

17th

AGM

Annual General Meeting 2018



S. ALAM COLD ROLLED STEELS LIMITED

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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
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 Samod	: Chairman
Mr. Mohammed Saiful Alam	: Managing Director
Mr. Md. Osman Gani	: Director
Mr. Mohammed Shahjahan	: 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 Samod	: Member
Mr. Md. Osman Gani	: Member

■ Company Secretary

Mr. Ghulam Muhammed	: Company Secretary
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■ Senior Corporate Officials

Mr. Subrata Kumar Bhowmick FCA	: Executive Director (Finance)
Mr. Moshir Rahman	: General Manager (Factory)
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

16 November 2017

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 year ended 30 June 2017

Dear Sir(s),

We are pleased to transmit a copy of the Annual Report 2017 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 30 June 2017 and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year 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 কোম্পানির ১৭তম বার্ষিক সাধারণ সভা নিম্নলিখিত বিষয়াদি সম্পাদনকল্পে আগামী ১২ জানুয়ারি ২০১৮ইং শুক্রবার সকাল ০৯:৩০টায় রেভিসন ব্লু চিটাগাং বে ডিউ, মেজবান বল রুম, এস এস খালেদ রোড, লালখান বাজার, চট্টগ্রামে অনুষ্ঠিত হবে।

আলোচ্যসূচি : (Ordinary Business)

- ০১। ২০১৭ সালের ৩০ জুন সমাপ্ত বছরের নিরীক্ষিত আর্থিক বিবরণীসমূহ, পরিচালকমণ্ডলীর প্রতিবেদন এবং নিরীক্ষকদের প্রতিবেদন গ্রহণ এবং অনুমোদন।
- ০২। ৩০ জুন ২০১৭ তারিখে সমাপ্ত বছরের জন্য লভ্যাংশ ঘোষণা।
- ০৩। পরিচালকমণ্ডলীর নির্বাচন / পুনঃ-নির্বাচন / নিয়োগ অনুমোদন।
- ০৪। পরবর্তী আর্থিক বছরের জন্য অডিটর নিয়োগ ও তাদের পারিশ্রমিক নির্ধারণ।

০৯ নভেম্বর, ২০১৭

মোহাম্মদ সাইফুল আলম
ব্যবস্থাপনা পরিচালক

দ্রষ্টব্য :

- ০১। রেকর্ড ডেট: ১৪ নভেম্বর ২০১৭। রেকর্ড ডেট-এ সিডিবিএল ডিপোজিটারি রেজিস্টার এবং কোম্পানির সদস্য বইতে নিবন্ধিত শেয়ারহোল্ডারগণ উপরোক্ত সাধারণ সভায় যোগদানসহ অনুমোদিত লভ্যাংশ পাওয়ার যোগ্য বলে বিবেচিত হবেন।
- ০২। প্রক্সি: সদস্যবৃন্দ এই সাধারণ সভায় উপস্থিত থাকতে এবং ভোট প্রদান করতে পারেন কিংবা তাঁর পক্ষে উপস্থিত থাকতে এবং ভোট দানের জন্য অন্য একজন প্রক্সি নিয়োগ করতে পারেন। সভায় যোগদানের জন্য নির্ধারিত সময়ের ৭২ ঘণ্টা পূর্বে সংযুক্ত প্রক্সি ফর্ম নিয়মানুযায়ী স্ট্যাম্প-সহকারে পূরণ করে কোম্পানির রেজিস্টার্ড অফিসে অবশ্যই জমা দিতে হবে।
- ০৩। কেবল হাজিরাপত্র উপস্থাপন সাপেক্ষে হলে প্রবেশ করা যাবে। কুরিয়ার বা ডাকযোগে যথাসময়ে বাৎসরিক প্রতিবেদন / হাজিরাপত্র না পেয়ে থাকলে কোম্পানির চট্টগ্রাম / ঢাকা অফিস হতে অথবা ওয়েবসাইট হতে ডাউনলোড-এর মাধ্যমে সংগ্রহ করা যাবে।
- ০৪। পরিচালক নির্বাচন :
 - (ক) পর্যায়ক্রমিক অবসর গ্রহণকারী উদ্যোক্তা পরিচালক আইনানুগ পুনর্নির্বাচিত হবে।
 - (খ) প্রাতিষ্ঠানিক শেয়ারহোল্ডারগণ হতে একজন এবং সাধারণ শেয়ারহোল্ডারগণ হতে একজন পরিচালক নির্বাচনের মনোনয়নপত্র ১৮-১২-২০১৭ হতে ২১-১২-২০১৭ পর্যন্ত কোম্পানির প্রধান কার্যালয়ে অফিস চলাকালে সময়ে পাওয়া যাবে।
 - (গ) মনোনয়নপত্র যথাযথ পূরণ ও স্বাক্ষর করত: প্রয়োজনীয় কাগজপত্রাদিসহ কোম্পানির প্রধান কার্যালয়, এস. আলম ভবন, ২১১৯, আছাদগঞ্জ, চট্টগ্রাম-২৭-১২-২০১৭ তারিখের মধ্যে অবশ্যই জমা দিতে হবে।
 - (ঘ) মনোনয়নপত্র প্রত্যাহারের শেষ তারিখ ২৮-১২-২০১৭।
 - (ঙ) যথাযথ বাছাইয়ের পর যোগ্য পরিচালক পদ-প্রার্থীদের চূড়ান্ত তালিকা ৩১-১২-২০১৭ 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 কোনোরূপ লিফট / নগদ সুবিধা প্রদানের ব্যবস্থা থাকবে না।
- ০৬। হিসাব বিবরণি ও প্রতিবেদন সমূহের উপর কোনো অনুসন্ধান থাকলে ব্যাখ্যা প্রদানের সুবিধার্থে তা সভা আরম্ভের তিন কার্যদিবস পূর্বে কোম্পানির নিবন্ধিত কার্যালয়ে দাখিলের জন্য অনুরোধ করা যাচ্ছে।

MESSAGE FROM THE CHAIRMAN



Dear Shareholders,
Assala-mu-alai-kum

Once again, it is my pleasure to welcome you to the 17th Annual General Meeting of the company.

All praise be to the Almighty Allah for the business performance that our company attained during the year under report in spite of some unavoidable adverse and challenging atmosphere shall definitely have to be considered satisfactory.

You Company was able to earn revenue income for the year covering 12 months of Tk. 2,450,608,401/- as against that of the previous period of Tk. 2,836,000,112/- covering 09 months. Our thanks and gratitude to our Managing Director, Mr. Mohammed Saiful Alam under whose able and far-sighted leadership and guidance your company is on a good footing today. We wish him continued health, happiness and prosperity.

The post-tax consolidated profit earning for the year covering twelve month is Tk.106,192,600/- with EPS of Tk. 1.11 whereas that of the previous period covering the period of nine months was Tk. 104, 378,013/- with the EPS of Tk. 1.08.

S. Alam Power Generation Limited, a subsidiary of this company, started its commercial operation from 28 August 2016 with expectation the Fuel price in the country would witness a steep fall keeping in line with the fall of fuel prices in the international market in consequence whereof they shall be able to produce electricity at a very competitive price by use of fuel. The authority on the contrary made just a little adjustment of the fuel price. As a result, electricity that would be produced by use of high cost fuel will be very costly and the consumers shall not purchase electricity at such a high price, the Directors of the SAPGL therefore considered it wise and in the best interest of the stakeholders, not continue with the production of electricity for the time being, rather exerted their best efforts for getting permission for installation of Gas line to the project for consumption in production of electricity, and in this connection a delegation from the Karnaphuli Gas Distribution Company Limited had recently visited the project site for assessment of its requirements of Gas for consumption in production of electricity. The Directors of the SAPGL as well as we are hopeful to get the requisite Gas connection very soon to enable the SAPGL to resume and continue with its electricity production, supply and distribution program. If a conducive and business friendly environment prevails and things remain positive we expect to keep the graph of our company's prosperity upward Insha Allah.

Except that the Directors recommended 10% cash dividend subject to approval thereof in the 17th 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



Bismillah-ir-Rahman-ir-Raheem

My dear Shareholders,
Assala-mu-alai-kum,

It is really a great pleasure and privilege for me to welcome you once again to the 17th Annual General Meeting of the Company.

Though the revenue income for the year under consideration is a bit lower than that of the previous year covering nine months' period for that the management considered it strategically wise in the interest of the company and its honorable shareholders to slow down its business activities for a short span of time far-sighting adverse effect on the company's profitability in case of otherwise, and the management had with its hard endeavor and efforts been able to maintain the ratio of its growth as near to that it attained last year.

In absence of continuous supply of requisite gas, S. Alam Power Generation Limited, the subsidiary of your Company, though commenced its commercial operation of its medium sized Power Generation Plant on and from 28 August 2016 could not continue as, contrary to our expectation, the BPC's reduction of fuel price in local market is so meager in comparison to the steep petroleum price fall in the international market; and the REB is not willing to purchase due to high cost of production of electricity if we so produce. On our rigorous and relentless efforts, officials from Karnaphuli Gas Distribution Company Limited has recently inspected out project and assessed our requirements of Gas for production of electricity. We are hopeful to get the gas connection installed at our project site within a short space of time and our power generation plant would then be able to resume its production producing electricity at the cost competitively lower. If congenial business atmosphere prevails and other things remain favorable your Company expects resumption of its graph of prosperity moving upward.

For the support and faith you placed in us and in our accomplishments I express my heartfelt thanks and gratitude to you all; and 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 blue ink, consisting of a stylized 'M' and 'A' followed by a long horizontal stroke.

Mohammed Saiful Alam
Managing Director

Directors' Report to the Shareholders:

Bismillahir Rahmanir Rahim

Dear Shareholders,

The Board of Directors of S. Alam Cold Rolled Steels Limited is pleased to place before you the audited financial statements for the year ended 30th June 2017 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. Financial Results

Key operating and financial results of the company and recommended appropriations for the year ended 30th June 2017 with comparative figures for the previous five years in summarized form are as under:

(Figures in nearest Tk. '000)

Particulars	Financial Year ended on					
	30.06.2017 (consolidated)	***30.06.2016 (consolidated)	30.09.2015 (consolidated)	30.09.2014 (consolidated)	30.09.2013 (consolidated)	30.09.2012 (consolidated)
Net Sales	2,450,608	2,836,000	4,194,127	3,354,656	3,777,715	3,702,374
Profit before tax	117,984	111,533	124,368	138,008	273,490	467,851
Less: Provision for tax (Deferred)	(9,291)	(4,655)	1,335	(27,075)	(49,557)	(3,817)
Less: Provision for Current Tax	(2,500)	(2,500)	(5,000)	(15,500)	(27,841)	(128,890)
Net Profit after Tax	106,193	104,378	120,702	95,433	196,092	335,144
Proposed/Declared Dividend	10% cash	10% Cash	15% Cash	15% cash	13% cash	15% cash
Earning Per Share (EPS)	1.11	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 the Annual Financial Statements are noted below:

	1 st Quarter ended 30/09/2016.	2 nd Quarter ended 31/12/2016.	3 rd Quarter ended 31/03/2017.	Annual - Year ended 30/06/2017 (Consolidated)
Earning Per Share (EPS) (Consolidated) Excluding non-controlling interest.	0.19	0.31	0.42	1.11

3. 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 recently commissioned 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.

4. Segment-wise / Product-wise Performance:

(Figures in nearest Taka '000)

	As at 30.06.2017			As at 30.06.2016		
	CR Coil	GP/CI Sheet (NOF)	Total	CR Coil	GP/CI Sheet (NOF)	Total
Revenue	1,775,835	674,773	2,450,608	1,913,174	922,826	2,836,000
Cost of Sales	(1,511,565)	(603,764)	(2,115,329)	(1,686,209)	(843,300)	(2,529,509)
Gross Profit (GP)	264,270	71,009	335,279	226,964	79,526	306,490
GP in % of Revenue	14.88%	10.52%	13.68%	11.86%	8.62%	10.81%
Selling, Distribution & Administrative Cost	(53,997)	(4,946)	(58,943)	(43,518)	(3,951)	(47,469)
Other Income	828	-	828	292	-	292
Operating Result	211,101	66,063	277,164	183,738	75,575	259,313
Finance Income (Net)	(143,630)	-	(143,630)	(137,013)	-	(137,013)
Net Profit before Provisions	67,471	66,063	133,534	46,725	75,575	122,300
Contribution to WPPF & WF	(3,374)	(3,303)	(6,677)	(2,336)	(3,779)	(6,115)
Profit before Tax	64,097	62,760	126,857	44,389	71,796	116,185
Profit in % of Revenue	3.61%	9.30%	5.18%	2.32%	7.78%	4.10%

5. 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.

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

Particulars	Year ended on 30/06/2017 (Consolidated)	Period ended on 30/06/2016 (Consolidated)	Increase/(Decrease) based on Turnover of the year under reports
Cost of Goods Sold	86.63% of Turnover	89.19% of Turnover	(2.56%)
Gross Profit Margin	13.37% of Turnover	10.81% of Turnover	2.56%
Net Profit Margin	4.33% of Turnover	3.68% of Turnover	0.65%

(a) Cost of Goods Sold:

Compared to that of the previous year the Cost of Goods sold of the year under report witnessed a decrease by 2.56% on the Turnover of the year. Reason for such decrease during the year under report is attributable to the significant stock of lowest cost of imported raw material - H. R. Coil as compared 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 2.56% increase. Reason is attributable primarily to the significant stock of imported low cost prime raw material - HR Coil. The management had with its best endeavours and efforts however been able to retain the trend of increase in the GP Margin.

(a) Net Profit Margin:

Net Profit Margin in relation to the Turnover of the year under report, recorded 0.65% increase in comparison with that of the previous year for the reasons as stated above.

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

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

8. Dividend:

The Directors recommend 10% Cash dividend for the year ended 30th June 2017 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 its subsidiary, S. Alam Power Generation Limited to meet its 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.

9. 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, 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 on the same day 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.

10. Subsequent events

Nothing happened affecting financial position of the company since end of the financial year under review save and except that the Directors recommend for declaration of 10% cash dividend for the year ended 30th June 2017 subject to the approval thereof by the shareholders in the forthcoming Annual General Meeting.

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

It is reiterated that:

- (a) As per disclosures in this behalf in the Prospectus, 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.
- (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 as disclosed in the Information Memoranda, to finance the procurement and installation in expansion of the company of one complete Non-Oxide Furnace (NOF) type Continuous Galvanizing Line (CGL) to produce CI / GP Sheets by using C. R. Coils produced by the company as its prime raw material. 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.

12. Directors:

The names of the directors of the company during the financial year 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 year, set opposite their respective names:

Sl.No.	Name of the Directors	Representing	At 30/06/2016 Shares of Tk.10/- each	At 30/06/2017 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 Mr. Mohammed Shahjahan	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. Osman Gani was re-elected in the last Annual General Meeting as Director from Sponsors' Group. Moreover, upon his nomination by the ICB, Mr. Mohammed Shahjahan, was elected un-contest as Director representing Institutional Investors' Group while Ms. Halima Begum was 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 compliance with the Condition No. 1.5(xxii) of the Corporate Governance Guidelines of the Commission:

(a) Mr. Osman Gani. (Sponsors' Group)

Being a sponsor shareholder / director of the company he retired by rotation and re-elected in the 16th Annual General Meeting of the Company held on 07/01/2017. He is an industrialist and one of the sponsor shareholders / directors of S. Alam Group and is actively engaged in trade and commerce. In addition to his directorship in the Company, he holds directorship in S. Alam Cement Limited, S. Alam Bag Manufacturing Mills Limited, S. Alam Trading Co. (Pvt) Limited, Ocean Resorts Limited, Hasan Abasan (Pvt) Limited, Modern Properties Limited, Fatehabad Farm Limited, Shah Amanat Prakritik Gas Co. Limited, and is a Director on nomination of the NRB Global Bank Ltd.

(b) Mr. Mohammed Shahjahan. (Institutional Investors' Group)

Mr. Mohammed Shahjahan is the General Manager of the Investment Corporation of Bangladesh with 30 years' service experience. He completed M.Com degree from the University of Chittagong. He also completed Banking Diploma from the IBB and took part various training program at different prestigious training Institute in the country. He has been discharging his responsibilities by holding various important positions at Investment Corporation 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.

While Mr. Abdus Samad continued to be the Director and the Chairman of the Board of Directors, Mr. Mohammed Saiful Alam continued to be the Managing Director of the company. In total 5 (five) 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	5
2.	Mr. Abdus Samad	5
3.	Mr. Osman Gani	5
4.	Mr. Nasir Uddin Ahmed, FCMA, ICB Nominee Mr. Mohammed Shahjahan, ICB Nominee	3 2
5.	Ms. Halima Begum	5
6.	Mr. Mohammad Ishaque	5
7.	Mr. Monotosh Chandra Roy FCA	5

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. Abdus Samad, a director from Sponsor Group, therefore, shall retire by rotation in the ensuing 17th Annual General Meeting and being eligible, he offers himself for re-election.

The position of one director from the Institutional Investors' Group and one from the General Investors' Group will fall vacant in the ensuing AGM shall have to be filled up in the 17th 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.

13. 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 year under report, are noted below:

Sl.No.	Name of Directors	Position	Board Meetings	
			Attendance	Total fee paid
1.	Mr. Mohammed Saiful Alam	Managing Director	5	40,000/-
2.	Mr. Abdus Samad	Director	5	40,000/-
3.	Mr. Osman Gani	Director	5	40,000/-
4.	Mr. Nasir Uddin Ahmed, FCMA	Director, ICB Nominee	3	24,000/-
	Mr. Mohammed Shahjahan	Director, ICB Nominee	2	16,000/-
5.	Ms. Halima Begum	Director, General Investors' Group	5	40,000/-
6.	Mr. Mohammad Ishaque	Independent Director	5	40,000/-
7.	Mr. Monotosh Chandra Roy FCA	Independent Director	5	40,000/-
TOTAL				280,000/-

All Meetings of the Board of Directors were held in Chittagong during the year under report, Mr. Nasir Uddin Ahmed FCMA and his successor Mr. Mohammed Shahjahan, ICB Nominee Director representing Institutional Investors' Group, had been reimbursed of their travelling and halting expenses at actual which they incurred in attending meetings of the Board of Directors in Chittagong as were entitled under Article 82 of the Articles of Association of the Company.

14. 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
1)	S. Alam Bag Manufacturing Mills Limited	44,100	0.045
2)	S. Alam Soyaseed Extraction Plant Limited	4,85,140	0.493
3)	Portman Cements Limited	3,88,110	0.395
4)	S. Alam Properties Limited	4,62,690	0.470
5)	Sonali Cargo Logistics (Pvt.) Limited	3,88,110	0.395
6)	S. Alam Refined Sugar Industries Limited	1,77,350	0.180
7)	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 Spouse - Ms. Farzana Parveen Minor Children	Managing Director xxxxx xxxxx	23,03,980 4,31,890 Nil	2.342 0.439 0
b)	Mr. Abdus Samad Spouse and Minor Children	Director xxxxx	19,67,430 Nil	2 0
c)	Mr. Md. Osman Gani Spouse and Minor Children	Director xxxxx	19,67,430 Nil	2 0
d)	Mr. Mohammed Shahjahan Spouse and Minor Children	ICB Nominee Director from Institutional Investors' Group xxxxx	Nil Nil	0 0
e)	Ms. Halima Begum Spouse and Minor Children	Director from General Investors' Group xxxxx	1,000 Nil	0.001 0
f)	Mr. Mohammad Ishaque Spouse and Minor Children	Independent Director xxxxx	Nil Nil	0 0
g)	Mr. Monotosh Chandra Roy, FCA Spouse and Minor Children	Independent Director xxxxx	Nil Nil	0 0
h)	Mr. Subrata Kumar Bhowmick FCA Spouse and Minor Children	Executive Director (Finance)	Nil Nil	0 0
i)	Mr. Ghulam Muhammed Spouse and Minor Children	Company Secretary xxxxx	Nil Nil	0 0
j)	Mr. Shimul Nandy Spouse and Minor Children	Chief Financial Officer xxxxx	Nil Nil	0 0
k)	Mr. Md. Delwar Hossain FCA Spouse and Minor Children	Head of Internal Audit xxxxx	Nil Nil	0 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. Shafiul Alam Spouse and Minor Children	Dy. 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 30th June 2017 is disclosed under Note No. 12.01 and 12.02 to the Consolidated Financial Statements attached to this Annual Report.

15. Audit Committee

As a sub-committee of the Board of Directors, the Audit Committee 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.

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

Sl.No.	Name of the Directors	Position	Meetings attended
1.	Mr. Mohammad Ishaque	Chairman	5
2.	Mr. Abdus Samad	Member	5
3.	Mr. Osman Gani	Member	5

16. Basis for Related Party Transactions:

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

17. Additional Statements:

The Directors are also 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 30/06/2017;
- (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 borrowing through pledge of shares to lenders at the time of borrowing.

18. Corporate Governane:

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. ZCC of the Securities and Exchange Ordinance 1969. Your company also obtained a certificate from M/s. Hussain Farhad & Co., Chartered Accountants, regarding compliance of aforesaid conditions during the year under report and attached as Annexure-II.

19. Auditors:

The current Auditors of the company - Hoda Vasi Chowdhury & Co, Chartered Accountants, retire at the ensuing Annual General Meeting. They have satisfactorily completed audit of accounts of your Company for a consecutive period of three years. The Bangladesh Securities & Exchange Commission (BSEC) by its Order No. SEC/CMRRCD/2009-193/104/Admin/--- dated 27/07/2011, imposed condition, among others, that the issuer-company shall not appoint any firm of chartered accountants as its statutory auditors for a consecutive period exceeding three years, therefore, your Company is unable to continue with them. The honourable shareholders are therefore requested to appoint Auditors for the next term and to fix up their remuneration.

20. Human Resource Management:

To, 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 offset the growing challenge arising out of open market competition and to capture the greater pie of the market. 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.

21. 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.

Dated: 24 October 2017.

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	BOARD OF DIRECTORS: Board's Size: Members not be less than 5(Five) and more than 20 (Twenty).	✓		
1.2	Independent Directors: At least one fifth (1/5) of the total number of directors.	✓		
1.2 (i)	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) a)	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) b)	Does not have any other relationship, whether pecuniary or otherwise, with the company of its subsidiary / associated companies.	✓		
1.2 (ii) c)	Is not a member, director or officer of any stock exchange	✓		
1.2 (ii) d)	Is not a shareholder, director or officer of any member of stock exchange or an intermediary or the capital market	✓		
1.2 (ii) e)	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) f)	Shall not be an independent director in more than 3(three) listed companies.	✓		
1.2 (ii) g)	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 (NBFI)	✓		
1.2 (ii) h)	Has not been convicted for a criminal offence involving moral turpitude.	✓		
1.2 (ii) i)	Appointed by the Board of Directors and approved by the shareholders in the Annual General Meeting (AGM)	✓		
1.2 (iii)	The post of independent director(s) can not remain vacant for more than 90 (ninety) days	✓		
1.2 (iv)	The Board laid down a code of conduct of all Board members and annual compliance of the code is recorded.	✓		
1.2 (v)	The tenure of office of an independent director is for a period of 3(three) years, extendable for 1(one) term only.	✓		
1.2 (vi)	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				
1.3 (i)				

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 (i)	Constitution of the Audit Committee: - 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 3.2	Chairman of the Audit Committee: - 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 3.3	Role of Audit Committee: - Oversee the financial reporting process.	/		
3.3 (i)	- Monitor choice of accounting policies and principles.	/		
3.3 (ii)	- Monitor Internal Control Risk management process.	/		
3.3 (iii)	- Oversee hiring and performance of external auditors.	/		
3.3 (iv)	- Review along with the management, the annual financial statements before submission to the board for approval.	/		
3.3 (v)	- Review along with the management, the quarterly and half yearly financial statements before submission to the board for approval.	/		
3.3 (vi)	- Review the adequacy of internal audit function.	/		
3.3 (vii)	- Review statement of significant related party transactions submitted by the management.	/		
3.3 (viii)	- Review Management Letters / Letter of Internal Control weakness issued by statutory auditors.	/		
3.3 (ix)	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.	/		
3.3 (x)		/		
3.4	Reporting of the Audit Committee:	/		
3.4.1 3.4.1	Reporting to the Boards of Directors: - Report on its activities to the Board of Directors.	/		
3.4.1 (i)	Report immediately on the following findings:			No such matter arisen.
3.4.1 (ii)	a) - Report on conflicts of interests.			No.
3.4.1 (ii)	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 made by the subsidiary company.	/		
6.	DUTIES OF CEO AND CFO:			
6. (i)	The CEO and CFO certified to the Board that:	/		
6 a) (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.	REPORTING AND COMPLIANCE OF CORPORATE GOVERNANCE:			
7. (i)	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)

24 October 2017

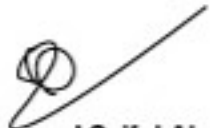
The Board of Directors
S. Alam Cold Rolled Steels Limited
Chittagong

We hereby certify to the Board that :-

- (i) We have reviewed Financial Statements for the year ended 30th June 2017 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

Certificate on Compliance with the Conditions of Corporate Governance Guidelines

This is to certify that the management of **S. Alam Cold Rolled Steels Limited** has complied with the necessary requirements of Corporate Governance for the year ended 30th June 2017 as per compliance requirements of the conditions imposed by Bangladesh Securities and Exchange Commission (BSEC) under Notification No: SEC/CMRRCD/2006-158/134/Admin/44, dated 7th August 2012 issued under section 2CC of the Securities and Exchange Ordinance, 1969.

Chittagong
Date : 15th November 2017

Hussain Farhad & Co.
Hussain Farhad & 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 year ended 30th June 2017.

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 five of its Meetings held during the year ended 30th June 2017 and subsequent period to date of this Report, the Committee reviewed the financial statements as at 30th June 2017 and quarterly financial statements prepared for statutory purposes as at 30th September 2016, 31st December 2016, and 31st March 2017. For its review, the members of the Committee were provided with comprehensive documentation for the year 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 17th 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 year ended 30th June 2017. Moreover, in their oversight role the Committee reviewed with the management the un-audited financial statements for the 1st Quarter ended 30th September 2017 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 year 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 year ended 30th June 2017 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 year ended 30th June 2017 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 year ended 30th June 2017.



Mohammad Ishaque
Chairman, Audit Committee.

24 October 2017.

Auditors' Report & Financial Statements 2017



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, **S. Alam Power Generation Limited**, which comprise the consolidated statement of financial position as at **30 June 2017**, 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 year 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 2017** and of the results of its operations and its cash flows for the year then ended and comply with the Companies Act 1994, the Securities and 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 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
- (d) the expenditure incurred was for the purposes of the Company's business.

Chittagong, 24 October 2017

Hoda Vasi Chowdhury
CHARTERED ACCOUNTANTS
Hoda

S.ALAM COLD ROLLED STEELS LIMITED
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2017

	Note(s)	30 June 2017 Taka	30 June 2016 Taka
ASSETS & PROPERTIES			
NON CURRENT ASSETS & PROPERTIES			
		4,209,700,595	4,138,937,292
Property, Plant and Equipment	5	4,209,700,595	1,828,463,397
Capital Work-in-Progress	6	-	2,310,473,895
CURRENT ASSETS			
		9,938,081,379	7,775,589,238
Inventories	7	6,011,153,503	4,370,602,812
Accounts Receivables	8	2,735,466,960	2,594,100,454
Advances, Deposits and Prepayments	9	956,979,766	754,651,849
Short Term Investment	10	117,791,911	47,060,235
Cash and Cash Equivalents	11	116,689,239	9,173,888
TOTAL ASSETS & PROPERTIES		14,147,781,974	11,914,526,530
SHAREHOLDERS' EQUITY & LIABILITIES			
SHAREHOLDERS' EQUITY			
		1,922,698,488	1,912,214,610
Share Capital	12	983,711,000	983,711,000
Share Premium		433,930,746	433,930,746
Retained Earnings		505,056,742	494,572,864
NON CONTROLLING INTEREST			
		131,036,748	133,699,126
NON-CURRENT LIABILITIES			
		1,863,269,695	1,894,274,819
Long Term Loan	13	1,550,071,425	1,590,368,008
Deferred Tax Liabilities	21.02	313,198,270	303,906,811
CURRENT LIABILITIES			
		10,230,777,043	7,974,337,975
Trade Creditors	14	1,457,951,328	1,657,636,351
Short Term Liabilities	15	7,669,316,365	5,611,975,936
Liabilities for Expenses	16	18,186,448	23,845,817
Advance against Sales	17	60,171,315	8,782,517
Due to Affiliated Companies	18	253,864,946	145,926,483
Current Portion of Long Term Loan	19	495,416,000	262,816,000
Liability against Unclaimed Dividend	20	30,802,049	28,242,151
Provision for Income Tax	21.01	155,130,993	152,630,993
Provision for Workers' Profit Participation & Welfare Fund	22	89,243,531	74,822,875
Other Liabilities	23	694,068	7,658,852
TOTAL SHAREHOLDERS' EQUITY & LIABILITIES		14,147,781,974	11,914,526,530
Net Asset Value Per Share	32	19.55	19.44
Contingent Liabilities and Commitments	34 & 41		

These financial statements should be read in conjunction with the annexed notes
and were approved by the Board of Directors on 24.10.17
and were signed on its behalf by:


COMPANY SECRETARY


DIRECTOR


MANAGING DIRECTOR

Signed in terms of our separate report of even date annexed

Chittagong, 24 October 2017


CHARTERED ACCOUNTANTS


S.ALAM COLD ROLLED STEELS LIMITED
CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2017

	Note(s)	01 July 2016 to 30 June 2017	01 October 2015 to 30 June 2016
		12 Months	09 Months
		Taka	Taka
Revenue	24	2,450,608,401	2,836,000,112
Cost of Sales	25	(2,122,960,065)	(2,529,509,680)
Gross Profit		327,648,336	306,490,432
Selling and Distribution Costs	26	(3,392,044)	(1,968,588)
Administrative Costs	27	(56,788,530)	(50,502,837)
		(60,180,574)	(52,471,425)
Operating Profit		267,467,762	254,019,007
Finance Costs	29	(151,863,354)	(147,715,455)
Profit before Non- Operating Income		115,604,408	106,303,552
Other Income	28	828,345	648,934
Finance Income	30	8,228,077	10,695,659
Net Profit before Tax and WPP and Welfare Fund		124,660,830	117,648,145
Contribution to WPP and Welfare Fund	22	(6,676,771)	(6,114,998)
Profit before Income Tax		117,984,059	111,533,147
Income Tax Expenses:			
Current Tax:			
Current Year	21.01	(2,500,000)	(2,500,000)
Deferred Tax	21.02	(9,291,459)	(4,655,134)
		(11,791,459)	(7,155,134)
Net Profit after Tax for the Year		106,192,600	104,378,013
Net Profit after Tax Attributable to			
Shareholders of the Company		108,854,978	105,773,546
Non-controlling interest		(2,662,378)	(1,395,533)
		106,192,600	104,378,013
Basic Earnings Per Share	31	1.11	1.08

These financial statements should be read in conjunction with the annexed notes
and were approved by the Board of Directors on 24.10.17
and were signed on its behalf by:



COMPANY SECRETARY



DIRECTOR



MANAGING DIRECTOR

Signed in terms of our separate report of even date annexed

Chittagong, 24 October 2017


CHARTERED ACCOUNTANTS

S.ALAM COLD ROLLED STEELS LIMITED
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2017

	Note(s)	30 June 2017 Taka	30 June 2016 Taka
Cash flows from operating activities			
Cash Received from Customers		2,360,630,693	3,209,565,550
Cash Paid to Suppliers		(3,841,864,924)	(2,297,255,100)
Cash Paid to Employees		(102,452,583)	(78,306,449)
Cash Paid for Operating Expenses		(85,319,103)	(17,844,202)
Payment of Advance Income Tax		(134,499,330)	(136,321,454)
Payment for WPP & WF		(5,284,536)	(5,860,981)
Net Cash Inflow/(Outflow) from Operating Activities (A)		(1,808,789,783)	673,977,364
Cash Flows from Investing Activities			
Capital Work-in-Progress		2,310,473,925	(143,005,378)
Acquisition of Property, Plant And Equipment		(2,448,753,169)	(4,991,200)
Proceeds from Sale of Property, Plant And Equipment		1,050,000	385,000
Investment in Fixed Deposit Receipt		(70,731,676)	98,372,329
Interest Received from Fixed Deposit Receipt		8,228,910	11,058,435
Net Cash Inflow/(Outflow) from Investing Activities (B)		(199,732,010)	(38,180,814)
Cash flows from financing activities			
Proceeds from / (Repayment of) Long Term Loan		192,303,417	(59,478,686)
Proceeds / (Repayment of) from Short Term Loan		2,057,340,429	288,141,287
Proceeds from / (Repayment to) Affiliated Companies		107,938,433	(573,716,403)
Dividend Paid		(95,811,202)	(144,963,052)
Cash Paid for Financial Expenses		(145,733,933)	(141,375,349)
Net Cash Inflow/(Outflow) from Financing Activities (C)		2,116,037,144	(631,392,203)
Net Increase/(Decrease) of Cash And Cash Equivalents for the Year (A+B+C)		107,515,351	4,404,347
Cash and Cash Equivalents at the Beginning of the Year		9,173,888	4,769,541
Cash and Cash Equivalents at the End of the Year		116,689,239	9,173,888
Net Operating Cash Flow Per Share	33	(18.39)	6.85

These financial statements should be read in conjunction with the annexed notes
and were approved by the Board of Directors on 24.10.17
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 YEAR ENDED 30 JUNE 2017

Particulars	Share Capital	Share Premium	Retained Earnings	Total	Non-Controlling Interest	Total
	Taka	Taka	Taka	Taka	Taka	Taka
Balance as on 01 July 2016	983,711,000	433,930,746	494,572,864	1,912,214,610	133,699,126	2,045,913,736
Cash dividend declared for the year 2016	-	-	(98,371,100)	(98,371,100)	-	(98,371,100)
Net Profit after tax for the year 2017	-	-	108,854,978	108,854,978	(2,662,378)	106,192,600
Balance as on 30 June 2017	983,711,000	433,930,746	505,056,742	1,922,698,488	131,036,748	2,053,735,236
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

These financial statements should be read in conjunction with the annexed notes
and were approved by the Board of Directors on 24.10.17
and were signed on its behalf by:

Wmko


COMPANY SECRETARY


DIRECTOR


MANAGING DIRECTOR

S.ALAM COLD ROLLED STEELS LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017

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's share were listed with Dhaka Stock Exchange and Chittagong Stock Exchange. Trading of the shares of the company started in two stock exchanges 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 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.

Commercial operation was commenced on 28th August 2016 but could not continue due to high cost of production of electricity per unit.

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 24 October 2017.

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 2016 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 liabilities 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 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 have significant doubt upon the Company's ability to continue as a going concern.

2.10 Reporting period

The financial statements of the Company cover one financial year from 01 July 2016 to 30 June 2017 for all reported periods.

3.00 Significant Accounting Policies

The financial statements have been prepared in compliance with requirement of BAS (Bangladesh Accounting Standards) / Bangladesh Financial Reporting Standards (BFRS) as adopted by the Institute of Chartered Accountants of Bangladesh (ICAB) as applicable in Bangladesh. The following BAS / BFRS 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 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)	65.24%	13.88%
Capital Machinery	65.24%	13.88%
Factory equipment	65.24%	13.88%
Generator	65.24%	13.88%
Work Roll	65.24%	13.88%
Luffing Crane and Jetty construction	65.24%	13.88%
Coil Cart	65.24%	13.88%

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

3.03 Capital work in progress

There were no costs incurred during the year.

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:

Category	Valuation
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.

(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 shares, 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-34 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.

3.15 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 or loss to the extent 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 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.

	30 June 2017 Taka	30 June 2016 Taka
5 Property, Plant And Equipment		
A. Cost		
Opening Balance	2,816,120,261	2,812,453,861
Addition during the year	2,448,753,169	4,991,200
	<u>5,264,873,430</u>	<u>2,817,445,061</u>
Deletion during the year	(1,444,455)	(1,324,800)
Total Cost	<u>8,263,428,975</u>	<u>2,816,120,261</u>
B. Accumulated Depreciation		
Opening Balance	987,656,864	915,361,751
Charged during the year	67,293,483	73,521,071
	<u>1,054,950,347</u>	<u>988,882,822</u>
Adjustments during the year	(1,221,967)	(1,225,958)
Total Depreciation	<u>1,053,728,380</u>	<u>987,656,864</u>
Written Down Value (WDV) as on 30 June (A-B)	<u>4,209,700,595</u>	<u>1,828,463,397</u>

Detail of Property, Plant & Equipment and Depreciation as on 30 June 2017 are shown in the notes 5.1.

Assets' category	Cost				Depreciation				Carrying amount as on 30 June 2017
	Opening balance as on 01 July 2016 Taka	Addition Taka	Disposed/ Adjustment Taka	Closing balance as on 30 June 2017 Taka	Depreciation Rate	Opening balance as on 01 July 2016 Taka	Charged for the year Taka	Adjustment for the disposed during the year Taka	
A. Land and land development									
Land (Purchased (12.24 Acres))	74,136,760	* 1,439,000	-	75,575,760	-	-	-	-	75,575,760
Land Development	21,416,417	-	-	21,416,417	-	106,393	-	-	21,416,417
Internal Road and Drainage	3,506,580	-	-	3,506,580	10%	350,658	-	-	3,155,922
Embankment	46,660,074	-	-	46,660,074	20%	9,332,015	-	-	37,328,059
	145,719,831	1,439,000	-	147,158,831		9,788,966	1,441,393	-	145,719,831
* Additional Tax & Expenses of 470.7 Decided on Land.									
B. Building:									
Factory Building (Including Leased Assets)	304,366,680	-	-	304,366,680	5%	97,791,140	6,730,559	-	199,836,081
Factory Building (NOF Plant)	257,246,737	-	-	257,246,737	5%	7,050,731	1,757,054	-	248,445,952
General Building	53,321,203	79,438,835	-	132,760,038	5%	15,449,533	893,583	-	116,416,922
Col Wine House	5,467,518	-	-	5,467,518	10%	3,818,599	1,64,896	-	1,584,023
	699,594,138	79,438,835	-	779,032,973		124,909,965	9,534,092	-	649,588,916
C. Plant and machinery									
Capital Machinery (NOF Plant)	1,233,517,738	2,420,212,918	-	3,653,730,656	10%	676,467,726	36,341,543	-	2,940,921,387
Capital Machinery (NOF Plant)	635,594,801	2,420,212,918	-	1,055,807,719	10%	25,770,529	8,139,441	-	1,021,897,749
	1,869,112,539	4,840,425,836	-	4,709,538,375		702,238,255	44,480,984	-	3,962,809,130
D. Equipment and appliances:									
Factory Equipment (NOF Plant)	22,691,689	933,260	-	23,624,949	10%	8,052,796	955,041	-	14,617,112
Office Equipment	2,296,579	-	-	2,296,579	10%	84,909	30,698	-	1,911,571
General Equipment	1,583,130	-	-	1,583,130	10%	854,902	73,023	-	728,228
Computer	1,543,095	-	-	1,543,095	10%	1,094,390	44,871	-	498,705
Air Conditioners	2,678,708	799,980	-	3,478,688	10%	1,510,008	132,572	-	1,868,680
Generator	5,514,316	684,440	-	6,198,756	10%	2,906,866	309,120	-	2,889,636
Electric Line Installation (NOF Plant)	1,240,000	-	-	1,240,000	10%	680,196	36,483	-	559,804
Car Line Installation	2,753,223	-	-	2,753,223	10%	2,061,694	69,354	-	1,621,680
Roof Installation	12,851,881	1,700,000	-	14,551,881	10%	4,277,384	87,430	-	10,197,067
For Bungalow	4,569,154	-	-	4,569,154	10%	3,044,741	132,441	-	1,391,972
Telephone Line Installation	58,100	-	-	58,100	10%	41,961	1,614	-	16,525
Grinding Wheel	398,527	-	-	398,527	10%	283,893	11,263	-	287,156
Water Tank	134,666	-	-	134,666	10%	97,028	3,674	-	101,602
Work Roll	113,500	-	-	113,500	10%	82,608	3,069	-	27,823
Barbed and Networking (Factory)	1,593,025	-	-	1,593,025	10%	874,603	46,870	-	671,552
Tools and Tackles	433,880	-	-	433,880	10%	180,221	25,366	-	228,293
	121,238	-	-	121,238	10%	89,291	3,300	-	29,697
	60,578,773	4,117,630	-	64,696,403		25,819,981	2,756,229	-	36,120,193
E. Furniture and Fixtures									
Furniture and Fixtures	4,696,291	380,446	-	5,076,737	10%	2,161,193	185,419	-	2,915,544
Furniture and Fixtures (NOF Plant)	291,295	-	-	291,295	10%	94,373	19,692	-	186,922
	4,987,586	380,446	-	5,368,032		2,255,566	205,111	-	3,102,466
F. Lifting Crane and Jery Construction									
G. Coal Cart	54,948,213	-	-	54,948,213	15%	30,100,630	1,650,005	-	31,738,583
H. Motor vehicles	8,024,621	-	-	8,024,621	10%	4,404,050	236,117	-	3,384,454
I. Interior Decoration	77,765,664	3,163,968	1,444,455	79,484,577	20%	43,133,170	6,640,412	-	35,711,055
	4,170,096	-	-	4,170,096	15%	3,180,193	148,485	-	2,989,903
	144,997,594	3,163,968	1,444,455	148,606,017		90,896,245	8,675,299	-	84,367,513
	2,916,130,261	2,420,212,918	1,444,455	5,336,838,975		987,656,844	67,293,483	1,221,967	4,290,796,595
30 June 2017	2,420,212,918	4,991,200	1,538,000	2,918,130,261		918,261,751	73,821,071	1,221,968	2,026,453,397
30 June 2016	2,420,212,918	-	-	2,420,212,918		-	-	-	2,420,212,918

Depreciation absorbed on:

Cost of Sales - note 28	01 July 2016 to 30 June 2017	01 Oct 2015 to 30 June 2016
75%	90,470,112	55,140,803
25%	16,823,371	18,380,268
100%	67,293,483	73,521,071

Administrative Costs - note 30

	30 June 2017 Taka	30 June 2016 Taka
6 Capital Work-in-Progress - NOF Project & Power Generation Project		
Opening Balance	2,310,473,895	2,167,468,517
Expense incurred during the year	132,703,154	143,355,378
	2,443,177,049	2,310,823,895
Transferred to Property, Plant and Equipment	(2,443,177,049)	(350,000)
Closing Balance	-	2,310,473,895

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	1,870,703,554	132,698,165	2,003,401,719	-
L/C No: 0136-11-01-0061	258,633,100	4,959	258,638,059	-
L/C No: 0136-11-99-0037	78,247,481	-	78,247,481	-
Machinery Installation	38,838,606	-	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 2017	2,310,473,895	132,703,154	2,443,177,049	-
Balance as on 30 June 2016	2,167,468,517	143,355,378	350,000	2,310,473,895

	30 June 2017 Taka	30 June 2016 Taka
7 Inventories		
Raw Materials - note 7.01	4,696,933,189	2,604,498,008
Raw Materials in Bond items	535,000,069	919,323,291
Work-in-Process - note 7.02	28,928,455	158,951,495
Finished Goods - note 7.03	317,336,413	295,039,375
Stores and Spares	362,021,424	370,602,220
Stock in transit	55,308,449	6,446,108
Lubricant Oil	1,538,240	1,872,640
HFO	13,702,500	13,702,500
LFO	384,764	167,175
	6,011,153,503	4,370,602,812

7.01 Raw materials - note 7

	30 June 2017		30 June 2016	
	Qty. (MT)	Taka	Qty. (MT)	Taka
HR Coil	50,677.31	2,464,656,154	31,249.04	1,209,464,300
Hydrochloric Acid	5,558.42	36,288,358	5,241.65	35,400,625
TIN Ingot	40.44	83,161,643	42.14	86,666,131
ZINC Ingot	8,190.67	1,972,343,667	5,118.52	1,169,596,176
LEAD Ingot	544.06	119,737,617	334.53	78,210,057
ZINC Alloy	23.86	5,402,247	60.93	14,194,721
Antimony Ingot	7.45	5,054,020	-	-
Chromic Acid	25.84	10,289,483	27.54	10,965,998
		4,696,933,189		2,604,498,008

7.02 Work-in-Process - note 7

	30 June 2017 Taka	30 June 2016 Taka
CR Coil	14,785,067	84,264,712
NOF	14,143,388	74,686,783
	28,928,455	158,951,495

	30 June 2017 Taka	30 June 2016 Taka
7.03 Finished Goods - note 7		
CR Coil	96,364,395	29,360,498
C.I & GP Sheet	220,972,018	265,678,877
	317,336,413	295,039,375
8 Accounts Receivable		
Against CR Coil	2,685,516,993	2,541,578,195
Against C.I and G.P Sheet	49,949,967	52,522,259
	2,735,466,960	2,594,100,454
The directors believe that above receivables are good and fully realisable. Hence, no provision is required at this stage.		
9 Advances, Deposits and Prepayments		
Advances (note - 9.01)	867,677,516	732,761,170
Deposits (note - 9.02)	15,467,282	15,287,636
Prepayments (note-9.03)	73,834,968	6,603,043
	956,979,766	754,651,849
9.01 Advances - note 9		
Against Expenses	1,364,496	1,215,293
Against Salary	1,120,000	4,353,000
Bank Guarantee Margin	98,791,975	103,488,335
Advance Income Tax	743,548,624	609,049,294
VAT current account	18,690,769	648,072
Supplementary Tax Current A/C	164,674	164,674
Consultancy (BIDCO Associates)	650,000	650,000
S.S Enterprise	300,000	300,000
Microsoft Traders	28,888	-
Others	3,018,090	12,892,502
	867,677,516	732,761,170
9.02 Deposits - note 9		
Chittagong City Corporation	4,096,232	4,096,232
Chittagong Palli Bidyar Samity-1	7,038,000	7,038,000
Karnaphuli Gas Distribution Co. Ltd.	1,379,992	1,200,346
Bangladesh Telecommunications Company Limited (BTCL)	6,600	6,600
Green 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
	15,467,282	15,287,636
9.03 Prepayments - note 9		
Insurance	6,025,183	5,097,988
Internet Service	85,776	108,648
Fees & Renewal to BSTI	698,199	1,396,407
Interest on MPI	67,025,810	-
	73,834,968	6,603,043
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		
<u>Name of Banks</u>		
Fixed Deposit Receipts:		
Rupali Bank Limited	17,970,629	16,149,428
Islami Bank Bangladesh Limited	99,821,282	30,910,807
	117,791,911	47,060,235
11 Cash and Cash Equivalents		
Cash in Hand - note 11.01	98,447	78,491
Cash at Banks - note 11.02	116,590,792	9,095,397
	116,689,239	9,173,888

11.01 Cash in Hand - note 11

	30 June 2017 Taka	30 June 2016 Taka
Head Office	40,573	33,479
Factory Office	57,874	45,012
	98,447	78,491

11.02 Cash at Banks - note 11

Bank	Branch	Account No.		
AB Bank Ltd.	Agrabad Br., Chittagong.	CD#4101-774707-000	92,359	96,159
Agrani Bank Ltd.	New Market Br., Chittagong.	CD#33009854	1,895	3,045
Agrani Bank Ltd.	Laldighi Br., Chittagong.	CD#29373	895	2,645
Al-Arafah Islami Bank Ltd	Khatungonj, Chittagong.	CD# 0091020013952	22,155	22,503
Dutch Bangla Bank Ltd.	Local Office , Dhaka.	CD#0101110000016146	-	26,120
EXIM Bank Ltd.	Khatungonj, Chittagong.	CD#00411100004909	-	80,151
First Security Islami Bank Ltd.	Khatungonj , Chittagong.	SND#13100002884	2,295	5,351
First Security Islami Bank Ltd.	Khatungonj , Chittagong.	SND#13100005008	7,924,327	5,133,583
First Security Islami Bank Ltd.	Khatungonj , Chittagong.	SND#13100002711	36,879	36,837
First Security Islami Bank Ltd.	Khatungonj , Chittagong.	SND#1310002792	19,591	20,164
First Security Islami Bank Ltd.	Anderkilla , Chittagong.	CD#13411100003882	106,987,564	2,276,593
First Security Islami Bank Ltd.	Khatungonj , Chittagong.	CD#010211100009425	81,237	69,095
Islami Bank Bangladesh Ltd.	Khatungonj , Chittagong.	CD#10601002130	219,748	65,577
Jamuna Bank Ltd.	Jubilee Road Branch, Chittagong.	CD#00190211002260	19,727	22,377
Janata Bank Ltd.	Shadharan Bima Corp Branch, Ctg.	CD#001031259	251,993	83,957
Janata Bank Ltd.	Shadharan Bima Corp Branch, Ctg.	CD#001031226	13,203	14,353
Mercantile Bank Ltd.	Khatungonj Branch, Chittagong.	CD#011211100005747	5,125	7,730
National Bank Ltd.	Khatungonj Branch, Chittagong.	CD#0002-33069282	5,279	7,469
National Bank Ltd.	Khatungonj Branch, Chittagong.	CD#1002000515781	85,965	86,805
Rupali Bank Ltd.	Anderkilla, Corporate Branch, Ctg.	CD#1552020006497	489,629	780,174
Rupali Bank Ltd.	Anderkilla, Corporate Branch, Ctg.	SND#1552024000134	109,594	109,729
Southeast Bank Ltd.	Principal Office, Dhaka.	CD#11100036055	26,934	29,185
The City Bank Ltd.	Khatungonj Branch, Chittagong.	CD#1101002163001	95,997	2,585
Union Bank Ltd.	Khatungonj Branch, Chittagong.	CD#0101010000801	53,321	66,830
Union Bank Ltd.	Gulshan Branch, Dhaka.	CD#0021010001342	45,080	46,380
			116,590,792	9,095,397

12 Share Capital
Authorised capital:

350,000,000 Ordinary Shares of Tk. 10 each	3,500,000,000	3,500,000,000
	3,500,000,000	3,500,000,000

98,371,100 Ordinary Shares of Tk.10/- each fully paid	983,711,000	983,711,000
	983,711,000	983,711,000

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	2.34%	2,303,980	2,303,980
Mr. Abdus Samad	2.00%	1,967,430	1,967,430
Mr. Md. Osman Gani	2.00%	1,967,430	1,967,430
S.Alam Steels Ltd	18.74%	18,431,940	18,431,940
S.Alam Cement Ltd.	9.37%	9,215,960	9,215,960
S.Alam Hatchery Ltd.	9.37%	9,215,960	9,215,960
S.Alam Luxury Chair Coach Services Ltd.	2.34%	2,303,980	2,303,980
S.Alam Vegetable Oil Ltd.	2.34%	2,303,980	2,303,980
Bangladesh Fund	5.33%	5,239,191	4,800,000
ABIL-IDA	0.25%	250,000	60,000
ICB Unit Fund	1.15%	1,132,296	934,020
ICB	4.57%	4,493,269	3,078,420
Others	40.20%	39,545,684	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	2,629	507,823	0.52%
From 501 to 5,000	4,033	6,985,618	7.10%
From 5,001 to 10,000	470	3,478,466	3.54%
From 10,001 to 20,000	193	2,769,690	2.82%
From 20,001 to 30,000	65	1,665,161	1.69%
From 30,001 to 40,000	25	851,974	0.87%
From 40,001 to 50,000	19	844,968	0.86%
From 50,001 to 100,000	39	2,737,147	2.78%
From 100,001 to 1,000,000	51	16,203,652	16.47%
From 1,000,001 and above	13	62,326,601	63.36%
Total	7,537	98,371,100	100%

	30 June 2017 Taka	30 June 2016 Taka
13 Long Term Loan		
Due within one year - note 19	495,416,000	262,816,000
Due more than one year - note 13.01 & 13.02	1,550,071,425	1,590,368,008
	2,045,487,425	1,853,184,008
13.01 Rupali Bank Limited - note 16		
Term Loan Account No - 690000102 (New No 1552067000010) - note 13.01.1	89,026,960	268,768,964
Term Loan Account No - 690000143 (New No 1552067000014) - note 13.01.2	31,938,649	110,605,471
Term Loan Account No - 1552067000015 - note 13.01.3	440,614,078	-
	561,579,687	379,374,435
13.01.1 Loan Account No. 690000102 (New No 1552067000010) - note 13.01		
Opening Balance	477,584,964	607,775,210
Loan received during the year	-	-
Interest charged during the year	44,327,996	56,294,754
Other charges during the year	15,000	15,000
	521,927,960	664,084,964
Payment during the year	(224,085,000)	(186,500,000)
	297,842,960	477,584,964
Current portion of term loan	(208,816,000)	(208,816,000)
	89,026,960	268,768,964
Limit amount :	Tk. 983,000,000	
Purpose :	To meet shortage of working capital	
Sanction date :	03.03.13	
Interest rate :	11%	
Security :	Hypothecation of Import Goods & Personal Guarantee from all directors.	
Repayment method :	Quarterly	
13.01.2 Loan Account No. 690000143 (New No 1552067000014) - note 13.01		
Opening Balance	164,605,471	217,580,555
Loan received during the year	-	-
Interest charged during the year	14,863,178	18,909,916
Other charges during the year	15,000	15,000
	179,483,649	236,505,471
Payment during the year	(93,545,000)	(71,900,000)
	85,938,649	164,605,471
Current portion of term loan	(54,000,000)	(54,000,000)
Closing Balance	31,938,649	110,605,471
Limit amount :	Tk. 257,000,000	
Purpose :	To meet shortage of working capital	
Sanction date :	22.05.14	
Interest rate :	11%	
Security :	Hypothecation of Import Goods & Personal Guarantee from all directors.	
Repayment method :	Monthly	
13.01.3 Loan Account No. 1552067000015 - note 13.01		
Opening Balance	-	-
Loan received during the year	669,642,651	-
Interest charged during the year	3,571,427	-
Other charges during the year	-	-
	673,214,078	-
Payment during the year	-	-
	673,214,078	-
Current portion of term loan	(232,600,000)	-
	440,614,078	-
Limit amount :	Tk. 669,700,000	
Purpose :	Conversion to Term Loan of Cash Credit (CC) Hypo, CC Pledge and LIM.	
Sanction date :	15.06.17	
Interest rate :	12%	
Security :	Hypothecation of Import Goods & Personal Guarantee from all directors.	
Repayment method :	Quarterly	

	30 June 2017 Taka	30 June 2016 Taka
13.02 Project loan - note 13		
Due within one year	-	-
Due after more than one year	988,491,738	1,210,993,573
	<u>988,491,738</u>	<u>1,210,993,573</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 11.00% 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.		
14 Trade creditors		
Liability against Deferred I./C	1,345,097,138	1,484,015,039
Customs Authority-Inbond Duty	109,637,545	171,909,702
Sundry Creditors	3,216,645	1,711,610
	<u>1,457,951,328</u>	<u>1,657,636,351</u>
These represent amount (Sundry creditors) payable to various local parties against supply of Materials (HCL), Packing material and Spare parts.		
15 Short Term Liabilities		
Loan against Trust Receipt (LTR) - note 15.01	2,199,104,686	2,438,683,558
Loan against CC Pledge and Hypo - note 15.02	5,470,211,679	3,173,292,378
	<u>7,669,316,365</u>	<u>5,611,975,936</u>
15.01 Short Term Bank Loan (LTR)- note 15		
Janata Bank Ltd., Shadharan Bima Corp Branch, Ctg.	2,199,104,686	2,438,683,558
	<u>2,199,104,686</u>	<u>2,438,683,558</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
Rupali Bank Ltd., Anderkilla, Corporate Branch, Ctg (CC Pledge)	-	318,435,747
Rupali Bank Ltd., Anderkilla, Corporate Branch, Ctg (LIM)	-	5,826,001
Rupali Bank Ltd., Anderkilla, Corporate Branch, Ctg (PAD)	-	20,427,308
Janata Bank Ltd., Shadharan Bima Corp Branch, Ctg. (PAD)	3,064,173,650	426,219,203
Islami Bank Bangladesh Ltd., Khatungonj Branch, Ctg. (MPI)	1,355,839,817	1,207,841,689
Exim Bank Ltd., Khatungonj Branch, Ctg (Bia-Muazzal Hypo)	1,050,198,212	939,977,843
	<u>5,470,211,679</u>	<u>3,173,292,378</u>

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

15.03.1 Lender: Rupali Bank Ltd., O. R. Nizam Road, Corporate Branch, Chittagong

Types of Liabilities	Sanctioned limit (Figures in crore)	Rate of Interest %
CC Hypo	20	12.00%
CC Pledge	25	12.00%
LC, PAD & LIM	57	12.00%
LTR	20	12.00%
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 Shikabaha, Chittagong, Bangladesh.

15.03.2 Lender: Janata Bank Ltd., Shadbaran Birna Corp Branch, Chittagong

Types of Liabilities	Sanctioned limit (Figures in crore)	Rate of Interest %
LTR	208	11.00%
LC/PAD	275	At applicable rate determine from 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	400	9.00%
LC/MPI /BG	150	9.00%

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)	107	10.00%

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 2017 Taka	30 June 2016 Taka
Audit Fee	450,000	450,000
Chittagong Palli Bidyut Samity -1	-	11,938,096
Karnaphuli Gas Distribution Co. Ltd.	925,229	804,622
Salary and Allowances	8,076,375	256,573
Telephone and Mobile Charges	19,545	19,513
Liason Office Rent and Expenses	23,967	22,677
Against C & F	123,107	147,202
Transportation	1,000,000	732,550
Karnaphuli Filling Station Limited	145,775	347,930
Against Store and Spare	7,369,310	9,012,232
Sundry Creditors	38,140	114,422
VAT Payable	15,000	-
	18,186,448	23,845,817

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.

30 June 2017 Taka	30 June 2016 Taka
60,171,315	8,782,517

	30 June 2017 Taka	30 June 2016 Taka
18 Due to Affiliated Companies	253,864,946	145,926,483
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, 2017 and consist of as follows:		
Term loan - note 19.01 & 13	495,416,000	262,816,000
	495,416,000	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
Term Loan Account No - 1552067000015	232,600,000	-
	495,416,000	262,816,000
20 Liability against Unclaimed Dividend		
Opening Balance	28,242,151	25,648,553
Dividend declared during the year	98,371,100	147,556,650
	126,613,251	173,205,203
Dividend paid	(95,811,202)	(144,963,052)
Closing Balance	30,802,049	28,242,151
The break up of unclaimed dividend is given below:		
Unclaimed dividend on Ordinary Share	29,304,097	26,742,134
Unclaimed dividend on Convertible Preference Share	1,497,952	1,500,017
	30,802,049	28,242,151
21 Provision for Income Tax		
For Current Tax - note 21.01	155,130,993	152,630,993
For Deferred Tax - note 21.02	313,198,270	303,906,811
	468,329,263	456,537,804
21.01 Provision for Current Tax - note 21		
Opening Balance	152,630,993	153,408,449
Provision made during the year	2,500,000	2,500,000
	155,130,993	155,908,449
Adjusted during the year - note 21.01.1	-	(3,277,456)
Closing Balance	155,130,993	152,630,993
21.01.1 Adjusted during the year - note 21.1		
Tax paid in cash	-	3,277,456
Adjusted with Advance Income Tax	-	-
	-	3,277,456
21.02 Provision for Deferred Tax - note 21		
Opening Balance	303,906,811	299,251,677
Provision made during the year	9,291,459	4,655,134
	313,198,270	303,906,811
Provision realized during the year	-	-
Closing balance	313,198,270	303,906,811

	Carrying Amount (Taka)	Tax Base (Taka)	Taxable / (Deductible) Temporary Difference (Taka)
Calculation of Deffered Tax			
A. As on 30 June 2017:			
Property, Plant and Equipment (Except Land)	1,669,531,369	416,738,288	1,252,793,081
Applicable Tax Rate			25%
			313,198,270
B. 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%
			303,906,811
Provision made/(Realized) during the year (A-B)			9,291,459
		30 June 2017	30 June 2016
		Taka	Taka
22 Provision for Workers' Profit Participation & Welfare Fund (WPP & WF)			
Opening Balance		74,822,875	62,015,052
Accrued interest on WPP and WF		6,124,088	6,333,755
Provided during the year @ 5% on net profit before tax		6,676,771	6,114,998
		12,800,859	12,448,753
		87,623,734	74,463,805
Paid during the year		(5,284,536)	(5,860,981)
Provision transferred / adjusted during the year		6,904,333	6,220,051
Closing Balance		89,243,531	74,822,875
23 Other Liabilities			
Income Tax deducted at source from salary		267,372	277,314
Income Tax deducted at source-others		28,241	30,724
Against Right share application		24,000	24,000
Against share application money (IPO)		374,455	374,455
VAT deducted at source		-	48,026
WPP and Welfare Fund		-	6,904,333
		694,068	7,658,852

	01 July 2016 to 30 June 2017	01 October 2015 to 30 June 2016
	12 Months	09 Months
	Taka	Taka
24 Revenue		
Sales of CR Coil-Net of VAT	1,676,885,565	1,798,390,874
Sales of C.I Sheet-Net of VAT	613,645,372	882,226,559
Sales of G.P Sheet-Net of VAT	20,351,816	24,027,628
Sales of Scrap-Net of VAT	139,725,648	131,355,051
	2,450,608,401	2,836,000,112
25 Cost of Sales		
Opening Stock of Raw Materials (note 25.01 to 25.11)	2,620,240,323	1,519,290,973
Purchased during the year (note 25.01 to 25.11)	3,752,322,670	3,300,929,183
	6,372,562,993	4,820,220,156
Closing Stock of Raw Materials (note 25.01 to 25.11)	(4,712,558,693)	(2,604,498,008)
Cost of raw materials consumed	1,660,004,300	2,215,722,148
Add: Manufacturing Expenses:		
Power (Electricity)	113,074,666	108,269,099
Gas	10,523,373	7,675,436
Fuel and Lubricants- Factory Generator	982,250	1,437,440
Factory overhead - note 25.12	120,254,892	86,151,261
Consumption of Stores and Spares	57,760,659	23,822,705
Consumption of Packaging materials	2,015,258	1,258,874
Consumption of other chemicals	148,553	162,125
Depreciation - note 5.01	50,470,112	55,140,803
	355,229,763	283,917,743
Cost of Goods Manufactured	2,015,234,063	2,499,639,891
Add: Opening stock of WIP (CR)	84,264,712	136,643,540
Opening stock of WIP (NOF)	74,686,783	40,364,292
Less: Closing stock of WIP (CR)	14,785,067	84,264,712
Closing stock of WIP (NOF)	14,143,388	74,686,783
	2,145,257,103	2,517,696,228
Add: Opening stock of Finished Goods (CR)	29,360,498	46,987,715
Opening stock of Finished Goods (NOF)	265,678,877	259,865,112
Less: Closing stock of Finished Goods (CR)	96,364,395	29,360,498
Closing stock of Finished Goods (NOF)	220,972,018	265,678,877
Cost of sales	2,122,960,065	2,529,509,680
25.01 Raw Materials Consumed - H.R Coil		
Opening Stock of raw materials	1,209,464,300	283,485,652
Add: Purchased during the year	2,727,266,796	2,883,625,012
	3,936,731,096	3,167,110,664
Less: Closing Stock of Raw Materials	2,464,656,154	1,209,464,300
Cost of raw materials consumed	1,472,074,942	1,957,646,364
25.02 Raw Materials Consumed - Hydrochloric Acid		
Opening Stock of raw materials	35,400,625	32,528,953
Add: Purchased during the year	5,711,281	8,441,068
	41,111,906	40,970,021
Less: Closing Stock of raw materials	36,288,358	35,400,625
Consumption of Hydrochloric Acid	4,823,548	5,569,396
25.03 Raw Materials Consumed - TIN Ingot		
Opening Stock of raw materials	86,666,131	91,579,405
Add: Purchased during the year	-	-
	86,666,131	91,579,405
Less: Closing Stock of raw materials	83,161,643	86,666,131
Consumption of TIN Ingot	3,504,488	4,913,274

		01 July 2016 to 30 June 2017	01 October 2015 to 30 June 2016
		12 Months	09 Months
		Taka	Taka
25.04	Raw Materials Consumed - ZINC Ingot		
	Opening Stock of raw materials	1,169,596,176	1,016,225,023
	Add: Purchased during the year	970,163,846	391,003,973
		2,139,760,022	1,407,228,996
	Less: Closing Stock of raw materials	1,972,343,667	1,169,596,176
	Consumption of ZINC Ingot	167,416,355	237,632,820
25.05	Raw Materials Consumed - LEAD Ingot		
	Opening Stock of raw materials	78,210,057	78,629,014
	Add: Purchased during the year	41,807,157	-
		120,017,214	78,629,014
	Less: Closing Stock of raw materials	119,737,617	78,210,057
	Consumption of Lead Ingot	279,597	418,957
25.06	Raw Materials Consumed - ZINC Alloy		
	Opening Stock of raw materials	14,194,721	5,508,136
	Add: Purchased during the year	20,291	16,634,130
		14,215,012	22,142,266
	Less: Closing Stock of raw materials	5,402,247	14,194,721
	Consumption of ZINC Alloy	8,812,765	7,947,545
25.07	Raw Materials Consumed - Antimony Ingot		
	Opening Stock of raw materials	-	566,295
	Add: Purchased during the year	6,783,009	-
		6,783,009	566,295
	Less: Closing Stock of raw materials	5,054,020	-
	Consumption of Antimony Ingot	1,728,989	566,295
25.08	Raw Materials Consumed - Chromic Acid		
	Opening Stock of raw materials	10,965,998	10,768,495
	Add: Purchased during the year	-	1,225,000
		10,965,998	11,993,495
	Less: Closing Stock of raw materials	10,289,483	10,965,998
	Consumption of Chromic Acid	676,515	1,027,497
25.09	Lubricant Oil Consumed		
	Opening Stock	1,872,640	-
	Add: Purchased during the year	-	-
		1,872,640	-
	Less: Closing Stock	1,538,240	-
	Consumption of Lubricant Oil	334,400	-
25.10	HFO Consumed		
	Opening Stock	13,702,500	-
	Add: Purchased during the year	-	-
		13,702,500	-
	Less: Closing Stock	13,702,500	-
	Consumption of HFO	-	-
25.11	LFO Consumed		
	Opening Stock	167,175	-
	Add: Purchased during the year	570,290	-
		737,465	-
	Less: Closing Stock	384,764	-
	Consumption of LFO	352,701	-
25.12	Factory Overhead		
	Salaries and Allowances	86,282,515	57,433,032
	Insurance Expenses	15,535,498	8,831,502
	Medical Expenses	147,154	166,334
	Labour Charges	336,485	138,318
	Repairs and Maintenance	8,099,767	11,464,628
	Carrying Charges-Raw Materials	2,288,687	2,422,763
	Uniform and Liveries	5,137	104,909
	Transportation	2,849,700	2,169,497
	Printing & Stationery	208,205	223,650
	Canteen Expenses - Factory	237,483	390,182
	Telephone and Internet Charges	188,248	151,129
	Miscellaneous Expenses	1,700,433	872,320
	Registration and Renewal	1,057,994	657,272
	Rent, Rates and Taxes	19,437	14,509
	Travelling and Conveyance Expenses	90,395	72,467
	Vehicle Maintenance	1,207,754	1,038,749
		120,254,892	86,151,261

	01 July 2016 to 30 June 2017	01 October 2015 to 30 June 2016
	12 Months	09 Months
	Taka	Taka
26 Selling and Distribution Costs		
Advertisement	3,392,044	1,968,588
	<u>3,392,044</u>	<u>1,968,588</u>
27 Administrative Costs		
Salaries and Allowances	27,222,870	15,623,003
Depreciation - note 5.01	16,823,371	18,380,268
Donation and Subscriptions	637,468	2,654,715
Canteen Expenses	413,040	419,428
Fees and Renewals	1,780,269	1,119,381
Guest House Expenses	704,505	603,510
Legal and Professional Expenses	303,207	990,000
Liaison Office Expenses	104,056	73,510
Office Maintenance Expenses	1,104,650	285,611
Liaison Office Rent	424,200	299,700
Office Decoration	29,650	60,990
Stationery Expenses	452,275	350,190
Registration and Renewal	19,400	540,008
Rent, Rates and Taxes	198,810	138,250
Telephone and E-Mail Expenses	165,535	157,454
Travelling and Conveyance Expenses	238,312	189,037
Vehicle Maintenance	1,967,618	1,508,382
Management Meeting and Conference	1,942,189	2,120,002
Electricity Expenses	469,854	174,061
Miscellaneous Expenses	479,416	1,184,411
Insurance expenses	857,835	3,180,926
Audit Fees	450,000	450,000
	<u>56,788,530</u>	<u>50,502,837</u>
28 Other Income		
Profit on Sale of Fixed Assets	827,512	286,158
Miscellaneous Income	833	362,776
	<u>828,345</u>	<u>648,934</u>
29 Finance Costs		
Bank Charges	490,704	438,520
Interest on Cash Credit (Hypo)	34,802,719	26,086,094
Interest on Cash Credit (Pledge)	43,530,496	32,783,757
Interest on Term Loan	62,762,601	75,204,670
Interest on WPP & WF	6,124,088	6,333,755
Bank Guarantee Commission	4,152,746	6,868,659
	<u>151,863,354</u>	<u>147,715,455</u>
30 Finance Income		
Interest Income from MTDR and MDDS	7,198,358	6,777,337
Interest on STD/SND	276,371	201,981
Interest Income from FDR	753,348	3,716,341
	<u>8,228,077</u>	<u>10,695,659</u>
31 Basic Earnings Per Share (EPS)		
Profit attributable to the ordinary shareholders	108,854,978	105,773,546
Number of ordinary shares outstanding during the year	98,371,100	98,371,100
Basic Earnings Per Share (EPS)	<u>1.11</u>	<u>1.08</u>

	30 June 2017 Taka	30 June 2016 Taka
32 Net Asset Value Per Share (NAV)		
Total Assets	14,147,781,974	11,914,526,530
Less: Total Liabilities	12,225,083,486	10,002,311,920
Net Asset Value (NAV)	1,922,698,488	1,912,214,610
Number of ordinary shares outstanding during the year	98,371,100	98,371,100
Net Asset Value Per Share (NAV)	19.55	19.44
33 Net Operating Cash Flow Per Share		
Cash flows from operating activities	(1,808,789,783)	673,977,364
Number of ordinary shares outstanding during the year	98,371,100	98,371,100
Net Operating Cash Flow Per Share	(18.39)	6.85

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.

	30 June 2017 M.Ton	30 June 2016 M.Ton
35 Quantitative Movement of Inventories		
35.01 Raw Materials:		
Opening 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
Add: Purchased during the year		
H.R Coil	54,692.61	67,528.69
Hydrochloric Acid	1,044.24	1,257.93
TIN Ingot	-	-
ZINC Ingot	3,794.08	2,009.13
LEAD Ingot	210.80	-
ZINC Alloy	-	72.18
Antimony Ingot	10.00	-
Chromic Acid	-	5.00
	59,751.73	70,872.93
Raw materials available for consumption	101,826.08	84,459.41
Less: Raw Materials Consumed		
H.R Coil	35,264.34	40,511.34
Hydrochloric Acid	727.47	815.12
TIN Ingot	1.70	2.39
ZINC Ingot	721.93	1,016.06
LEAD Ingot	1.27	1.79
ZINC Alloy	37.07	35.52
Antimony Ingot	2.55	0.45
Chromic Acid	1.70	2.39
	36,758.03	42,385.06

	30 June 2017 M.Ton	30 June 2016 M.Ton
Closing Stock of Raw Materials		
H.R Coil	50,677.31	31,249.04
Hydrochloric Acid	5,558.42	5,241.65
TIN Ingot	40.44	42.14
ZINC Ingot	8,190.67	5,118.52
LEAD Ingot	544.06	334.53
ZINC Alloy	23.86	60.93
Antimony Ingot	7.45	-
Chromic Acid	25.84	27.54
	65,068.05	42,074.35
35.02 Finished Goods:		
A. In Cold Rolled Plant		
Opening stock	536	642
Add: Produced during the year	33,067	37,166
	33,603	37,808
Less: Transferred to NOF plant during the year	7,574	12,923
Available for sale	26,029	24,885
Less: Sold during the year	24,314	24,349
Closing stock	1,715	536
B. In NOF Plant		
Opening stock	2,667	2,728
Add: Produced during the year	8,493	11,954
Available for sale	11,160	14,682
Less: Sold during the year	8,266	12,015
Closing stock	2,894	2,667
36 Guarantees	30 June 2017 Taka	30 June 2016 Taka
The following Bank guarantees were outstanding on the reporting date:		
Bank Guarantee Against Karnaphuli Gas Distribution Co. Ltd.	2,392,300	2,392,300
Deposit to Customs Authority against duty claim under appeal	71,924,137	59,877,607
Bank Guarantee Against Customs Authority under Bond	109,637,034	171,909,702
	183,953,471	234,179,609

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 2017 Taka	30 June 2016 Taka
Accounts Receivables	2,735,466,960	2,594,100,454
Cash and Cash Equivalents	116,689,239	9,173,888
(a) Trade receivables	2,852,156,199	2,603,274,342

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:

0 - 90 days	-	-
91 - 180 days	188,478,551	648,525,114
181 - 365 days	565,435,655	700,489,404
1 - 2 years	877,833,323	1,245,085,937
Over 2 years	1,103,719,431	-
	2,735,466,960	2,594,100,454

(b) Cash and cash equivalents

The company held cash and cash equivalents of Tk. 116,689,239 at 30 June 2017 (2016: Tk. 9,173,888), 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 2017			
Trade creditors	1,457,951,328	1,457,951,328	1,457,951,328
Liabilities for expenses	18,186,448	18,186,448	18,186,448
Other liabilities	694,068	694,068	694,068
	1,476,831,844	1,476,831,844	1,476,831,844
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

37.03

Market risk

Market risk is the risk that changes in market prices such as foreign exchange rates 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 2017, the Company was exposed to foreign currency risk in respect of financial liabilities denominated in the following currencies:

	30 June 2017		30 June 2016	
	US\$	Taka	US\$	Taka
Exposure to currency risk				
Foreign currency denominated assets:				
Trade receivables	-	-	-	-
Foreign currency denominated liabilities:				
Liabilities for expenses (L/C liability)	17,219,892	1,368,015,138	18,769,927	1,484,015,039
	17,219,892	1,368,015,138	18,769,927	1,484,015,039
Net exposure	17,219,892	1,368,015,138	18,769,927	1,484,015,039

The following significant exchange rate is applied during the year:

37.03.02

Transaction risk

U S dollar

79.44

79.06

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 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 Sheets.

iii) Power Generation Plant: 17 MW power generation plant.

Information about reportable segments	30 June 2017			30 June 2016				
	Cold Rolled Taka	NOF Taka	Power Taka	Total Taka	Cold Rolled Taka	NOF Taka	Power Taka	Total Taka
External Revenues :								
Local Sales	1,676,885,565	633,997,188	-	2,310,882,753	1,798,390,874	906,254,187	-	2,704,645,061
Scrap Sales	98,949,860	40,775,788	-	139,725,648	114,783,202	16,571,849	-	131,355,051
Total External Sales and Reportable Segment Revenue	1,775,835,425	674,772,976	-	2,450,608,401	1,913,174,076	922,826,036	-	2,836,000,112
Cost of sales	1,511,564,651	603,763,584	7,631,830	2,122,960,065	1,686,209,384	843,300,296	-	2,529,509,680
Gross Profit	264,270,774	71,009,392	(7,631,830)	327,648,336	226,964,692	79,525,740	-	306,490,432
% of Gross Profit before Tax	14.88	10.52	-	13.37	11.86	8.62	-	10.81
Reportable Segment Profit before Tax	64,998,510	62,760,143	(8,874,594)	117,984,059	44,389,078	71,795,876	(4,651,867)	111,533,147
Other income	828,345	-	-	828,345	291,730	-	357,204	648,934
Finance income	8,228,077	-	-	8,228,077	10,695,659	-	-	10,695,659
Finance costs	151,858,021	-	5,333	151,863,354	147,709,104	-	6,351	147,715,455
Depreciation & Amortisation	56,309,148	10,984,335	-	67,293,483	57,716,537	15,804,534	-	73,521,071
Share of Profit / (Loss) of Non-Controlling Interest - Net of Tax	-	-	2,662,378	2,662,378	-	-	(1,395,533)	(1,395,533)
Reportable Segment Assets	9,091,956,619	3,367,623,932	1,688,201,424	14,147,781,975	6,894,440,424	2,648,561,010	2,371,525,096	11,914,526,530
Capital Expenditure	5,576,120	-	132,703,124	138,279,244	4,641,200	245,000	138,119,178	143,005,378
Reportable Segment Liabilities	10,776,611,203	3,483,455	1,313,952,080	12,094,046,738	8,635,817,272	1,694,459	1,231,101,063	9,868,612,794

38.01 Reconciliation of Reportable Segments - note 38

Liabilities

Total Liabilities for reportable segments

Add: others Liabilities

Total liabilities

30 June 2017 Taka	30 June 2016 Taka
12,094,046,738	9,868,612,794
694,068	7,658,852
12,094,740,806	9,876,271,646

39 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 2017 M.Ton	30 June 2016 M.Ton
120,000	90,000
78,297.30	78,504.86
65.24%	87.22%

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 (%)

72,000	54,000
9,994.18	14,634.74
13.88%	27.10%

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	
Below 3,000	-	-	-	-	-	-
From Tk 3,000 thru Tk 5,300	-	-	-	-	-	-
From Tk 5,300 thru Tk 15,000	-	6	9	4	8	69
Above 15,000	19	-	-	74	23	160
For the year ended 30 June 2017	19	6	9	78	31	229
For the year ended 30 June 2016	19	6	10	75	34	374

40 Attendance Status of Board Meeting of Directors and Honorarium

During the year ended 30 June 2017, there were 5(Five) 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	Total Honorarium
1	Mr. Abdus Samad	Chairman	5	5	8,000	40,000
2	Mr. Mohammad Saiful Alam	Managing Director	5	5	8,000	40,000
3	Mr. Osman Gani	Director	5	5	8,000	40,000
4	Mr. Nasir Uddin Ahmed, FCMA	Director (ICB Nominee)	5	3	8,000	24,000
5	Mr. Mohammed Shah Jahan	Director (ICB Nominee)	5	2	8,000	16,000
6	Ms. Halima Begum	Director (General Investors' Group)	5	5	8,000	40,000
7	Mr. Mohammad Ishaque	Independent Director	5	5	8,000	40,000
8	Mr. Monotosh Chandra Roy, FCA	Independent Director	5	5	8,000	40,000

41 Capital Commitment

The company had no capital commitment at the reporting date.

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 2017	
Chemon Ispat Limited	Affiliated Company	Sales	1,981,552,754	Dr
S. Alam Steels Ltd.	Affiliated Company and Share Holder	Sales and Short Term Loan	703,964,239	Dr
S. Alam Trading Co. (Pvt) Ltd.	Affiliated Company	Short Term Loan	2,875,813,530	Dr
S. Alam Vegetable Oil Ltd.	Affiliated Company and Share Holder	Short Term Loan	541,095,848	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	2,227,178,945	Dr
S. Alam Super Edible Oil Ltd.	Affiliated Company	Short Term Loan	1,493,278,837	Cr
S. Alam Refined Sugar Industries Ltd.	Affiliated Company	Short Term Loan	1,175,232,332	Dr
Annex Business Corner	Affiliated Company	Short Term Loan	730,000,000	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	443,000,000	Cr
Jashim Trading Corporation	Affiliated Company	Short Term Loan	143,536,979	Cr
Ansar Enterprise	Affiliated Company	Short Term Loan	939,186,674	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	111,000,000	Cr
Nabir Trading	Affiliated Company	Short Term Loan	364,000,000	Cr
Tayub & Brothers	Affiliated Company	Short Term Loan	199,800,000	Cr
United Super Traders	Affiliated Company	Short Term Loan	46,569,553	Cr
Zinnah Corporation	Affiliated Company	Short Term Loan	77,575,000	Cr
Unique Trade & Business House	Affiliated Company	Short Term Loan	244,400,000	Cr
Enovation Trade	Affiliated Company	Short Term Loan	30,000,000	Cr
Mabud Trading Corporation	Affiliated Company	Short Term Loan	129,400,000	Cr
Famous Trading Corporation	Affiliated Company	Short Term Loan	200,000,000	Cr
Delaxcam Trade Corner	Affiliated Company	Short Term Loan	250,000,000	Cr
Huda Enterprise	Affiliated Company	Short Term Loan	225,000,000	Cr
Trade Exposure Link	Affiliated Company	Short Term Loan	250,000,000	Cr
Trademark Business Center	Affiliated Company	Short Term Loan	135,984,683	Cr
Universal Trading House	Affiliated Company	Short Term Loan	54,900,000	Cr
Others receivable (with balance less than 3 crore)	Affiliated Company	Short Term Loan	63,558,967	Dr
Others payable (with balance less than 3 crore)	Affiliated Company	Short Term Loan	257,778,816	Cr

43 Events After The Reporting Period

The Board of Directors in their meeting held on 24 October 2017 recommended 10% Cash dividend for the year 2017.

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 24.10.17 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 2017**, and the statement of Profit or Loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended and a summary of significant accounting policies and other explanatory 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 2017** and of the results of its operations and its cash flows for the year then ended and comply with the Companies Act 1994, the Securities and 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 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, 24 October 2017

Hoda Vasi Chowdhury
Chartered Accountants
HVC

S. ALAM COLD ROLLED STEELS LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2017

	Note(s)	30 June 2017 Taka	30 June 2016 Taka
ASSETS & PROPERTIES			
NON CURRENT ASSETS & PROPERTIES			
		2,017,351,276	2,079,291,127
Property, Plant and Equipment	5	1,739,994,276	1,801,934,127
Capital Work-in-Progress	6	-	-
Investment	7	277,357,000	277,357,000
CURRENT ASSETS			
		10,719,586,277	8,442,097,582
Inventories	8	5,995,527,999	4,354,860,497
Accounts Receivables	9	2,735,466,960	2,594,100,454
Advances, Deposits and Prepayments	10	937,447,946	736,052,801
Short Term Investment	11	117,791,911	47,060,235
Due from Affiliated Companies	12	56,260,853	-
Short Term Loan to Subsidiary Companies	13	760,586,539	701,030,276
Cash and Cash Equivalents	14	116,504,069	8,993,319
TOTAL ASSETS & PROPERTIES		12,736,937,553	10,521,388,709
SHAREHOLDERS' EQUITY & LIABILITIES			
SHAREHOLDERS' EQUITY			
		1,900,573,072	1,883,876,978
Share Capital	15	983,711,000	983,711,000
Share Premium		433,930,746	433,930,746
Retained Earnings		482,931,326	466,235,232
NON-CURRENT LIABILITIES			
		874,777,957	683,281,246
Long Term Loan	16	561,579,687	379,374,435
Deferred Tax Liabilities	24.02	313,198,270	303,906,811
CURRENT LIABILITIES			
		9,961,586,524	7,954,230,485
Trade Creditors	17	1,457,951,328	1,657,636,351
Short Term Liabilities	18	7,669,316,365	5,611,975,936
Liabilities for Expenses	19	18,028,023	23,681,395
Advance against Sales	20	60,171,315	8,782,517
Due to Affiliated Companies	21	-	141,173,063
Current Portion of Long Term Loan	22	495,416,000	262,816,000
Liability against Unclaimed Dividend	23	30,802,049	28,242,151
Provision for Income Tax	24.01	139,963,845	137,463,845
Provision for Workers' Profit Participation & Welfare Fund	25	89,243,531	74,822,875
Other Liabilities	26	694,068	7,636,352
TOTAL SHAREHOLDERS' EQUITY & LIABILITIES		12,736,937,553	10,521,388,709
Net Asset Value Per Share	35	19.32	19.15
Contingent Liabilities and Commitments	37 & 44		

These financial statements should be read in conjunction with the annexed notes
and were approved by the Board of Directors on 24.10.17
and were signed on its behalf by:


COMPANY SECRETARY


DIRECTOR


MANAGING DIRECTOR

Signed in terms of our separate report of even date annexed

Chittagong, 24 October 2017


Chartered Accountants


S.ALAM COLD ROLLED STEELS LIMITED
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2017

	Note(s)	01 July 2016	01 October 2015
		to	to
		30 June 2017	30 June 2016
		12 Months	09 Months
		Taka	Taka
Revenue	27	2,450,608,401	2,836,000,112
Cost of Sales	28	(2,115,328,235)	(2,529,509,680)
Gross Profit		335,280,166	306,490,432
Selling and Distribution Costs	29	(3,379,107)	(1,968,588)
Administrative Costs	30	(55,564,036)	(45,500,177)
		(58,943,143)	(47,468,765)
Operating Profit		276,337,023	259,021,667
Finance Costs	32	(151,858,021)	(147,709,104)
Profit before Non- Operating Income		124,479,002	111,312,563
Other Income	31	828,345	291,730
Finance Income	33	8,228,077	10,695,659
Net Profit before Tax and WPP and Welfare Fund		133,535,424	122,299,952
Contribution to WPP and Welfare Fund	25	(6,676,771)	(6,114,998)
Profit before Income Tax		126,858,653	116,184,954
Income Tax Expenses:			
Current Tax:			
Current Year	24.01	(2,500,000)	(2,500,000)
Deferred Tax	24.02	(9,291,459)	(4,655,134)
		(11,791,459)	(7,155,134)
Net Profit after Tax for the Year		115,067,194	109,029,820
Basic Earnings Per Share	34	1.17	1.11

These financial statements should be read in conjunction with the annexed notes
and were approved by the Board of Directors on 24.10.17
and were signed on its behalf by:


COMPANY SECRETARY


DIRECTOR


MANAGING DIRECTOR

Signed in terms of our separate report of even date annexed

Chittagong, 24 October 2017


Chartered Accountants


S.ALAM COLD ROLLED STEELS LIMITED
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2017

	Note(s)	30 June 2017 Taka	30 June 2016 Taka
Cash flows from operating activities			
Cash Received from Customers		2,360,630,693	3,209,565,550
Cash Paid to Suppliers		(3,833,005,369)	(2,292,114,236)
Cash Paid to Employees		(101,795,281)	(77,705,250)
Cash Paid for Operating Expenses		(85,116,908)	(16,688,220)
Payment of Advance Income Tax		(134,499,330)	(134,465,045)
Payment for WPP & WF		(5,284,536)	(5,860,981)
Net Cash Inflow/(Outflow) from Operating Activities (A)		(1,799,070,731)	682,731,818
Cash Flows from Investing Activities			
Capital Work-in-Progress		-	105,000
Acquisition of Property, Plant And Equipment		(5,576,120)	(4,991,200)
Proceeds from Sale of Property, Plant And Equipment		1,050,000	385,000
Short Term Loan to Subsidiary Companies		(59,556,263)	(23,680,468)
Investment in Fixed Deposit Receipt		(70,731,676)	98,372,329
Interest Received from Fixed Deposit Receipt		8,228,910	10,701,231
Net Cash Inflow/(Outflow) from Investing Activities (B)		(126,585,149)	80,891,892
Cash flows from financing activities			
Proceeds from / (Repayment of) Long Term Loan		414,805,252	(183,165,330)
Proceeds / (Repayment of) from Short Term Loan		2,057,340,429	288,141,287
Proceeds from / (Repayment to) Affiliated Companies		(197,433,916)	(577,359,322)
Dividend Paid		(95,811,202)	(144,963,052)
Cash Paid for Financial Expenses		(145,733,933)	(141,375,349)
Net Cash Inflow/(Outflow) from Financing Activities (C)		2,033,166,630	(758,721,766)
Net Increase/(Decrease) of Cash And Cash Equivalents for the Year (A+B+C)		107,510,750	4,901,944
Cash and Cash Equivalents at the Beginning of the Year		8,993,319	4,091,375
Cash and Cash Equivalents at the End of the Year		116,504,069	8,993,319
Net Operating Cash Flow Per Share	36	(18.29)	6.94

These financial statements should be read in conjunction with the annexed notes
and were approved by the Board of Directors on 24.10.17
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 YEAR ENDED 30 JUNE 2017

Particulars	Share Capital	Share Premium	Retained Earnings	Total
	Taka	Taka	Taka	Taka
Balance as on 01 July 2016	983,711,000	433,930,746	466,235,232	1,883,876,978
Cash dividend declared for the year 2016	-	-	(98,371,100)	(98,371,100)
Net Profit after tax for the year 2017	-	-	115,067,194	115,067,194
Balance as on 30 June 2017	983,711,000	433,930,746	482,931,326	1,900,573,072
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

These financial statements should be read in conjunction with the annexed notes
and were approved by the Board of Directors on 24.10.17
and were signed on its behalf by:


COMPANY SECRETARY


DIRECTOR




MANAGING DIRECTOR

S.ALAM COLD ROLLED STEELS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017

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's share were listed with Dhaka Stock Exchange and Chittagong Stock Exchange. 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 24 October 2017.

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 2016 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 liabilities 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 have significant doubt upon the Company's ability to continue as a going concern.

2.10 Reporting period

The financial statements of the Company cover one financial year from 01 July 2016 to 30 June 2017 for all reported periods.

3 Significant Accounting Policies

The financial statements have been prepared in compliance with requirement of BAS (Bangladesh Accounting Standards) / Bangladesh Financial Reporting Standards (BFRS) as adopted by the Institute of Chartered Accountants of Bangladesh (ICAB) as applicable in Bangladesh. The following BAS / BFRS 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 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 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)	65.24%	13.88%
Capital Machinery	65.24%	13.88%
Factory equipment	65.24%	13.88%
Generator	65.24%	13.88%
Work Roll	65.24%	13.88%
Luffing Crane and Jetty construction	65.24%	13.88%
Coil Cart	65.24%	13.88%

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

3.02 Capital work in progress

There were no costs incurred during the year.

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.

(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 shares, 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-34 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 or loss to the extent 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 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 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.

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 2017 Taka	30 June 2016 Taka
Opening Balance	2,789,590,991	2,785,924,591
Addition during the year	5,576,120	4,991,200
	<u>2,795,167,111</u>	<u>2,790,915,791</u>
Deletion during the year	(1,444,455)	(1,324,800)
Total Cost	<u>2,793,722,656</u>	<u>2,789,590,991</u>

B. Accumulated Depreciation

Opening Balance	987,656,864	915,361,751
Charged during the year	67,293,483	73,521,071
	<u>1,054,950,347</u>	<u>988,882,822</u>
Adjustments during the year	(1,221,967)	(1,225,958)
Total Depreciation	<u>1,053,728,380</u>	<u>987,656,864</u>

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

1,739,994,276	1,801,934,127
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Detail of Property, Plant & Equipment and Depreciation as on 30 June 2017 are shown in the notes 5.1.

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

Assets' category	Opening balance as on 01 July 2016		Addition		Disposal/Adjustment		Closing balance as on 30 June 2017		Depreciation Rate	Depreciation		Closing balance as on 30 June 2017	Carrying amount as on 30 June 2017
	Totals	Totals	Totals	Totals	Totals	Totals	Charged for the year	Adjustment for disposal during the year		Totals	Totals		
A. Land and land developments													
Land-Freehold (12.04 Acres)	47,007,490	* 1,439,000	-	-	-	-	49,046,490	-	-	-	-	-	49,046,490
Land Development	21,416,417	-	-	-	-	-	21,416,417	-	-	-	-	-	21,416,417
Internal Road and Drainage	3,936,380	-	-	-	-	3,936,380	106,393	-	-	-	3,549,043	997,537	5,340,699
Embankment	46,660,074	-	-	-	-	46,660,074	1,335,173	-	-	-	48,000,000	-	76,791,543
	119,190,361	1,439,000	-	-	-	120,629,361	1,441,566	-	-	-	63,866,438	-	
• Additional Tax & Expenses of 670.7 Decimal on Land.													
B. Building:													
Factory Building (including Leased Assets)	304,348,680	-	-	-	-	304,348,680	6,758,559	-	-	-	104,529,659	-	199,818,981
Factory Building (NOF Plant)	287,346,737	-	-	-	-	287,346,737	1,757,054	-	-	-	8,787,785	-	248,558,952
General Building	33,321,203	-	-	-	-	33,321,203	893,583	-	-	-	16,343,118	-	16,978,085
Coal War House	5,467,518	-	-	-	-	5,467,518	164,856	-	-	-	3,083,455	-	1,484,063
	630,594,138	-	-	-	-	630,594,138	9,334,092	-	-	-	133,644,092	-	466,950,046
C. Plant and machinery													
Capital Machinery	1,233,317,738	-	-	-	-	1,233,317,738	35,341,343	-	-	-	713,809,669	-	520,798,099
Capital Machinery (NOF Plant)	636,594,801	-	-	-	-	636,594,801	8,539,441	-	-	-	34,109,970	-	592,484,831
	1,869,912,539	-	-	-	-	1,869,912,539	44,880,784	-	-	-	746,919,639	-	1,113,992,900
D. Equipment and appliances:													
Factory Equipment	22,691,689	-	-	-	-	22,691,689	955,041	-	-	-	9,007,837	-	13,683,852
Factory Equipment (NOF Plant)	2,296,579	-	-	-	-	2,296,579	30,698	-	-	-	115,607	-	2,180,972
Office Equipment	1,385,190	-	-	-	-	1,385,190	73,023	-	-	-	927,985	-	657,205
Guest House Equipment	1,543,095	-	-	-	-	1,543,095	44,871	-	-	-	3,139,261	-	463,834
Computer	2,678,708	355,400	-	-	-	3,034,108	132,572	-	-	-	1,642,380	-	1,391,728
Air Conditioning	5,514,516	583,640	-	-	-	6,097,356	309,120	-	-	-	2,813,986	-	3,283,370
Generator	1,240,000	-	-	-	-	1,240,000	36,483	-	-	-	717,269	-	522,731
Electric Line Installation	2,755,225	-	-	-	-	2,755,225	69,354	-	-	-	2,131,038	-	624,187
Electric Line Installation (NOF Plant)	12,851,881	-	-	-	-	12,851,881	857,450	-	-	-	5,134,834	-	7,717,047
Gas Line Installation	4,589,154	-	-	-	-	4,589,154	152,441	-	-	-	3,197,382	-	1,391,772
Flux Extruder	58,100	-	-	-	-	58,100	1,614	-	-	-	43,575	-	14,525
Telephone Line Installation	398,327	-	-	-	-	398,327	11,283	-	-	-	297,156	-	101,171
Grinding Wheel	134,666	-	-	-	-	134,666	3,674	-	-	-	101,602	-	33,064
Water Tank	113,500	-	-	-	-	113,500	3,089	-	-	-	83,697	-	27,803
Work Roll	1,293,025	-	-	-	-	1,293,025	46,870	-	-	-	921,475	-	671,552
Radiolinx and Networking (Factory)	433,680	-	-	-	-	433,680	25,366	-	-	-	203,587	-	238,093
Tools and Tools	121,258	-	-	-	-	121,258	3,300	-	-	-	91,541	-	29,697
	60,876,773	909,040	-	-	-	61,785,813	2,756,229	-	-	-	28,876,239	-	32,909,573
E. Furniture and Fixtures													
Furniture and Fixtures	4,096,291	34,112	-	-	-	4,040,403	185,469	-	-	-	2,346,604	-	1,693,799
Furniture and Fixtures (NOF Plant)	291,295	-	-	-	-	291,295	19,692	-	-	-	114,065	-	177,230
	4,297,586	34,112	-	-	-	4,331,698	205,161	-	-	-	2,460,669	-	1,871,029
F. Lifting Crane and Jerry Construction													
Crane	54,948,213	-	-	-	-	54,948,213	1,650,025	-	-	-	33,756,885	-	15,211,328
Crane (NOF Plant)	8,034,021	-	-	-	-	8,034,021	256,167	-	-	-	4,640,217	-	3,393,804
Motor vehicles	71,765,064	3,163,968	-	-	-	74,929,032	6,640,402	-	-	-	50,553,605	-	28,936,972
Interior Decoration	4,170,096	-	-	-	-	4,170,096	148,485	-	-	-	3,339,640	-	841,456
	144,967,394	3,163,968	-	-	-	148,131,362	8,675,099	-	-	-	1,221,967	-	48,367,528
30 June 2017	2,789,990,991	5,576,120	-	-	-	2,795,567,111	67,293,483	-	-	-	1,853,728,383	-	1,735,994,276
30 June 2016	2,783,924,591	4,991,260	-	-	-	2,788,915,851	71,521,071	-	-	-	1,222,318	-	1,666,597,533

Depreciation allocated as:

01 July 2016 to 30 June 2017	01 Oct 2015 to 30 June 2016
12 Months	09 Months
Totals	Totals
50,470,112	55,140,803
16,823,971	18,360,248
67,294,083	73,501,051

Cost of Sales - note 26
Administrative Costs - note 30

	30 June 2017 Taka	30 June 2016 Taka
6 Capital Work-in-Progress - NOF Project		
Opening Balance	-	105,000
Expense incurred during the year	-	245,000
	-	350,000
Transferred to Property, Plant and Equipment	-	(350,000)
Closing Balance	-	-
The break-up of Capital work-in-progress is as follows:		
Factory Building (NOF Plant)	-	-
Factory Equipment (NOF Plant)	-	245,000
	-	245,000

7 Investment

S. Alam Power Generation Limited	277,357,000	277,357,000
	<u>277,357,000</u>	<u>277,357,000</u>

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 2017 Net Asset Value (NAV) per share of S. Alam Power Generation Limited. is Tk. 111.24 (30 June 2016 : Tk. 113.49).

7.4 The Captive Power Plant, a subsidiary of the company, commenced commercial operation on 28th August 2016 but could not continue due to high cost of production of electricity per unit.

8 Inventories

Raw Materials - note 8.01	4,696,933,189	2,604,498,008
Raw Materials-in-Bond items	535,000,069	919,323,291
Work-in-Process - note 8.02	28,928,455	158,951,495
Finished Goods - note 8.03	317,336,413	295,039,375
Stores and Spares	362,021,424	370,602,220
Stock-in-transit	55,308,449	6,446,108
	<u>5,995,527,999</u>	<u>4,354,860,497</u>

8.01 Raw materials - note 8

	30 June 2017		30 June 2016	
	Qty. (MT)	Taka	Qty. (MT)	Taka
H.R Coil	50,677.31	2,464,656,154	31,249.04	1,209,464,300
Hydrochloric Acid	5,558.42	36,288,358	5,241.65	35,400,625
TIN Ingot	40.44	83,161,643	42.14	86,666,131
ZINC Ingot	8,190.67	1,972,343,667	5,118.52	1,169,596,176
LEAD Ingot	544.06	119,737,617	334.53	78,210,057
ZINC Alloy	23.86	5,402,247	60.93	14,194,721
Antimony Ingot	7.45	5,054,020	-	-
Chromic Acid	25.84	10,289,483	27.54	10,965,998
		<u>4,696,933,189</u>		<u>2,604,498,008</u>

8.02 Work-in-Process - note 8

	30 June 2017 Taka	30 June 2016 Taka
CR Coil	14,785,067	84,264,712
NOF	14,143,388	74,686,783
	<u>28,928,455</u>	<u>158,951,495</u>

8.03 Finished Goods-note 8

CR Coil	96,364,395	29,360,498
C.I & GP Sheet	220,972,018	265,678,877
	<u>317,336,413</u>	<u>295,039,375</u>

9 Accounts Receivable

Against CR Coil	2,685,516,993	2,541,578,195
Against C.I and G.P Sheet	49,949,967	52,522,259
	<u>2,735,466,960</u>	<u>2,594,100,454</u>

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

	30 June 2017 Taka	30 June 2016 Taka
10 Advances, Deposits and Prepayments		
Advances (note - 10.01)	853,189,600	718,278,842
Deposits (note - 10.02)	15,467,282	15,287,636
Prepayments (note-10.03)	68,791,064	2,486,323
	937,447,946	736,052,801
10.01 Advances - note 10		
Against Expenses	1,364,496	1,215,293
Against Salary	1,120,000	4,353,000
Bank Guarantee Margin	98,791,975	103,488,335
Advance Income Tax	730,039,596	595,540,266
VAT current account	18,690,769	648,072
Supplementary Tax Current A/C	164,674	164,674
Others	3,018,090	12,869,202
	853,189,600	718,278,842
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.	1,379,992	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
	15,467,282	15,287,636
10.03 Prepayments - note 10		
Insurance	981,279	981,268
Internet Service	85,776	108,648
Fees & Renewal to BSTI	698,199	1,396,407
Interest on MPI	67,025,810	-
	68,791,064	2,486,323
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:		
Rupali Bank Limited	17,970,629	16,149,428
Islami Bank Bangladesh Limited	99,821,282	30,910,807
	117,791,911	47,060,235
12 Due from Affiliated Companies	56,260,853	-
13 Short Term Loan to Subsidiary Companies		
S. Alam Power Generation Limited	760,586,539	701,030,276
	760,586,539	701,030,276
14 Cash and Cash Equivalents		
Cash in Hand - note 14.01	93,682	68,175
Cash at Banks - note 14.02	116,410,387	8,925,144
	116,504,069	8,993,319
14.01 Cash in Hand - note 14		
Head Office	40,573	33,479
Factory Office	53,109	34,696
	93,682	68,175

14.02 Cash at Banks - note 14

			30 June 2017	30 June 2016
			Taka	Taka
Bank	Branch	Account No.		
AB Bank Ltd.	Agrabad Br., Chittagong.	CD#4101-774707-000	92,359	96,159
Agrani Bank Ltd.	New Market Br., Chittagong.	CD#33009854	1,895	3,045
Agrani Bank Ltd.	Laldighi Br., Chittagong.	CD#29373	895	2,645
Al-Arafah Islami Bank Ltd	Khatungonj, Chittagong.	CD# 0091020013952	22,155	22,503
Dutch Bangla Bank Ltd.	Local Office , Dhaka.	CD#0101110000016146	-	26,120
EXIM Bank Ltd.	Khatungonj, Chittagong.	CD#00411100004909	-	80,151
First Security Islami Bank Ltd.	Khatungonj , Chittagong.	SND#13100002884	2,295	5,351
First Security Islami Bank Ltd.	Khatungonj , Chittagong.	SND#13100003008	7,924,327	5,133,583
First Security Islami Bank Ltd.	Khatungonj , Chittagong.	SND#13100002711	36,879	36,837
First Security Islami Bank Ltd.	Khatungonj , Chittagong.	SND#1310002792	19,591	20,164
First Security Islami Bank Ltd.	Anderkilla , Chittagong.	CD#13411100003882	106,987,564	2,276,593
Islami Bank Bangladesh Ltd.	Khatungonj , Chittagong.	CD#10601002130	219,748	65,577
Jamuna Bank Ltd.	Jubilee Road Branch, Chittagong.	CD#00190211002260	19,727	22,377
Janata Bank Ltd.	Shadharan Bima Corp Branch, Ctg.	CD#001031259	251,993	83,957
Mercantile Bank Ltd.	Khatungonj Branch, Chittagong.	CD#011211100005747	5,125	7,730
National Bank Ltd.	Khatungonj Branch, Chittagong.	CD#0002-33069282	5,279	7,469
Rupali Bank Ltd.	Anderkilla, Corporate Branch, Ctg.	CD#1552020006497	489,629	780,174
Rupali Bank Ltd.	Anderkilla, Corporate Branch, Ctg.	SND#1552024000134	109,594	109,729
Southeast Bank Ltd.	Principal Office, Dhaka.	CD#11100036055	26,934	29,185
The City Bank Ltd.	Khatungonj Branch, Chittagong.	CD#11101002163001	95,997	2,585
Union Bank Ltd.	Khatungonj Branch, Chittagong.	CD#0101010000801	53,321	66,830
Union Bank Ltd.	Gulshan Branch, Dhaka.	CD#0021010001342	45,080	46,380
			116,410,387	8,925,144

15 Share Capital

Authorised capital:

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

3,500,000,000	3,500,000,000
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
983,711,000	983,711,000

15.01 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	2.34%	2,303,980	2,303,980
Mr. Abdus Samad	2.00%	1,967,430	1,967,430
Mr. Md. Osman Gani	2.00%	1,967,430	1,967,430
S.Alam Steels Ltd	18.74%	18,431,940	18,431,940
S.Alam Cement Ltd.	9.37%	9,215,960	9,215,960
S.Alam Hatchery Ltd.	9.37%	9,215,960	9,215,960
S.Alam Luxury Chair Couch Services Ltd.	2.34%	2,303,980	2,303,980
S.Alam Vegetable Oil Ltd.	2.34%	2,303,980	2,303,980
Bangladesh Fund	5.33%	5,239,191	4,800,000
ABIL-IDA	0.25%	250,000	60,000
ICB Unit Fund	1.15%	1,132,296	934,020
ICB	4.57%	4,493,269	3,078,420
Others	40.20%	39,545,684	41,788,000
	100.00%	98,371,100	98,371,100

15.02 Classification of shares by holding

Class by number of shares	No. of Holders Nos	No. of Shares Nos	% of Holding
Less than 500	2,629	507,823	0.52%
From 501 to 5,000	4,033	6,985,618	7.10%
From 5,001 to 10,000	470	3,478,466	3.54%
From 10,001 to 20,000	193	2,769,690	2.82%
From 20,001 to 30,000	65	1,665,161	1.69%
From 30,001 to 40,000	25	851,974	0.87%
From 40,001 to 50,000	19	844,968	0.86%
From 50,001 to 100,000	39	2,737,147	2.78%
From 100,001 to 1,000,000	51	16,203,652	16.47%
From 1,000,001 and above	13	62,326,601	63.36%
Total	7,537	98,371,100	100%

	30 June 2017 Taka	30 June 2016 Taka
16 Long Term Loan		
Due within one year - note 22	495,416,000	262,816,000
Due more than one year - note 16.01	561,579,687	379,374,435
	1,056,995,687	642,190,435
16.01 Rupali Bank Limited - note 16		
Term Loan Account No - 690000102 (New No 1552067000010) - note 16.01.1	89,026,960	268,768,964
Term Loan Account No - 690000143 (New No 1552067000014) - note 16.01.2	31,938,649	110,605,471
Term Loan Account No - 1552067000015 - note 16.01.3	440,614,078	-
	561,579,687	379,374,435
16.01.1 Loan Account No. 690000102 (New No 1552067000010) - note 16.01		
Opening Balance	477,584,964	607,775,210
Loan received during the year	-	-
Interest charged during the year	44,327,996	56,294,754
Other charges during the year	15,000	15,000
	521,927,960	664,084,964
Payment during the year	(224,085,000)	(186,500,000)
	297,842,960	477,584,964
Current portion of term loan	(208,816,000)	(208,816,000)
	89,026,960	268,768,964
Limit amount :	Tk. 983,000,000	
Purpose :	To meet shortage of working capital	
Sanction date :	08.11.16	
Interest rate :	11%	
Security :	Hypothecation of Import Goods & Personal Guarantee from all directors.	
Repayment method :	Quarterly	
16.01.2 Loan Account No. 690000143 (New No 1552067000014) - note 16.01		
Opening Balance	164,605,471	217,580,555
Loan received during the year	-	-
Interest charged during the year	14,863,178	18,909,916
Other charges during the year	15,000	15,000
	179,483,649	236,505,471
Payment during the year	(93,545,000)	(71,900,000)
	85,938,649	164,605,471
Current portion of term loan	(54,000,000)	(54,000,000)
Closing Balance	31,938,649	110,605,471
Limit amount :	Tk. 257,000,000	
Purpose :	To meet shortage of working capital	
Sanction date :	08.11.16	
Interest rate :	11%	
Security :	Hypothecation of Import Goods & Personal Guarantee from all directors.	
Repayment method :	Monthly	
16.01.3 Loan Account No. 1552067000015 - note 16.01		
Opening Balance	-	-
Loan received during the year	669,642,651	-
Interest charged during the year	3,571,427	-
Other charges during the year	-	-
	673,214,078	-
Payment during the year	-	-
	673,214,078	-
Current portion of term loan	(232,600,000)	-
Closing Balance	440,614,078	-
Limit amount :	Tk. 669,700,000	
Purpose :	Conversion to Term Loan of Cash Credit (CC) Hypo, CC Pledge and LIM.	
Sanction date :	15.06.17	
Interest rate :	12%	
Security :	Hypothecation of Import Goods & Personal Guarantee from all directors.	
Repayment method :	Quarterly	

	30 June 2017 Taka	30 June 2016 Taka
17 Trade creditors		
Liability against Deferred I/C	1,345,097,138	1,484,015,039
Customs Authority-Inbond Duty	109,637,545	171,909,702
Sundry Creditors	3,216,645	1,711,610
	1,457,951,328	1,657,636,351
These represent amount (Sundry creditors) payable to various local parties against supply of Materials (HCL), Packing material and Spare parts.		
18 Short Term Liabilities		
Loan against Trust Receipt (LTR) - note 18.01	2,199,104,686	2,438,683,558
Loan against CC Pledge and Hypo - note 18.02	5,470,211,679	3,173,292,378
	7,669,316,365	5,611,975,936
18.01 Short Term Bank Loan (LTR)- note 18		
Janata Bank Ltd., Shadharan Bima Corp Branch, Ctg.	2,199,104,686	2,438,683,558
	2,199,104,686	2,438,683,558
18.02 Loan against CC Pledge, Hypo, LIM, PAD and MPI - note 18		
Rupali Bank Ltd., Anderkilla, Corporate Branch, Ctg (CC Hypo)	-	254,564,587
Rupali Bank Ltd., Anderkilla, Corporate Branch, Ctg (CC Pledge)	-	318,435,747
Rupali Bank Ltd., Anderkilla, Corporate Branch, Ctg (LIM)	-	5,826,001
Rupali Bank Ltd., Anderkilla, Corporate Branch, Ctg (PAD)	-	20,427,308
Janata Bank Ltd., Shadharan Bima Corp Branch, Ctg. (PAD)	3,064,173,650	426,219,203
Islami Bank Bangladesh Ltd., Khatungonj Branch, Ctg. (MPI)	1,355,839,817	1,207,841,689
Exim Bank Ltd., Khatungonj Branch, Ctg (Bia-Muazzal Hypo)	1,050,198,212	939,977,843
	5,470,211,679	3,173,292,378

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

18.03.1 Lender: Rupali Bank Ltd., O. R. Nizam Road, Corporate Branch, Chittagong

Types of Liabilities	Sanctioned limit (Figures in crore)	Rate of Interest %
CC Hypo	20	12.00%
CC Pledge	25	12.00%
LC, PAD & LIM	57	12.00%
LTR	20	12.00%
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.

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

Types of Liabilities	Sanctioned limit (Figures in crore)	Rate of Interest %
LTR	208	11.00%
LC/PAD	275	At applicable rate determine from time to time.

Security:

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

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

Types of Liabilities	Sanctioned limit (Figures in crore)	Rate of Profit %
TR	400	9.00%
LC/MPI /BG	150	9.00%

Security:

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

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

Types of Liabilities	Sanctioned limit (Figures in crore)	Rate of Interest %
Bai-Muazzal (HYPO)	107	10.00%

Security:

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

	30 June 2017 Taka	30 June 2016 Taka
19 Liabilities for Expenses		
Audit Fee	400,000	400,000
Chittagong Palli Bidyut Samity -1	-	11,938,096
Karnaphuli Gas Distribution Co. Ltd.	925,229	804,622
Salary and Allowances	8,021,090	256,573
Telephone and Mobile Charges	19,545	19,513
Liason Office Rent and Expenses	23,967	22,677
Against C & F	123,107	147,202
Transportation	1,000,000	732,550
Karnaphuli Filling Station Limited	145,775	347,930
Against Store and Spare	7,369,310	9,012,232
	18,028,023	23,681,395
20 Advance against Sales	60,171,315	8,782,517
These represent advances received from different parties against sale of scraps and goods which have not been delivered to them within the reporting date.		
21 Due to Affiliated Companies	-	141,173,063
22 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, 2017 and consist of as follows:		
Term loan - note 22.01 & 16	495,416,000	262,816,000
	495,416,000	262,816,000
22.01 Term Loan (Payment within one year) - note 22		
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
Term Loan Account No - 1552067000015	232,600,000	-
	495,416,000	262,816,000
23 Liability against Unclaimed Dividend		
Opening Balance	28,242,151	25,648,553
Dividend declared during the year	98,371,100	147,556,650
	126,613,251	173,205,203
Dividend paid	(95,811,202)	(144,963,052)
Closing Balance	30,802,049	28,242,151
The break up of unclaimed dividend is given below:		
Unclaimed dividend on Ordinary Share	29,304,097	26,742,134
Unclaimed dividend on Convertible Preference Share	1,497,952	1,500,017
	30,802,049	28,242,151
24 Provision for Income Tax		
For Current Tax - note 24.01	139,963,845	137,463,845
For Deferred Tax - note 24.02	313,198,270	303,906,811
	453,162,115	441,370,656
24.01 Provision for Current Tax - note 24		
Opening Balance	137,463,845	136,530,905
Provision made during the year	2,500,000	2,500,000
	139,963,845	139,030,905
Adjusted during the year - note 24.01.1	-	(1,567,060)
Closing Balance	139,963,845	137,463,845
24.01.1 Adjusted during the year - note 24.1		
Tax paid in cash	-	1,567,060
Adjusted with Advance Income Tax	-	-
	-	1,567,060

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	Under process to complete Assessment
30 June 2016	2016-2017	Income Tax Return submitted and under process to complete Assessment

Tax liability for the year under audit shall be adjusted against established refund / advance payment upon receipt of assessment order and demand note (IT - 15).

	30 June 2017 Taka	30 June 2016 Taka	
24.02 Provision for Deferred Tax - note 24			
Opening Balance	303,906,811	299,251,677	
Provision made during the year	9,291,459	4,655,134	
	<u>313,198,270</u>	<u>303,906,811</u>	
Provision realized during the year	-	-	
Closing balance	<u>313,198,270</u>	<u>303,906,811</u>	
	Carrying Amount (Taka)	Tax Base (Taka)	Taxable / (Deductible) Temporary Difference (Taka)
Calculation of Deffered Tax			
A. As on 30 June 2017:			
Property, Plant and Equipment (Except Land)	1,669,531,369	416,738,288	1,252,793,081
Applicable Tax Rate			25%
			<u>313,198,270</u>
B. 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>
Provision made/(Realized) during the year (A-B)			<u>9,291,459</u>
25 Provision for Workers' Profit Participation & Welfare Fund (WPP & WF)			
Opening Balance	74,822,875	62,015,052	
Accrued interest on WPP and WF	6,124,088	6,333,755	
Provided during the year @ 5% on net profit before tax	6,676,771	6,114,998	
	<u>12,800,859</u>	<u>12,448,753</u>	
	87,623,734	74,463,805	
Paid during the year	(5,284,536)	(5,860,981)	
Provision transferred / adjusted during the year	6,904,333	6,220,051	
Closing Balance	<u>89,243,531</u>	<u>74,822,875</u>	
26 Other Liabilities			
Income Tax deducted at source from salary	267,372	277,314	
Income Tax deducted at source-others	28,241	30,724	
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	
	<u>694,068</u>	<u>7,636,352</u>	

	01 July 2016 to 30 June 2017	01 October 2015 to 30 June 2016
	12 Months	09 Months
	Taka	Taka
27 Revenue		
Sales of CR Coil-Net of VAT	1,676,885,565	1,798,390,874
Sales of C.I Sheet-Net of VAT	613,645,372	882,226,559
Sales of G.P Sheet-Net of VAT	20,351,816	24,027,628
Sales of Scrap-Net of VAT	139,725,648	131,355,051
	<u>2,450,608,401</u>	<u>2,836,000,112</u>
28 Cost of Sales		
Opening Stock of Raw Materials (note 28.01 to 28.08)	2,604,498,008	1,519,290,973
Purchased during the year (note 28.01 to 28.08)	3,751,752,380	3,300,929,183
	<u>6,356,250,388</u>	<u>4,820,220,156</u>
Closing Stock of Raw Materials (note 28.01 to 28.08)	(4,696,933,189)	(2,604,498,008)
Cost of raw materials consumed	<u>1,659,317,199</u>	<u>2,215,722,148</u>
Add: Manufacturing Expenses:		
Power (Electricity)	112,611,148	108,269,099
Gas	10,523,373	7,675,436
Fuel and Lubricants- Factory Generator	982,250	1,437,440
Factory overhead - note 28.09	113,773,681	86,151,261
Consumption of Stores and Spares	57,760,659	23,822,705
Consumption of Packaging materials	2,015,258	1,258,874
Consumption of other chemicals	148,553	162,125
Depreciation - note 5.01	50,470,112	55,140,803
	<u>348,285,034</u>	<u>283,917,743</u>
Cost of Goods Manufactured	<u>2,007,602,233</u>	<u>2,499,639,891</u>
Add: Opening stock of WIP (CR)	84,264,712	136,643,540
Opening stock of WIP (NOF)	74,686,783	40,364,292
Less: Closing stock of WIP (CR)	14,785,067	84,264,712
Closing stock of WIP (NOF)	14,143,388	74,686,783
	<u>2,137,625,273</u>	<u>2,517,696,228</u>
Add: Opening stock of Finished Goods (CR)	29,360,498	46,987,715
Opening stock of Finished Goods (NOF)	265,678,877	259,865,112
Less: Closing stock of Finished Goods (CR)	96,364,395	29,360,498
Closing stock of Finished Goods (NOF)	220,972,018	265,678,877
Cost of sales	<u>2,115,328,235</u>	<u>2,529,509,680</u>
28.01 Raw Materials Consumed - H.R Coil		
Opening Stock of raw materials	1,209,464,300	283,485,652
Add: Purchased during the year	2,727,266,796	2,883,625,012
	<u>3,936,731,096</u>	<u>3,167,110,664</u>
Less: Closing Stock of Raw Materials	2,464,656,154	1,209,464,300
Cost of raw materials consumed	<u>1,472,074,942</u>	<u>1,957,646,364</u>
28.02 Raw Materials Consumed - Hydrochloric Acid		
Opening Stock of raw materials	35,400,625	32,528,953
Add: Purchased during the year	5,711,281	8,441,068
	<u>41,111,906</u>	<u>40,970,021</u>
Less: Closing Stock of raw materials	36,288,358	35,400,625
Consumption of Hydrochloric Acid	<u>4,823,548</u>	<u>5,569,396</u>
28.03 Raw Materials Consumed - TIN Ingot		
Opening Stock of raw materials	86,666,131	91,579,405
Add: Purchased during the year	-	-
	<u>86,666,131</u>	<u>91,579,405</u>
Less: Closing Stock of raw materials	83,161,643	86,666,131
Consumption of TIN Ingot	<u>3,504,488</u>	<u>4,913,274</u>

		01 July 2016 to 30 June 2017	01 October 2015 to 30 June 2016
		12 Months	09 Months
		Taka	Taka
28.04	Raw Materials Consumed - ZINC Ingot		
	Opening Stock of raw materials	1,169,596,176	1,016,225,023
	Add: Purchased during the year	<u>970,163,846</u>	<u>391,003,973</u>
		2,139,760,022	1,407,228,996
	Less: Closing Stock of raw materials	<u>1,972,343,667</u>	<u>1,169,596,176</u>
	Consumption of ZINC Ingot	<u>167,416,355</u>	<u>237,632,820</u>
28.05	Raw Materials Consumed - LEAD Ingot		
	Opening Stock of raw materials	78,210,057	78,629,014
	Add: Purchased during the year	<u>41,807,157</u>	<u>-</u>
		120,017,214	78,629,014
	Less: Closing Stock of raw materials	<u>119,737,617</u>	<u>78,210,057</u>
	Consumption of Lead Ingot	<u>279,597</u>	<u>418,957</u>
28.06	Raw Materials Consumed - ZINC Alloy		
	Opening Stock of raw materials	14,194,721	5,508,136
	Add: Purchased during the year	<u>20,291</u>	<u>16,634,130</u>
		14,215,012	22,142,266
	Less: Closing Stock of raw materials	<u>5,402,247</u>	<u>14,194,721</u>
	Consumption of ZINC Alloy	<u>8,812,765</u>	<u>7,947,545</u>
28.07	Raw Materials Consumed - Antimony Ingot		
	Opening Stock of raw materials	-	566,295
	Add: Purchased during the year	<u>6,783,009</u>	<u>-</u>
		6,783,009	566,295
	Less: Closing Stock of raw materials	<u>5,054,020</u>	<u>-</u>
	Consumption of Antimony Ingot	<u>1,728,989</u>	<u>566,295</u>
28.08	Raw Materials Consumed - Chromic Acid		
	Opening Stock of raw materials	10,965,998	10,768,495
	Add: Purchased during the year	<u>-</u>	<u>1,225,000</u>
		10,965,998	11,993,495
	Less: Closing Stock of raw materials	<u>10,289,483</u>	<u>10,965,998</u>
	Consumption of Chromic Acid	<u>676,515</u>	<u>1,027,497</u>
28.09	Factory Overhead		
	Salaries and Allowances	85,662,441	57,433,032
	Insurance Expenses	11,775,315	8,831,502
	Medical Expenses	145,604	166,334
	Labour Charges	329,785	138,318
	Repairs and Maintenance	7,886,981	11,464,628
	Carrying Charges-Raw Materials	2,288,687	2,422,763
	Uniform and Liveries	5,137	104,909
	Transportation	2,849,700	2,169,497
	Printing & Stationery	190,600	223,650
	Canteen Expenses - Factory	221,321	390,182
	Telephone and Internet Charges	188,248	151,129
	Miscellaneous Expenses	190,433	872,320
	Registration and Renewal	759,908	657,272
	Rent, Rates and Taxes	19,437	14,509
	Travelling and Conveyance Expenses	87,035	72,467
	Vehicle Maintenance	1,173,049	1,038,749
		<u>113,773,681</u>	<u>86,151,261</u>
29	Selling and Distribution Costs		
	Advertisement	3,379,107	1,968,588
		<u>3,379,107</u>	<u>1,968,588</u>
30	Administrative Costs		
	Salaries and Allowances	27,130,357	15,083,279
	Depreciation - note 5.01	16,823,371	18,380,268
	Donation and Subscriptions	637,468	2,649,415
	Canteen Expenses	364,256	401,939
	Fees and Renewals	1,780,269	1,119,381
	Guest House Expenses	704,505	603,510
	Legal and Professional Expenses	295,707	675,000
	Liaison Office Expenses	104,056	73,510
	Office Maintenance Expenses	1,097,538	171,021
	Liaison Office Rent	424,200	299,700
	Office Decoration	29,650	60,990
	Stationery Expenses	448,369	338,949
	Registration and Renewal	19,400	30,000
	Rent, Rates and Taxes	198,810	138,250
	Telephone and E-Mail Expenses	165,535	157,454
	Travelling and Conveyance Expenses	207,730	135,655
	Vehicle Maintenance	1,924,093	1,508,382
	Management Meeting and Conference	1,942,189	2,120,002
	Electricity Expenses	387,117	174,061
	Miscellaneous Expenses	479,416	979,411
	Audit Fees	400,000	400,000
		<u>55,564,036</u>	<u>45,500,177</u>

	01 July 2016 to 30 June 2017	01 October 2015 to 30 June 2016
	12 Months	09 Months
	Taka	Taka
31 Other Income		
Profit on Sale of Fixed Assets	827,512	286,158
Miscellaneous Income	833	5,572
	<u>828,345</u>	<u>291,730</u>
32 Finance Costs		
Bank Charges	485,371	432,169
Interest on Cash Credit (Hypo)	34,802,719	26,086,094
Interest on Cash Credit (Pledge)	43,530,496	32,783,757
Interest on Term Loan	62,762,601	75,204,670
Interest on WPP & WP	6,124,088	6,333,755
Bank Guarantee Commission	4,152,746	6,868,659
	<u>151,858,021</u>	<u>147,709,104</u>
33 Finance Income		
Interest Income from MTDR and MDDS	7,198,358	6,777,337
Interest on STD/SND	276,371	201,981
Interest Income from FDR	753,348	3,716,341
	<u>8,228,077</u>	<u>10,695,659</u>
34 Basic Earnings Per Share (EPS)		
Profit attributable to the ordinary shareholders	115,067,194	109,029,820
Number of ordinary shares outstanding during the year	<u>98,371,100</u>	<u>98,371,100</u>
Basic Earnings Per Share (EPS)	<u>1.17</u>	<u>1.11</u>
	30 June 2017	30 June 2016
	Taka	Taka
35 Net Asset Value Per Share (NAV)		
Total Assets	12,736,937,553	10,521,388,709
Less: Total Liabilities	10,836,364,481	8,637,511,731
Net Asset Value (NAV)	<u>1,900,573,072</u>	<u>1,883,876,978</u>
Number of ordinary shares outstanding during the year	<u>98,371,100</u>	<u>98,371,100</u>
Net Asset Value Per Share (NAV)	<u>19.32</u>	<u>19.15</u>
36 Net Operating Cash Flow Per Share		
Cash flows from operating activities	(1,799,070,731)	682,731,818
Number of ordinary shares outstanding during the year	<u>98,371,100</u>	<u>98,371,100</u>
Net Operating Cash Flow Per Share	<u>(18.29)</u>	<u>6.94</u>

37 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.

38 Quantitative Movement of Inventories

38.01 Raw Materials:

Opening Stock of Raw Materials

	30 June 2017 M.Ton	30 June 2016 M.Ton
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

Add: Purchased during the year

H.R Coil	54,692.61	67,528.69
Hydrochloric Acid	1,044.24	1,257.93
TIN Ingot	-	-
ZINC Ingot	3,794.08	2,009.13
LEAD Ingot	210.80	-
ZINC Alloy	-	72.18
Antimony Ingot	10.00	-
Chromic Acid	-	5.00
	59,751.73	70,872.93
	101,826.08	84,459.41

Raw materials available for consumption

Less: Raw Materials Consumed

H.R Coil	35,264.34	40,511.34
Hydrochloric Acid	727.47	815.12
TIN Ingot	1.70	2.39
ZINC Ingot	721.93	1,016.06
LEAD Ingot	1.27	1.79
ZINC Alloy	37.07	35.52
Antimony Ingot	2.55	0.45
Chromic Acid	1.70	2.39
	36,758.03	42,385.06

Closing Stock of Raw Materials

H.R Coil	50,677.31	31,249.04
Hydrochloric Acid	5,558.42	5,241.65
TIN Ingot	40.44	42.14
ZINC Ingot	8,190.67	5,118.52
LEAD Ingot	544.06	334.53
ZINC Alloy	23.86	60.93
Antimony Ingot	7.45	-
Chromic Acid	25.84	27.54
	65,068.05	42,074.35

38.02 Finished Goods:

A. In Cold Rolled Plant

Opening stock	536	642
Add: Produced during the year	33,067	37,166
	33,603	37,808
Less: Transferred to NOF plant during the year	7,574	12,923
Available for sale	26,029	24,885
Less: Sold during the year	24,314	24,349
Closing stock	1,715	536

B. In NOF Plant

Opening stock	2,667	2,728
Add: Produced during the year	8,493	11,954
Available for sale	11,160	14,682
Less: Sold during the year	8,266	12,015
Closing stock	2,894	2,667

39 Guarantees

The following Bank guarantees were outstanding on the reporting date:

Bank Guarantee Against Karnaphuli Gas Distribution Co. Ltd.
Deposit to Customs Authority against duty claim under appeal
Bank Guarantee Against Customs Authority under Bond

30 June 2017 Taka	30 June 2016 Taka
2,392,300	2,392,300
71,924,137	59,877,607
109,637,034	171,909,702
183,953,471	234,179,609

40 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.

40.01 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.

40.01.01 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 2017 Taka	30 June 2016 Taka
Accounts Receivables	2,735,466,960	2,594,100,454
Cash and Cash Equivalents	116,504,069	8,993,319
	2,851,971,029	2,603,093,773

(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 2017 Taka	30 June 2016 Taka
0 - 90 days	-	-
91 - 180 days	188,478,551	648,525,114
181 - 365 days	565,435,655	700,489,404
1 - 2 years	877,833,323	1,245,085,937
Over 2 years	1,103,719,431	-
	2,735,466,960	2,594,100,454

(b) Cash and cash equivalents

The company held cash and cash equivalents of Tk. 116,504,069 at 30 June 2017 (2016: Tk. 8,993,319), which represents its minimum credit exposure on these assets. The balance with banks are maintained with local branch of domestic scheduled banks.

40.02 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 2017			
Trade creditors	1,457,951,328	1,457,951,328	1,457,951,328
Liabilities for expenses	18,028,023	18,028,023	18,028,023
Other liabilities	694,068	694,068	694,068
	1,476,673,419	1,476,673,419	1,476,673,419
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
	1,688,954,098	1,688,954,098	1,688,954,098

40.03 Market risk

Market risk is the risk that changes in market prices such as foreign exchange rates 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:

40.03.01 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 2017, the Company was exposed to foreign currency risk in respect of financial liabilities denominated in the following currencies:

	30 June 2017		30 June 2016	
	US\$	Taka	US\$	Taka
Exposure to currency risk				
Foreign currency denominated assets:				
Trade receivables	-	-	-	-
	-	-	-	-
Foreign currency denominated liabilities:				
Liabilities for expenses (L/C liability)	17,219,892	1,368,015,138	18,769,927	1,484,015,039
	17,219,892	1,368,015,138	18,769,927	1,484,015,039
Net exposure	17,219,892	1,368,015,138	18,769,927	1,484,015,039

The following significant exchange rate is applied during the year:

U S dollar	79.44	79.06
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40.03.02 Transaction risk

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

40.03.03 Economic risk

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

40.03.04 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.

41 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 Sheets.

Information about reportable segments	30 June 2017		30 June 2016	
	Cold Rolled Taka	NOF Taka	Total Taka	Total Taka
External Revenues :				
Local Sales	1,676,885,565	633,997,188	2,310,882,753	2,704,645,061
Scrap Sales	98,949,860	40,775,788	139,725,648	131,355,051
Total External Sales and Reportable Segment Revenue	1,775,835,425	674,772,976	2,450,608,401	2,836,000,112
Cost of sales	1,511,564,651	603,763,584	2,115,328,235	2,529,509,680
Gross Profit	264,270,774	71,009,392	335,280,166	306,490,432
% of Gross Profit before Tax	14.88	10.52	13.68	10.81
Reportable Segment Profit before Tax	64,098,510	62,760,143	126,858,653	116,184,954
Other income	828,345	-	828,345	291,730
Finance income	8,228,077	-	8,228,077	10,695,659
Finance costs	151,858,021	-	151,858,021	147,709,104
Depreciation & Amortisation	56,309,148	10,984,335	67,293,483	57,716,537
Reportable Segment Assets	9,091,956,619	3,367,623,933	12,459,580,552	10,244,031,709
Capital Expenditure	5,576,120	-	5,576,120	4,886,200
Reportable Segments Liabilities	10,832,881,026	3,483,455	10,836,364,481	8,637,511,731
			8,635,817,272	1,694,459
				245,000

41.01 Reconciliation of Reportable Segments - note 41

Assets

Total Assets from reportable segments

Add: Others- Investment

Total Assets

Liabilities

Total Liabilities for reportable segments

Add: others Liabilities

Total liabilities

30 June 2017 Taka	30 June 2016 Taka
----------------------	----------------------

12,459,580,552	10,244,031,709
277,357,000	277,357,000
12,736,937,552	10,521,388,709

10,836,364,481	8,637,511,731
694,068	7,636,352
10,837,058,549	8,645,148,083

42 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 (%)

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 (%)

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

30 June 2017 M.Ton	30 June 2016 M.Ton
-----------------------	-----------------------

120,000	90,000
78,297.30	78,504.86
65.24%	87.22%

72,000	54,000
9,994.18	14,634.74
13.88%	27.10%

Salary Range (Monthly)	Head Office		Factory			Total Number of Employees
	Officer	Staff	Casual	Officer	Staff	
Below 3,000	-	-	-	-	-	-
From Tk 3,000 thru Tk 5,300	-	-	-	-	-	-
From Tk 5,300 thru Tk 15,000	-	6	9	-	8	69
Above 15,000	19	-	-	73	23	160
For the year ended 30 June 2017	19	6	9	73	31	229
For the year ended 30 June 2016	19	6	10	75	34	374

43 Attendance Status of Board Meeting of Directors and Honorarium

During the year ended 30 June 2017, there were 5(Five) 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	Total Honorarium
1	Mr. Abdus Samad	Chairman	5	5	8,000	40,000
2	Mr. Mohammad Saiful Alam	Managing Director	5	5	8,000	40,000
3	Mr. Osman Gani	Director	5	5	8,000	40,000
4	Mr. Nasir Uddin Ahmed, FCMA	Director (ICB Nominee)	5	3	8,000	24,000
5	Mr. Mohammed Shah Jahan	Director (ICB Nominee)	5	2	8,000	16,000
6	Ms. Halima Begum	Director (General Investors' Group)	5	5	8,000	40,000
7	Mr. Mohammad Ishaque	Independent Director	5	5	8,000	40,000
8	Mr. Monotosh Chandra Roy, FCA	Independent Director	5	5	8,000	40,000

44 Capital Commitment

The company had no capital commitment at the reporting date.

45 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 2017	
Chemon Ispat Limited	Affiliated Company	Sales	1,981,552,754	Dr
S. Alam Steels Ltd.	Affiliated Company and Share Holder	Sales and Short Term Loan	703,964,239	Dr
S. Alam Trading Co. (Pvt) Ltd.	Affiliated Company	Short Term Loan	2,875,813,530	Dr
S. Alam Power Generation Limited	Subsidiary	Short Term Loan	760,586,539	Dr
S. Alam Vegetable Oil Ltd.	Affiliated Company and Share Holder	Short Term Loan	541,095,848	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	2,227,178,945	Dr
S. Alam Super Edible Oil Ltd.	Affiliated Company	Short Term Loan	1,493,278,837	Cr
S. Alam Refined Sugar Industries Ltd.	Affiliated Company	Short Term Loan	1,175,232,332	Dr
Annex Business Corner	Affiliated Company	Short Term Loan	730,000,000	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	443,000,000	Cr
Jashim Trading Corporation	Affiliated Company	Short Term Loan	143,536,979	Cr
Ansar Enterprise	Affiliated Company	Short Term Loan	939,186,674	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	111,000,000	Cr
Nabir Trading	Affiliated Company	Short Term Loan	364,000,000	Cr
Tayub & Brothers	Affiliated Company	Short Term Loan	199,800,000	Cr
United Super Traders	Affiliated Company	Short Term Loan	46,569,553	Cr
Zinnah Corporation	Affiliated Company	Short Term Loan	77,575,000	Cr
Unique Trade & Business House	Affiliated Company	Short Term Loan	244,400,000	Cr
Enovation Trade	Affiliated Company	Short Term Loan	30,000,000	Cr
Mahud Trading Corporation	Affiliated Company	Short Term Loan	129,400,000	Cr
Famous Trading Corporation	Affiliated Company	Short Term Loan	200,000,000	Cr
Delaxeam Trade Corner	Affiliated Company	Short Term Loan	250,000,000	Cr
Huda Enterprise	Affiliated Company	Short Term Loan	225,000,000	Cr
Trade Exposure Link	Affiliated Company	Short Term Loan	250,000,000	Cr
Trademark Business Center	Affiliated Company	Short Term Loan	135,984,683	Cr
Universal Trading House	Affiliated Company	Short Term Loan	54,900,000	Cr
Others receivable (with balance less than 3 crore)	Affiliated Company	Short Term Loan	63,558,967	Dr
Others payable (with balance less than 3 crore)	Affiliated Company	Short Term Loan	257,778,816	Cr

46 Events After The Reporting Period

The Board of Directors in their meeting held on 24 October 2017 recommended 10% Cash dividend for the year 2017.

47 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 24.10.17 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 9th Annual Report along with the audited Accounts and the Auditors' Report thereon for the year ended 30th June 2017.

Your Directors report that though 17MWe captive power plant commenced its commercial operation on 28 August 2016 with expectation the Fuel price in the country would witness a steep fall keeping in line with the fall of fuel prices in the international market in consequence whereof we shall be able to produce electricity at a very competitive price by use of fuel. The authority on the contrary made just a little adjustment of the fuel price. As a result, electricity that would be produced by use of high cost fuel will be very costly and the consumers shall not purchase electricity at such a high price, your Directors therefore considered it wise and in the interest of the stakeholders, not continue with production of electricity for the time being, rather exerted their best efforts for getting permission for installation of Gas line to the project for consumption in production of electricity. In this connection a delegation from the Karnaphuli Gas Distribution Company Limited had recently visited our project site for assessment of our requirements of Gas for consumption in production of electricity. Your Directors are hopeful to get the requisite Gas connection very soon to enable our project to resume and continue with its production, supply and distribution of electricity.

As your Company did not embark upon any commercial activities during the year under report, your Directors did not recommend any dividend for approval by the valued shareholders in the 9th 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 inclusion of three nominees of the holding company, as Directors of the company. They are considered for the purpose of retirement by rotation. Mr. Md. Osman Gani and Mr. Mohammed Ishaque are the Directors to retire by rotation this year. Being eligible, they offer themselves for re-election in the ensuing Annual General meeting of the Company.

In addition thereto, Minutes of this subsidiary company and its affairs are regularly reviewed in the following Board Meeting of the SACRSL, and the Audit Committee of the SACRSL reviewed all the financial statements of your company drawn and made by the Company during the year ended 30/06/2017, in particular the investments made by this subsidiary company.

M/s. Hoda Vasi Chowdhury & Co, Chartered Accountants, current auditors of the Company, retire. They have been auditors of the Company consecutively for three years simultaneous to our parent company SACRSL therefore are not eligible for appointment for another term in continuity. Being a subsidiary of the SACRSL, our company appoints the same auditors as that of the parent company, for audit of accounts of the company for the same term. Your Directors therefore propose the honorable shareholders for appointment of auditors of our company for the next term in the manner aforesaid.

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

24 October 2017.

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 2017, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation 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 2017, and of its financial performance and its cash flows for the year then ended in accordance with Bangladesh Financial Reporting Standards.

Report on Other Legal and Regulatory Requirements

In accordance with the Companies Act 1994, 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, 24 October 2017

Hoda Vasi Chowdhury
CHARTERED ACCOUNTANTS
Hoda

S. ALAM POWER GENERATION LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2017

	Note(s)	30 June 2017 Taka	30 June 2016 Taka
ASSETS & PROPERTIES			
NON CURRENT ASSETS & PROPERTIES			
Property, Plant and Equipment	6	2,478,663,319	2,345,960,195
Capital Work-in-Progress	7	-	2,310,473,925
CURRENT ASSETS			
Inventory	8	15,625,504	15,742,315
Advances, Deposits and Prepayments	9	19,531,820	18,599,048
Cash and Cash Equivalents	10	185,170	180,569
TOTAL ASSETS & PROPERTIES		2,514,005,813	2,380,482,127
SHAREHOLDERS' EQUITY AND LIABILITIES			
SHAREHOLDERS' EQUITY			
Share Capital	11	395,072,700	395,072,700
Retained Earnings		44,403,494	53,278,088
NON CURRENT LIABILITIES			
Long Term Loan	12	988,491,738	1,210,993,573
CURRENT LIABILITIES			
Liabilities for Expenses	13	158,425	186,922
Short Term Loan from Holding Companies	14	760,586,539	701,030,276
Due to Affiliated Companies	15	310,125,769	4,753,420
Provision for Income Tax	16	15,167,148	15,167,148
TOTAL SHAREHOLDERS EQUITY AND LIABILITIES		2,514,005,813	2,380,482,127
Net Asset Value Per Share	23	111.24	113.49
Capital Commitments	26	-	0.20 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 24.10.17
and were signed on its behalf by:

Chittagong, 24 October 2017


CHARTERED ACCOUNTANTS


S. ALAM POWER GENERATION LIMITED
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2017

	Note(s)	01 July 2016 to 30 June 2017	01 October 2015 to 30 June 2016
		12 Months	09 Months
		Taka	Taka
Revenue	1.02	-	-
Cost of Sales	17	(7,631,830)	-
Gross Profit		(7,631,830)	-
Operating Expenses			
Pre-Operation Expenses	18	(1,040,569)	(3,852,999)
Administrative Expenses	19	(196,862)	(1,149,631)
		(1,237,431)	(5,002,630)
Operating Profit		(8,869,261)	(5,002,630)
Finance Costs	20	(5,333)	(6,351)
		(8,874,594)	(5,008,981)
Other Income	21	-	357,204
Profit before Tax		(8,874,594)	(4,651,777)
Income Tax Expenses:			
Current Tax:			
Current Year	16	-	-
Profit after Tax		(8,874,594)	(4,651,777)
Earnings Per Share:			
Basic Earnings Per Share	22	(2.25)	(1.18)

These financial statements should be read in conjunction with the annexed notes
and were approved by the Board of Directors on 24.10.17
and were signed on its behalf by:


COMPANY SECRETARY


DIRECTOR


MANAGING DIRECTOR

Chittagong, 24 October 2017


CHARTERED ACCOUNTANTS


S. ALAM POWER GENERATION LIMITED
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2017

Note(s)	30 June 2017 Taka	30 June 2016 Taka
Cash flows from operating activities		
Cash paid to suppliers	(8,859,555)	(5,140,834)
Cash paid to employees	(657,302)	(601,199)
Cash paid for administrative expenses	(202,195)	(1,155,982)
Cash received from Other income	-	357,204
Payment of income tax	-	(1,856,409)
Net cash inflow/(outflow) from operating activities (A)	(9,719,052)	(8,397,220)
Cash flows from investing activities		
Capital work-in-progress	2,310,473,925	(143,110,408)
Acquisition of property, plant and equipment	(2,443,177,049)	-
Net cash Inflow/(outflow) from investing activities (B)	(132,703,124)	(143,110,408)
Cash flows from financing activities		
Increase/(Decrease) in Share Capital	-	-
Proceeds from long term loan	(222,501,835)	123,686,644
Share money deposit	-	-
Proceeds from short term loan	-	-
Cash received from/(paid to) holding companies	59,556,263	23,680,468
Cash received from/(paid to) affiliated companies	305,372,349	3,642,919
Cash paid for financial expenses	-	-
Net cash inflow/(outflow) from financing activities (C)	142,426,777	151,010,031
Net increase/(decrease) of cash and cash equivalents for the year (A+B+C)	4,601	(497,597)
Cash and cash equivalents at the beginning of the year	180,569	678,166
Cash and cash equivalents at the end of the year	185,170	180,569
Net Operating Cash Flow Per Share	24	(2.46)
		(2.13)

These financial statements should be read in conjunction with the annexed notes
and were approved by the Board of Directors on 24.10.17
and were signed on its behalf by:


COMPANY SECRETARY


DIRECTOR


MANAGING DIRECTOR

S. ALAM POWER GENERATION LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2017

Particulars	Share Capital	Retained Earnings	Total
	Taka	Taka	Taka
Balance as on 01 July 2016	395,072,700	53,278,088	448,350,788
Net Profit after tax for the year 2017	-	(8,874,594)	(8,874,594)
Balance as on 30 June 2017	<u>395,072,700</u>	<u>44,403,494</u>	<u>439,476,194</u>
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	<u>395,072,700</u>	<u>53,278,088</u>	<u>448,350,788</u>

These financial statements should be read in conjunction with the annexed notes
and were approved by the Board of Directors on 24.10.17
and were signed on its behalf by:


COMPANY SECRETARY


DIRECTOR


MANAGING DIRECTOR

S. ALAM POWER GENERATION LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017

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. Commercial operation was commenced on 28th August 2016 but could not continue due to high cost of production of electricity per unit.

2 Present status of the project

2.01 Plant Development

The Plant is consist of two (2) units of World-renowned brand WARTSILA 17MW Generator. The Power Plant was established to produce electricity for S. Alam Cold Rolled Steels Limited and the remaining electricity be sold to Palli Bidduth Somiti-1, Patiya under RURAL ELECTRIFICATION BOARD. This plant is having a maximum power generation capacity of approximately 408,000 KW per day or 134,640,000 KW per year electricity was set

2.02 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. The commission extended the permission of power generation upto 03 April 2018.

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 24 October 2017.

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 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 2016 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 2016 have been rearranged wherever considered necessary to ensure comparability with the current year.

3.09 Reporting period

The financial statements of the Company cover one financial year from 01 July 2016 to 30 June 2017 for all reported periods.

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.

4.01.1 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 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.

4.01.2 Depreciation - Land

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.

4.01.3 Depreciation - Other Assets

Since the Plant operation was suspended during the year, no depreciation was charged in this accounts.

4.02 Inventories

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

4.03 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.

4.04 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.

4.05 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.

4.06 Cash and cash equivalents

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

4.07 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.

4.07.01 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.

4.07.02 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.

4.07.03 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.

4.07.04 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.

4.08 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 payables.

(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.

4.09 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.

4.10 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.

4.11 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 - 22 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.

4.12 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.

4.13 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.

	30 June 2017 Taka	30 June 2016 Taka		
6 Property, Plant and Equipment				
Land (2.52 Acres)	35,486,270	35,486,270		
Factory Building	19,438,815	-		
Capital Machinery	2,420,212,918	-		
Factory Equipment	933,200	-		
Computer	444,580	-		
Air Conditioner	100,800	-		
Furniture & Fixtures	346,736	-		
Gas Line Installation	1,700,000	-		
	2,478,663,319	35,486,270		
7 Capital Work in Progress				
Opening Balance	2,310,473,925	2,167,363,517		
Add: Expenditure incurred during the year - note 7.01	132,703,124	143,110,408		
	2,443,177,049	2,310,473,925		
Less : Transferred to property, plant and equipment - note 7.01	(2,443,177,049)	-		
Closing Balance	-	2,310,473,925		
7.01 The break-up of Capital work-in-progress is as follows: (note - 7)				
	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	1,870,703,554	132,698,165	2,003,401,719	-
L/C No: 0136-11-01-0061	258,633,100	4,959	258,638,059	-
L/C No: 0136-11-99-0037	78,247,481	-	78,247,481	-
Machinery Installation	41,087,053	-	41,087,053	-
Other Equipments	38,838,606	-	38,838,606	-
Equipment & Appliances				
Factory Equipments	933,200	-	933,200	-
Computers	444,580	-	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 2017	2,310,473,925	132,703,124	2,443,177,049	-
Balance as on 30 June 2016	2,167,363,517	143,110,408	-	2,310,473,925
8 Inventory				
Lubricant Oil			1,538,240	1,872,640
HFO			13,702,500	13,702,500
LFO			384,764	167,175
			15,625,504	15,742,315
9 Advances, Deposits and Prepayments				
Advances - note 9.01			14,487,916	14,482,328
Prepayments - note 9.02			5,043,904	4,116,720
			19,531,820	18,599,048

	30 June 2017 Taka	30 June 2016 Taka
9.01 Advances - note 9		
Consultancy (BIDCO Associates)	650,000	650,000
Advance Income Tax	13,509,028	13,509,028
S.S Enterprise	300,000	300,000
Microsoft Traders	28,888	-
Sundry Advance	-	23,300
	<u>14,487,916</u>	<u>14,482,328</u>

9.02 Prepayments - note 9		
Prepaid Insurance	5,043,904	4,116,720
	<u>5,043,904</u>	<u>4,116,720</u>

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	4,765	10,316
Cash at Banks - note 10.01	180,405	170,253
	<u>185,170</u>	<u>180,569</u>

10.01 Cash at Bank - note 10

Name of the Bank	Branch	A/C No		
First Security Islami Bank Ltd	Khatungonj Br.	CD#010211100009425	81,237	69,095
National Bank Limited	Khatungonj Br.	CD#1002000515781	85,965	86,805
Janata Bank Limited	Shadharan Bima Corporate Br.	CD#001031226	13,203	14,353
			<u>180,405</u>	<u>170,253</u>

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 2017 Taka	30 June 2016 Taka
S. Alam Cold Rolled Steels Ltd.	2,773,570	70.20%	277,357,000	277,357,000
Mr. Mohammed Saiful Alam	784,771	19.86%	78,477,100	78,477,100
Mr. Abdus Samad	392,386	9.93%	39,238,600	39,238,600
	<u>3,950,727</u>	<u>100.00%</u>	<u>395,072,700</u>	<u>395,072,700</u>

12 Long Term Loan

Project Loan - note 12.01	988,491,738	1,210,993,573
	<u>988,491,738</u>	<u>1,210,993,573</u>

12.01 Project loan - note 12

Due within one year
 Due after more than one year

30 June 2017 Taka	30 June 2016 Taka
-	-
988,491,738	1,210,993,573
988,491,738	1,210,993,573

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 11.00% 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.

13 Liabilities for Expenses

Salary
 VAT Payable
 Audit Fee Payable
 Sundry Creditors

30 June 2017 Taka	30 June 2016 Taka
55,285	-
15,000	22,500
50,000	50,000
38,140	114,422
158,425	186,922

14 Short Term Loan from Holding Companies

S. Alam Cold Rolled Steels Limited

760,586,539	701,030,276
760,586,539	701,030,276

15 Due to Affiliated Companies

S. Alam Vegetable Oil Limited
 Genesis Textile Accessories & Apparels limited
 Sonali Traders
 Global Trading Corporation limited
 S. Alam Super Edible Oil Limited
 S. Alam Refined Sugar Industries Limited
 Minhaj Corporation
 S. Alam Steels Limited
 S. Alam Brothers Ltd.
 Shah Amanat Prakritik Gas Ltd.

310,125,769	4,753,420
102,000	100,000
1,000,000	1,000,000
13,867,298	8,974,949
78,000,000	78,000,000
50,500,000	-
250,050,000	50,000
1,700,000	1,700,000
(36,444,106)	(36,422,106)
(38,150,000)	(38,150,000)
(10,499,423)	(10,499,423)

These balances represent short term financial arrangement availed from parent/affiliated companies.

These are interest free and there is no fixed term of repayment.

16 Provision for Income Tax

Opening Balance
 Add: Provision made during the year
 Less: Paid during the year
 Closing Balance

15,167,148	16,877,544
-	-
15,167,148	16,877,544
-	1,710,396
15,167,148	15,167,148

	01 July 2016 to 30 June 2017	01 October 2015 to 30 June 2016
	12 Months	09 Months
	Taka	Taka
17 Cost of Sales		
Opening Stock (note 17.01 to 17.03)	15,742,315	-
Purchased during the year (note 17.01 to 17.03)	570,290	-
	16,312,605	-
Closing Stock (note 17.01 to 17.03)	(15,625,504)	-
Consumption during the year	687,101	-
Add : Factory overhead (note 17.04)	6,944,729	-
	7,631,830	-
17.01 Lubricant Oil Consumed		
Opening Stock - note 8	1,872,640	-
Add: Purchased during the year	-	-
	1,872,640	-
Less: Closing Stock	1,538,240	-
Consumption of Lubricant Oil	334,400	-
17.02 HFO Consumed		
Opening Stock - note 8	13,702,500	-
Add: Purchased during the year	-	-
	13,702,500	-
Less: Closing Stock	13,702,500	-
Consumption of HFO	-	-
17.03 LFO Consumed		
Opening Stock - note 8	167,175	-
Add: Purchased during the year	570,290	-
	737,465	-
Less: Closing Stock	384,764	-
Consumption of LFO	352,701	-
17.04 Factory Overhead		
Salaries & Wages	620,074	-
Insurance Expenses	3,760,183	-
Stationary	17,605	-
Labour Bill	6,700	-
Repairs & Maintenance	212,786	-
Entertainment	16,162	-
Electricity Charges	463,518	-
Travelling & Conveyance	3,360	-
Registration & Renewal	298,086	-
Vehicle Up-Keep	34,705	-
Miscellaneous Expenses	1,510,000	-
Medical & Welfare Expenses	1,550	-
	6,944,729	-
18 Pre - Operation Expenses		
Salaries and Wages	92,513	539,724
Insurance Expenses	857,835	3,180,926
Labor Bill	-	10,150
Repairs & Maintenance	7,112	104,410
Entertainment	372	12,489
Electricity Charges	82,737	-
Medical & Welfare Expenses	-	5,300
	1,040,569	3,852,999

	01 July 2016 to 30 June 2017	01 October 2015 to 30 June 2016
	12 Months	09 Months
	Taka	Taka
19 Administrative Expenses		
Legal & Professional Fee	7,500	65,000
Traveling & Conveyance	30,582	53,382
Stationery	3,906	11,241
Audit Fee	50,000	50,000
License & Renewal Fee	-	510,008
Advertisement & Publications	12,937	-
Entertainment	48,412	5,000
Consultancy	-	250,000
Vehicle Up-Keep	43,525	-
Miscellaneous Expenses	-	205,000
	196,862	1,149,631
20 Finance Costs		
Bank Charges	5,333	6,351
	5,333	6,351
21 Other Income		
Other Income	-	357,204
	-	357,204
22 Basic Earnings Per Share (EPS)		
Profit attributable to the ordinary shareholders	(8,874,594)	(4,651,777)
Number of shares outstanding during the year	3,950,727	3,950,727
Basic Earnings Per Share (EPS)	(2.25)	(1.18)
23 Net Asset Value Per Share (NAV)		
Total Assets	2,514,005,813	2,380,482,127
Less: Total Liabilities	2,074,529,619	1,932,131,339
Net Asset Value (NAV)	439,476,194	448,350,788
Number of ordinary shares outstanding during the year	3,950,727	3,950,727
Net Asset Value Per Share	111.24	113.49
24 Net Operating Cash Flow Per Share		
Cash flows from operating activities	(9,719,052)	(8,397,220)
Number of shares outstanding during the year	3,950,727	3,950,727
Net Operating Cash Flow Per Share	(2.46)	(2.13)
25 Number of Employees - Para 3 of Schedule XI, Part II	Number of Employees	
	30 June 2017	30 June 2016
Below Tk 3,000	-	-
From Tk 3,000 thru Tk 5,300	-	-
From Tk 5,300 thru Tk 15,000	4	4
Above 15,000	1	1
	5	5
26 Capital Commitments		
The company had no capital commitment at the reporting date.		
27 Contingent Liabilities		
The company had no contingent liabilities at the reporting date.		
28 Events after the Reporting Period		
No other material events had occurred from the end of the reporting period to the date of issue of this Financial Statements, which could materially affect the values stated in the Financial Statements.		







**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

আমার / আমাদের প্রতিনিধি হিসেবে আমার/আমাদের অনুপস্থিতিতে ১২ই জানুয়ারি ২০১৮ তারিখে রেভিসন ব্লু চিটাগাং বে ভিউ, মেজবান বল রুম, এস এস খালেদ রোড, লালখান বাজার, চট্টগ্রাম এ সকাল ০৯.৩০ টায় অনুষ্ঠিতব্য কোম্পানির ১৭তম বার্ষিক সাধারণ সভায় এবং ঐ সভায় যে কোনো মূলতবী সভায় উপস্থিত থাকার এবং আমার/আমাদের পক্ষে ভোট দানের জন্য নিয়োগ করছি।

আমার / আমাদের সম্মুখে তিনি

তারিখে স্বাক্ষর প্রদান করলেন।

প্রক্সির / প্রতিনিধির স্বাক্ষর

শেয়ারহোল্ডারের স্বাক্ষর

রেভেনিউ স্ট্যাম্প
২০/- টাকা

বিঃ দ্রঃ

১. প্রদত্ত স্বাক্ষর কোম্পানির অফিসে সংরক্ষিত/ডিপোজিটরিতে অন্তর্ভুক্ত নমুনা স্বাক্ষরের সাথে মিল থাকতে হবে।
২. 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। প্রতিনিধি পত্র যথাযথভাবে স্বাক্ষর প্রদান করতঃ ২০ টাকার রেভেনিউ স্ট্যাম্প সহযোগে সভার নির্ধারিত সময়ের ৭২ ঘণ্টা পূর্বে কোম্পানির রেজিস্টার অফিসে অবশ্যই জমা দিতে হবে।

**হাজিরাপত্র
(ATTENDANCE SLIP)**

১২ জানুয়ারি ২০১৮ তারিখে রেভিসন ব্লু চিটাগাং বে ভিউ, মেজবান বল রুম, এস এস খালেদ রোড, লালখান বাজার, চট্টগ্রামে অনুষ্ঠিত এস. আলম কোল্ড রোল্ড স্টীলস্ লিমিটেড-এর ১৭তম বার্ষিক সাধারণ সভায় আমার উপস্থিতি লিপিবদ্ধ করলাম।

শেয়ারহোল্ডারের নাম

শেয়ার সংখ্যা

ফোলিও / বিও নং

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প্রতিনিধির নাম

শেয়ারহোল্ডারের/প্রতিনিধির স্বাক্ষর