October 2014	395,072,700	63,362,936	458,435,636
Net Profit after tax for the year 2015	-	(5,433,071)	(5,433,071)
Balance as on 30 September 2015	395,072,700	57,929,865	453,002,565

These financial statements should be read in conjunction with the annexed notes
and were approved by the Board of Directors on 01.10.2016
and were signed on its behalf by :

Handwritten signature


COMPANY SECRETARY


DIRECTOR


MANAGING DIRECTOR

S. ALAM POWER GENERATION LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 01 OCTOBER TO 30 JUNE 2016

1 BACKGROUND AND INFORMATION

1.01 Formation and Legal Status

S. Alam Power Generation Limited, Chittagong is a private company limited by shares incorporated on 9th April 2009 vide Registration no. CH- 6951(297) of 2009 under the Companies Act (Act XVIII) of 1994 with The Registrar of Joint Stock Companies and Firms, Chittagong, Bangladesh.

It's registered office is located at S. Alam Bhaban, 2119, Asadgonj, Chittagong, Bangladesh.

S. Alam Cold Rolled Steels Limited is the parent company of S. Alam Power Generation Limited.

1.02 Nature of the business

The main objective of the company is to install and run a captive or independent power plant for generation of electricity.

The company did not commence business operation during the period under audit.

2 Present status of the project

2.01 Project Development

The Project envisages setting up two (2) units of World-renowned brand WARTSILA 17MW Generator. The Power Plant will produce electricity for S. Alam Cold Rolled Steels Limited and the remaining electricity will be sold to Palli Bidduth Somiti-1, Patiya under RURAL ELECTRIFICATION BOARD. This project is having a maximum power generation capacity of approximately 408,000 KW per day or 134,640,000 KW per year electricity to be installed at Kalarpool, Shikalbaha, Patiya in Chittagong.

2.02 Feasibility Study

During the year 2010-2011 the company carried out a feasibility study on this project. The feasibility study confirmed the genuine need of electricity for S. Alam Cold Rolled Steels Limited and the remaining will be sold to Palli Bidduth Somiti-1, Patiya under RURAL ELECTRIFICATION BOARD Bangladesh. It has also become the solution for regular and uninterrupted power supply to the projects of S. Alam Cold Rolled Steels Limited.

2.03 Registration with Bangladesh Energy Regulatory Commission

S. Alam Power Generation Limited has been registered as commercial power plant as an Independent Power Producer on 4th April 2012 vide License no. **BERC/POWER/CIPP-006/L/004/789** under Bangladesh Energy Regulatory Commission. It was valid up to 03 April 2016 and renewal of the registration is under process.

3 Basis of preparation

3.01 Statement of Compliance

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

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

3.02 Regulatory compliance

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

- (i) The Companies Act 1994
- (ii) The Income Tax Ordinance 1984
- (iii) The Income Tax Rules 1984
- (iv) The Value Added Tax Act 1991
- (v) The Value Added Tax Rules 1991
- (vi) Bangladesh Labor Act 2006

3.03 Date of authorization

The Board of Directors has authorized these financial statements on 01 October 2016.

3.04 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 managements' 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.



3.05 Functional and Presentation Currency

The financial statements are expressed in Bangladesh Taka which is both functional currency and reporting currency of the Company. The figures of financial statements have been rounded off to the nearest Taka.

3.06 Statement of Cash flows

Statement of Cash Flows is prepared principally in accordance with BAS 7 "Statement of Cash Flows" and the cash flow from the operating activities have been presented under direct method as prescribed by Securities and Exchange Rules, 1987.

3.07 Use of Estimates and Judgments

The preparation of the financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates and underlying assumptions, which are reviewed on an ongoing basis. Revision to accounting estimates is recognized in the period in which the estimates are revised and in any future periods affected.

3.08 Comparative information

Comparative information has been disclosed in respect of the year 2015 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 2015 have been rearranged wherever considered necessary to ensure comparability with the current year.

3.09 Reporting period

The financial statements of the Company consistently cover a period from 01 October 2015 to 30 June 2016.

4 Significant Accounting Policies

BAS-1	Presentation of Financial Statements
BAS-2	Inventories
BAS-7	Statement of Cash Flows
BAS-8	Accounting Policies, Changes in Accounting Estimates and Errors
BAS-12	Income Taxes
BAS-16	Property, Plant and Equipment
BAS-24	Related Party Disclosures
BAS-33	Earnings per share
BAS-37	Provisions, Contingent Liabilities and Contingent Assets

4.01 Property, plant and equipment

Items of property, plant and equipment are stated at cost less accumulated depreciation thereon.

4.1.1 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 other cost directly attributable to the acquisition of the assets.

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 recognized in profit or loss.

Expenditure on repairs and maintenance of Property, Plant and Equipment is treated as expense when incurred. Subsequent expenditure on property, plant and equipment is only recognized when the expenditure improves the condition of the asset beyond its originally assessed standard of performance.

4.1.2 Depreciation

Generally Land has unlimited useful life and its value never depreciates with some exception, quarries, sites used for landfill and mining land. Land is not depreciated.

4.02 Capital work in progress

Capital work in progress consists of cost incurred for acquisition and construction of plant and machinery, civil structure as well as several fixed assets etc. which were not put into operation till reporting date.

4.03 Inventories

Inventories of stores & spares include Lubricant Oil, HFO & LFO are valued at cost.

4.04 Transactions with affiliated companies

These represents balance amounts due to /from affiliated companies which are derived from short term loan, short term financial arrangement availed from affiliated companies as and when required to meet the expenditure for acquisition of capital machinery and installation thereof from time to time. These balances are unsecured but considered good and realisable.

4.05 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,

4.06 Finance income and cost

Finance income on funds invested that are recognised in profit or loss on accrual basis.

Finance expenses on borrowing that are not directly attributable to the acquisition, construction or production of a qualifying assets are recognized in profit or loss as and when incurred.

Finance expenses on borrowing that are directly attributable to the acquisition, construction or production of a qualifying assets are capitalized under effective interest method.

4.07 Cash and cash equivalents

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

4.08 Financial Instruments

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

4.08.01 Non-derivative financial assets

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

The Company derecognises 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, loans and receivables and available-for-sale financial assets.

4.08.02 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 recognised 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 recognised in profit or loss.

4.08.03 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 recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, loans and receivables are measured at fair value less any impairment losses.

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

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.



4.08.04 Available-for-sale financial assets

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.

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

4.09 Non-derivative 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

(a) Share capital (ordinary shares)

Ordinary shares are classified as equity.

(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.

4.10 Employee benefit schemes

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.

4.11 Provisions

A provision is recognised 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.

4.12 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-21 to the Financial Statements).

Diluted Earnings per share:

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.

4.13 Income tax expenses

Tax expenses comprises current tax. Current tax is recognised in profit and loss except to the extent that it relates to items recognised 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 year, using the tax rates enacted or substantially enacted at the reporting date, and any adjustment to tax payable in respect of previous year.

4.14 Leases

4.14.01 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.

4.14.02 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 Statement of Comprehensive Income on a straight line basis over the term of the lease.

5 New Standards and interpretations not yet adopted

All new standards and interpretations adopted by the Institute of Chartered Accountants of Bangladesh (ICAB) during the period beginning on or after 01 October 2015, which have significant effect on the financial statements of the company are duly complied with.

6 Property, Plant and Equipment

Land

30 June 2016 Taka	30 Sept 2015 Taka
35,486,270	35,486,270

This represent land has set up its factory on 2.52 acres at Kalarpool, Shikalbaha, Patiya, Chittagong, Bangladesh.

7 Capital Work in Progress

Opening Balance	2,167,363,517	1,934,012,362
Add: Expenditure incurred during the year (note - 7.01)	143,110,408	233,351,155
	2,310,473,925	2,167,363,517
Less : Transferred to property, plant and equipment (note - 7.01)	-	-
Closing Balance	2,310,473,925	2,167,363,517

7.01 The break-up of Capital work-in-progress is as follows: (note - 7)

Particulars	Opening Balance	Expenditure incurred	Capitalized during the year	Closing Balance
Building				
Factory Building	19,438,815	-	-	19,438,815
Plant and Machineries				
Capital Machineries			-	-
L/C No: 0136-11-01-0036	1,743,518,984	127,184,570	-	1,870,703,554
L/C No: 0136-11-01-0061	258,580,478	52,622	-	258,633,100
L/C No: 0136-11-99-0037	78,238,483	8,998	-	78,247,481
Machinery Installation	22,974,418	15,864,188	-	38,838,606
Other Equipments	41,087,053	-	-	41,087,053
Equipment & Appliances				
Factory Equipments	933,200	-	-	933,200
Computers	444,550	30	-	444,580
Air Conditioners	100,800	-	-	100,800
Furniture and Fixtures	346,736	-	-	346,736
Gas Line Installation	1,700,000	-	-	1,700,000
Balance as on 30 June 2016	2,167,363,517	143,110,408	-	2,310,473,925
Balance as on 30 September 2015	1,934,012,362	233,351,155	-	2,167,363,517

8 Inventory

Lubricant Oil	1,872,640	1,872,640
HFO	13,702,500	16,450,000
LFO	167,175	265,018
	15,742,315	18,587,658



9 Advances, Deposits and Prepayments

Advances (note - 9.01)
Prepayments (note - 9.02)

30 June 2016 Taka	30 Sept 2015 Taka
14,482,328	14,802,443
4,116,720	1,752,984
18,599,048	16,555,427

9.01 Advances - note 9

Consultancy (BIDCO Associates)
Advance income tax
Energy Pac Engineering Ltd.
S.S Enterprise
Against C&F bills
Green Development Construction
Sundry advance

650,000	650,000
13,509,028	13,509,028
-	227,500
300,000	300,000
-	15,915
-	100,000
23,300	-
14,482,328	14,802,443

9.02 Prepayments - note 9

Prepaid insurance

4,116,720	1,752,984
4,116,720	1,752,984

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

10 Cash and Cash Equivalents

Cash in hand
Cash at banks - note 10.01

10,316	3,490
170,253	674,676
180,569	678,166

10.01 Cash at bank - note 10

Name of the Bank	Branch	A/C No		
First Security Islami Bank Ltd	Khatungonj Br.	CD#0102111 00009425	69,095	571,028
National Bank Limited	Khatungonj Br.	CD#1002000 515781	86,805	87,645
Janata Bank Limited	Shadaran Bima Corporate Br.	CD#0010312 26	14,353	16,003
			170,253	674,676

Cash transactions are maintained by the S. Alam Cold Rolled Steels Limited.

11 Share Capital

Authorised Capital:

10,000,000 (One crore) ordinary shares of Tk. 100 each.

1,000,000,000 1,000,000,000

Issued, Subscribed and Paid-up Capital:

3,950,727 Ordinary shares of Tk. 100 each (note - 11.01)

395,072,700 395,072,700

11.01 Issued and Paid up Shares are Subscribed by :

Name of the Shareholders	No. of Shares	% of Holding	30 June 2016 Amount Taka	30 Sept 2015 Amount Taka
S. Alam Cold Rolled Steels Ltd.	2,773,570	70	277,357,000	277,357,000
Mr. Mohammed Saiful Alam	784,771	20	78,477,100	78,477,100
Mr. Abdus Samad	392,386	10	39,238,600	39,238,600
	3,950,727	100.00	395,072,700	395,072,700

	30 June 2016 Taka	30 Sept 2015 Taka
12 Long Term Loan		
Project loan (note - 12.01)	1,210,993,573	1,087,306,929
	<u>1,210,993,573</u>	<u>1,087,306,929</u>
12.01 Project loan - note 12		
Due within one year	-	-
Due after more than one year	1,210,993,573	1,087,306,929
	<u>1,210,993,573</u>	<u>1,087,306,929</u>

Terms of Project loan

Lenders: Janata Bank Ltd., Sadharan Bima Corp. Branch, Chittagong.

Janata Bank Ltd. sanctioned an amount of Tk. 98 Crore as project loan.

Total loan facilities: Tk. 98 Crore.

Interest rate:

Interest rate is 15.00% on quarterly rest or at applicable rate as determined by bank from time to time.

Disbursement:

The disbursement was made on 06.06.2013.

Repayments

Re-payment stipulated to be made by 24 quarterly installments plus accrued interest for each, commencing after grace period.

Loan period

The entire loan amount shall be re-paid by eight(8) years including grace period of one (1) year.

Securities:

- i. 100% registered mortgage of 241.59 decimal factory land and building valuing Tk 171.20 million.
- ii. Hypothecation on all existing and proposed plant and machineries, furniture and fixture including inventories.
- iii. Personal guarantee of all directors of the company jointly and individually.

Purpose:

For meeting expenditure for capital machineries.

	30 June 2016 Taka	30 Sept 2015 Taka
13 Liabilities for Expenses		
Withholding Tax payable	-	146,013
Salary	-	61,475
VAT payable	22,500	208,637
Audit Fee payable	50,000	50,000
Sundry Creditors	114,422	2,557,566
	<u>186,922</u>	<u>3,023,691</u>
14 Short Term Loan from Holding Companies		
S. Alam Cold Rolled Steels Limited	701,030,276	677,349,808
	<u>701,030,276</u>	<u>677,349,808</u>
15 Due to Affiliated Companies	<u>4,753,420</u>	<u>1,110,501</u>
<p>These balances represent short term financial arrangement availed from parent/affiliated companies. These are interest free and there is no fixed term of repayment.</p>		
16 Provision for Income Tax		
Opening Balance	16,877,544	19,432,640
Add: Provision made during the year	-	-
	<u>16,877,544</u>	<u>19,432,640</u>
Less: Paid during the year	1,710,396	2,555,096
Closing Balance	<u>15,167,148</u>	<u>16,877,544</u>



	30 June 2016 Taka	(Restated) 30 June 2015 Taka	30 Sept 2015 Taka
17 Pre - Operation Expenses			
Salaries and wages	539,724	164,100	347,778
Insurance expenses	3,180,926	-	3,623,826
Labor bill	10,150	209,100	253,300
Repairs & maintenance	104,410	61,886	76,756
Entertainment	12,489	-	-
Carrying charges	-	12,000	700
Medical & welfare expenses	5,300	744	9,174
	3,852,999	447,830	4,311,534
18 Administrative Expenses			
Legal & professional fee	65,000	-	7,500
Traveling & conveyance	53,382	3,225	42,445
Stationery	11,241	14,316	34,618
Audit Fee	50,000	-	50,000
License & renewal fee	510,008	535,956	557,756
Entertainment	5,000	52,513	59,287
Consultancy	250,000	-	-
Miscellaneous expenses	205,000	269,000	690,000
	1,149,631	875,010	1,441,606
19 Finance Costs			
Bank charges	6,351	18,839	19,531
	6,351	18,839	19,531
20 Other Income			
Other income	357,204	339,600	339,600
	357,204	339,600	339,600
21 Basic Earnings Per Share (EPS)			
Profit attributable to the ordinary shareholders	(4,651,777)	(1,002,079)	(5,433,071)
Number of shares outstanding during the year	3,950,727	3,950,727	3,950,727
Basic Earnings Per Share (EPS)	(1.18)	(0.25)	(1.38)
		30 June 2016 Taka	30 Sept 2015 Taka
22 Net Asset Value Per Share (NAV)			
Total Assets		2,380,482,127	2,238,671,038
Less: Total Liabilities		1,932,131,339	1,785,668,473
Net Asset Value (NAV)		448,350,788	453,002,565
Number of ordinary shares outstanding during the year		3,950,727	3,950,727
Net Asset Value Per Share		113.49	114.66
23 Net Operating Cash Flow Per Share			
Cash flows from operating activities		(8,397,220)	(19,362,447)
Number of shares outstanding during the year		3,950,727	3,950,727
Net Operating Cash Flow Per Share		(2.13)	(4.90)
		Number of Employees	
24 Number of Employees - Para 3 of Schedule XI, Part II		30 June 2016	30 June 2015
Below Tk 3,000		-	-
From Tk 3,000 thru Tk 5,300		-	-
From Tk 5,300 thru Tk 15,000		4	-
Above 15,000		1	1
		5	1
			30 Sept 2015
			-
			-
			4
			1
			5
25 Capital Commitments			
There are capital expenditure commitment for Tk. 0.20 crore in respect of Balance of the Plant (BOP) against capital machinery.			
26 Contingent Liabilities			
The company had no contingent liabilities at the reporting date.			
27 Events after the Reporting Period			
The commence of commercial operation of captive power plant project has been started from 28th August 2016.			







**প্রতিনিধিপত্র
(PROXY FORM)**

শেয়ার সংখ্যা

ফোলিও / বিও নং

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আমি/আমরা

এস. আলম কোল্ড রোল্ড স্টীলস্ লিমিটেড-এর সদস্য এবং

আমি / আমরা জনাব

কে আমার/আমাদের প্রতিনিধি হিসেবে

আমার / আমাদের অনুপস্থিতিতে ৭ জানুয়ারি ২০১৭ তারিখে চিটাগাং ক্লাব লিমিটেড, এস. এস. খালেদ রোড, চট্টগ্রামে বেলা ১১.০০ টায় অনুষ্ঠিতব্য কোম্পানির ১৬ তম বার্ষিক সাধারণ সভায় এবং ঐ সভার যে কোন মূলতবী সভায় উপস্থিত থাকার এবং আমার / আমাদের পক্ষে ভোট দানের জন্য নিয়োগ করছি।

আমার / আমাদের সম্মুখে তিনি

তারিখে স্বাক্ষর প্রদান করলেন।

প্রতিনিধির / প্রতিনিধির স্বাক্ষর

শেয়ারহোল্ডারের স্বাক্ষর

রেজেনিউ স্ট্যাম্প
২০/- টাকা

বিঃ দ্রঃ

- প্রদত্ত স্বাক্ষর কোম্পানির অফিসে সংরক্ষিত/ডিপোজিটরিতে অন্তর্ভুক্ত নতুন স্বাক্ষরের সাথে মিল থাকতে হবে।
- সদস্যবৃন্দ এই সাধারণ সভায় উপস্থিত থাকতে এবং ভোট প্রদান করতে পারেন কিংবা তাঁর পক্ষে উপস্থিত থাকতে এবং ভোট দানের জন্য একজন সদস্যকে প্রতিনিধি(প্রক্সি) নিয়োগ করতে পারেন। প্রতিনিধিপত্র যথাযথভাবে স্বাক্ষর প্রদান করতঃ ২০ টাকার রেজেনিউ স্ট্যাম্প সহযোগে সভার নিখরিত সময়ের ৭২ ঘণ্টা পূর্বে কোম্পানির রেজিস্টার অফিসে অবশ্যই জমা দিতে হবে।

**হাজিরাপত্র
(ATTENDANCE SLIP)**

৭ই জানুয়ারি ২০১৭ তারিখে চিটাগাং ক্লাব লিমিটেড, এস. এস. খালেদ রোড, চট্টগ্রামে অনুষ্ঠিত এস. আলম কোল্ড রোল্ড স্টীলস্ লিমিটেড-এর ১৬ তম বার্ষিক সাধারণ সভায় আমার উপস্থিতি লিপিবদ্ধ করলাম।

শেয়ারহোল্ডারের নাম

শেয়ার সংখ্যা

ফোলিও / বিও নং

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প্রতিনিধির নাম

শেয়ারহোল্ডারের/প্রতিনিধির স্বাক্ষর

* সভায় আগত শেয়ারহোল্ডার বা প্রতিনিধিকে হাজিরাপত্রটি পূরণ করে সভায় রেজিস্ট্রেশন কাউন্টারে জমা দিতে অনুরোধ করা যাচ্ছে।