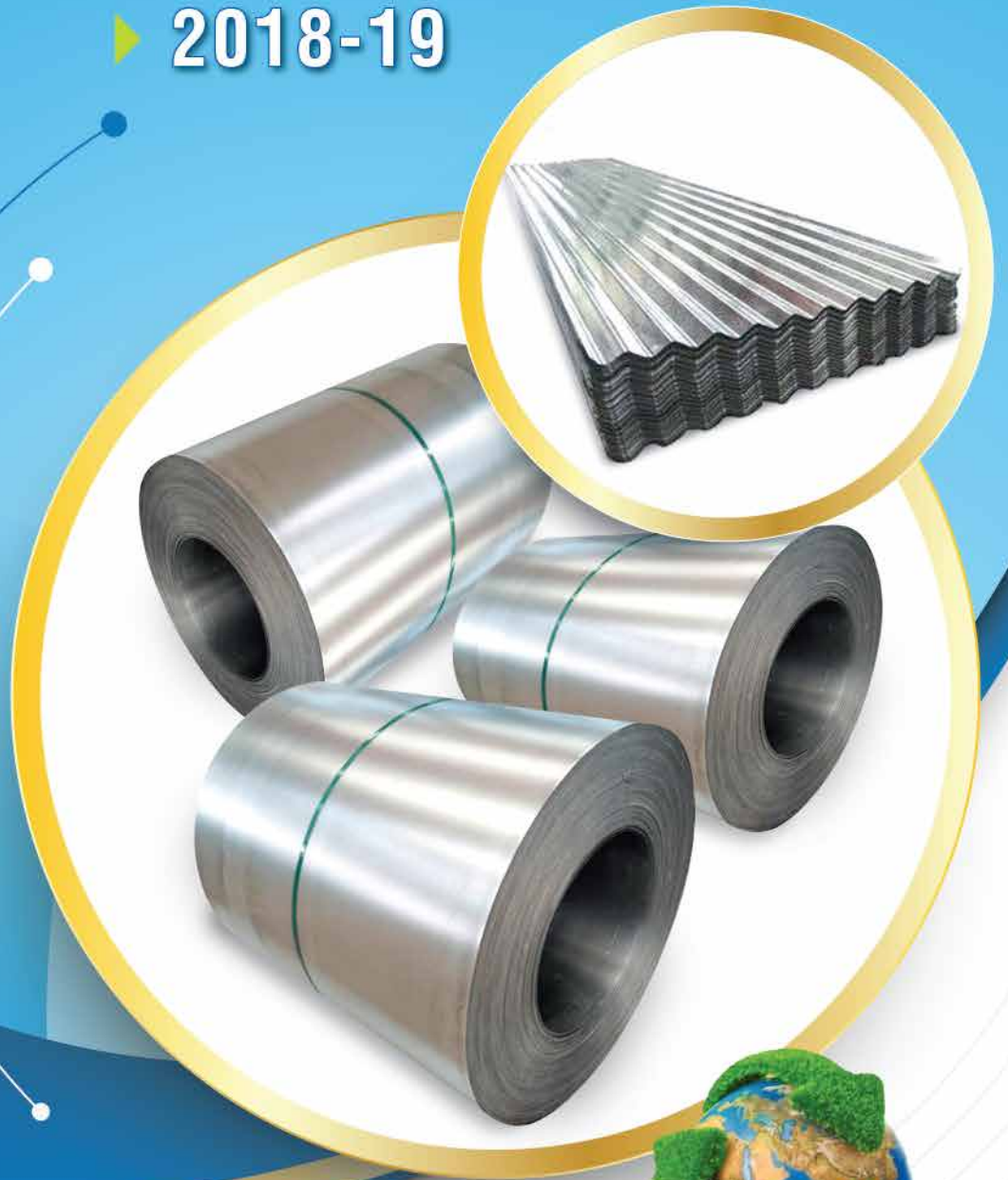


ANNUAL REPORT ▶ 2018-19



S. ALAM COLD ROLLED STEELS LIMITED

ANNUAL REPORT

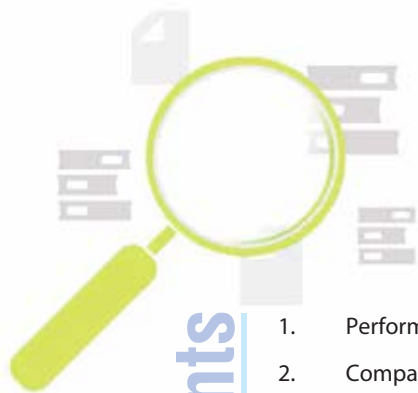
2018-19



S. ALAM COLD ROLLED STEELS LTD.

ANNUAL REPORT

2018-19



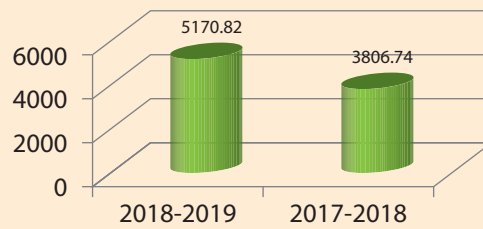
Contents

1.	Performance at a Glance for 2018-19	3
2.	Company Profile	4
3.	Corporate Information	5
4.	Management Apparatus	6
5.	Letter of Transmittal	7
6.	Notice of the 19th Annual General Meeting	8
7.	Message from the Chairman	10
8.	Directors Profile	11
9.	Directors' Report	13
10.	Certification on Financial Statements by MD & CFO (Annexure A)	19
11.	Certificate on Compliance of Corporate Governance (Annexure B)	20
12.	Status of Compliance with Corporate Governance Code (Annexure C)	21
13.	Management Discussion and Analysis (Annexure-D)	29
14.	Key Operating and Financial Data for the Last Five Years (Annexure-E)	33
15.	Discussion on Cost of Goods Sold (Annexure-F)	34
16.	Segment Wise/Product wise Performance (Annexure-G)	34
17.	Risks & Concerns (Annexure-H)	35
18.	Pattern of Shareholding (Annexure-I)	37
19.	Report of the Audit Committee	38
20.	Report of the Nomination and Remuneration Committee	40
21.	Pictorial View of Board Meeting and 18th Annual General Meeting	41
22.	Auditors' Report and Audited Consolidated Financial Statements-SACRSL	43
23.	Auditors' Report & Audited Financial Statements-SACRSL (Individual)	80
24.	Directors' Report - S. Alam Power Generation Ltd.	117
25.	Auditors' Report & Audited Financial Statement-SAPGL	118
26.	Proxy Form & Attendance Slip	135

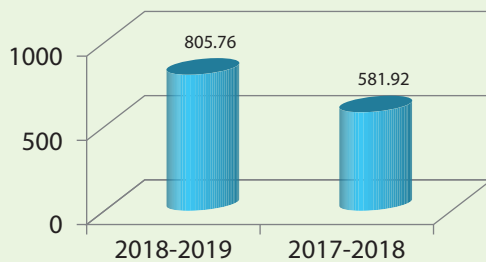
PERFORMANCE



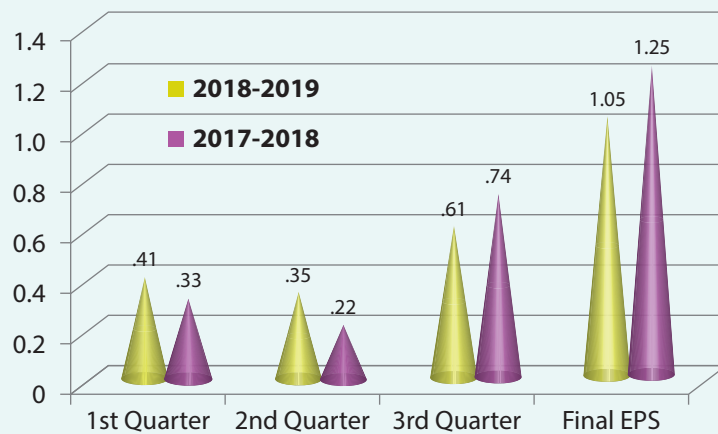
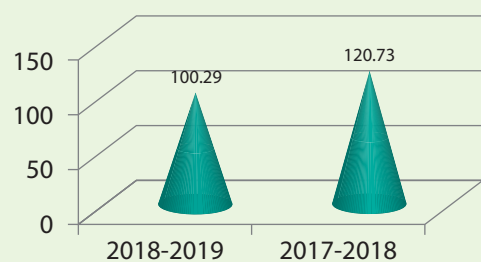
RVENUE (in Million)



GROSS PROFIT (in Million)



PROFIT AFTER TAX (in Million)





COMPANY PROFILE of

S. ALAM COLD ROLLED STEELS LIMITED

S. Alam Cold Rolled Steels Limited is the flagship company of S. Alam Group, a well-established business conglomerate of the country, operating in the business of steel manufacturing (hereinafter referred to as SACRSL) was incorporated on December 12, 2000 as a Public Limited Company vide certificate No. 3842 of 2000 under the Companies Act 1994. The registered office of the Company is located at S. Alam Bhaban, 2119 Asadgonj, Chattogram while factory is situated at Kalarpool, Shikalbaha, Patiya, Chattogram. The company has been set up to manufacture C.R. Steel Strip in the coils/sheets with 6-HI, CVC reserving cold rolling mill having an installed capacity of 120,000 MT per annum, started its commercial operation on 16th February 2004. Afterward, in order to meet the increasing demand of non-oxide furnace (NOF) type GP/CI sheet throughout the world and in this region, S. Alam Cold Rolled Steels Limited set up a NOF type continuous Galvanizing Line (CGL) with CTL plant for production of GP/CI sheets with most modern and economic technology consuming the C.R Coils produced by the company. Annual Installed Capacity of the NOF Plant is 72,000 M. Ton.

The company is pioneer in steel industry and well known for its galvanized plain sheet and galvanized corrugated iron sheet which are mainly used in construction industry (roofing and cladding of houses and industrial sheets), agriculture and outdoor application also.

The Authorized Capital of the Company is Taka 350,00,00,000 divided into 35,00,00,000 ordinary shares of Tk. 10/- each. Paid up capital of the company is Taka 98,37,11,000 divided into 9,83,71,100 ordinary shares of Tk. 10/- each.

With a view to maximizing shareholders benefit and ensure uninterrupted electric supply, the company established its subsidiary- S. Alam Power Generation Limited having 17MW Capacity power plant which was incorporated as a private limited company on April 09, 2009 with 70% of its Equity held by this company. The objectives among others to set up, operate and run a captive and/or independent power plant to produce and supply electricity.



CORPORATE INFORMATION

Legal Status	A public limited company incorporated in Bangladesh on 12th December, 2000 under the Companies Act 1994 and enlisted with Dhaka Stock Exchange Limited & Chittagong Stock Exchange Ltd.
Commencement of Commercial Production	16th February, 2004
Date of Listing with DSE & CSE	16th May, 2006
Factory	Kalarpool, Shikalbaha, Patiya, Chattogram
Corporate & Registered Office	S. Alam Bhaban, 2119 Asadgonj, Chattogram Phone : +887-031-636649, 636997, 611426, 611195, 638258 E-mail : sharedivision@s.alamgroupbd.com Website : www.s.alamgroupbd.com
Liaison Office	Sharif Mansion (6th Floor) 56-57, Motijheel C/A, Dhaka Phone: 02-9560631
Authorized Capital	Taka 350 Crore
Paid up Capital	Taka 98.3711 Crore
Product Variety	C. R. Coil Plant - C. R Coil NOF Plant - C. I Sheet & G. P Sheet
Annual Installed Capacity	C. R. Coil Plant - 1, 20,000 M. Ton NOF Plant - 72,000 M. Ton



Management APPARATUS

■ BOARD OF DIRECTORS

Mr. Abdus Samad
Mr. Osman Goni
Mr. Mohammed Saiful Alam
Mr. Md. Rafique Ullah
Mr. Sampad Kumar Basak FCA

Chairman
Managing Director
Director
Director from ICB's Nominee (Institutional Investors)
Independent Director

■ AUDIT COMMITTEE

Mr. Sampad Kumar Basak FCA
Mr. Mohammed Saiful Alam
Mr. Md. Rafique Ullah

Chairman
Member
Member

■ NOMINATION AND REMUNERATION COMMITTEE

Mr. Sampad Kumar Basak FCA
Mr. Mohammed Saiful Alam
Mr. Abdus Samad

Chairman
Member
Member

■ COMPANY SECRETARY

Mr. Md. Shohel Amin ACS

Company Secretary (In-Charge)

■ SENIOR CORPORATE OFFICIALS

Mr. Subrata Kumar Bhowmick FCA
Mr. Moshiur Rahman
Mr. Md. Delwar Hossain FCA
Mr. Shimul Nandy

Executive Director (Finance)
General Manager (Factory)
Chief Financial Officer
Head of Internal Audit and Compliance

■ STATUTORY AUDITOR

M/s. Rahman Mostafa Alam & Co.
Chartered Accountants

■ CORPORATE GOVERNANCE PROFESSIONAL

M/s. Hoda Vasi Chowdhury & Co.
Chartered Accountants

■ PRINCIPAL BANKER

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





Letter of TRANSMITTAL

Date: December 05, 2019

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

Dear Sir(s),

Annual Report for the year ended 30th June 2019.

We are pleased to transmit a copy of the Annual Report 2018-19 together with the audited consolidated financial statements of S. Alam Cold Rolled Steels Limited and its subsidiary, individual audited financial statements of S. Alam Cold Rolled Steels Limited and its subsidiary S. Alam Power Generation Limited comprising the statement of financial position as at 30th June, 2019 and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the period then ended along with notes thereon along with the Directors' Report and the Audit Committee Report for your information and record.

Yours sincerely,



Md. Shohel Amin ACS
Company Secretary (In-charge)



এস. আলম কোল্ডরোল্ড স্টিলস্ লিমিটেড
S. ALAM COLD ROLLED STEELS LIMITED

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

NOTICE OF 19TH ANNUAL GENERAL MEETING

Notice is hereby given that the 19th Annual General Meeting of S. ALAM COLD ROLLED STEELS LIMITED will be held on Monday, the 06th January, 2020 at 10.30 A.M. at Chittagong Club Limited, S. S. Khaled Road, Chattogram to transact the following businesses:

AGENDA

1. To receive, consider and adopt the Audited Financial Statements of the Company for the year ended June 30, 2019 together with the Reports of the Board of Directors and the Auditors thereon.
2. To declare and approve dividend for the year ended June 30, 2019.
3. A) To elect/re-elect the Directors of the company.
B) To approve the appointment of Managing Director.
4. A) To appoint Auditors for the year 2019-20 and fix their remuneration.
B) To appoint professional for Certification on Compliance of Corporate Governance Code for the year 2019-20.

Special Business:

5. To consider, pass and adopt the following resolution as SPECIAL RESOLUTION of the Company with or without modification:

RESOLVED that:

- a) The Article as appearing in the existing Articles of Association of the company as depicted hereunder in column one, be and is hereby substituted and replaced with a new Article set opposite thereof in column two:

Existing Articles	Articles as hereby Amended
<p>96. Subject to the overall control and supervision of the Board of Directors and the provisions of these presents and any law for the time being in force, the affairs of the company shall be managed by a Managing Director, who shall be the Chief Executive of the Company. Mr. Mohammed Saiful Alam shall be the first Managing Director of the company initially for a period of five years. In case of death or resignation, the Directors shall elect a new Managing Director. The Managing Director shall not, while holding that office, be subject to retirement by rotation or taken into account for retiring by rotation of directors. The remuneration and allowances tenure of office and the terms of appointment of the Managing Director shall be decided by the Board of Directors from time to time subject to section 110 of the Act and also subject to approval of concerned authority, if any, including Securities & Exchange Commission.</p>	<p>96. Subject to the overall control and supervision of the Board of Directors and the provisions of these presents and any law for the time being in force, the affairs of the company shall be managed by a Managing Director, who shall be the Chief Executive of the Company. Mr. Osman Goni shall be the Managing Director of the company initially for a period of five years. In case of death or resignation, the Directors shall elect a new Managing Director. The Managing Director shall not, while holding that office, be subject to retirement by rotation or taken into account for retiring by rotation of directors. The remuneration and allowances tenure of office and the terms of appointment of the Managing Director shall be decided by the Board of Directors from time to time subject to section 110 of the Act and also subject to approval of concerned authority, if any, including Securities & Exchange Commission.</p>

- b) and that consequent upon the aforesaid amendments in the existing Articles of Association of the company, a new Articles of Association containing Articles 1 to 138 duly amended as above, in substitution for and in exclusion of the existing Articles of Association be and are hereby adopted, which shall henceforth be the Articles of Association of the company and a copy of which shall be submitted to the office of the Registrar of Joint Stock Companies & Firms, Government of Bangladesh, Chattogram Division, Chattogram as Annexure-A to the prescribed Form VIII.

By order of the Board of Directors

Date: December 02, 2019
Chattogram


Osman Goni
Managing Director

NOTES:

1. **Record Date:** November 27, 2019. Members whose names appeared on the Members/Depository Register as on "Record Date" are eligible to attend the Annual General Meeting (AGM) and entitled to receive Dividend.
2. **Proxy:** A Member entitled to attend and vote at the AGM may appoint a Proxy to attend and vote in his/her behalf. The "Proxy Form", duly filled and stamped Tk. 20 must be deposited at the Company's Registered Office located at S. Alam Bhaban, 2119, Asadgonj, Chattogram, not later than 48 hours before commencement of the AGM.
3. Pursuant to the Bangladesh Securities and Exchange Commission (BSEC) Notification No: BSEC/CMRRCD/2006-158/208/Admin/81 dated 20th June, 2018, copy of the Annual Report for the year ended 30th June, 2019 shall be sent to the e-mail address of the Honorable Shareholders mentioned in their respective Beneficial Owner (BO) accounts maintained with the depository. The Annual Report and Proxy Form are available at the Company's Website. www.s.alamgroupbd.com.
4. **Directors Election:**
 - A. Directors to retire by rotation from the Sponsor Group shall be re-elected in accordance with the provision of law.
 - B. Subject to holding 2% shares in the paid up capital of the company, Nomination Form for the Institutional Shareholders and General Shareholders shall be available at the Registered Office within the office hour from 14-12-2019 to 19-12-2019.
 - C. Nomination paper duly filled with signature and supporting documents to be submitted to the Registered Office, S. Alam Bhaban, 2119, Asadgonj, Chattogram within 24-12-2019. The last date of withdrawal of candidature is 26-12-2019.
 - D. After proper scrutinizing, final list of the eligible candidate for Directors from the institutional shareholders and the general shareholders shall be displayed on the Notice Board of the Registered Office of the Company on 29-12-2019.
5. For explanation of the observation on financial statements, if any, shareholders are requested to submit their findings in writing at least 3 working days before commencing of the AGM.
6. **SPECIAL NOTE:** No benefit or gift in cash or kind shall be given to the Shareholders for attending the Annual General Meeting as per the BSEC Circular No. SEC/CMRRCD/2009-193/154 dated 24 October, 2013.

Message from the CHAIRMAN



Dear Shareholders,

Assala-mu-alaikum,

I have the honor and privilege to present the Annual Report of S. Alam Cold Rolled Steels Ltd. for the year ended 30th June 2019 and once again to warmly welcome you all, on behalf of the Board of Directors, at the 19th Annual General Meeting of the company.

In line with the growing sales, your company has passed a progressive year resulting Tk. 517.08 Crore turnover which is 35% higher than previous year while consolidated gross profit registered Tk. 80.57 Crore which is 38% higher than that of the previous year. However, due to a substantial amount of prior years TAX adjusted during the period under report, the pre-tax consolidated profit heavily affected and thus the earning per share stood at Tk. 1.05. Your Board of Directors, considering the profit of the year, has recommended a 10% cash dividend for the year ended 30th June, 2019, subject to the approval of the shareholders in this Annual General Meeting.

Steel is considered to be a strategic material for growth and development of nations and has a multiplier impact on the economy and society. Riding on the huge consumption by Government in ADP implementation, increasing urbanization, improving living standards and stronger purchasing power, the steel industry of Bangladesh is accelerating with double digit growth rate which creates opportunities for the industry. Your company is well positioned to capitalize on the opportunities and deliver strong growth.

It has been observed that rapidly growing diversity and choices in the market have increased, as a result, in our NOF product segment, total sales has been increased by 117% comparing to the last year performance. Our flexible manufacturing process and well-organized distribution system have been operating very efficiently to cater the increasing demands of our products. To reinforce commitment for better delivery and efficient service helped us to improve our market position as well as revenues.

Except that the Directors recommended 10% cash dividend subject to approval thereof in the 19th Annual General Meeting there is no other event affecting the values in the financial statements materially occurred after the balance sheet date.

At the end, my profound thanks to all of our esteemed Shareholders, Financial Institutions, Bankers, Regulatory bodies, and Customers for their consistent support to the Company. I would like extend my sincere thanks to my fellow Board Members, our employees and management team for their unrelenting dedication and commitment which inspire us to continue our journey towards a sustainable growth and to safeguard your interest in the Company.

(Abdus Samad)
Chairman

Directors profile



MR. ABDUS SAMAD

Mr. Abdus Samad, son of Late Mozaharul Anwar and Chemon Ara Begum, was born in 1967. He is the Chairman of the company and one of the most renowned businessperson in the country. As a young entrepreneur, Mr. Samad was deeply involved with business affairs of the Group and his keen sense of professionalism led to his appointment as the Vice Chairman of S. Alam Group. He demonstrated his entrepreneurial skills, and used his experience to establish many corporate bodies of the Group notably in steel sectors.

Mr. Samad is involved and manages various Industrial concerns, carry on business as importers, traders, general merchants, promoter of Bank and Insurance.

At present, he is also a Member of the Nomination and Remuneration Committee of the Company.

Mr. Samad is also engaged in various social, cultural and religious organizations. He plays key role in the social development sector of his home district in Chattogram as well as Bangladesh.

Mr. Samad has travelled extensively at home and abroad namely to India, Pakistan, China, Korea, Japan, Bangkok, Singapore, Australia, UK, Canada, USA, Brazil, Russia, Saudi Arabia and other Gulf States, EU and Switzerland and many other countries for the purpose of business.

Apart from his Directorship in the Group, he is also the Chairman, Board of Directors of Al-Arafah Islami Bank Ltd. and the Director of Northern General Insurance Co. Ltd.



MR. MOHAMMED SAIFUL ALAM

Mr. Mohammed Saiful Alam, son of Late Mozaharul Anwar and Chemon Ara Begum, was born in 1960. He is the Founder Chairman and Managing Director of S. Alam Group. He has built up reputation as an astute and efficient business personality and has achieved remarkable success in business. Under his dynamic leadership, S. Alam Group has grown as one of the largest group of companies in Bangladesh within the short span of time.

Mr. Alam, pioneer industrialist, is always placing his eagerness to attach any unexploited opportunity in the business community.

He is well travelled person and visited many countries in Asia, Europe, USA, Canada, Australia in connection with trade and business.

Apart from the role of the Directorship in the company, he is also the member of Audit Committee and Nomination and Remuneration Committee.

Mr. Alam is also associated with various social, cultural and religious organizations. He also takes a profound interest in community services and contributes generously for the welfare of the community, particularly to the underprivileged ones. He has established multiple school and madrasa in his village and surrounding areas. He continues to employ his best efforts to provide education, healthcare and infrastructure facilities for overall development of the people of Chattogram district as well as Bangladesh.

Besides holding Directorship in S. Alam Group, he is also the Chairman of First Security Islami Bank Limited, First Security Islami Capital & Investment Limited, Reliance Finance Limited, S. S. Power I Limited, Ekushey Television Limited, Reliance Brokerage Services Limited. He is also the Sponsor Shareholder of Al-Arafah Islami Bank Limited, Sponsor Director of Northern General Insurance Co. Ltd.

Directors profile



MR. OSMAN GONI

Mr. Osman Goni, son of late Mozaharul Anwar and Chemon Ara Begum, is the Managing Director of the company and also one of the renowned businessperson of the country. With a humble beginning, Mr. Osman Goni displayed his excellence in business entrepreneurship by building his business domain. The biggest landmark of his success is the courage to get into new business ventures based on his sound foresight, innovative and skillful execution. Within a span of 20 years of his business career, he successfully managed to establish many differentiated business enterprises under the umbrella of S. Alam Group.

Key position in S. Alam Group as a Director has always marked its steady growth. His attractive personality, relentlessly stressing on brainstorming for new ideas, focus in effective implementation of every single business on time, business efficiency etc. are only a few of his traits that eventually transformed into the core values of his business undertaking and implementation.

Mr. Osman Goni is also the Director of 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.



MR. MD. RAFIQUE ULLAH

Mr. Md. Rafique Ullah, is the Director of the company who has been appointed on November 02, 2019 on nomination by Investment Corporation of Bangladesh (ICB) representing the Institutional Investors' Group in the Board of Directors of the company.

Mr. Rafique Ullah is the Deputy General Manager of the Investment Corporation of Bangladesh (ICB) having 32 years of service experience. He obtained B.Com (Hons) and M.Com degree from the University of Dhaka. He also completed (partly) Banking Diploma from the IBB and took part various training program and seminar at different prestigious training Institute in the country. He has been discharging his responsibilities by holding various important positions at Investment Corporation of Bangladesh. Apart from the role of Director, he is also a member of the Audit Committee of the Company.



MR. SAMPAD KUMAR BASAK FCA

Mr. Sampad Kumar Basak, FCA is a Fellow member of Institute of Chartered Accountants of Bangladesh and a partner of Shafiq Basak & Co, one of the reputed Audit, Tax and Advisory firms in Bangladesh. He was appointed as Independent Director of the Company on November 10, 2018. Currently, he is also the Chairman of the Audit Committee and the Nomination and Remuneration Committee of the Company.

Mr. Basak has more than 30 years of professional experience in Audit, Valuation reporting, Tax Consultancy, company law advisory and secretarial services. He has been providing professional services to some of the most reputed local group of companies and multinational companies operating in Bangladesh across various economic sectors. He worked on numerous audit and advisory engagements with a number of reputed Industry and Corporate clients including Bank, NBF, NGOs, Corporate bodies, Govt. Organization etc.

He also Conducted Valuation Survey in reputed companies like ANZ Grindlays Bank, American ExPress Bank, IFIC Bank Ltd, National Bank Ltd, Lloyds of London, Ex BCCI (Overseas) Ltd.

DIRECTORS'

Report

Bismillahir Rahmanir Rahim

Dear Shareholders,

Your Directors have the pleasure in presenting their 19th Annual Report to you together with the Audited Financial Statements of the company for the year ended 30th June, 2019. The report has been prepared in compliance with Section no. 184 of the Companies Act 1994 and Bangladesh Securities and Exchange Commission Notification No: BSEC/CMRRCD/2006158/207/Admin/80 dated 03 June, 2018.

Financial Performance:

Key operating and financial results of the company and recommended appropriations for the year ended 30th June, 2019 with comparative figures for the previous years in summarized form are as under:

(Consolidated figures in Taka)

Particulars	2018-19	2017-18
Total Revenue	5,170,820,290	3,806,743,594
Gross Profit	805,762,616	581,915,664
Operating Profit	753,077,357	522,474,195
Profit before Tax	335,295,376	175,802,771
Profit After Tax	100,292,828	120,731,969
NAVPS	19.46	19.41
EPS	1.05	1.25
NOCPS	0.50	1.17

The comparison of the EPS between the Quarterly and the Annual Financial Statements are noted below:

Particulars	First Quarter	Second Quarter	Third Quarter	Final EPS
2018-19	0.41	0.35	0.61	1.05
2017-18	0.33	0.22	0.74	1.25

Principal 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.

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 spiraling 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.

Segment-wise / Product-wise Performance:

Details of Segment-wise/Product-wise Performance are enclosed in **Annexure-G**.

Risks and concerns:

Details of the risks and concerns and risk mitigation policy are attached in **Annexure-H**.

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

The detailed discussion on Cost of Goods Sold, Gross Profit Margin and Net Profit Margin disclosed in **Annexure- F**.

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.

Reasons for variance in Quarterly/Annual Financial Result:

In quarterly financial results, the reasons are attributable for increasing EPS and NOCPS compared to the corresponding previous periods mainly increase of sales, increase of receipts from customers against sales, advance refund from the local suppliers for non-supply of raw materials, decrease of payment against procurement of raw material during the period.

On contrary, in respect of annual financial results, the reasons are attributable for variance in EPS and NOCPS compared to the corresponding previous year mainly short provision of Income Tax charged during the period to the Statement of Profit or Loss and Other Comprehensive Income considering recognition of Current Tax of prior periods and decrease of substantial collection from the customers.

Dividend:

The Directors recommend 10% cash dividend for the year ended 30th June, 2019 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.

Subsidiary company:

S. Alam Power Generation Limited was incorporated on April 09, 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. 2 of the Corporate Governance Code issued by the BSEC vide its Notification No. BSEC/CMRRCD/2006-158/ 207/Admin/80 of June 03, 2018, Mr. Sampad Kumar Basak FCA, Independent Director of this holding Company, had been nominated to be a Director on the Board of Directors of the said subsidiary of this company. Moreover, in order to enable the subsidiary of this Company to raise its number of Directors in compliance with the condition of the said Corporate Governance Code, your directors nominated Mr. Osman Goni and Mr. Md. Abdullah Hasan for appointment as Directors representing this holding company in the said subsidiary company.

In addition, as required by the said Corporate Governance Code, minutes of the Board Meeting of the subsidiary company are 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.

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 2019 subject to the approval thereof by the shareholders in the forthcoming Annual General Meeting. However, the second term of office of Mr. Monotosh Chandra Roy FCA, Independent Director had expired on August 28, 2019. Mr. Mohammed Saiful Alam resigned from the position of Managing Director but continued to be the Director of the company while Mr. Osman Goni has been appointed as the Managing Director of the company. Apart from this, Mr. Md. Rafique Ullah has been appointed as the director on nomination by Investment Corporation of Bangladesh (ICB) in place of Mr. Mohammed Shahjahan representing institutional

investors group and the position held by M/s Halima Begum, Director representing general investors group vacated in accordance with the noncompliance of BSEC Notification No. BSEC/CMRRCD/2009-193/217/Admin/90 dated 21 May 2019.

Management Discussion and Analysis:

Management discussion and Analysis Report for the year under review, as stipulated under the condition no. 1.5.(XXV) of BSEC Corporate Governance Code, 2018, is annexed herewith as **Annexure-D** to this Report.

Board of Directors:

A. Composition and size of the Board:

During the year under report, there were 7 (Seven) members on the Board. The Board comprises a Chairman, Managing Director, Three Directors and Two Independent Directors.

B. Board Meeting and Attendance:

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:

Name	Position	Number of Board Meeting Held	Board Meeting Attended
Abdus Samad	Chairman	5	5
Mohammed Saiful Alam	Managing Director	5	4
Osman Goni	Director	5	4
Halima Begum	Director	5	5
Mohammed Shahjahan	Director	5	5
Mohammad Ishaque	Independent Director	2	2
Sampad Kumar Basak FCA	Independent Director	3	3
Monotosh Chandra Roy FCA	Independent Director	5	5

C. Election/Re-election of Directors:

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 accordance with the Article No. 99 (b) at the ensuing 19th Annual General Meeting and being eligible, he offers himself for re-election.

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 AGM shall retire at the forthcoming AGM.

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 19th Annual General Meeting from valid nominee/eligible contestant from each of the said Groups.

It is reiterated that in compliance with the Notification BSEC/CMRRCD/2009-193/217/Admin/90 dated May 21, 2019 issued by the Bangladesh Securities & Exchange Commission each director other than Independent 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.

The profiles and particulars of experience, attributes and skills that qualify all of the above Directors for the Board membership are disclosed in the Directors Profile in this Annual Report.

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 for each meeting of the Board of Directors which he / she attend. However, the Board initiates sitting fees for attending committees meeting from 29th January, 2019.

All Meetings of the Board of Directors were held in Chittagong during the year under report, Mr. Mohammed Shahjahan, ICB Nominee Director representing Institutional Investors' Group, had been reimbursed of his travelling and halting expenses at actual which he incurred in attending meetings of the

Board of Directors in Chattogram as were entitled under Article 82 of the Articles of Association of the Company.

Pattern of Shareholding:

Details of pattern of shareholding are disclosed in the **Annexure-I**.

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 was re-constituted after retiring of its Chairman Mr. Mohammad Ishaque and Mr. Abdus Samad, Member from the Committee on November 10, 2018 to comply with BSEC Corporate Governance Code. The Board however appointed Mr. Sampad Kumar Basak FCA as its Chairman, thus the committee comprised of Mr. Sampad Kumar Basak FCA, Chairman, Mr. Osman Goni, Member and Mr. Monotosh Chandra Roy FCA as its Members. All Members of the Audit Committee are financially literate.

Nomination and Remuneration Committee:

The Board has duly constituted Nomination and Remuneration Committee in accordance with the condition no 4 & 6 of the BSEC Corporate Governance Code. The Board in its meeting held on 27th October, 2018 formed the Nomination and Remuneration Committee.

The Nomination and Remuneration Committee was re-constituted after retiring of its member Mr. Mohammad Ishaque, therefore, the committee

comprised of Mr. Monotosh Chandra Roy FCA, Chairman, Mr. Abdus Samad, Member, Mr. Sampad Kumar Basak FCA, Member and Mr. Md. Shohel Amin ACS, Company Secretary continues to act as the Secretary to the Nomination and Remuneration Committee during the year under report. All the members of the committee are Non-Executive Director. The Report of the Nomination and Remuneration Committee is included in this Annual Report.

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 44.00 of the Consolidated Financial Statements attached to this Annual Report.

Directors Responsibility 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 judgment;
- (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) Key operating and financial data for last five years disclosed in Annexure-E.
- (h) Minority shareholders have been protected from abusive actions by, or in the interest of, controlling shareholders acting either directly or indirectly and have effective means of redress.
- (i) The Audit Committee had no findings reportable to the Board of Directors during the year ended 30/06/2019;
- (j) The deviation in the operating result from that of the previous year duly reported;
- (k) No bonus share or stock dividend has been or shall be declared as interim dividend.
- (l) 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.

Corporate Governance:

The Company constantly endeavours to follow the corporate governance code and best practices sincerely and disclose the same transparently. The Board is conscious of its inherent responsibility to disclose timely and accurate information regarding the Company's operations, performance, material corporate events as well as on the leadership and governance matters relating to the Company. The Directors state in accordance with the Annexure-C attached to the Directors' Report as to whether the company has complied with the conditions on comply basis under BSEC Notification No. BSEC/CMRRCD/2006-158/207/Admin/80 dated 03-June, 2018 issued u/s. 2CC of the Securities and Exchange Ordinance 1969. Your company also obtained a certificate from M/s. Hoda Vasi Chowdhury & Co., Chartered Accountants, regarding compliance of aforesaid conditions during the year under report and attached as **Annexure-B**.

Appointment/Re-appointment Auditors:

The Existing Auditors of the company – M/S Rahaman Mostafa Alam & Co, Chartered Accountants, will retire at

the ensuing Annual General Meeting. They have satisfactorily completed audit of Financial Statements of your Company for a consecutive period of 2 (two) years. The Bangladesh Securities & Exchange Commission (BSEC) by its Notification No. BSEC/CMRRCD/2006-158/208/Admin/81 dated June 20, 2011, and also Listing Regulations of Stock Exchanges 2015, 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 able to continue with them. The honourable shareholders are therefore requested to reappoint the said Auditors for the next term and to fix up their remuneration.

Appointment of Corporate Governance Professional:

In accordance with the condition no. 9 (2) of BSEC Corporate Governance Code, 2018, the Board, in its meeting held on November 02, 2019, considered the recommendation of the Audit Committee with respect to the appointment of M/S Hoda Vasi Chowdhury & Co., Chartered Accountants as the Corporate Governance Professional who will provide the certificate on compliance of the Corporate Governance Code for the year ended 30th June, 2020 at a remuneration of Tk. 50,000. Based on due consideration, the Board recommends for shareholders' approval regarding the appointment of M/S Hoda Vasi Chowdhury & Co., Chartered Accountants as the corporate governance professional of the Company for the year ended 30th June 2020.

Human Resource Management:

The Company has continuously adopted structures that help to attract best external talent and promote internal talent to higher roles and responsibilities. The Company providing an open work environment fostering continuous improvement and development helped employees realize their career aspirations during the year. 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.

Occupational Health and Safety:

Health and safety remains the Company's top most priority and the Company aspires to be the industry benchmark in safety. SACRSL is committed to conduct all its operations free from accidents and occupational hazards. Deploying long-term safety improvement plan, regular sharing of best practices and learning from incidents from other companies in the S. Alam Cold Rolled Steels Ltd. has strengthened the occupational safety, health and environment process in both SACRSL and SAPGL. The company strives to provide a safe working ecosystem for its people and thus, follows all statutory requirements. The Company is guided by the following principles for developing a safety standard across its operations:

- ❖ Working safely is a condition of employment.
- ❖ All injuries and work-related illness can and must be prevented.
- ❖ Employee engagement and training is mandatory.
- ❖ Safety and health must be integrated in all business processes.
- ❖ Excellence in health and safety drive outstanding business results.

Internal Control System:

The Company has in place a proper system of internal controls to ensure that all assets are safeguarded against loss from unauthorized use or disposition; and that the transactions are authorized, recorded and reported correctly. Additionally, the Internal Financial Control and reporting process ensures robust financial monitoring and ensures compliances. The Company also deploys standard policies and procedures, covering relevant

business aspects, which are designed to facilitate effective oversight on business operations.

The internal control system is periodically reviewed by the management, and supplemented by an extensive program of internal and external audits. The system is designed to ensure that financial and other records are reliable for preparing financial information, maintaining accountability of assets and providing reliable management information.

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

Chattogram, 02nd November, 2019

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

S. ALAM COLD ROLLED STEELS LTD.
Declaration by Managing Director (MD) and Chief Financial Officer (CFO)

Date: November 02, 2019

The Board of Directors
S. Alam Cold Rolled Steels Limited
Chattogram
Bangladesh

Subject: Declaration on Financial Statements for the year ended on June 30, 2019

Dear Sirs,

Pursuant to the condition No. 1(5) (xxvi) imposed vide the Commission's Notification No. BSEC/CMRRCD/2006-158/207/Admin/80 Dated 03.06.2018 under section 2CC of the Securities and Exchange Ordinance, 1969, we do hereby declare that:

1. The Financial Statements of S. Alam Cold Rolled Steels Limited for the year ended on June 30, 2019 have been prepared in compliance with International Accounting Standards (IAS) or International Financial Reporting Standards (IFRS), as applicable in the Bangladesh and any departure there from has been adequately disclosed;
2. The estimates and judgments related to the financial statements were made on a prudent and reasonable basis, in order for the financial statements to reveal a true and fair view;
3. The form and substance of transactions and the Company's state of affairs have been reasonably and fairly presented in its financial statements;
4. To ensure above, the Company has taken proper and adequate care in installing a system of internal control and maintenance of accounting records;
5. Our internal auditors have conducted periodic audits to provide reasonable assurance that the established policies and procedures of the Company were consistently followed; and
6. The management's use of the going concern basis of accounting in preparing the financial statements is appropriate and there exists no material uncertainty related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern.

In this regard, we also certify that: -

- I. We have reviewed the financial statements for the year ended on June 30, 2019 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;
 - b. These statements collectively present true and fair view of the Company's affairs and are in compliance with existing accounting standards and applicable laws.
- II. There are, to the best of knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or in violation of the code of conduct for the company's Board of Directors or its members.

Sincerely yours,



(Osman Goni)
Managing Director



(Md. Delwar Hossain FCA)
Chief Financial Officer (CFO)

Hoda Vasi Chowdhury & Co

Chartered Accountants

Annexure -B

Certificate as per condition No. 1(5) (xxvii)
Report to the Shareholders of S. Alam Cold Rolled Steels Limited
On compliance on the Corporate Governance Code

We have examined the compliance status to the Corporate Governance Code by S. Alam Cold Rolled Steels Limited for the year ended on 30th June 2019. This Code relates to the Notification No. BSEC/CMRRCD/2006-158/207/Admin/80 dated 03 June 2018 of the Bangladesh Securities and Exchange Commission.

Such compliance with the Corporate Governance Code is the responsibility of the Company. Our examination was limited to the procedures and implementation thereof as adopted by the Management in ensuring compliance to the conditions of the Corporate Governance Code.

This is a scrutiny and verification and an independent audit on compliance of the conditions of the Corporate Governance Code as well as the provision of relevant Bangladesh Secretarial Standards (BSS) as adopted by Institute of Chartered Secretaries of Bangladesh (ICSB) in so far as those standards are not inconsistent with any Condition of this Corporate Governance Code

We state that we have obtained all the information and explanations, which we have required, and after due scrutiny and verification thereof, we report that, in our opinion:

- (a) The Company has complied with the conditions of the Corporate Governance Code as stipulated in the above mentioned Corporate Governance Code issued by the Commission, subject to the remarks and observation as reported in the attached compliance status.
- (b) The Company has complied with the provisions of the relevant Bangladesh Secretarial Standards (BSS) as adopted by the Institute of Chartered Secretaries of Bangladesh (ICSB) as required by this code.
- (c) Proper books and records have been kept by the company as required under the Companies Act, 1994, the securities laws and other relevant laws; and
- (d) The Governance of the company is satisfactory.

For Hoda Vasi Chowdhury & Co
Chartered Accountants



Showkat Hossain, FCA
Senior Partner

Chattogram, 04 December 2019

Annexure-C
[As per condition No. 1(5)(xxvii)]

Status of compliance with the conditions imposed by the Commission's Notification No. SEC/CMRRCD/2006-158/207/Admin/80, dated 3 June 2018 issued under section 2CC of the Securities and Exchange Ordinance, 1969:

(Report under Condition No. 9)

Condition No.	Title	Compliance Status	Remarks (if any)
1.	Board of Directors:		
1(1)	Members not be less than 5(Five) and more than 20 (Twenty).	Complied	
1(2)	Independent Directors:		
1(2) (a)	At least one-fifth (1/5) of the total number of Directors in the company's Board shall be Independent Directors; any fraction shall be considered to the next integer or whole number for calculating number of Independent Director(s);	Complied	There are 2 (two) Independent Directors in the Board of SACRSL.
1(2)(b)(i)	Who either does not hold any share in the company or holds less than one percent (1%) shares of the total paid-up shares of the company;	Complied	
1(2)(b)(ii)	Who is not a sponsor of the company or is not connected with the company's any sponsor or director or nominated director or shareholder of the company or any of its associates, sister concerns, subsidiaries and parents or holding entities who holds one percent (1%) or more shares of the total paid-up shares of the company on the basis of family relationship and his or her family members also shall not hold above mentioned shares in the company;	Complied	The Independent Directors declared their compliances.
1(2)(b)(iii)	Who has not been an executive of the company in immediately preceding 2 (two) financial years;	Complied	Do
1(2)(b)(iv)	Who does not have any other relationship, whether pecuniary or otherwise, with the company or its subsidiary or associated companies;	Complied	Do
1(2)(b)(v)	Who is not a member or TREC (Trading Right Entitlement Certificate) holder, Director or officer of any stock exchange;	Complied	Do
1(2)(b)(vi)	Who is not a shareholder, director excepting independent director or officer of any member or TREC holder of stock exchange or an intermediary of the capital market;	Complied	Do
1(2)(b)(vii)	Who is not a partner or an executive or was not a partner or an executive during the preceding 3 (three) years of the concerned company's statutory audit firm or audit firm engaged in internal audit services or audit firm conducting special audit or professional certifying compliance of this Code;	Complied	Do
1(2)(b)(viii)	Who is not independent director in more than 5 (five) listed companies;	Complied	Do
1(2)(b)(ix)	Who has not been convicted by a court of competent jurisdiction as a defaulter in payment of any loan or any advance to a Bank or a Non-Bank Financial Institution (NBFi);	Complied	Do
1(2)(b)(x)	Who has not been convicted for a criminal offence involving moral turpitude;	Complied	Do
1(2)(c)	The independent director(s) shall be appointed by the Board and approved by the shareholders in the Annual General Meeting (AGM);	Complied	
1(2)(d)	The post of independent director(s) cannot remain vacant for more than 90 (ninety) days;	Complied	
1(2)(e)	The tenure of office of an independent director shall be for a period of 3 (three) years, which may be extended for 1 (one) tenure only;	Complied	
1(3)	Qualification of Independent Director:		
1(3)(a)	Independent Director shall be a knowledgeable individual with integrity who is able to ensure compliance with financial laws, regulatory requirements and corporate laws and can make meaningful contribution to the business;	Complied	The qualifications and background of two Independent Director justify their abilities as such.
1(3)(b)(i)	Business Leader who is or was a promoter or director of an unlisted company having minimum paid-up capital of Tk. 100.00 million or any listed company or a member of any national or international chamber of commerce or business association;		Not Applicable
1(3)(b)(ii)	Corporate Leader who is or was a top level executive not lower than Chief Executive Officer or Managing Director or Deputy Managing Director or Chief Financial Officer or Head of Finance or Accounts or Company Secretary or Head of Internal Audit and Compliance or Head of Legal Service or a candidate with equivalent position of an unlisted company having minimum paid up capital of Tk. 100.00 million or of a listed company;		Not Applicable

Condition No.	Title	Compliance Status	Remarks (if any)
1(3)(b)(iii)	Former official of government or statutory or autonomous or regulatory body in the position not below 5 th Grade of the national pay scale, who has at least educational background of bachelor degree in economics or commerce or business or law;		Not Applicable
1(3)(b)(iv)	University Teacher who has educational background in Economics or Commerce or Business Studies or Law;		Not Applicable
1(3)(b)(v)	Professional who is or was an advocate practicing at least in the High Court Division of Bangladesh Supreme Court or a Chartered Accountant or Cost and Management Accountant or Chartered Financial Analyst or Chartered Certified Accountant or Certified Public Accountant or Chartered Management Accountant or Chartered Secretary or equivalent qualification;	Complied	
1(3)(c)	The independent director shall have at least 10 (ten) years of experiences in any field mentioned in clause (b);	Complied	
1(3)(d)	In special cases, the above qualifications or experiences may be relaxed subject to prior approval of the Commission.		Not Applicable
1(4)	Duality of Chairperson of the Board of Directors and Managing Director or Chief Executive Officer:		
1(4)(a)	The positions of the Chairperson of the Board and the Managing Director (MD) and/or Chief Executive Officer (CEO) of the company shall be filled by different individuals;	Complied	
1(4)(b)	The Managing Director (MD) and/or Chief Executive Officer (CEO) of a listed company shall not hold the same position in another listed company;	Complied	
1(4)(c)	The Chairperson of the Board shall be elected from among the non-executive directors of the company;	Complied	
1(4)(d)	The Board shall clearly define respective roles and responsibilities of the Chairperson and the Managing Director and/or Chief Executive Officer;	Complied	
1(4)(e)	In the absence of the Chairperson of the Board, the remaining members may elect one of themselves from non-executive directors as Chairperson for that particular Board's meeting; the reason of absence of the regular Chairperson shall be duly recorded in the minutes.	Complied	
1(5)	The Directors' Report to Shareholders:		
1(5)(i)	An industry outlook and possible future developments in the industry;	Complied	The Directors' report represent compliance of this code
1(5)(ii)	The segment-wise or product-wise performance;	Complied	Do
1(5)(iii)	Risks and concerns including internal and external risk factors, threat to sustainability and negative impact on environment, if any;	Complied	Do
1(5)(iv)	A discussion on Cost of Goods sold, Gross Profit Margin and Net Profit Margin, where applicable;	Complied	Do
1(5)(v)	A discussion on continuity of any extraordinary activities and their implications (gain or loss);	Complied	No such matter arose during the year
1(5)(vi)	A detailed discussion on related party transactions along with a statement showing amount, nature of related party, nature of transactions and basis of transactions of all related party transactions;	Complied	
1(5)(vii)	A statement of utilization of proceeds raised through public issues, rights issues and/or any other instruments;		Not Applicable
1(5)(viii)	An explanation if the financial results deteriorate after the company goes for Initial Public Offering (IPO), Repeat Public Offering (RPO), Rights Share Offer, Direct Listing, etc.;		Not Applicable
1(5)(ix)	An explanation on any significant variance that occurs between Quarterly Financial performances and Annual Financial Statements;	Complied	
1(5)(x)	A statement of remuneration paid to the directors including independent directors;	Complied	
1(5)(xi)	A statement that the financial statements prepared by the management of the issuer company present fairly its state of affairs, the result of its operations, cash flows and changes in equity;	Complied	
1(5)(xii)	A statement that proper books of account of the issuer company have been maintained;	Complied	
1(5)(xiii)	A statement that 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;	Complied	

Condition No.	Title	Compliance Status	Remarks (if any)
1(5)(xiv)	A statement that International Accounting Standards (IAS) or International Financial Reporting Standards (IFRS), as applicable in Bangladesh, have been followed in preparation of the financial statements and any departure there from has been adequately disclosed;	Complied	
1(5)(xv)	A statement that the system of internal control is sound in design and has been effectively implemented and monitored;	Complied	
1(5)(xvi)	A statement that minority shareholders have been protected from abusive actions by, or in the interest of, controlling shareholders acting either directly or indirectly and have effective means of redress;	Complied	
1(5)(xvii)	A statement that there is no significant doubt upon the issuer company's ability to continue as a going concern, if the issuer company is not considered to be a going concern, the fact along with reasons there of shall be disclosed;	Complied	
1(5)(xviii)	An explanation that significant deviations from the last year's operating results of the issuer company shall be highlighted and the reasons thereof shall be explained;	Complied	
1(5)(xix)	A statement where key operating and financial data of at least preceding 5 (five) years shall be summarized;	Complied	
1(5)(xx)	An explanation on the reasons if the issuer company has not declared dividend (cash or stock) for the year;		The Board recommended 10% cash dividend for the year ended 30 June 2019
1(5)(xxi)	Board's statement to the effect that no bonus share or stock dividend has been or shall be declared as interim dividend;	Complied	
1(5)(xxii)	The total number of Board meetings held during the year and attendance by each director;	Complied	
1(5)(xxiii)(a)	A report on the pattern of shareholding disclosing the aggregate number of shares Parent or Subsidiary or Associated Companies and other related parties (name-wise details);	Complied	
1(5)(xxiii)(b)	Directors, Chief Executive Officer, Company Secretary, Chief Financial Officer, Head of Internal Audit and Compliance and their spouses and minor children (name-wise details);	Complied	
1(5)(xxiii)(c)	Executives;	Complied	
1(5)(xxiii)(d)	Shareholders holding ten percent (10%) or more voting interest in the company (name-wise details);	Complied	
1(5)(xxiv)(a)	A brief resume of the director;	Complied	
1(5)(xxiv)(b)	Nature of his or her expertise in specific functional areas;	Complied	
1(5)(xxiv)(c)	Names of companies in which the person also holds the directorship and the membership of committees of the Board;	Complied	
1(5)(xxv)(a)	Accounting policies and estimation for preparation of financial statements;	Complied	
1(5)(xxv)(b)	Changes in accounting policies and estimation, if any, clearly describing the effect on financial performance or results and financial position as well as cash flows in absolute figure for such changes;	Complied	
1(5)(xxv)(c)	Comparative analysis (including effects of inflation) of financial performance or results and financial position as well as cash flows for current financial year with immediate preceding five years explaining reasons thereof;	Complied	
1(5)(xxv)(d)	Compare such financial performance or results and financial position as well as cash flows with the peer industry scenario;	Complied	
1(5)(xxv)(e)	Briefly explain the financial and economic scenario of the country and the globe;	Complied	
1(5)(xxv)(f)	risks and concerns issues related to the financial statements, explaining such risk and concerns mitigation plan of the company;	Complied	
1(5)(xxv)(g)	future plan or projection or forecast for company's operation, performance and financial position, with justification thereof, i.e., actual position shall be explained to the shareholders in the next AGM;	Complied	
1(5)(xxvi)	Declaration or certification by the CEO and the CFO to the Board as required under condition No. 3(3) shall be disclosed as per Annexure-A ;	Complied	
1(5)(xxvii)	The report as well as certificate regarding compliance of conditions of this Code as required under condition No. 9 shall be disclosed as per Annexure-B and Annexure-C .	Complied	

Condition No.	Title	Compliance Status	Remarks (if any)
1(6)	The company shall conduct its Board meetings and record the minutes of the meetings as well as keep required books and records in line with the provisions of the relevant Bangladesh Secretarial Standards (BSS) as adopted by the Institute of Chartered Secretaries of Bangladesh (ICSB) in so far as those standards are not inconsistent with any condition of this Code.	Complied	
1(7)(a)	The Board shall lay down a code of conduct, based on the recommendation of the Nomination and Remuneration Committee (NRC) at condition No. 6, for the Chairperson of the Board, other board members and Chief Executive Officer of the company;	Complied	
1(7)(b)	The code of conduct as determined by the NRC shall be posted on the website of the company including, among others, prudent conduct and behavior; confidentiality; conflict of interest; compliance with laws, rules and regulations; prohibition of insider trading; relationship with environment, employees, customers and suppliers; and independency.	Not Complied	Under Implementation process as per BSEC code
2.	Governance of Board of Directors of Subsidiary Company:		
2(a)	Provisions relating to the composition of the Board of the holding company shall be made applicable to the composition of the Board of the subsidiary company;	Complied	SACRSL has a subsidiary company.
2(b)	At least 1 (one) independent director on the Board of the holding company shall be a director on the Board of the subsidiary company;	Complied	
2(c)	The minutes of the Board meeting of the subsidiary company shall be placed for review at the following Board meeting of the holding company;	Complied	
2(d)	The minutes of the respective Board meeting of the holding company shall state that they have reviewed the affairs of the subsidiary company also;	Complied	
2(e)	The Audit Committee of the holding company shall also review the financial statements, in particular the investments made by the subsidiary company.	Complied	
3.	Managing Director (MD) or Chief Executive Officer (CEO), Chief Financial Officer (CFO), Head of Internal Audit and Compliance (HIAC) and Company Secretary (CS).		
3(1)(a)	The Board shall appoint a Managing Director (MD) or Chief Executive Officer (CEO), a Company Secretary (CS), a Chief Financial Officer (CFO) and a Head of Internal Audit and Compliance (HIAC);	Complied	
3(1)(b)	The positions of the Managing Director (MD) or Chief Executive Officer (CEO), Company Secretary (CS), Chief Financial Officer (CFO) and Head of Internal Audit and Compliance (HIAC) shall be filled by different individuals;	Complied	
3(1)(c)	The MD or CEO, CS, CFO and HIAC of a listed company shall not hold any executive position in any other company at the same time;	Not Complied	Under implementation process as per BSEC code
3(1)(d)	The Board shall clearly define respective roles, responsibilities and duties of the CFO, the HIAC and the CS;	Complied	
3(1)(e)	The MD or CEO, CS, CFO and HIAC shall not be removed from their position without approval of the Board as well as immediate dissemination to the Commission and stock exchange(s).	Complied	
3(2)	The MD or CEO, CS, CFO and HIAC of the company shall attend the meetings of the Board:	Complied	
3(3)(a)(i)	These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;	Complied	
3(3)(a)(ii)	These statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards and applicable laws;	Complied	
3(3)(b)	The MD or CEO and CFO shall also certify that there are, to the best of knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or in violation of the code of conduct for the company's Board or its members;	Complied	
3(3)(c)	The certification of the MD or CEO and CFO shall be disclosed in the Annual Report.	Complied	
4.	Board of Directors' Committee:		
4(i)	Audit Committee;	Complied	
4(ii)	Nomination and Remuneration Committee.	Complied	
5.	Audit Committee:		
5(1)(a)	The company shall have an Audit Committee as a sub-committee of the Board;	Complied	

Condition No.	Title	Compliance Status	Remarks (if any)
5(1)(b)	The Audit Committee shall assist the Board in ensuring that the financial statements reflect true and fair view of the state of affairs of the company and in ensuring a good monitoring system within the business;	Complied	
5(1)(c)	The Audit Committee shall be responsible to the Board; the duties of the Audit Committee shall be clearly set forth in writing.	Complied	In practice, the duties are clearly written in the TOR of the Audit Committee
5(2)(a)	The Audit Committee shall be composed of at least 3 (three) members;	Complied	The Audit committee has been comprised of 3 (three) members
5(2)(b)	The Board shall appoint members of the Audit Committee who shall be non-executive directors of the company excepting Chairperson of the Board and shall include at least 1 (one) independent director;	Complied	
5(2)(c)	All members of the audit committee should be "financially literate" and at least 1 (one) member shall have accounting or related financial management background and 10 (ten) years of such experience;	Complied	
5(2)(d)	When the term of service of any Committee member expires or there is any circumstance causing any Committee member to be unable to hold office before expiration of the term of service, thus making the number of the Committee members to be lower than the prescribed number of 3 (three) persons, the Board shall appoint the new Committee member to fill up the vacancy immediately or not later than 1 (one) month from the date of vacancy in the Committee to ensure continuity of the performance of work of the Audit Committee;	Complied	The Board has appointed members in due time and no vacancy occurred.
5(2)(e)	The company secretary shall act as the secretary of the Committee;	Complied	
5(2)(f)	The quorum of the Audit Committee meeting shall not constitute without at least 1 (one) independent director.	Complied	
5(3)(a)	The Board shall select 1 (one) member of the Audit Committee to be Chairperson of the Audit Committee, who shall be an independent director;	Complied	
5(3)(b)	In the absence of the Chairperson of the Audit Committee, the remaining members may elect one of themselves as Chairperson for that particular meeting, in that case there shall be no problem of constituting a quorum as required under condition No. 5(4)(b) and the reason of absence of the regular Chairperson shall be duly recorded in the minutes.	Complied	
5(3)(c)	Chairperson of the Audit Committee shall remain present in the Annual General Meeting (AGM):	Complied	
5(4)(a)	The Audit Committee shall conduct at least its four meetings in a financial year:	Complied	
5(4)(b)	The quorum of the meeting of the Audit Committee shall be constituted in presence of either two members or two third of the members of the Audit Committee, whichever is higher, where presence of an independent director is a must.	Complied	
5(5)(a)	Oversee the financial reporting process;	Complied	
5(5)(b)	Monitor choice of accounting policies and principles;	Complied	
5(5)(c)	Monitor Internal Audit and Compliance process to ensure that it is adequately resourced, including approval of the Internal Audit and Compliance Plan and review of the Internal Audit and Compliance Report;	Complied	
5(5)(d)	Oversee hiring and performance of external auditors;	Complied	
5(5)(e)	Hold meeting with the external or statutory auditors for review of the annual financial statements before submission to the Board for approval or adoption;	Complied	
5(5)(f)	Review along with the management, the annual financial statements before submission to the Board for approval;	Complied	
5(5)(g)	Review along with the management, the quarterly and half yearly financial statements before submission to the Board for approval;	Complied	
5(5)(h)	review the adequacy of internal audit function;	Complied	
5(5)(i)	Review the Management's Discussion and Analysis before disclosing in the Annual Report;	Complied	
5(5)(j)	Review statement of all related party transactions submitted by the management;	Complied	

Condition No.	Title	Compliance Status	Remarks (if any)
5(5)(k)	Review Management Letters or Letter of Internal Control weakness issued by statutory auditors;	Complied	
5(5)(l)	Oversee the determination of audit fees based on scope and magnitude, level of expertise deployed and time required for effective audit and evaluate the performance of external auditors;	Complied	
5(5)(m)	Oversee whether the proceeds raised through Initial Public Offering (IPO) or Repeat Public Offering (RPO) or Rights Share Offer have been utilized as per the purposes stated in relevant offer document or prospectus approved by the Commission:	Complied	
5(6)(a)(i)	The Audit Committee shall report on its activities to the Board.	Complied	
5(6)(a)(ii)(a)	report on conflicts of interests;	Complied	There was no reportable case of conflict of interest for the year ended 30th June 2019
5(6)(a)(ii)(b)	suspected or presumed fraud or irregularity or material defect identified in the internal audit and compliance process or in the financial statements;	Complied	No such matter arose during the year.
5(6)(a)(ii)(c)	suspected infringement of laws, regulatory compliances including securities related laws, rules and regulations;	Complied	Do
5(6)(a)(ii)(d)	any other matter which the Audit Committee deems necessary shall be disclosed to the Board immediately;	Complied	Do
5(6)(b)	If the Audit Committee has reported to the Board about anything which has material impact on the financial condition and results of operation and has discussed with the Board and the management that any rectification is necessary and if the Audit Committee finds that such rectification has been unreasonably ignored, the Audit Committee shall report such finding to the Commission, upon reporting of such matters to the Board for three times or completion of a period of 6 (six) months from the date of first reporting to the Board, whichever is earlier.	Complied	Do
5(7)	Report on activities carried out by the Audit Committee, including any report made to the Board under condition No. 5(6)(a)(ii) above during the year, shall be signed by the Chairperson of the Audit Committee and disclosed in the annual report of the issuer company.	Complied	The Audit Committee (AC) Report is disclosed in the annual report and signed by the Chairman of the AC
6.	Nomination and Remuneration Committee (NRC):		
6(1)(a)	The company shall have a Nomination and Remuneration Committee (NRC) as a subcommittee of the Board;	Complied	
6(1)(b)	The NRC shall assist the Board in formulation of the nomination criteria or policy for determining qualifications, positive attributes, experiences and independence of directors and top level executive as well as a policy for formal process of considering remuneration of directors, top level executive;	Complied	
6(1)(c)	The Terms of Reference (ToR) of the NRC shall be clearly set forth in writing covering the areas stated at the condition No. 6(5)(b).	Complied	
6(2)(a)	The Committee shall comprise of at least three members including an independent director;	Complied	
6(2)(b)	All members of the Committee shall be non-executive directors;	Complied	
6(2)(c)	Members of the Committee shall be nominated and appointed by the Board;	Complied	
6(2)(d)	The Board shall have authority to remove and appoint any member of the Committee;	Complied	
6(2)(e)	In case of death, resignation, disqualification, or removal of any member of the Committee or in any other cases of vacancies, the board shall fill the vacancy within 180 (one hundred eighty) days of occurring such vacancy in the Committee;		No Such matter arose during the year
6(2)(f)	The Chairperson of the Committee may appoint or co-opt any external expert and/or member(s) of staff to the Committee as advisor who shall be non-voting member, if the Chairperson feels that advice or suggestion from such external expert and/or member(s) of staff shall be required or valuable for the Committee;		Do
6(2)(g)	The company secretary shall act as the secretary of the Committee;	Complied	
6(2)(h)	The quorum of the NRC meeting shall not constitute without attendance of at least an independent director;	Complied	

Condition No.	Title	Compliance Status	Remarks (if any)
6(2)(i)	No member of the NRC shall receive, either directly or indirectly, any remuneration for any advisory or consultancy role or otherwise, other than Director's fees or honorarium from the company.	Complied	
6(3)(a)	The Board shall select 1 (one) member of the NRC to be Chairperson of the Committee, who shall be an independent director;	Complied	
6(3)(b)	In the absence of the Chairperson of the NRC, the remaining members may elect one of themselves as Chairperson for that particular meeting, the reason of absence of the regular Chairperson shall be duly recorded in the minutes;		No Such matter arose during the year
6(3)(c)	The Chairperson of the NRC shall attend the annual general meeting (AGM) to answer the queries of the shareholders;	Complied	
6(4)(a)	The NRC shall conduct at least one meeting in a financial year;	Complied	
6(4)(b)	The Chairperson of the NRC may convene any emergency meeting upon request by any member of the NRC;		No Such matter arose during the year
6(4)(c)	The quorum of the meeting of the NRC shall be constituted in presence of either two members or two third of the members of the Committee, whichever is higher, where presence of an independent director is must as required under condition No. 6(2)(h);	Complied	
6(4)(d)	The proceedings of each meeting of the NRC shall duly be recorded in the minutes and such minutes shall be confirmed in the next meeting of the NRC.	Complied	
6(5)(a)	NRC shall be independent and responsible or accountable to the Board and to the shareholders;	Complied	
6(5)(b)(i)(a)	The level and composition of remuneration is reasonable and sufficient to attract, retain and motivate suitable directors to run the company successfully;	Complied	
6(5)(b)(i)(b)	The relationship of remuneration to performance is clear and meets appropriate performance benchmarks;	Complied	
6(5)(b)(i)(c)	Remuneration to directors, top level executive involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals;	Complied	
6(5)(b)(ii)	Devising a policy on Board's diversity taking into consideration age, gender, experience, ethnicity, educational background and nationality;	Complied	
6(5)(b)(iii)	Identifying persons who are qualified to become directors and who may be appointed in top level executive position in accordance with the criteria laid down, and recommend their appointment and removal to the Board;	Complied	
6(5)(b)(iv)	Formulating the criteria for evaluation of performance of independent directors and the Board;	Complied	
6(5)(b)(v)	Identifying the company's needs for employees at different levels and determine their selection, transfer or replacement and promotion criteria;	Complied	
6(5)(b)(vi)	Developing, recommending and reviewing annually the company's human resources and training policies;	Complied	
6(5)(c)	The company shall disclose the nomination and remuneration policy and the evaluation criteria and activities of NRC during the year at a glance in its annual report.	Complied	
7.	External or Statutory Auditors:		
7(1)(i)	Appraisal or valuation services or fairness opinions;	Complied	The Statutory Auditor has declared their compliances.
7(1)(ii)	Financial information systems design and implementation;	Complied	Do
7(1)(iii)	Book-keeping or other services related to the accounting records or financial statements;	Complied	Do
7(1)(iv)	Broker-dealer services;	Complied	Do
7(1)(v)	Actuarial services;	Complied	Do
7(1)(vi)	Internal audit services or special audit services;	Complied	Do
7(1)(vii)	Any service that the Audit Committee determines;	Complied	Do
7(1)(viii)	Audit or certification services on compliance of corporate governance as required under condition No. 9(1);	Complied	Do
7(1)(ix)	Any other service that creates conflict of interest.	Complied	Do
7(2)	No partner or employees of the external audit firms shall possess any share of the company they audit at least during the tenure of their audit assignment of that company; his or her family members also shall not hold any shares in the said company;	Complied	Do

Condition No.	Title	Compliance Status	Remarks (if any)
7(3)	Representative of external or statutory auditors shall remain present in the Shareholders' Meeting (Annual General Meeting or Extraordinary General Meeting) to Answer the queries of the shareholders.	Complied	Do
8.	Maintaining a website by the Company:		
8(1)	The company shall have an official website linked with the website of the stock exchange.	Complied	
8(2)	The company shall keep the website functional from the date of listing.	Complied	
8(3)	The company shall make available the detailed disclosures on its website as required under the listing regulations of the concerned stock exchange(s).	Complied	
9.	Reporting and Compliance of Corporate Governance:		
9(1)	The company shall obtain a certificate from a practicing Professional Accountant or Secretary (Chartered Accountant or Cost and Management Accountant or Chartered Secretary) other than its statutory auditors or audit firm on yearly basis regarding compliance of conditions of Corporate Governance Code of the Commission and shall such certificate shall be disclosed in the Annual Report.	Complied	
9(2)	The professional who will provide the certificate on compliance of this Corporate Governance Code shall be appointed by the shareholders in the annual general meeting.	Complied	
9(3)	The directors of the company shall state, in accordance with the Annexure-C attached, in the Directors' Report whether the company has complied with these conditions or not.	Complied	

MANAGEMENT DISCUSSION & ANALYSIS

The following financial and operational review is intended to convey the Management's perspective on the financial and operating performance of the Company for the year ended 30th June 2019. This Report has been prepared in line with the guidelines of BSEC Corporate Governance Code, 2018. This report is an integral part of the Directors' Report. Details on industry structure and developments, outlook, risks, internal control systems and their adequacy, material developments in human resources have been covered in the Directors' Report.

Global Economy:

According to the International Monetary Fund (IMF) World Economic Outlook, October 2019, the global economy registered a growth of 3.0% in 2019; further the global growth forecasted for 2020 is at 3.4% reflecting primarily a projected improvement in economic performance in a number of emerging markets. While it is forecasted to tick down to 3.9% in 2019, before improving to 4.6% in 2020, the growth rate for emerging market and developing economies rose by 4.5% in 2018. Growth in advanced economies is expected to slow down from 2.3% in 2018 to 1.7% in 2019 to 1.7% in 2020. The United States is expected to grow at a slower pace of 2.4% in 2019, down to a further 2.1% in 2020 as the impact of the fiscal stimulus fades. Growth in the Euro area is expected to decline to 1.2% in 2019 as the effect of the weakness in 2018 is likely to carry forward to the 2019. China's economic growth is expected to be at 6.1% in 2019 due to lingering impact of trade tensions with the US.

Bangladesh Economic Outlook:

Bangladesh, the seventh fastest growing economy, ranked to be the 29th largest economy by purchasing parity while 39th largest in the nominal terms. However, Bangladesh is also the second largest economy after India in the Southeast Asia region registering 317.47 billion GDP in the FY 2019. According to IMF, the economy of Bangladesh has been able to maintain sustained economic growth throughout the last decade, registered 8% GDP Growth rate in FY2018-19 while 7.6% is expected for the year FY2019-20. The country has ensured steady progress in reducing poverty and improving many indicators for Sustainable Development Goals. The per capita national income reached US\$ 1,905

in FY2019. On the production side, industry sector, and service sector, respectively, contributed 4.2 and 3.3 percentage points GDP growth in FY2019, followed by 0.5 percentage points contribution from agriculture sector.

Propelled by strong private consumption, public investment and remittance inflows, Bangladesh's economy expanded by a remarkable 8% to USD 317.46 billion in FY 2019, recording the highest growth rate in the country's history. One of the most densely populated economies in the world, Bangladesh has continued making impressive strides in achieving social development goals for its 167 million citizens. The resilience of the country's economy is commendable. Remittances increased at a healthy annual pace and these inflows have helped to reduce external imbalances, as reflected by a significant year-on-year narrowing of the current account deficit. While food inflation fell to 5.4%, non-food and core inflation slightly picked up, respectively, to 5.9% and 5.6%. annual average headline inflation settled at 5.6 percent in FY 2019. Due to the surplus in Balance of Payment foreign exchange reserve at the end of October, 2019 stood at US\$ 32.44 billion.

Going forward, the economy is likely to slow, partly due to flagging global trade. In addition, downside risks include threats from a banking system under strain from a high number of non-performing loans and a high vulnerability to natural disasters such as flooding and cyclones. IMF projected GDP to expand 7.6 in FY 2019, which is expected to be achieved through the implementation of prudent fiscal management, effective application of cautious monetary policy, appropriate management of expenditure, sound implementation of the reform activities, diversify exports and create better employment opportunities by increasing private investment.

Global Steel Industry:

In 2018, the World crude steel production reached 1808.4 Million Ton and showed a growth of 4.6% from the previous year. Crude steel production witnessed an increase across regions including America, Africa, the Commonwealth of Independent States (CIS), Middle East, Asia and Oceania except EU which showed a

decrease of 0.3% compared to 2017. China, India, Japan, US and South Korea continued to dominate crude steel production being the top five countries in crude steel production in 2018.

Outlook:

Despite the slowed economy of China, the global steel production is expected to continue witnessing robust growth leveraging the growing demand of steel in China by 7.8%, in the near future in both emerging and developing economies. In 2020, Chinese steel demand is expected to grow by 1.0%, whereas steel demand in the rest of the world will grow by 2.5%, driven by 4.1% growth in the emerging and developing economies excluding China. The World Steel Association forecasted its October, 2019 Short Range Outlook (SRO) that the global steel demand will reach 1,775 Million Ton in 2019, an increase of 3.9% over 2018. In 2020, it is forecasted that global steel demand will grow by another 1.7% to reach 1,805.7 Million Ton.

Bangladesh Steel Industry:

Bangladesh is one of Asia's leading emerging steel markets and has a growing need for raw materials and steelmaking technologies. IMF forecasts that average GDP growth in Bangladesh in the period from 2018 to 2020 will be more than 7%, which is significantly higher than that of many other emerging markets. The movement towards a progressive national economy strongly depends on the how construction materials specially steels related industries have evolved and such products are readily available. Steel is a basic raw material for infrastructural development and multiple other uses. The demand for steel will inevitably grow in line with the country's economic and infrastructural development. Major buyers of mild steel and re-rolled products include individuals, government and institutional buyers in the real estate sector. Implementation of the government's huge infrastructural development plans have been driving the double digit growth rate in the country's steel industry and the growth is expected to persist for the next two decades amid ambitious development initiatives by the government.

Steel producers manufacture steel in several shapes according to demand from end consumers. Based on shape, the steel industry in Bangladesh can be categorized into two classes of products: long steel (MS rod/TMT bar) and flat steel (mainly CI sheet and CR coil, GP Sheet). In Bangladesh most construction steel can be

traced to local production of long products, most of it in reinforcing steel, commonly known as M.S. Rods. Long Steel products are used in all industrial sectors, particularly in the construction and engineering industries. Different types of flat products include Plates, Hot Rolled Sheets, Cold Rolled Sheets and Coated Sheet.

The demand for steel industry is mainly driven by two factors; one is the implementation of the government's ADP plans and government's infrastructure building activities and the other is from the industrial and individual level demand especially for the real estate sector. Currently, the government projects account for nearly 40% of total steel consumption. As per the local industry leaders, present per capita steel rebar consumption in Bangladesh is only 45kg and this is expected to grow to 72 kg by 2022.

According to the World Steel Association, the apparent steel consumption of the country was 2.7 million MT in the FY 2014 compared to 2.4 million MT in the FY 2013. However, According to the industry insiders, the annual steel consumption of steel (both graded and non-graded) products now stands at roughly 7.0 million MT including long products and flat products - CR/GP sheet. The steel sector will grow further riding on Bangladesh's dense population, enhancing life expectancy rate, rapid construction of economic zones, large investments in infrastructures, booming agriculture, thriving garments sector and an increase in energy supply with the import of LNG.

Preparation of Financial Statements:

These consolidated Financial Statements have been prepared on going concern basis under the historical cost convention method and also 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.

Accounting Policies and Estimates:

In the preparation of Financial Statements, no accounting treatment different from that prescribed in the Accounting Standard has been followed. The details of accounting policies & estimates applied for the preparation of Financial Statements are described in note no. 3.00 of Audited Financial Statements. There are no changes in accounting policies & estimates for the fiscal year 2018-2019.

Financial Performance:

During the financial year ended 30th June, 2019, your Company witnessed a steady increase revenue and gross profit comparing to the last year financial performance. However, profit after tax has been reduced comparing last financial year due to short provision of Income Tax charged during the period to the statement of Profit and Loss and other comprehensive income considering

recognition of current tax of prior periods. The year gone, your company witnessed growth in the overall performance except profit after tax despite rationalization in steel prices and its impact on demand for steel. This can be attributed to the ability of the Company to manage business dynamically and respond with agility to changing macro environment.

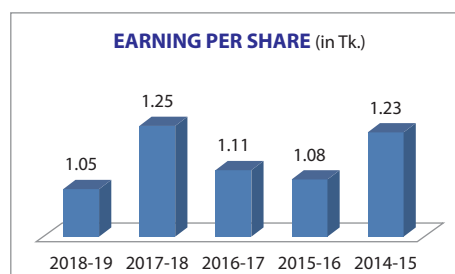
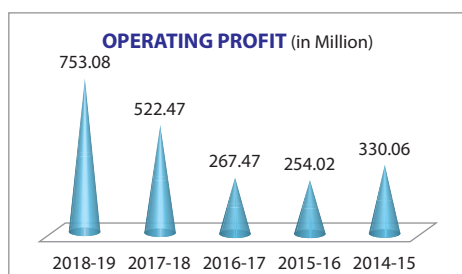
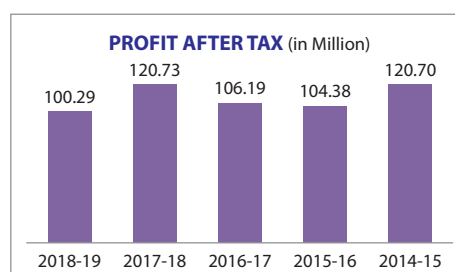
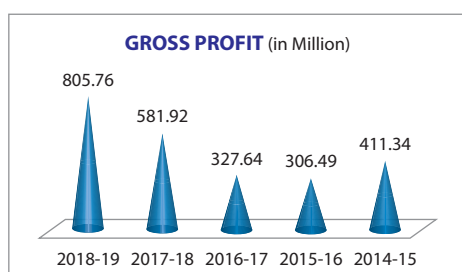
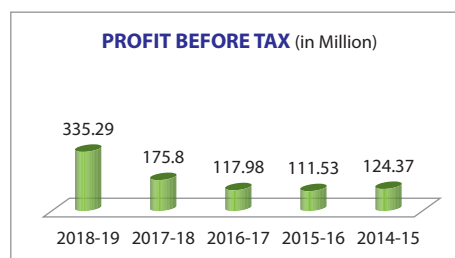
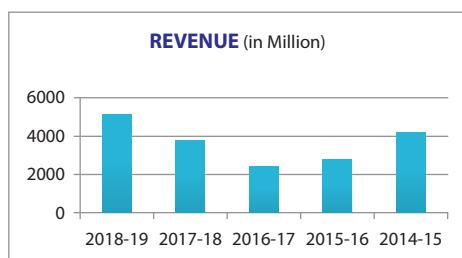
Financial Position of Last Five Years:

S. Alam Cold Rolled Steels Ltd.

(Taka in Million)

Operational Results	2018-19	2017-18	2016-17	2015-16	2014-15
Revenue	5,170.82	3,806.74	2,450.60	2,836.00	4,194.12
Gross Profit	805.76	581.92	327.64	306.49	411.34
Profit after Tax	100.29	120.73	106.19	104.38	120.70
EPS	1.05	1.25	1.11	1.08	1.23
Net Assets Value (NAV)	19.46	19.41	19.55	19.44	19.86
Net Operating Cash Flow	0.50	1.17	(18.39)	6.85	(19.47)
Proposed/Declared Dividend	10% cash	10% cash	10% cash	10% Cash	15% Cash

Financial Performance at a glance:



Financial Performance of Peer Industry:

All the companies in the peer industry except Appollo Ispat Complex Ltd. are non-listed companies therefore; financial data of the other companies are not published for general information. The data published and available in the website of Appollo Ispat Complex Ltd. are summarized hereunder:

Appollo Ispat Complex Ltd.

(Taka in Million)

Operational Results	2018-19	2017-18	2016-17	2015-16	2014-15
Revenue	Not yet Published	3,863.83	5,714.34	5,306.37	5,136.93
Gross Profit	Do	716.03	1,110.37	1,194.15	1,140.32
Profit after Tax	Do	21.41	478.73	753.45	508.45
EPS	Do	.05	1.35	2.13	1.77
Net Assets Value (NAV)	Do	20.19	22.15	23.38	24.37
Net Operating Cash Flow	Do	.82	0.33	3.65	2.13
Proposed/Declared Dividend	Do	3% Stock	10% Stock	10% Stock & 5% Cash	10% Stock & 3% Cash

Risk and mitigation:

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. Detailed risks and concerns discussed in Annexure-H.

Future planning:

In the financial year 2018-19, total sales have increased more than 35% comparing to the last financial year despite several challenges and it is expected that growth in sales will be continued in the upcoming year also. The Management of the company has exerted their best efforts to create new market for the existing products. Apart from this, if the commercial operation of its subsidiary- S. Alam Power Generation Ltd. can be resumed subject to the approval of gas connection or sourcing fuel at lower cost and congenial business atmosphere remains favorable more revenue may be added in line with normal operation of the company.


(Osman Goni)
Managing Director

Key Operating Financial Performance for Last Five Years

PARTICULARS	30.06.2019	30.06.2018	30.06.2017	30.06.2016	30.09.2015
OPERATING INFORMATION	CONSOLIDATED (BDT in Million)				
Revenue	5,170.82	3,806.74	2,450.61	2,836.00	4,194.13
Cost of Sales	(4,365.06)	(3,224.83)	(2,122.96)	(2,529.51)	(3,782.78)
Gross Profit	805.76	581.91	327.65	306.49	411.34
Selling and Distribution Expenses	(0.53)	(0.86)	(3.39)	(1.97)	(11.39)
Administrative Expenses	(52.14)	(58.58)	(56.79)	(50.50)	(69.89)
Operating Profit	753.07	522.47	267.47	254.02	330.06
Financial Expenses	(408.14)	(345.06)	(151.86)	(147.72)	(223.94)
Profit before Non-operating Income	344.93	177.41	115.60	106.30	106.12
Other Income	0.00	0.00	0.83	0.65	1.39
Finance Income	8.59	8.08	8.23	10.70	23.69
Contribution to WPPF and Welfare Fund	(18.23)	(9.69)	(6.68)	(6.11)	(6.83)
Profit before Tax	335.29	175.80	117.98	111.53	124.37
Income Tax Expenses	(235.00)	(55.07)	(11.79)	(7.16)	(3.67)
Total Comprehensive Income	100.29	120.73	106.19	104.38	120.70

BALANCE SHEET INFORMATION	CONSOLIDATED (BDT in Million)				
Non-Current Assets	4,336.29	4,260.16	4,209.70	4,138.94	4,064.56
Current Assets	12,387.81	9,577.10	9,938.08	7,775.59	11,405.37
Total Assets	16724.10	13,837.25	14,147.78	11,914.53	15,469.93
Shareholder's Equity	1914.47	1,909.20	1,922.70	1,912.21	1,954.00
Non-Controlling Interest	125.20	128.55	131.04	133.70	135.09
Non-Current Liabilities	1,357.72	1,604.45	1,863.27	1,894.27	1,949.10
Current Liabilities	13,326.71	10,195.05	10,230.78	7,974.34	11,431.74
Total Liabilities	14,684.43	11,799.50	12,094.05	9,868.61	13,380.84
OTHER INFORMATION					
Earnings Per Share (Taka)	1.05	1.25	1.11	1.08	1.23
Proposed/Declared Dividend	10% Cash	10% Cash	10% Cash	10% Cash	15% Cash
Net Asset Value Per Share (Taka)	19.46	19.41	19.55	19.44	19.86
Net Operating Cash Flow Per Share (Taka)	0.50	1.17	(18.39)	6.85	(19.47)

DISCUSSION ON COST OF GOODS SOLD, GROSS PROFIT MARGIN AND NET PROFIT MARGIN:

Particulars	Year ended on 30.06.2019 (Consolidated)	Year ended on 30.06.2018 (Consolidated)	Increase/(Decrease) based on Turnover of the year under reports
Cost of Goods Sold	84.42% of Turnover	84.71% of Turnover	(0.29%)
Gross Profit Margin	15.58% of Turnover	15.29% of Turnover	0.29%
Net Profit Margin	1.94% of Turnover	3.17% of Turnover	(1.23%)

(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 0.29% on the Turnover of the year. Reason for such decrease during the period under report is increase in Turnover 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 0.29% increase. Reason is attributable primarily to the significant increase of Turnover as compared to that earlier year. The Management had with its best endeavours and efforts been able however to attain the increase in the GP Margin.

(c) Net Profit Margin:

Net Profit Margin in relation to the Turnover of the period under report recorded 1.23% decrease on comparison with that of the previous year for the reasons to increase finance cost charges as well as short provision of Income Tax charged during the period to the Statement of Profit or Loss and Other Comprehensive Income considering recognition of Current Tax of prior periods. Hence, in spite of significant increase of revenue during the period, Net Profit Margin has been decreased as compared to the corresponding previous year.

SEGMENT-WISE / PRODUCT-WISE PERFORMANCE:*(Figures in nearest Taka '000)*

	As at 30.06.2019			As at 30.06.2018		
	CR Coil	GP/CI Sheet (NOF)	Total	CR Coil	GP/CI Sheet (NOF)	Total
Revenue	1,974,923	3,195,897	5,170,820	2,332,902	1,473,841	3,806,743
Cost of Sales	(1,547,118)	(2,809,174)	(4,356,292)	(1,893,593)	(1,323,675)	(3,217,268)
Gross Profit (GP)	427,805	386,723	814,528	439,309	150,166	589,475
GP in % of Revenue	21.66%	12.10%	15.75%	18.83%	10.19%	15.49%
Selling, Distribution & Administrative Cost	(40,066)	(10,227)	(50,293)	(53,426)	(5,293)	(58,719)
Operating Result	387,739	376,496	764,235	385,883	144,873	530,756
Finance Cost (Net)	(259,831)	(139,711)	(399,542)	(336,977)	-	(336,977)
Net Profit before Provisions	127,908	236,785	364,693	48,906	144,873	193,779
Contribution to WPPF & WF	(6,395)	(11,839)	(18,235)	(2,445)	(7,244)	(9,689)
Profit before Tax	121,513	224,945	346,458	46,462	137,629	184,091
Net Profit in % of Revenue	6.15%	7.04%	6.70%	1.99%	9.34%	4.84%

RISKS AND CONCERNS

As with all investments, investors should be aware that risks are associated with an investment in the Company. Investment, Investors should carefully consider all the risks and uncertainties associated to the company along with all the information provided in this report before taking decision to invest in shares of SACRSL.

Raw material acquisition & Price of raw material

The main raw material, Hot Rolled (HR) Strips are internationally traded commodities imported from abroad. The availability of the raw materials mainly depends on the importing countries' increasing trend of consumption and policy of the respective exporting countries. Non-availability of raw materials will directly affect the production of SACRSL.

Management Perception

The main raw material of the project is adequately available in different countries and more countries are coming in this industry as a raw material supplier. Moreover, the Company has already built up good business relationship with big foreign suppliers. Simultaneously company keeps in hand bulk stock of raw materials. The enhancement of price of imported raw material is beyond the control of the company.

Industry Risk:

01. Profitability may reduce

The company is operating in a highly competitive industry with low profit & highly sensitive to the market. Moreover the company faces competition from a number of private sector mills those are found to be very aggressive in the market. Inability of offering competitive products will hinder the company's growth potential.

Management perception

The company has successfully accessed the market till date and is working on offering new and better quality products at competitive terms. Moreover the group's track record for operating in the low profit and highly market sensitive environment establishes its capability.

02. New Entrants may enhance competition

New entrants of similar/higher scale may push the company in a competitive scenario.

Management perception

Implementation of similar project generally have a lead time of two years and before the earliest entrant the company will be able to consolidate its both financial as well as market position. Furthermore,

with the track record of S. Alam and its market reputation it will be very difficult for new comers to make inroads into the quality steels market. Moreover, Steel is a higher capital-intensive industry and therefore, barriers to entry are high. Hence, first-mover's advantage is big and S. Alam, with its past experience and performance, will enjoy this advantage.

Market and technology related Risk:

(i) Market Risk

Major competitors in this sector are PHP Cold Rolling Mills Limited, Abul Khair Steel Products Limited, KYCL coil Industries Limited. None of them are utilizing their 100% capacity and also not consuming 100% of their production. So it can be inferred that if these companies start to utilize 100% of their capacity and reduces the prices of their product then it will add business risk to SACRSL.

Management Perception

Currently there is a gap between demand and supply of CI Sheets in our country. On the other hand demand for CI Sheets is increasing drastically day by day. In this situation chance of excessive competition is almost zero. Moreover the company's brand is well accepted in the market for its quality.

(ii) Technology related Risk

The production facilities of SACRSL are based on high-tech machineries. So any invention of new and more cost effective technology may make the company outperformed by its competitors.

Management Perception

Management of the company is aware of recent technological developments in the steel world and keeps their employees upto-date on those by providing necessary training.

Interest rate risk

Interest rate risk is concerned with borrowed funds of short term and long-term maturity. Volatility in money market and increased demand for loans/investment funds raise the rate of interest. High rate of interest enhances the cost of fund of a company and could adversely affect the business and future financial performance.

Management perception

In order to manage this risk and overcome it, the company shall exercise good management in its cash flows, coupled with continued strength in sales and

marketing. The management of the Company is always aware of interest rate, which is concerned to the cost of fund of the Company. The Management prefers in procuring of the long-term fund with minimum fixed interest rate and the short-term fund with reasonable competitive rate. On the other hand management of the Company is emphasizing on equity based financing.

Exchange Rate Risk

Any adverse fluctuation in the exchange rate of Taka may increase the costing of raw materials or any machinery related parts.

Management Perception

Appropriate and responsible hedging mechanisms are employed by SACRL in the past in case of significant taka devaluation in order to keep the cost minimum and same will be followed in future. However, if the price of the US dollar appreciates too sharply against the BDT, this will be a nationwide phenomena experienced by the whole industry. In such a scenario, there will be a market adjustment in end product prices.

Potential or existing government regulations

Changes in tax and VAT laws, their upward revision could adversely impact results of operations and cash flows amongst other things. And situation will get worst when such alteration/revision is made suddenly.

Management Perception

Like all democratically elected governments, the Government of Bangladesh also holds commitment for economic emancipation of the nation, which can be achieved through maintaining sustainable industrial growth. Therefore, it is most unlikely that Government will initiate any fiscal measure having adverse effect upon industrialization.

Changes in Environmental Laws and Regulations

S. Alam Cold Rolled Steels Ltd. is subject to environmental laws and regulation which limits the discharge of pollutants into the air water and established standards for the treatment, storage and disposal of solid and hazardous wastes. These laws and regulations require investment of capital and other expenditure for ensuring complain. The operation of plant entail inherent risk of environmental damage and the company may incur liabilities in the future arising from the discharge of pollutants into the environment or waste disposal or hazardous material handling practices.

Management Perception

SACRSL is highly conscious about the environment. None of the raw materials used by the company is toxic in nature or hazards to health. It uses ETP – Effluent Treatment Plant-a water treatment plant - with a view to prevent water pollution. Moreover, S. Alam Cold Rolled Steels Ltd.

workers are provided with hand gloves, masks and safety boots, as part of normal precautionary measures. Exhaust fans have been installed in the factories for better and adequate ventilation whilst high capacity dust collectors minimize floating around of dust particles inside the factories. The company has not received any health-related complaints from its worker so far.

Potential changes in global or national policies

Any major changes in global economic policy, which may affect the economy of Bangladesh, will also adversely affect the operation of the company.

Management perception

Company is aware of these consequences but not expecting any sharp changes in the major global economic arena.

Operational risk

Strikes, non-cooperation movement by the opposition parties, extortion and unforeseen political dispute may affect the operations or productivity of the company.

Management Perception

Any natural calamity is beyond human control. However company's all assets have a comprehensive Industrial All Risk coverage by a renowned insurer. So, products of the company would have steady and increased demand under any adverse situation. These sorts of disturbances are very often in Bangladesh and business community is habituated with these problems.

Risk associated with recovery of debts:

Non-recovery of debts has a direct negative impact on the cash flow of the organization and may cause difficulties in smooth business operation.

Management Perception:

Major productions are consumed by the other GP/CI steel industry of the group. Major sales within and outside the group concerns are executed through letter of credit, hence the chance of non-recovery of dues are negligible.

Risk of disruption due to Natural disaster, Political unrest etc.:

Any damage occurred due to natural disasters like Cyclone, Tide, Earthquake and Political unrests like civil disorder may hamper normal performance of power supply, which is beyond control of the company.

Management Perception:

As there is no doubt that the plant is very expensive and the management has experience to handle such risks and will ensure insurance from a first class insurance company.

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. Osman Goni 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-General Investors' Group xxxxx	1,000 Nil	0.001 0
f	Mr. Monotosh Chandra Roy, FCA Spouse and Minor Children	Independent Director xxxxx	Nil Nil	0 0
g	Mr. Sampad Kumar BasaK FCA Spouse and Minor Children	Independent Director xxxxx	Nil Nil	0 0
h	Mr. Md. Shohel Amin ACS Spouse and Minor Children	Company Secretary xxxxx	Nil Nil	0 0
i	Mr. Md. Delwar Hossain FCA Spouse and Minor Children	Chief Financial Officer xxxxx	Nil Nil	0 0
j	Mr. Shimul Nandy Spouse and Minor Children	Head of Internal Audit & Compliance 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. Md. Moshur Rahman	General Manager (Factory)	60	0.000061
b	Mr. Shaful Alam	DGM (NOF)	0	0
c	Mr. Mohsin Alam Chowdhury	Deputy Manager (Electrical)	0	0
d	Mr. Md. Shah Alam	Manager	0	0
e	Mr. S. M. M. A. Mostafa	Manager (PRD)	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

REPORT OF THE AUDIT COMMITTEE

Under condition 5.7 of the BSEC Notification # SEC/CMRRCD/2006-158/207/Admin/80 dated 03-06-2018.

The Honorable Shareholders,

It gives me great pleasure to present, once again, the report of the Audit committee for the year ended 30th June 2019.

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 4 (four) of its Meetings held during the year ended 30th June 2019 and subsequent period to date of this Report, the Committee reviewed the financial statements as at 30th June 2019 and quarterly financial statements prepared for statutory purposes as at 30th September 2018, 31st December 2018, 31st March, 2019. For its review, the members of the Committee were provided with comprehensive documentation for the year ended 30th June 2019, 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 19th 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 2019. 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 2019 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 2019 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 2019.

S.K. Basak

Sampad Kumar Basak FCA

Chairman, Audit Committee

Date: November 02, 2019

REPORT OF THE NOMINATION AND REMUNERATION COMMITTEE

Nomination and Remuneration Committee was constituted in accordance with condition no. 4(ii) & 6 of the BSEC Corporate Governance Code, Notification No. BSEC/CMRRCD/2006-158/207/Admin/80 dated 03 June 2018 as a sub-committee of the Board. The Report of Nomination and Remuneration Committee is prepared according to the requirements of the Corporate Governance Code issued by the Bangladesh Securities and Exchange Commission (BSEC).

A. Constitution

Nomination and Remuneration Committee was re-constituted after retiring of its member Mr. Mohammad Ishaque, therefore, the committee comprised of following members:

Name	Category	Position of the Committee
Mr. Monotosh Chandra Roy FCA	Independent Director	Chairman
Mr. Abdus Samad	Non- Executive Director	Member
Mr. Sampad Kumar Basak FCA	Non- Executive Director	Member

And Company Secretary acts as the Secretary to the Committee.

B. Terms of references:

Terms of reference of the Nomination and Remuneration Committee includes:

- (i) Formulating the criteria for determining qualifications, positive attributes and independence of a director and recommend a policy to the Board, relating to the remuneration of the directors and top level executives considering the following:
 - (a) The level and composition of remuneration is reasonable and sufficient to attract, retain and motivate suitable directors to run the company successfully;
 - (b) The relationship; of remuneration to performance is clear and meets appropriate benchmarks; and
 - (c) Remuneration to directors, top level executives involves a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the company and its goals.
- (ii) Devising a policy on Board's diversity taking into consideration age, gender, experience, ethnicity, educational background and nationality;
- (iii) Identifying persons who are qualified to become directors and who may be appointed in top level executive position in accordance with the criteria laid down, and recommend their appointment and removal to the Board;
- (iv) Formulating the criteria for evaluation of performance of independent directors and the Board;
- (v) Identifying the company's need for employees at different levels and determine their selection, transfer or replacement and promotion criteria; and
- (vi) Developing, recommending and reviewing annually the company's human resources and training policies.

C. Meetings and attendance during the year:

During the financial year 2018-19, the Nomination and Remuneration Committee met 1 (One) time on 23rd April, 2019. The composition of the Nomination and Remuneration Committee and number of meetings attended by the Members during the year are given below:

Name	Position	No. of meeting Held	No. of meeting attended
Mr. Monotosh Chandra Roy FCA	Chairman	1	1
Mr. Abdus Samad	Member	1	1
Mr. Sampad Kumar Basak FCA	Member	1	1

D. Activities during the Year:

- i. Reviewed and considered the terms of reference of NRC, as approved by the Board.
- ii. Formulated the criteria for evaluation of performance of Independent Directors and the Board of Directors.
- iii. Reviewed and adopted code of conduct for the Chairman, Board of Directors and Top level executives of the Company.
- iv. Formulated a policy relating to the remuneration of the Directors, top level executives and all employees of the Company.
- v. Identified criteria for selection, transfer or replacement and promotion at different levels of the Company.
- vi. Reviewed the human resources position and training policies of the company.


(Sampad Kumar Basak FCA)

Chairman of the Nomination and Remuneration Committee



Board MEETING



18th ANNUAL GENERAL MEETING



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

A member of S. Alam Group

Venue: Chittagong Club Limited
S.S. Khaled Road, Lal Khan Bazar, Chittagong.

Date: 19th January 2019
Time: 10.30 A.M.



► *Glimpse of 18th*
Annual General Meeting



**AUDITORS' REPORT &
AUDITED FINANCIAL STATEMENTS
2018 - 19**

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

Opinion

We have audited the accompanying 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 2019 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 information.

In our opinion, the Consolidated Financial Statements prepared in accordance with International Accounting Standard (IAS) and International Financial Reporting Standards (IFRS), give a true and fair view of the state of the company's affairs as at 30 June 2019 and 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.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the company in accordance with the International Ethics Standards Board for Accountants' code of Ethics for Professional Accountants (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Matter

Without qualifying our opinion we would like to draw attention to the fact disclosed in note 5.01 to the Financial Statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Revenue recognition – sale of goods

Refer to note 24.00

Key audit matter	How the matter was addressed in our audit
<ul style="list-style-type: none"> • Revenue recognition has significant and wide influence on financial statements. • Revenue is recognized when the amounts and the related costs are reliably measured, and the performance obligation is completed through passing of control to the customers. Revenue from the sale of goods is recognized when the company has delivered products to the customers at the shipping point and control has passed. • There is a risk that the company might misstate / manipulate sales quantity or price in the financial statements. 	<p>We have tested the design and operating effectiveness of key controls focusing on the following:</p> <ul style="list-style-type: none"> • We understood, evaluated and validated the key controls related to Company's sales process from end to end, from contracts approval and sign-off, recording of sales, all the way through cash receipts and customer outstanding balances. • Segregation of duties in invoice creation and modification; • The timing of revenue recognition. <p>Our substantive procedures in relation to the revenue comprise the following:</p> <ul style="list-style-type: none"> • Obtaining supporting documents for sales transactions recorded either side of year-end as well as debit notes issued after the year-end date to determine whether revenue was recognized in the correct period; • Critically assessing manual journals posted to revenue to identify unusual or irregular items; • Verifying sales price from trade receivables' documents; • Cross-checking with VAT records.

Inventories

Refer to note 07

<ul style="list-style-type: none">• There is a risk that inventory that does not exist being included in the financial statements.• Inventory can be over or undervalued.• Inventory is included in the financial statements at full value when it is stolen or obsolete or damaged or suffered any kind of loss.• Inventory that actually belongs to third parties or sold to any party being included in the financial statements.	<p>Our audit procedures in this area included among others:</p> <ul style="list-style-type: none">• Evaluating the design and implementation of key inventory controls operating across the factories;• Attending inventory counts and reconciling the count results to the inventory listings to test the existence and completeness of data;• Checking the cost of raw materials purchase and valuation method applied for raw materials and work in progress.• Comparing the net realizable value, obtained through a detailed review of sales subsequent to the year-end, to the cost price of a sample of inventories.• Checking the items noted as obsolete or damaged at the inventory count that has been appropriately adjusted.
---	---

Sundry Receivables

Refer to note 08

<ul style="list-style-type: none">• A major risk is having false/unrealizable value being included in receivables.• The management might not keep sufficient provision for bad/doubtful debt.	<p>Our audit procedures in this area included among others:</p> <ul style="list-style-type: none">• Checking subsequent status of receivables;• Checking ageing analysis of receivables;• Sending balance confirmation letters to parties;• Ensuring that sufficient provision is made for bad & doubtful debts; if any.• Assessed the design and implementation of key controls over receivable management.• Tested these balances on a sample basis through agreement to post period end invoicing and cash receipt.
--	---

Valuation of Property, plant and equipment

Refer to note 05

<p>The company has large amount and numbers of property, plant and equipment items. Due to technological and time obsolescence, impairment may exist.</p> <p>Management has concluded that there is no impairment in respect of all assets. This conclusion required significant management judgment. Hence we considered this to be a key audit matter.</p>	<p>Our audit procedures in this area included among others:</p> <ul style="list-style-type: none">• Assessing the consistency of methodologies used for depreciating the assets.• Checking, on a sample basis, the accuracy and relevance of the accounting of PPE by management.• Performing physical verification to ensure existence of the items as well as to ensure that those aren't obsolete.• Review the managements review regarding remaining useful lives of assets.
--	---

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards (IFRS), the Companies Act 1994 and other applicable laws and regulations 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.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern.

And using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditors' Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on 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 and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Report on Other Legal and Regulatory Requirements

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

- i. we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit and made due verification thereof;
- ii. 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;
- iii. 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 and returns; and
- iv. The expenditure incurred was for the purpose of the Company's business.

**Chattogram,
02 November 2019**


Rahman Mostafa Alam & Co.
Chartered Accountants

S. ALAM COLD ROLLED STEELS LIMITED AND ITS SUBSIDIARY
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2019

Particulars	Note(s)	Amount in Taka	
		30 June 2019	30 June 2018
ASSETS & PROPERTIES			
Non Current Assets & Properties			
Property, Plant and Equipment	05.00	4,336,288,949	4,260,155,473
Capital Work-in-Progress	06.00	-	2,400,863
Current Assets			
Inventories	07.00	5,351,978,486	5,279,312,709
Sundry Receivables	08.00	4,215,490,833	2,310,460,485
Advances, Deposits and Prepayments	09.00	2,667,911,533	1,903,436,862
Short Term Investment	10.00	38,922,819	53,181,333
Cash and Cash Equivalents	11.00	113,509,452	30,704,763
TOTAL ASSETS & PROPERTIES		16,724,102,072	13,837,251,625
SHAREHOLDERS' EQUITY & LIABILITIES			
Shareholders' Equity			
Share Capital	12.00	983,711,000	983,711,000
Share Premium		433,930,746	433,930,746
Retained Earnings		496,829,680	491,558,904
NON CONTROLLING INTEREST			
Non Current Liabilities			
Long Term Loan	13.00	1,038,924,676	1,284,076,598
Deferred Tax Liabilities	21.02	318,791,984	320,370,886
Current Liabilities			
Trade Creditors	14.00	3,095,086,050	986,493,747
Short Term Liabilities	15.00	9,155,078,129	8,138,318,387
Liabilities for Expenses	16.00	14,128,257	21,757,156
Advance against Sales	17.00	14,642,547	7,119,889
Due to Affiliated Companies	18.00	341,092,047	441,275,182
Current Portion of Long Term Loan	19.00	394,896,000	394,896,000
Liability against Unclaimed Dividend	20.00	34,809,023	32,455,465
Provision for Income Tax	21.01	158,325,641	72,065,334
Provision for Workers' Profit Participation & Welfare Fund	22.00	117,992,748	99,881,624
Other Liabilities	23.00	662,396	790,511
TOTAL SHAREHOLDERS' EQUITY & LIABILITIES		16,724,102,072	13,837,251,625
Net Asset Value Per Share	32.00	19.46	19.41
Contingent Liabilities and Commitments	34 & 41	-	-

The accompanying notes from 1 to 48 form an integral part of these financial statements.


Company Secretary


Director


Managing Director

Signed in terms of our separate report of even date

Chattogram, 02 November 2019


Rahman Mostafa Alam & Co.
Chartered Accountants

S. ALAM COLD ROLLED STEELS LIMITED AND ITS SUBSIDIARY
CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
AS AT 30 JUNE 2019

Particulars	Note(s)	Amount in Taka	
		01 July 2018 to 30 June 2019	01 July 2017 to 30 June 2018
Revenue	24.00	5,170,820,290	3,806,743,594
Cost of Sales	25.00	(4,365,057,674)	(3,224,827,930)
Gross Profit		805,762,616	581,915,664
Selling and Distribution Costs	26.00	(539,031)	(860,950)
Administrative Costs	27.00	(52,146,228)	(58,580,519)
		(52,685,259)	(59,441,469)
Operating Profit		753,077,357	522,474,195
Finance Costs	29.00	(408,141,116)	(345,058,877)
Profit before Non- Operating Income		344,936,241	177,415,318
Other Income	28.00	833	833
Finance Income	30.00	8,592,979	8,075,635
Net Profit before Tax and WPP and Welfare Fund		353,530,053	185,491,786
Contribution to WPP and Welfare Fund	22.00	(18,234,677)	(9,689,015)
Profit before Income Tax		335,295,376	175,802,771
Income Tax Expenses			
Current Tax	21.01	(93,760,307)	(47,898,186)
Deferred Tax	21.02	1,578,902	(7,172,616)
Prior Year Tax		(142,821,143)	-
		(235,002,548)	(55,070,802)
Net Profit after Tax for the Year		100,292,828	120,731,969
Net Profit after Tax Attributable to			
Shareholders of the Company		103,641,876	123,218,521
Non-controlling interest		(3,349,048)	(2,486,552)
		100,292,828	120,731,969
Basic Earnings Per Share	31	1.05	1.25

The accompanying notes from 1 to 48 form an integral part of these financial statements.


Company Secretary


Director


Managing Director

Signed in terms of our separate report of even date

Chattogram, 02 November 2019


Rahman Mostafa Alam & Co.
Chartered Accountants

S. ALAM COLD ROLLED STEELS LIMITED AND ITS SUBSIDIARY
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2019

Particulars	Amount in Taka					
	Share Capital	Share Premium	Retained Earnings	Total	Non-Controlling Interest	Total
Balance as on 01 July 2018	983,711,000	433,930,746	491,558,904	1,909,200,650	128,550,196	2,037,750,846
Excess Income Tax Liability adjusted on income increased by Income Tax Authority by estimating income	-	-	-	-	-	-
Cash dividend declared for the year 2017-2018	-	-	(98,371,100)	(98,371,100)	-	(98,371,100)
Net Profit after tax for the year 2018-2019	-	-	103,641,876	103,641,876	(3,349,048)	100,292,828
Balance as on 30 June 2019	983,711,000	433,930,746	496,829,680	1,914,471,426	125,201,148	2,039,672,574
Balance as on 01 July 2017	983,711,000	433,930,746	505,056,742	1,922,698,488	131,036,748	2,053,735,236
Excess Income Tax Liability adjusted on income increased by Income Tax Authority by estimating income	-	-	(38,345,259)	(38,345,259)	-	(38,345,259)
Cash dividend declared for the year 2016-2017	-	-	(98,371,100)	(98,371,100)	-	(98,371,100)
Net Profit after tax for the year 2017-2018	-	-	123,218,521	123,218,521	(2,486,552)	120,731,969
Balance as on 30 June 2018	983,711,000	433,930,746	491,558,904	1,909,200,650	128,550,196	2,037,750,846


Company Secretary


Director


Managing Director

S. ALAM COLD ROLLED STEELS LIMITED AND ITS SUBSIDIARY
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2019

Particulars	Note(s)	Amount in Taka	
		01 July 2018 to 30 June 2019	01 July 2017 to 30 June 2018
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash Received from Customers		3,273,312,600	4,178,698,644
Cash Paid to Suppliers		(2,159,584,952)	(2,815,165,598)
Cash Paid to Employees		(118,877,072)	(113,687,651)
Cash Paid for Operating Expenses		(962,308,316)	(1,182,126,812)
Payment of Advance Income Tax		(106,432,645)	(90,379,139)
Payment for WPP & WF		(7,609,221)	(5,738,733)
Advance tax refund		131,149,918	143,193,039
Net Cash Flows from Operating Activities		49,650,312	114,793,750
CASH FLOWS FROM INVESTING ACTIVITIES			
Capital Work-in-Progress		2,400,863	(2,400,863)
Acquisition of Property, Plant And Equipment		(166,850,507)	(125,873,092)
Investment in Fixed Deposit Receipt		14,258,514	64,610,578
Interest Received from Fixed Deposit Receipt		8,593,812	8,076,468
Due from affiliated companies		-	56,260,853
Net Cash (Used in)/ Generated by Investing Activities		(141,597,318)	673,944
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from / (Repayment of) Long Term Loan		(245,151,922)	(366,514,827)
Proceeds / (Repayment of) from Short Term Loan		1,016,759,742	469,002,023
Proceeds from / (Repayment to) Affiliated Companies		(100,183,135)	131,149,384
Dividend Paid		(96,017,542)	(96,717,684)
Cash Paid for Financial Expenses		(400,655,448)	(338,371,066)
Net Cash Provided by / (Used in) Financing Activities		174,751,695	(201,452,170)
Net Increase / (Decrease) of Cash and Cash Equivalents		82,804,689	(85,984,476)
Cash and Cash Equivalents at the Beginning of the Year		30,704,763	116,689,239
Cash and Cash Equivalents at the End of the Year		113,509,452	30,704,763
Net Operating Cash Flow Per Share	32.00	0.50	1.17


Company Secretary


Director


Managing Director

S. ALAM COLD ROLLED STEELS LIMITED AND ITS SUBSIDIARY
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019

01.00 BACKGROUND AND INFORMATION

01.01 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.

01.02 Nature of the business

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

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

1.03 Description of subsidiary

S. Alam Power Generation Limited

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

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

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

02.00 BASIS OF PREPARATION

02.01 Statement of compliance

The financial statements have been prepared in accordance with the International Accounting Standards (IASs), International Financial Reporting Standards (IFRSs) and applicable sections of Companies Act 1994 and the Securities and Exchange Rules 1987.

02.02 Basis of Reporting

the financial statements are prepared and presented to external users by the company in accordance with the identified financial reporting framework. The presentation has been made in compliance with the requirements of IAS 1- "Presentation of Financial Statements".The financial statements comprise of:

- i) Statement of financial position as at 30 June 2019
- ii) Statement of profit or loss and other comprehensive income for the year ended 30 June 2019
- iii) Statement of changes in equity for the year ended 30 June 2019
- iv) Statement of cash flows for the year ended 30 June 2019
- v) Notes, comprising a summary of significant accounting policies and explanatory information.

02.03 Date of authorization

The Board of Directors has authorized these financial statements on 02 November 2019.

02.04 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.

02.05 Accounting convention and assumption

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

02.06 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.

02.07 Statement of Cash flows

Statement of Cash Flows is prepared principally in accordance with IAS 7 "Statement of Cash Flows" and the cash flow from the operating activities have been presented under direct method and reconciliation of net income or net profit with cash flows from operating activities making various adjustments as per prescribed by Securities and Exchange Rules, 1987. A reconciliation fo Net Profit with cash flows from operating activities making adjustments for non-cash items, for non-operating items and for net changes in operating accruals as per requirement of Securities & Exchanges Rules 1987.

02.08 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.

02.09 Comparative information

Comparative information has been disclosed in respect of the year 2017-2018 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 statements.

02.10 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.

02.11 Reporting period

The financial statements of the Company cover one financial year from 01 July 2018 to 30 June 2019 for all reported periods.

03.00 SIGNIFICANT ACCOUNTING POLICIES

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

- IAS-01 Presentation of Financial Statements
- IAS-02 Inventories
- IAS-07 Statement of Cash Flows
- IAS-08 Accounting Policies, Changes in Accounting Estimates and Errors
- IAS-10 Events after the Reporting Period
- IAS-12 Income Taxes
- IAS-16 Property, Plant and Equipment
- IAS-17 Lease
- IAS-19 Employee benefits
- IAS-21 The effects of Changes in Foreign Exchange Rates
- IAS-23 Borrowing Costs
- IAS-24 Related Party Disclosures
- IAS-26 Accounting and Reporting by Retirement Benefit Plans
- IAS-32 Financial Instrument: Presentation
- IAS-33 Earnings per share
- IAS-36 Impairment of Assets

IAS-37	Provisions, Contingent Liabilities and Contingent Assets
IFRS-05	Non-current Assets Held for Sale and Discontinued Operations
IFRS-07	Financial Instrument: Disclosure
IFRS-15	Revenue from Contracts with Customers

03.01 Basis of Consolidation

03.01.01 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.

03.01.02 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.

03.01.03 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.

03.02 Property, plant and equipment

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

03.02.01 Recognition and measurement

The cost of an item of property, plant and equipment comprises its purchase price, import duty and non-refundable taxes (after deducting trade discount and rebates) and any 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.

03.02.02 Subsequent costs

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

03.02.03 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 and Land Development 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.

Assets	Rates (%)
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%
Lifting 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)	59.76%	54.49%
Capital Machinery	59.76%	54.49%
Factory equipment	59.76%	54.49%
Generator	59.76%	54.49%
Work Roll	59.76%	54.49%
Luffing Crane and Jetty construction	59.76%	54.49%
Coil Cart	59.76%	54.49%

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

03.03 Capital work in progress

Property, Plant and Equipment under acquisition was accounted as Capital work-in-progress now transfer to Hydrogen Generation System Plant for NOF project.

03.04 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 IAS-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.

03.05 Revenue Recognition

The company has applied IFRS 15 for recognition of revenue from this year.

The core principle of IFRS 15 is that an entity will recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. This core principle is delivered in a five-step model framework:

- Identify the contract(s) with a customer
- Identify the performance obligations in the contract
- Determine the transaction price
- Allocate the transaction price to the performance obligations in the contract
- Recognize revenue when (or as) the entity satisfies a performance obligation

The Company sells CR Coil,C.I Sheet and G.P Sheet to its customers. Revenue is recognized when the entity satisfies a performance obligation by transferring the goods to customers at an agreed transaction price.

03.06 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.

03.07 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.

03.08 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 profit or loss.

03.09 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.

03.10 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.

03.11 Borrowing Cost

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

03.12 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.

03.13 Workers' profit participation fund

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

03.14 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.

03.15 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-31 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.

03.16 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.

03.17 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.

03.18 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 Order ref. 11(398) Anu No. 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 IAS 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.

03.19 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.

03.20 Leases

03.20.01 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.

03.20.02 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.

03.20.03 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 asset / 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.

03.21 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.

03.22 Events after the reporting period

Events after the reporting period that provide additional information about the company's position at the date of statement of financial position or those that indicate the going concern assumption is not appropriate are reflected in the financial statements. Events after reporting period that are not adjusting events are disclosed in the notes when material.

04.00 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 financial statements of the company are duly complied with.

	Amount in Taka	
	30 June 2019	30 June 2018
05.00 Property, Plant And Equipment		
A. Cost		
Opening Balance	5,389,302,067	5,263,428,975
Addition during the year	166,850,507	125,873,092
	5,556,152,574	5,389,302,067
Deletion during the year	-	-
Total Cost	5,556,152,574	5,389,302,067
B. Accumulated Depreciation		
Opening Balance	1,131,547,458	1,053,728,380
Charged during the year	88,316,167	77,819,077
	1,219,863,625	1,131,547,457
Adjustments during the year	-	-
Total Depreciation	1,219,863,625	1,131,547,457
Written Down Value (WDV) as on 30 June 2019 (A-B)	4,336,288,949	4,257,754,610

Detail of property, plant and equipment and depreciation as on 30 June 2019 are shown in the

- 05.01** S. Alam Power Generation Ltd. started commercial operation of 17MW captive power plant in the month of August 2016. But immediately after the commencement of commercial operation, fuel price has been increased by the authority. As a result, electricity that would have been produced by use of high cost fuel will not be feasible. Under such a situation, the management decided not to produce power at such a high cost and exerted efforts for getting permission to get gas line installation to the project for production of electricity. So, the machineries require further development for consumption of cheap fuel like gas. As development is required, borrowing cost of these machineries has capitalized considering the para 20 to 23 of IAS 23 Borrowing cost. Hence interest on loan has been capitalized and added to the machineries.

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

Assets' Category	Opening balance as on 01 July 2018		Addition	Disposal/ Adjustment	Closing balance as on 30 June 2019	Depreciation Rate (%)	Depreciation		Carrying amount as on 30 June 2019
	Taka	Taka					Charged for the year	Adjustment for disposal during the year	
A. Land and land development:									
Land-Freehold (12.04 Acres)	75,575,760	-	-	-	75,575,760	-	-	-	75,575,760
Land Development	21,416,417	-	-	-	21,416,417	-	-	-	21,416,417
Internal Road and Drainage	3,506,580	-	-	-	3,506,580	10%	86,178	-	775,605
Embankment	46,660,074	-	-	-	46,660,074	20%	42,387,515	-	3,418,047
	147,158,831	-	-	-	147,158,831		940,690	-	101,185,829
B. Building:									
Factory Building (Including Leased Assets)	304,368,680	-	-	-	304,368,680	5%	5,763,302	-	186,146,344
Factory Building (NOF Plant)	257,346,737	5,975,221	-	-	263,321,958	5%	12,311,108	-	244,334,408
General Building	52,760,018	-	-	-	52,760,018	5%	17,192,022	-	33,789,596
Coil Ware House	5,467,518	-	-	-	5,467,518	10%	1,131,861	-	1,202,091
	619,942,953	5,975,221	-	-	625,918,174		14,351,710	-	465,472,439
C. Plant and machinery									
Capital Machinery	3,772,310,294	91,874,146	-	-	3,864,184,440	10%	28,950,802	-	3,086,167,067
Capital Machinery (NOF Plant)	626,594,801	-	-	-	626,594,801	10%	31,369,233	-	544,318,653
	4,398,905,095	91,874,146	-	-	4,490,779,241		60,320,035	-	3,630,485,720
D. Equipment and appliances:									
Factory Equipment	23,624,889	-	-	-	23,624,889	10%	760,807	-	12,903,438
Factory Equipment (NOF Plant)	2,296,579	-	-	-	2,296,579	10%	115,472	-	2,003,669
Hydrogen Generation System Plant (NOF Plant)	-	44,882,861	-	-	44,882,861	10%	612,440	-	44,270,421
Office Equipment	1,585,190	81,565	-	-	1,666,755	10%	40,174	-	632,875
Guest House Equipment	1,543,095	-	-	-	1,543,095	10%	36,345	-	327,105
Computer	3,658,988	113,700	-	-	3,772,688	10%	1,179,645	-	2,022,666
Air Conditioners	6,697,536	739,061	-	-	7,436,597	10%	1,883,376	-	1,750,022
Air Conditioners (NOF Plant)	-	96,888	-	-	96,888	10%	371,410	-	3,560,793
Generator	1,240,000	-	-	-	1,240,000	10%	7,273	-	89,615
Electric Line Installation	3,175,374	-	-	-	3,175,374	10%	48,633	-	802,302
Electric Line Installation (NOF Plant)	12,851,881	-	-	-	12,851,881	10%	2,229,486	-	2,477,075
Gas Line Installation	6,269,154	-	-	-	6,269,154	10%	378,452	-	6,982,991
Fire Extinguisher	58,100	-	-	-	58,100	10%	1,307	-	3,627,856
Telephone Line Installation	398,527	-	-	-	398,527	10%	45,028	-	46,335
Grinding Wheel	134,666	-	-	-	134,666	10%	9,123	-	316,416
Water Tank	113,500	-	-	-	113,500	10%	2,976	-	107,884
Work Roll	1,593,025	-	-	-	1,593,025	10%	2,502	-	90,978
RadioLink and Networking (Factory)	433,880	-	-	-	433,880	10%	968,233	-	1,030,712
Tools and Tackles	121,238	-	-	-	121,238	10%	228,416	-	248,962
	65,795,622	45,914,075	-	-	111,709,697		3,031,892	-	34,597,021
E. Furniture and Fixtures									
Furniture and Fixtures	4,387,139	7,000	-	-	4,394,139	10%	184,348	-	1,659,133
Furniture and Fixtures (NOF Plant)	291,295	53,400	-	-	344,695	10%	21,291	-	153,079
	4,678,434	60,400	-	-	4,738,834		205,639	-	1,850,749
F. Lifting Crane and Jetty Construction									
Coil Cart	54,948,213	-	-	-	54,948,213	15%	1,221,128	-	42,546,760
Motor vehicles	9,315,746	-	-	-	9,315,746	10%	264,852	-	5,148,676
Interior Decoration	84,387,077	23,026,665	-	-	107,413,742	20%	7,872,940	-	64,408,651
	152,821,132	23,026,665	-	-	175,847,797		9,466,201	-	115,666,260
30 June 2019	5,389,302,067	166,850,507	-	-	5,556,152,574		88,316,167	-	1,219,863,625
30 June 2018	5,263,428,975	125,873,092	-	-	5,389,302,067		77,819,077	-	1,131,547,457

Depreciation allocated to:	01 July 2018 to 30 June 2019	01 July 2017 to 30 June 2018
Cost of Sales	66,237,125	58,364,308
Administrative Costs	22,079,042	19,454,769
	88,316,167	77,819,077

	Note(s)	Amount in Taka	
		30 June 2019	30 June 2018
09.00 Advances, Deposits and Prepayments			
Advances	9.01	2,647,018,672	1,837,457,210
Deposits	9.02	15,467,283	15,467,282
Prepayments	9.03	5,425,578	50,512,370
		2,667,911,533	1,903,436,862
9.01 Advances	09.00		
Against Supply of Goods		2,187,843,280	1,206,305,795
Against Salary		2,545,000	3,425,000
Bank Guarantee Margin		104,209,260	101,063,416
Advance Income Tax		346,387,703	521,426,118
VAT current account		-	809,784
Supplementary Tax Current A/C		164,674	164,674
Consultancy (BIDCO Associates)		-	650,000
S.S Enterprise		300,000	300,000
Others		5,568,755	3,312,423
		2,647,018,672	1,837,457,210
9.02 Deposits	09.00		
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.		1,379,993	1,379,992
Bangladesh Telecommunications Company Limited (BTCL)		6,600	6,600
Grameen 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
		15,467,283	15,467,282
9.03 Prepayments	09.00		
Insurance		2,066,290	1,050,707
Internet Service		40,032	62,904
Fees & Renewal to BSTI		-	23,316
Interest on MPI		3,319,256	49,375,443
		5,425,578	50,512,370
10.00 Short Term Investment			
Name of Banks			
Fixed Deposit Receipts:			
Rupali Bank Limited		-	13,153,562
Islami Bank Bangladesh Limited		38,922,819	40,027,771
		38,922,819	53,181,333
11.00 Cash and Cash Equivalents			
Cash in Hand	11.01	80,294	58,552
Cash at Banks	11.02	113,429,158	30,646,211
		113,509,452	30,704,763
11.01 Cash in Hand	11.00		
Head Office		69,494	25,455
Factory Office		10,800	33,097
		80,294	58,552

11.02 Cash at Banks- note 11.00

Bank	Branch	Account No.	Amount in Taka	
			30 June 2019	30 June 2018
AB Bank Ltd.	Agrabad, Chattogram	CD#4101-774707-000	94,839	95,424
Agrani Bank Ltd.	New Market, Chattogram	CD#33009854	-	745
Agrani Bank Ltd.	Laldighi, Chattogram	CD#29373	472,880	1,675
Al-Arafah Islami Bank Ltd	Khatungonj, Chattogram	CD# 0091020013952	117,975	45,064
Bank Asia Ltd.	Khatungonj, Chattogram	CD#01333005952	54,797	90,697
Dhaka Bank Ltd.	Khatungonj, Chattogram	CD#0171502235	9,516	1,510,121
EXIM Bank Ltd.	Khatungonj, Chattogram	CD#00411100004909	1,008,008	102,014
First Security Islami Bank Ltd.	Khatungonj, Chattogram	SND#13100002884	93	1,217
First Security Islami Bank Ltd.	Khatungonj, Chattogram	SND#13100003008	12,525,331	9,867,660
First Security Islami Bank Ltd.	Khatungonj, Chattogram	SND#13100002711	36,889	37,020
First Security Islami Bank Ltd.	Khatungonj, Chattogram	SND#1310002792	18,497	19,123
First Security Islami Bank Ltd.	Anderkilla, Chattogram	CD#13411100003882	50,126,888	2,486,209
First Security Islami Bank Ltd.	Khatungonj, Chattogram	CD#010211100009425	32,856	11,449
IFIC Bank Ltd.	Khatungonj, Chattogram	CD#0170184017001	12,815	8,965
Islami Bank Bangladesh Ltd.	Khatungonj, Chattogram	CD#10601002130	291,525	1,547,701
Jamuna Bank Ltd.	Jubilee Road, Chattogram	CD#00190211002260	14,076	16,802
Janata Bank Ltd.	Shadharan Bima Corp Branch, Chattogram	CD#001031259	465,583	741,566
Janata Bank Ltd.	Shadharan Bima Corp Branch, Chattogram	CD#001031226	10,843	12,053
Mercantile Bank Ltd.	Khatungonj Branch, Chattogram	CD#011211100005747	9,909	79,141
National Bank Ltd.	Khatungonj, Chattogram	CD#0002-33069282	130,960	118,869
National Bank Ltd.	Khatungonj, Chattogram	CD#1002000515781	83,665	84,815
NRB Global Bank Ltd.	Khatungonj, Chattogram	CD#0111100219390	145,785	22,319
Pubali Bank Ltd.	Khatungonj, Chattogram	CD#0642901085670	3,481,119	9,329
Rupali Bank Ltd.	Anderkilla, Corporate Branch, Chattogram	CD#1552020006497	1,079,140	1,226,376
Rupali Bank Ltd.	O.R Nizam Road, Corporate Branch, Chattogram	SND#1552024000134	111,502	110,211
Southeast Bank Ltd.	Principal Office, Dhaka	CD#11100036055	1,361,747	57,867
Social Islami Bank Ltd.	Khatungonj, Chattogram	CD#0141330020285	144,729	9,280
The City Bank Ltd.	Khatungonj, Chattogram	CD#1101002163001	24,702	683,980
Union Bank Ltd.	Khatungonj, Chattogram	CD#0101010000801	41,427,474	11,527,681
Union Bank Ltd.	Gulshan Branch, Dhaka	CD#0021010001342	43,355	43,930
Uttara Bank Ltd.	Khatungonj, Chattogram	CD#015812221999319	91,660	76,908
			113,429,158	30,646,211

12.00 Share Capital Authorised capital:

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

3,500,000,000

3,500,000,000

Issued, Subscribed, Called up and Paid up capital:

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

983,711,000

983,711,000

12.01 Shareholding Position

Name of shareholders	As at 30 June 2019		As at 30 June 2018		
	% of Holding	Number of Shares of Tk. 10 each	% of Holding	Number of Shares of Tk. 10 each	
Mr. Mohammed Saiful Alam	2.34%	2,303,980	2.34%	2,303,980	
Mr. Abdus Samad	2.00%	1,967,430	2.00%	1,967,430	
Mr. Md. Osman Gani	2.00%	1,967,430	2.00%	1,967,430	
S.Alam Steels Ltd	18.74%	18,431,940	18.74%	18,431,940	
S.Alam Cement Ltd.	9.37%	9,215,960	9.37%	9,215,960	
S.Alam Hatchery Ltd.	9.37%	9,215,960	9.37%	9,215,960	
S.Alam Luxury Chair Coach Services Ltd.	2.34%	2,303,980	2.34%	2,303,980	
S.Alam Vegetable Oil Ltd.	2.34%	2,303,980	2.34%	2,303,980	
Bangladesh Fund	5.37%	5,286,146	5.33%	5,239,191	
ABIL-IDA	0.25%	250,000	0.01%	10,000	
ICB Unit Fund	1.18%	1,163,138	1.15%	1,132,296	
ICB	4.57%	4,493,269	0.02%	16,300	
Others	40.12%	39,467,887	45.00%	44,262,653	
		100.00%	98,371,100	100.00%	98,371,100

12.02 Classification of shares by holding

Class by number of shares	No. of Holders	No. of Shares	% of Holding
Not more than 500	2,645	445,291	0.45%
From 501 to 5,000	3,347	5,821,475	5.92%
From 5,001 to 10,000	356	2,715,738	2.76%
From 10,001 to 20,000	220	3,268,425	3.32%
From 20,001 to 30,000	77	1,941,851	1.97%
From 30,001 to 40,000	25	861,095	0.88%
From 40,001 to 50,000	20	885,385	0.90%
From 50,001 to 100,000	39	2,991,986	3.04%
From 100,001 to 1,000,000	54	17,026,913	17.31%
From 1,000,001 and above	13	62,412,941	63.45%
	6,796	98,371,100	100.00%

	Note(s)	Amount in Taka	
		30 June 2019	30 June 2018
13.00 Long Term Loan			
Due within one year	19.01	394,896,000	394,896,000
Due more than one year	13.01	1,038,924,676	1,284,076,598
		1,433,820,676	1,678,972,598
13.01 Rupali Bank Limited	13.00		
Term Loan Account No. -1552067000014	13.01.01	8,581,931	28,000,289
Term Loan Account No. - 1552067000015	13.01.02	8,563,423	169,571,133
Project Loan: SAPGL	13.02	1,021,779,322	1,086,505,176
		1,038,924,676	1,284,076,598
13.01.01 Loan Account No.1552067000014	13.01		
Opening balance		28,000,289	85,938,649
Loan received during the year		-	-
Interest charged during the year		1,569,642	6,036,640
Other charges during the year		12,000	25,000
		29,581,931	92,000,289
Payment during the year		(21,000,000)	(64,000,000)
		8,581,931	28,000,289
Current portion of term loan		-	-
Closing balance		8,581,931	28,000,289
Limit amount		: Tk. 257,000,000	
Purpose		: To meet shortage of working capital	
Sanction date		: 08.11.16	
Interest rate		: 9%	
Security		: Hypothecation of Import Goods & Personal Guarantee from all directors.	
Repayment method		: Quarterly	
13.01.02 Term Loan Account No. - 1552067000015	13.01		
Opening balance		564,467,133	673,214,078
Loan received during the year		-	-
Interest charged during the year		45,887,290	71,528,055
Other charges during the year		25,000	25,000
		610,379,423	744,767,133
Payment during the year		(206,920,000)	(180,300,000)
		403,459,423	564,467,133
Current portion of term loan		(394,896,000)	(394,896,000)
Closing balance		8,563,423	169,571,133
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		: 9%	
Security		: Hypothecation of Import Goods & Personal Guarantee from all directors.	
Repayment method		: Quarterly	

13.02 Project loan-note 15.00	13.01	-	-
Due within one year			
Due after more than one year		1,021,779,322	1,086,505,176
		1,021,779,322	1,086,505,176

Terms of Project loan

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

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

Total loan facilities: Tk. 98 Crore.

Interest rate:

Interest rate is 09.00% 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.

	Note(s)	Amount in Taka	
		30 June 2019	30 June 2018
14.00 Trade Creditors			
Liability against Deferred LC		2,724,584,803	846,913,052
Customs Authority-Inbond Duty		237,575,902	16,189,486
Sundry Creditors	14.01	132,925,345	123,391,208
		3,095,086,050	986,493,746
14.01	These represent amount (Sundry creditors) payable to various local parties against supply of Materials (HCL), Packing material and Spare parts.		
15.00 Short Term Liabilities			
Short Term Bank Loan (LTR)	15.01	2,246,643,292	2,774,282,381
Loan against PAD, MPI & Bai-Muazzal Hypo	15.02	6,908,434,837	5,364,036,007
		9,155,078,129	8,138,318,388
15.01 Short Term Bank Loan (LTR)	15.00		
Janata Bank Ltd., Shadharan Bima Corp Branch, Ctg.		2,246,643,292	2,774,282,381
		2,246,643,292	2,774,282,381
15.02 Loan against PAD, MPI & Bai-Muazzal Hypo	15.00		
Janata Bank Ltd., Shadharan Bima Corp Branch, Ctg. (PAD)		5,157,079,001	2,994,729,777
Islami Bank Bangladesh Ltd., Khatungonj Branch, Ctg. (MPI)		217,755,835	1,209,792,590
Exim Bank Ltd. , Khatungonj Branch, Ctg (Bia-Muazzal Hypo)		1,533,600,001	1,159,513,640
		6,908,434,837	5,364,036,007

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

15.03.01 Lender: Rupali Bank Ltd., O. R. Nizam Road, Corporate Branch, Chattogram

Types of Liabilities	Sanctioned limit (Figures in crore)	Rate of Interest %
LC, PAD & LIM	57	9.00%
LTR	20	9.00%
Bank Guarantee	30	0.00%

Security:

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

15.03.02 Lender: Janata Bank Ltd., Shadharan Bima Corp Branch, Chattogram.

Types of Liabilities	Sanctioned limit (Figures in crore)	Rate of Interest %
LTR	208	9.00%
LC/PAD	400	9.00%

Security:

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

15.03.03 Lender: Islami Bank Bangladesh Ltd., Khatungonj Branch, Chattogram.

Types of Liabilities	Sanctioned limit (Figures in crore)	Rate of Interest %
TR with LC & BG	900	9.00%

Security:

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

15.03.04 Lender: Export Import Bank of Bangladesh Ltd., Khatungonj Branch, Chattogram

Types of Liabilities	Sanctioned limit (Figures in crore)	Rate of Interest %
Bai-Muazzal (HYPO)	153	10.00%

Security:

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

16.00 Liabilities for Expenses

	Amount in Taka	
	30 June 2019	30 June 2018
Audit Fee	450,000	450,000
Karnaphuli Gas Distribution Co. Ltd.	1,308,310	928,003
Salary and Allowances	8,896,842	8,270,298
Telephone and Mobile Charges	36,218	26,216
Liason Office Expenses	27,222	-
Against C & F	151,919	102,454
Transportation	692,300	-
Karnaphuli Filling Station Limited	845,988	-
Against Store and Spare	1,608,970	11,927,045
Sundry Creditors	95,488	38,140
VAT Payable	15,000	15,000
	14,128,257	21,757,156

17.00 Advance against Sales

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

Note(s)	Amount in Taka	
	30 June 2019	30 June 2018
	14,642,547	7,119,889

18.00 Due to Affiliated Companies

	341,092,047	441,275,182
--	--------------------	--------------------

19.00 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, 2019 and consist of as follows:

Term loan	19.01 & 13.00	394,896,000	394,896,000
		394,896,000	394,896,000

	Note(s)	Amount in Taka	
		30 June 2019	30 June 2018
19.01 Term Loan (Payment within one year)	13.00		
Rupali Bank Limited			
Term Loan Account No. - 1552067000014		-	-
Term Loan Account No. - 1552067000015		394,896,000	394,896,000
		394,896,000	394,896,000
20.00 Liability against Unclaimed Dividend			
Opening Balance		32,455,465	30,802,049
Dividend declared during the year		98,371,100	98,371,100
		130,826,565	129,173,149
Dividend paid		(96,017,542)	(96,717,684)
Closing Balance		34,809,023	32,455,465
The break up of unclaimed dividend is given below:			
Unclaimed dividend on Ordinary Share	20.01	33,311,071	30,957,513
Unclaimed dividend on Convertible Preference Share		1,497,952	1,497,952
		34,809,023	32,455,465
21.00 Provision for Income Tax			
For Current Tax	21.01	158,325,641	72,065,334
For Deferred Tax	21.02	318,791,984	320,370,886
		477,117,625	392,436,220
21.01 Provision for Current Tax			
Opening balance		72,065,334	155,130,993
Provision made during the year		93,760,307	47,898,186
		165,825,641	203,029,179
Adjusted during the year	21.01.01	(150,321,143)	(130,963,845)
		15,504,498	72,065,334
Prior Year Tax adjustment		142,821,143	-
Closing balance		158,325,641	72,065,334
21.01.01 Adjusted during the year			
Tax paid in cash		-	1,000,000
Adjusted with Advance Income Tax		(150,321,143)	129,963,845
		(150,321,143)	130,963,845

Year wise Income Tax assessment status is as follows:

Accounting Year	Assessment Year	Present Status
30 June 2017 and earlier years	2017-2018 and earlier years	Assessment Completed
30 June 2018	2018-2019	Income Tax Return submitted and under process to complete

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).

21.02 Provision for Deferred Tax

Opening Balance	320,370,886	313,198,270
Provision made during the year	(1,578,902)	7,172,616
	318,791,984	320,370,886
Provision realized during the year	-	-
Closing balance	318,791,984	320,370,886

Carrying Amount (Taka)	Tax Base (Taka)	Taxable / (Deductible) Temporary Difference (Taka)
------------------------	-----------------	--

Calculation of Deferred Tax**A. As on 30 June 2019:**

Property, Plant and Equipment (Except Land)	1,567,378,325	292,210,391	1,275,167,934
Applicable Tax Rate			25%
			318,791,984

Carrying Amount (Taka)	Tax Base (Taka)	Taxable / (Deductible) Temporary Difference (Taka)
------------------------	-----------------	--

B. As on 30 June 2018:

Property, Plant and Equipment (Except Land)	1,600,236,898	318,753,353	1,281,483,545
Applicable Tax Rate			25%
			320,370,886

Provision made/(Realized) during the year (A-B)**(1,578,902)**

Note(s)	Amount in Taka	
	30 June 2019	30 June 2018

22.00 Provision for Workers' Profit Participation & Welfare Fund

Opening balance	99,881,624	89,243,531
Accrued interest on WPP and WF	7,485,668	6,687,811
Provided during the year @ 5% on net profit before tax	18,234,677	9,689,015
	25,720,345	16,376,826
	125,601,969	105,620,357
Paid during the year	(7,609,221)	(5,738,733)
Closing balance	117,992,748	99,881,624

23.00 Other Liabilities

Income Tax deducted at source from salary	228,885	297,350
Income Tax deducted at source-others	35,056	47,892
Against Right share application	24,000	24,000
Against share application money (IPO)	374,455	374,455
VAT deducted at source	-	46,814
	662,396	790,511

	Note(s)	Amount in Taka	
		01 July 2018 to 30 June 2019	01 July 2017 to 30 June 2018
24.00 Revenue (Net of VAT)			
CR Coil		1,587,122,550	2,122,876,446
C.I Sheet		3,058,406,291	1,388,425,352
G.P Sheet		43,861,279	33,941,484
Scrap		481,430,170	261,500,312
		5,170,820,290	3,806,743,594
25.00 Cost of Sales			
Opening stock of raw materials		4,364,909,635	4,712,558,693
Purchased during the year		2,833,952,694	2,542,824,826
		7,198,862,329	7,255,383,519
Closing stock of raw materials		(2,569,459,952)	(4,364,909,635)
Cost of raw materials consumed		4,629,402,377	2,890,473,884
Add: Manufacturing Expenses:			
Power (Electricity)		135,756,133	131,200,435
Gas		12,958,025	11,819,668
Fuel and Lubricants- Factory Generator		2,078,050	1,901,230
Factory overhead - (Note 27.12)		146,594,726	120,792,004
Consumption of Stores and Spares		121,274,500	120,367,491
Consumption of Packaging materials		220,682	2,282,247
Consumption of other chemicals		775,148	461,240
Depreciation	05.00	66,237,125	58,364,308
		485,894,389	447,188,623
Cost of Goods Manufactured		5,115,296,766	3,337,662,507
Add : Opening stock of WIP (CR)		110,626,206	14,785,067
Opening stock of WIP (NOF)		19,371,500	14,143,388
Less: Closing stock of WIP (CR)		335,470,575	110,626,206
Closing stock of WIP (NOF)		507,937,460	19,371,500
		4,401,886,437	3,236,593,256
Add : Opening stock of finished goods (CR)		9,980,771	96,364,395
Opening stock of finished goods (NOF)		319,120,968	220,972,018
Less: Closing stock of finished goods (CR)		156,569,829	9,980,771
Closing stock of finished goods (NOF)		209,360,673	319,120,968
Cost of Sales		4,365,057,674	3,224,827,930
25.01 Raw Materials - H.R Coil			
Opening stock		1,843,806,927	2,464,656,154
Add : Purchased during the year		2,047,903,975	1,862,586,813
		3,891,710,902	4,327,242,967
Less: Closing stock		222,369,706	1,843,806,927
Cost of H.R Coil consumed		3,669,341,196	2,483,436,040
25.02 Raw Materials - Hydrochloric Acid			
Opening stock		36,940,496	36,288,358
Add : Purchased during the year		6,896,070	6,545,713
		43,836,566	42,834,071
Less: Closing stock		34,811,302	36,940,496
Consumption of Hydrochloric Acid		9,025,264	5,893,575
25.03 Raw Materials - TIN Ingot			
Opening stock		76,398,474	83,161,643
Add : Purchased during the year		10,131,012	-
		86,529,486	83,161,643
Less: Closing stock		77,326,968	76,398,474
Consumption of TIN Ingot		9,202,518	6,763,169

	Note(s)	Amount in Taka	
		01 July 2018 to 30 June 2019	01 July 2017 to 30 June 2018
25.04 Raw Materials - ZINC Ingot			
Opening stock		2,215,364,845	1,972,343,667
Add : Purchased during the year		761,318,275	623,019,545
		2,976,683,120	2,595,363,212
Less: Closing stock		2,088,453,520	2,215,364,845
Consumption of ZINC Ingot		888,229,600	379,998,367
25.05 Raw Materials - LEAD Ingot			
Opening stock		120,337,457	119,737,617
Add : Purchased during the year		-	1,171,198
		120,337,457	120,908,815
Less: Closing stock		119,222,010	120,337,457
Consumption of Lead Ingot		1,115,447	571,358
25.06 Raw Materials - ZINC Alloy			
Opening stock		41,151,395	5,402,247
Add : Purchased during the year		1,389,534	44,676,095
		42,540,929	50,078,342
Less: Closing stock		-	41,151,395
Consumption of ZINC Alloy		42,540,929	8,926,947
25.07 Raw Materials - Antimony Ingot			
Opening stock		3,637,662	5,054,020
Add : Purchased during the year		4,803,828	2,264,062
		8,441,490	7,318,082
Less: Closing stock		-	3,637,662
Consumption of Antimony Ingot		8,441,490	3,680,420
25.08 Raw Materials - Chromic Acid			
Opening stock		11,451,875	10,289,483
Add : Purchased during the year		1,250,000	2,366,400
		12,701,875	12,655,883
Less: Closing stock		11,195,942	11,451,875
Consumption of Chromic Acid		1,505,933	1,204,008
25.09 Lubricant Oil Consumed			
Opening stock		1,538,240	1,538,240
Add : Purchased during the year		-	-
		1,538,240	1,538,240
Less: Closing stock		1,538,240	1,538,240
Consumption of Lubricant Oil		-	-
25.10 HFO Consumed			
Opening stock		13,702,500	13,702,500
Add : Purchased during the year		-	-
		13,702,500	13,702,500
Less: Closing stock		13,702,500	13,702,500
Consumption of HFO		-	-
25.11 LFO Consumed			
Opening stock		579,764	384,764
Add : Purchased during the year		260,000	195,000
		839,764	579,764
Less: Closing stock		839,764	579,764
Consumption of LFO		-	-

	Note(s)	Amount in Taka	
		01 July 2018 to 30 June 2019	01 July 2017 to 30 June 2018
25.12 Factory Overhead			
Salaries and Allowances		103,309,071	85,861,220
Insurance Expenses		17,137,549	17,582,947
Medical & Welfare Expenses		1,650,932	439,382
Labour Charges		1,725,856	331,384
Repairs and Maintenance		11,366,663	8,697,063
Carrying Charges-Raw Materials		1,149,627	1,556,661
Uniform and Liveries		124,974	25,489
Transportation		2,793,350	2,841,650
Printing & Stationery		353,901	384,771
Canteen Expenses - Factory		228,011	188,041
Telephone and Internet Charges		384,926	177,653
Miscellaneous Expenses		918,118	448,900
Registration and Renewal		3,753,331	898,079
Rent, Rates and Taxes		40,994	116,113
Travelling and Conveyance		323,309	1,129,286
Vehicle Maintenance		1,334,114	113,365
		146,594,726	120,792,004
26.00 Selling and Distribution Costs			
Advertisement		539,031	860,950
		539,031	860,950
27.00 Administrative Costs			
Salaries and Allowances		17,074,545	25,715,354
Depreciation		22,079,042	19,454,769
Donation and Subscriptions		-	95,000
Canteen Expenses		543,386	319,772
Fees and Renewals		1,440,284	2,105,003
Guest House Expenses		490,763	651,642
Legal and Professional Expenses		1,396,750	879,250
Liaison Office Expenses		115,948	119,727
Office Maintenance Expenses		1,653,258	605,010
Liaison Office Rent		433,422	426,316
Office Decoration		43,890	35,910
Stationery Expenses		310,601	364,295
Registration and Renewal		35,000	25,251
Rent, Rates and Taxes		217,976	201,881
Telephone and E-Mail Expenses		183,384	186,660
Travelling and Conveyance Expenses		208,471	246,367
Vehicle Maintenance		2,145,059	2,623,561
Management Meeting and Conference		2,308,881	2,765,365
Electricity Expenses		446,171	588,737
Miscellaneous Expenses		293,762	523,044
Advertisement and Publications		178,383	-
Audit Fees		450,000	450,000
Consultancy		97,252	197,605
		52,146,228	58,580,519
28.00 Other Income			
Miscellaneous Income		833	833
		833	833

	Note(s)	Amount in Taka	
		01 July 2018 to 30 June 2019	01 July 2017 to 30 June 2018
29.00 Finance Costs			
Bank Charges		714,050	638,410
Interest on Term Loan		47,456,932	106,065,025
Interest on LTR		349,277,097	229,956,713
Interest on WPP & WF		7,485,668	6,687,811
Bank Guarantee Commission		3,207,369	1,710,918
		408,141,116	345,058,877
30.00 Finance Income			
Interest Income from MTDR		7,472,399	6,550,879
Interest on STD/SND		361,209	356,906
Interest Income from FDR		759,371	1,167,850
		8,592,979	8,075,635
31.00 Basic Earnings Per Share (EPS)			
Profit attributable to the ordinary shareholders		103,641,876	123,218,521
Number of ordinary shares outstanding during the year		98,371,100	98,371,100
Basic Earnings Per Share (EPS)		1.05	1.25
32.00 Net Asset Value Per Share (NAV)			
Total Assets		16,724,102,072	13,837,251,625
Less: Total Liabilities		14,809,630,646	11,928,050,975
Net Asset Value (NAV)		1,914,471,426	1,909,200,650
Number of ordinary shares outstanding during the year		98,371,100	98,371,100
Net Asset Value Per Share (NAV)		19.46	19.41
33.00 Net Operating Cash Flow Per Share			
Cash flows from operating activities		49,650,312	114,793,750
Number of ordinary shares outstanding during the year		98,371,100	98,371,100
Net Operating Cash Flow Per Share		0.50	1.17

34.00 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.

	Amount in Taka	
	01 July 2018 to 30 June 2019	01 July 2017 to 30 June 2018
	M.Ton	M.Ton
35.00 Quantitative Movement of Inventories		
35.01 Raw Materials:		
Opening Stock		
H.R Coil	31,272.92	50,677.31
Hydrochloric Acid	5,833.17	5,558.42
TIN Ingot	36.97	40.44
ZINC Ingot	8,409.28	8,190.67
LEAD Ingot	541.46	544.06
ZINC Alloy	110.08	23.86
Antimony Ingot	4.24	7.45
Chromic Acid	32.23	25.84
	46,240.35	65,068.05

		Amount in Taka	
		01 July 2018 to 30 June 2019	01 July 2017 to 30 June 2018
		M.Ton	M.Ton
Add: Purchased during the year			
H.R Coil		26,746.44	26,041.27
Hydrochloric Acid		1,160.57	1,192.01
TIN Ingot		5.00	-
ZINC Ingot		2,293.99	1,694.44
LEAD Ingot		-	-
ZINC Alloy		-	119.51
Antimony Ingot		5.00	2.00
Chromic Acid		5.00	9.86
		30,216.00	29,059.09
		76,456.35	94,127.14
Raw materials available for consumption			
Less: Consumed			
H.R Coil		55,008.24	45,445.66
Hydrochloric Acid		1,437.57	917.26
TIN Ingot		4.46	3.47
ZINC Ingot		3,208.98	1,475.83
LEAD Ingot		5.02	2.60
ZINC Alloy		110.08	33.29
Antimony Ingot		9.24	5.21
Chromic Acid		4.27	3.47
		59,787.86	47,886.79
Closing Stock			
H.R Coil		3,010.53	31,272.92
Hydrochloric Acid		5,556.17	5,833.17
TIN Ingot		37.51	36.97
ZINC Ingot		7,494.29	8,409.28
LEAD Ingot		536.44	541.46
ZINC Alloy		-	110.08
Antimony Ingot		-	4.24
Chromic Acid		32.96	32.23
		16,667.90	46,240.35
35.02 Finished Goods:			
i) In Cold Rolled Plant			
Opening stock		148	1,715
Add: Produced during the year		50,161	41,693
		50,309	43,408
Less: Transferred to NOF plant during the year		32,031	18,071
Available for sale		18,278	25,337
Less: Sold during the year		16,470	25,189
Closing stock		1,808	148
ii) In NOF Plant			
Opening stock		3,180	2,894
Add: Produced during the year		33,465	17,363
Available for sale		36,645	20,257
Less: Sold during the year		34,776	17,077
Closing stock		1,869	3,180
		Amount in Taka	
		30 June 2019	30 June 2018
36.00 Guarantees			
The following Bank guarantees were outstanding on the reporting date:			
Bank Guarantee Against Karnaphuli Gas Distribution Co. Ltd.		2,751,593	2,751,593
Deposit to Customs Authority against duty claim under appeal		59,897,407	59,897,407
Bank Guarantee Against Customs Authority under Bond		237,575,902	68,387,649
		300,224,902	131,036,649

37.00 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

Sundry Receivables	4,215,490,833	2,310,460,484
Cash and Cash Equivalents	113,509,452	30,704,763
	4,329,000,285	2,341,165,247

(a) Sundry 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:

	Amount in Taka	
	30 June 2019	30 June 2018
0 - 90 days	558,484,519	82,226,932
91 - 180 days	1,675,453,559	246,680,798
181 - 365 days	1,981,552,754	1,981,552,754
	4,215,490,833	2,310,460,484

(b) Cash and cash equivalents

The company held cash and cash equivalents of Tk. 113,509,452 at 30 June 2019 (2018: Tk. 30,704,763), 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:

	0 to 12 Months	Contractual Cash Flows	Carrying Amount
Non-derivative financial liabilities:			
As at 30 June 2019			
Trade creditors	3,095,086,050	3,098,260,530	3,098,260,530
Liabilities for expenses	14,128,257	10,695,923	10,695,923
Other liabilities	662,396	662,397	662,397
	3,109,876,703	3,109,618,850	3,109,618,850

	0 to 12 Months	Contractual Cash Flows	Carrying Amount
As at 30 June 2018			
Trade creditors	986,493,747	986,493,746	1,457,951,328
Liabilities for expenses	21,757,156	21,757,156	18,186,448
Other liabilities	790,511	790,511	694,068
	1,009,041,414	1,009,041,413	1,476,831,844

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 2018, the Company was exposed to foreign currency risk in respect of financial liabilities denominated in the following currencies:

	30 June 2019		30 June 2018	
	US\$	Taka	US\$	Taka
Exposure to currency risk				
Foreign currency denominated assets:				
Trade receivables	-	-	-	-
	-	-	-	-
Foreign currency denominated liabilities:				
Liabilities for expenses (LC liability)	32,567,668	2,724,584,802	10,531,256	871,628,164
	32,567,668	2,724,584,802	10,531,256	871,628,164
Net exposure	32,567,668	2,724,584,802	10,531,256	871,628,164

The following significant exchange rate is applied during the year:

US dollar	83.66	82.77
------------------	--------------	--------------

37.03.02 Transaction risk

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

37.03.03 Economic risk

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

37.03.04 Interest risk

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

38.00 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 2019			30 June 2018				
	Cold Rolled	NOF	Power	Total	Cold Rolled	NOF	Power	Total
External Revenues :								
Local Sales	1,587,122,550	3,102,267,570	-	4,689,390,120	2,122,876,446	1,422,366,836	-	3,545,243,282
Scrap Sales	387,800,340	93,629,830	-	481,430,170	210,025,929	51,474,383	-	261,500,312
Total External Sales and Reportable Segment Revenue	1,974,922,890	3,195,897,400	-	5,170,820,290	2,332,902,375	1,473,841,219	-	3,806,743,594
Cost of sales	1,547,118,150	2,809,174,021	(9,605,267)	4,346,686,904	1,893,592,934	1,323,675,706	7,559,288	3,224,827,928
Gross Profit	427,804,740	386,723,379	(9,605,267)	824,133,386	439,309,441	150,165,513	(7,559,288)	581,915,666
% of Gross Profit before Tax	21.66	12.10	-	15.94	18.83	10.19	-	15.29
Reportable Segment Profit before Tax	121,513,037	224,945,835	224,945,835	346,458,872	46,462,282	137,629,000	2,372,447	186,463,729
Other income	833	-	-	833	833	-	-	833
Finance income	8,592,979			8,592,979	8,075,635	-	-	8,075,635
Finance costs	268,424,036	139,710,839	6,241	408,141,116	345,052,696	-	6,181	345,058,877
Depreciation & Amortisation	456,276,67	391,806,02	350,7897	88,316,166	55,416,398	21,171,527	1,231,152	77,819,077
Share of Profit/ (Loss) of Non-Controlling Interest-Net of Tax	-	-	(3,600,978)	(3,600,978)	-	-	2,486,552	2,486,552
Reportable Segment Assets	8,104,929,552	6,833,874,338	1,784,458,449	16,723,262,339	8,255,149,052	3,748,931,032	1,833,171,543	13,837,251,627
Capital Expenditure	7,066,835	44,882,861	114,900,811	166,850,507	7,293,454	2,400,863	118,579,638	128,273,955
Reportable Segment Liabilities	12,274,301,699	91,742,398	2,318,385,401	14,684,429,498	10,047,281,825	341,278,068	1,410,940,888	11,799,500,781

Amount in Taka	
30 June 2019	30 June 2018

38.01 Reconciliation of Reportable Segments-note 38.00

Liabilities

Total Liabilities for reportable segments

14,684,429,498	11,799,500,781
----------------	----------------

Total liabilities

14,684,429,498	11,799,500,781
-----------------------	-----------------------

30 June 2019	30 June 2018
M.Ton	M.Ton

39.00 Production Capacity

SACRSL Plant:

Installed Capacity (In M.Ton)

120,000	120,000
---------	---------

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

71,706.92	83,560.55
-----------	-----------

Capacity utilised (%)

59.76%	69.63%
---------------	---------------

NOF Plant:

Installed Capacity (In M.Ton)

72,000	72,000
--------	--------

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

39,236.08	20,415.08
-----------	-----------

Capacity utilised (%)

54.49%	28.35%
---------------	---------------

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	-	-	-	-	-	-
3,000 and Above	15	7	6	83	37	232
For the year ended 30 June 2019	15	7	6	83	37	232
For the year ended 30 June 2018	19	6	9	78	30	231

40.00 Attendance Status of Board Meeting of Directors and Honorarium

During the year ended 30 June 2019, there were 05 (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
01	Mr. Abdus Samad	Chairman	5	5	8,000	40,000
02	Mr. Mohammad Saiful Alam	Managing Director	5	4	8,000	32,000
03	Mr. Osman Gani	Director	5	4	8,000	32,000
04	Mr. Mohammed Shah Jahan	Director (ICB Nominee)	5	5	8,000	40,000
05	Ms. Halima Begum	Director (General Investors' Group)	5	5	8,000	40,000
06	Mr. Mohammad Ishaque	Independent Director	5	2	8,000	16,000
07	Mr. Monotosh Chandra Roy, FCA	Independent Director	5	5	8,000	40,000
08	Sampad Kumar Basak FCA	Independent Director	5	3	8,000	24,000

41.00 Capital Commitment

The company had no capital commitment at the reporting date.

42.00 Auditors Remuneration

Audit fee

450,000	450,000
450,000	450,000

43.00 Remuneration of MD, Managers and Officers:

	Amount in Taka			Amount in Taka		
	July- 2018 to June-2019			July- 2017 to June-2018		
	MD	Managers	Officers	MD	Managers	Officers
43.01 Remuneration:						
Salary, Allowances	-	28,224,749	16,800,664	-	32,409,888	10,859,148
House Rent Allowance:						
House Rent	-	7,056,187	4,200,166	-	8,102,472	2,714,787
Other Utilities	-	21,168,562	12,600,498	-	24,307,416	8,144,361
	-	28,224,749	16,800,664	-	32,409,888	10,859,148
Leave Encashment	-	-	-	-	-	-
Provident fund	-	-	-	-	-	-
	-	28,224,749	16,800,664	-	32,409,888	10,859,148
Number of Employee	-	28	35	-	28	25

43.02 House Rent Accommodation : Managers and Officers are paid in cash with monthly salary as House Rent Allowance.

43.03 Transport : Senior Officials are provided company's car with free of cost subject to limit.

43.04 Telephone : Monthly mobile bill is paid in cash subject to limit.

43.05 Medical : Manager and Officers are paid in cash with monthly salary as Medical Allowance.

43.06 Remuneration : The Managing Director and Directors are not paid any remuneration except Fee of Board of Directors' Meeting.

44.00 Related Party Transactions

During the year, the company carried out a number of transactions with related parties in the normal course of business and on arms length basis. The name of these related parties, nature of transactions and balances as on reporting date have been set in accordance with the provisions of IAS-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 2019
Karnafuli Prakritik Gas Ltd.	Affiliated Company	Short Term Loan	3,065,350
S. Alam Steels Limited	Affiliated Company	Short Term Loan	(36,443,306)
S. Alam Brothers Ltd.	Affiliated Company	Short Term Loan	(15,150,000)
Shah Amanat Prakritik Gas Ltd.	Affiliated Company	Short Term Loan	(10,499,423)
Genesis Textile Accessories & Apparels Limited	Affiliated Company	Short Term Loan	1,000,000
Sonali Traders	Affiliated Company	Short Term Loan	18,759,647
Global Trading Corporation limited	Affiliated Company	Short Term Loan	78,000,000
S. Alam Super Edible Oil Limited	Affiliated Company	Short Term Loan	50,500,000
S. Alam Refined Sugar Industries Limited	Affiliated Company	Short Term Loan	250,050,000
Minhaj Corporation	Affiliated Company	Short Term Loan	1,700,000
S. Alam Power Plant Limited	Affiliated Company	Short Term Loan	7,779
S. Alam Vegetable Oil Limited	Affiliated Company	Short Term Loan	102,000

45.00 Events After The Reporting Period

The Board of Directors in their meeting held on 02.11.2019 recommended 10% cash dividend for the year 2019.

46.00 Significant Deviation in Earning per Share (EPS):

Short provision of Income Tax charged during the period to the Statement of Profit or Loss and Other Comprehensive Income considering recognition of Current Tax of prior periods. Hence, in spite of significant increased of revenue during the period, earning per Share (EPS) has decreased as compared to the corresponding year.

47.00 Significant Deviation in Net Operating Cash Flow per Share (NOCFPS):

Net Operating Cash Flows per Share (NOCFPS) has been decreased mainly due to (a) decrease of substantial total collection from customers (b) increase of advance income tax payment as compared to the corresponding financial year.

48.00 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.


Company Secretary


Director


Managing Director

AUDITORS' REPORT TO THE SHAREHOLDERS OF S. ALAM COLD ROLLED STEELS LIMITED

Opinion

We have audited the accompanying financial statements of S. ALAM COLD ROLLED STEELS LIMITED ("the Company"), which comprise the Statement of Financial Position as at 30 June 2019 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.

In our opinion, the Financial Statements prepared in accordance with International Accounting Standard (IAS) and International Financial Reporting Standards (IFRS), give a true and fair view of the state of the company's affairs as at 30 June 2019 and 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.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the company in accordance with the International Ethics Standards Board for Accountants' code of Ethics for Professional Accountants (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Revenue recognition – sale of goods

Refer to note 26.00

Key audit matter	How the matter was addressed in our audit
<ul style="list-style-type: none"> • Revenue recognition has significant and wide influence on financial statements. • Revenue is recognized when the amounts and the related costs are reliably measured, and the performance obligation is completed through passing of control to the customers. Revenue from the sale of goods is recognized when the company has delivered products to the customers at the shipping point and control has passed. • There is a risk that the company might misstate / manipulate sales quantity or price in the financial statements. 	<p>We have tested the design and operating effectiveness of key controls focusing on the following:</p> <ul style="list-style-type: none"> • We understood, evaluated and validated the key controls related to Company's sales process from end to end, from contracts approval and sign-off, recording of sales, all the way through cash receipts and customer outstanding balances. • Segregation of duties in invoice creation and modification; • The timing of revenue recognition. <p>Our substantive procedures in relation to the revenue comprise the following:</p> <ul style="list-style-type: none"> • Obtaining supporting documents for sales transactions recorded either side of year-end as well as debit notes issued after the year-end date to determine whether revenue was recognized in the correct period; • Critically assessing manual journals posted to revenue to identify unusual or irregular items; • Verifying sales price from trade receivables' documents; • Cross-checking with VAT records.

Inventories

Refer to note 08

<ul style="list-style-type: none">• There is a risk that inventory that does not exist being included in the financial statements.• Inventory can be over or undervalued.• Inventory is included in the financial statements at full value when it is stolen or obsolete or damaged or suffered any kind of loss.• Inventory that actually belongs to third parties or sold to any party being included in the financial statements.	<p>Our audit procedures in this area included among others:</p> <ul style="list-style-type: none">• Evaluating the design and implementation of key inventory controls operating across the factories;• Attending inventory counts and reconciling the count results to the inventory listings to test the existence and completeness of data;• Checking the cost of raw materials purchase and valuation method applied for raw materials and work in progress.• Comparing the net realizable value, obtained through a detailed review of sales subsequent to the year-end, to the cost price of a sample of inventories.• Checking the items noted as obsolete or damaged at the inventory count that has been appropriately adjusted.
---	---

Sundry Receivables

Refer to note 09

<ul style="list-style-type: none">• A major risk is having false/unrealizable value being included in receivables.• The management might not keep sufficient provision for bad/doubtful debt.	<p>Our audit procedures in this area included among others:</p> <ul style="list-style-type: none">• Checking subsequent status of receivables;• Checking ageing analysis of receivables;• Sending balance confirmation letters to parties;• Ensuring that sufficient provision is made for bad & doubtful debts; if any.• Assessed the design and implementation of key controls over receivable management.• Tested these balances on a sample basis through agreement to post period end invoicing and cash receipt.
--	---

Valuation of Property, plant and equipment

Refer to note 05

<p>The company has large amount and numbers of property, plant and equipment items. Due to technological and time obsolescence, impairment may exist.</p> <p>Management has concluded that there is no impairment in respect of all assets. This conclusion required significant management judgment. Hence we considered this to be a key audit matter.</p>	<p>Our audit procedures in this area included among others:</p> <ul style="list-style-type: none">• Assessing the consistency of methodologies used for depreciating the assets.• Checking, on a sample basis, the accuracy and relevance of the accounting of PPE by management.• Performing physical verification to ensure existence of the items as well as to ensure that those aren't obsolete.• Review the managements review regarding remaining useful lives of assets.
--	---

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards (IFRS), the Companies Act 1994 and other applicable laws and regulations 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.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern

And using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditors' Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on 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 and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Report on Other Legal and Regulatory Requirements

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

- i. we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit and made due verification thereof;
- ii. 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;
- iii. 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 and returns; and
- iv. The expenditure incurred was for the purpose of the Company's business.

Other Information

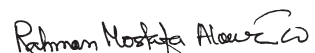
Management is responsible for the other information. The other information comprises the information included the annual report, but does not include the financial statements and our auditors' report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude there is a material misstatement of these other information, and we are required to report that fact. We have nothing to report in this regard.

**Chattogram,
02 November 2019**


Rahman Mostafa Alam & Co.
Chartered Accountants

S. ALAM COLD ROLLED STEELS LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2019

Particulars	Note(s)	Amount in Taka	
		30 June 2019	30 June 2018
ASSETS & PROPERTIES			
Non Current Assets & Properties		1,915,198,232	1,950,457,668
Property, Plant and Equipment	05.00	1,637,841,232	1,670,699,805
Capital Work-in-Progress	06.00	-	2,400,863
Investment	07.00	277,357,000	277,357,000
Current Assets		13,300,962,660	10,330,979,413
Inventories	08.00	5,335,897,982	5,263,492,205
Sundry Receivables	09.00	4,215,490,864	2,310,460,484
Advances, Deposits and Prepayments	10.00	2,653,119,847	1,888,958,635
Short Term Investment	11.00	38,922,819	53,181,333
Short Term Loan to Subsidiary Company	12.00	944,154,380	784,300,266
Cash and Cash Equivalents	13.00	113,376,768	30,586,490
TOTAL ASSETS & PROPERTIES		15,216,160,892	12,281,437,081
SHAREHOLDERS' EQUITY & LIABILITIES			
Shareholders' Equity		1,905,962,414	1,892,877,190
Share Capital	14.00	983,711,000	983,711,000
Share Premium		433,930,746	433,930,746
Retained Earnings		488,320,668	475,235,444
Non Current Liabilities		335,937,338	517,942,308
Long Term Loan	15.00	17,145,354	197,571,422
Deferred Tax Liabilities	23.02	318,791,984	320,370,886
Current Liabilities		12,974,261,140	9,870,617,583
Trade Creditors	16.00	3,095,086,050	986,493,746
Short Term Liabilities	17.00	9,155,078,129	8,138,318,387
Liabilities for Expenses	18.00	13,870,403	21,622,170
Advance against Sales	19.00	14,642,547	7,119,889
Due to Affiliated Companies	20.00	3,065,350	131,141,605
Current Portion of Long Term Loan	21.00	394,896,000	394,896,000
Liability against Unclaimed Dividend	22.00	34,809,023	32,455,465
Provision for Income Tax	23.01	144,158,493	57,898,186
Provision for Workers' Profit Participation & Welfare Fund	24.00	117,992,748	99,881,624
Other Liabilities	25.00	662,397	790,511
TOTAL SHAREHOLDERS' EQUITY & LIABILITIES		15,216,160,892	12,281,437,081
Net Asset Value Per Share	31.00	19.38	19.24
Contingent Liabilities and Commitments	37 & 44	-	-

The accompanying notes from 1 to 51 form an integral part of these financial statements.


Company Secretary


Director


Managing Director

Signed in terms of our separate report of even date

Chattogram, 02 November 2019


Rahman Mostafa Alam & Co.
Chartered Accountants

S. ALAM COLD ROLLED STEELS LIMITED
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2019

Particulars	Note(s)	Amount in Taka	
		01 July 2018 to 30 June 2019	01 July 2017 to 30 June 2018
Revenue	26.00	5,170,820,290	3,806,743,594
Cost of Sales	27.00	(4,356,292,171)	(3,217,268,642)
Gross Profit		814,528,119	589,474,952
Selling and Distribution Costs	28.00	(539,031)	(860,950)
Administrative Costs	29.00	(49,754,476)	(57,857,480)
		(50,293,507)	(58,718,430)
Operating Profit		764,234,612	530,756,522
Finance Costs	31.00	(408,134,875)	(345,052,696)
Profit before Non- Operating Income		356,099,737	185,703,826
Other Income	30.00	833	833
Finance Income	32.00	8,592,979	8,075,635
Net Profit before Tax and WPP and Welfare Fund		364,693,549	193,780,294
Contribution to WPP and Welfare Fund	24.00	(18,234,677)	(9,689,015)
Profit before Income Tax		346,458,872	184,091,279
Income Tax Expenses			
Current Tax	23.01	(93,760,307)	(47,898,186)
Deferred Tax	23.02	1,578,902	(7,172,616)
Prior year Tax	23.01.02	(142,821,143)	-
		(235,002,548)	(55,070,802)
Net Profit after Tax for the Year		111,456,324	129,020,477
Basic Earnings Per Share (EPS)	33.00	1.13	1.31

The accompanying notes from 1 to 51 form an integral part of these financial statements.


Company Secretary


Director


Managing Director

Signed in terms of our separate report of even date

Chattogram, 02 November 2019


Rahman Mostafa Alam & Co.
Chartered Accountants

S. ALAM COLD ROLLED STEELS LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2019

Particulars	Amount in Taka			
	Share Capital	Share Premium	Retained Earnings	Total Equity
Balance as on 01 July 2018	983,711,000	433,930,746	475,235,444	1,892,877,190
Excess Income Tax Liability adjusted on income increased by Income Tax Authority by estimating income	-	-	-	-
Cash dividend declared for the year 2017-2018	-	-	(98,371,100)	(98,371,100)
Net Profit after tax for the year 2018-2019	-	-	111,456,324	111,456,324
Balance as on 30 June 2019	983,711,000	433,930,746	488,320,668	1,905,962,414
Balance as on 01 July 2017	983,711,000	433,930,746	482,931,326	1,900,573,072
Excess Income Tax Liability adjusted on income increased by Income Tax Authority by estimating income	-	-	(38,345,259)	(38,345,259)
Cash dividend declared for the year 2016-2017	-	-	(98,371,100)	(98,371,100)
Net Profit after tax for the year 2017-2018	-	-	129,020,477	129,020,477
Balance as on 30 June 2018	983,711,000	433,930,746	475,235,444	1,892,877,190


Company Secretary


Director


Managing Director

S. ALAM COLD ROLLED STEELS LIMITED
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2019

Particulars	Note(s)	Amount in Taka	
		01 July 2018 to 30 June 2019	01 July 2017 to 30 June 2018
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash Received from Customers		3,273,312,569	4,178,698,644
Cash Paid to Suppliers		(2,153,673,384)	(2,814,000,186)
Cash Paid to Employees		(118,034,579)	(113,052,292)
Cash Paid for Operating Expenses		(960,962,929)	(1,181,711,561)
Payment of Advance Income Tax		(106,432,145)	(89,379,139)
Payment for WPP & WF		(7,609,221)	(5,738,733)
Advance Tax Refund		131,149,918	143,193,039
Net Cash Flows from Operating Activities		57,750,229	118,009,773
CASH FLOWS FROM INVESTING ACTIVITIES			
Capital Work-in-Progress		2,400,863	(2,400,863)
Acquisition of Property, Plant And Equipment		(51,949,696)	(7,293,454)
Short Term Loan to Subsidiary Companies		(159,854,114)	(23,713,727)
Investment in Fixed Deposit Receipt		14,258,514	64,610,578
Interest Received from Fixed Deposit Receipt		8,593,812	8,076,468
Due from affiliated companies		-	56,260,853
Net Cash (Used in)/ Generated by Investing Activities		(186,550,621)	95,539,855
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from / (Repayment of) Long Term Loan		(180,426,068)	(464,528,265)
Proceeds / (Repayment of) from Short Term Loan		1,016,759,742	469,002,022
Proceeds from / (Repayment to) Affiliated Companies		(128,076,255)	131,141,605
Dividend Paid		(96,017,542)	(96,717,684)
Cash Paid for Financial Expenses		(400,649,207)	(338,364,885)
Net Cash Provided by / (Used in) Financing Activities		211,590,670	(299,467,206)
Net Increase/(Decrease) of Cash and Cash Equivalents		82,790,278	(85,917,579)
Cash and Cash Equivalents at the Beginning of the Year		30,586,490	116,504,069
Cash and Cash Equivalents at the End of the Year		113,376,768	30,586,490
Net Operating Cash Flow Per Share	35.00	0.59	1.20


Company Secretary


Director


Managing Director

S. ALAM COLD ROLLED STEELS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
AS AT AND FOR THE YEAR ENDED 30 JUNE 2019

01.00 BACKGROUND AND INFORMATION

01.01 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.

01.02 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, Chattogram, 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.

02.00 BASIS OF PREPARATION

02.01 Statement of compliance

The financial statements have been prepared in accordance with the International Accounting Standards (IASs), International Financial Reporting Standards (IFRSs) and applicable sections of Companies Act 1994 and the Securities and Exchange Rules 1987.

02.02 Basis of Reporting

The financial statements are prepared and presented to external users by the company in accordance with the identified financial reporting framework. The presentation has been made in compliance with the requirements of IAS 1- "Presentation of Financial Statements". The financial statements comprise of:

- i) Statement of financial position as at 30 June 2019
- ii) Statement of profit or loss and other comprehensive income for the year ended 30 June 2019
- iii) Statement of changes in equity for the year ended 30 June 2019
- iv) Statement of cash flows for the year ended 30 June 2019
- v) Notes, comprising a summary of significant accounting policies and explanatory information.

02.03 Date of authorization

The Board of Directors has authorized these financial statements on 02 November 2019.

02.04 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.

02.05 Accounting convention and assumption

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

02.06 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.

02.07 Statement of Cash Flows

Statement of Cash Flows is prepared principally in accordance with IAS 7 "Statement of Cash Flows" and the cash flow from the operating activities have been presented under direct method and reconciliation of net income or net profit with cash flows from operating activities making various adjustments as per prescribed by Securities and Exchange Rules, 1987. A reconciliation of Net Profit with cash flows from operating activities making adjustments for non-cash items, for non-operating items and for net changes in operating accruals as per requirement of Securities & Exchanges Rules 1987.

02.08 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.

02.09 Comparative information

Comparative information has been disclosed in respect of the year 2017-2018 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 statements.

02.10 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.

02.11 Reporting period

The financial statements of the Company cover one financial year from 01 July 2018 to 30 June 2019 for all reported periods.

03.00 SIGNIFICANT ACCOUNTING POLICIES

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

IAS-01	Presentation of Financial Statements
IAS-02	Inventories
IAS-07	Statement of Cash Flows
IAS-08	Accounting Policies, Changes in Accounting Estimates and Errors
IAS-10	Events after the Reporting Period
IAS-12	Income Taxes
IAS-16	Property, Plant and Equipment
IAS-17	Lease
IAS-19	Employee benefits
IAS-21	The effects of Changes in Foreign Exchange Rates
IAS-23	Borrowing Costs
IAS-24	Related Party Disclosures
IAS-26	Accounting and Reporting by Retirement Benefit Plans
IAS-32	Financial Instrument: Presentation
IAS-33	Earnings per share
IAS-36	Impairment of Assets
IAS-37	Provisions, Contingent Liabilities and Contingent Assets
IFRS-05	Non-current Assets Held for Sale and Discontinued Operations
IFRS-07	Financial Instrument: Disclosure
IFRS-15	Revenue from Contracts with Customers

03.01 Property, plant and equipment

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

03.01.01 Recognition and measurement

The cost of an item of property, plant and equipment comprises its purchase price, import duty and non-refundable taxes (after deducting trade discount and rebates) and any 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.

03.01.02 Subsequent costs

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

03.01.03 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 and Land Development 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.

Assets	Rates (%)
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%
Lifting 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:

Particulars	Capacity Utilization	
	CR Coil Plant	NOF Plant
Factory Building (including Leased Assets)	59.76%	54.49%
Capital Machinery	59.76%	54.49%
Factory equipment	59.76%	54.49%
Generator	59.76%	54.49%
Work Roll	59.76%	54.49%
Luffing Crane and Jetty construction	59.76%	54.49%
Coil Cart	59.76%	54.49%

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

03.02 Capital work in progress

Property, Plant and Equipment under acquisition was accounted as Capital work-in-progress now transfer to Hydrogen Generation System Plant for NOF project.

03.03 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 IAS-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.

03.04 Revenue Recognition

The company has applied IFRS 15 for recognition of revenue from this year.

The core principle of IFRS 15 is that an entity will recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. This core principle is delivered in a five-step model framework:

- Identify the contract(s) with a customer
- Identify the performance obligations in the contract
- Determine the transaction price
- Allocate the transaction price to the performance obligations in the contract
- Recognize revenue when (or as) the entity satisfies a performance obligation.

The Company sells CR Coil,C.I Sheet and G.P Sheet to its customers. Revenue is recognized when the entity satisfies a performance obligation by transferring the goods to customers at an agreed transaction price.

03.05 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.

03.06 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.

03.07 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.

03.08 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.

03.09 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 transaction 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.

03.10 Borrowing Cost

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

03.11 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.

03.12 Workers' profit participation fund

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

03.13 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.

03.14 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-33 to the Financial Statements).

Diluted Earnings per share:

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

03.15 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.

03.16 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.

03.17 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 IAS 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.

03.18 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.

03.19 Leases**03.18.01 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.

03.18.02 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.

03.18.03 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 asset / 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.

03.20 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.

03.21 Events after the reporting period

Events after the reporting period that provide additional information about the company's position at the date of statement of financial position or those that indicate the going concern assumption is not appropriate are reflected in the financial statements. Events after reporting period that are not adjusting events are disclosed in the notes when material.

04.00 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 financial statements of the company are duly complied with.

		Amount in Taka	
		30 June 2019	30 June 2018
05.00	Property, Plant and Equipment		
	A. Cost		
	Opening Balance	2,801,016,110	2,793,722,656
	Addition during the year	51,949,696	7,293,454
		2,852,965,806	2,801,016,110
	Deletion during the year	-	-
	Total Cost	2,852,965,806	2,801,016,110
	B. Accumulated Depreciation		
	Opening Balance	1,130,316,305	1,053,728,380
	Charged during the year	84,808,269	76,587,925
		1,215,124,574	1,130,316,305
	Adjustments during the year	-	-
	Total Depreciation	1,215,124,574	1,130,316,305
	Written Down Value (WDV) as on 30 June 2019 (A-B)	1,637,841,232	1,670,699,805

Detail of property, plant and equipment and depreciation as on 30 June 2019 are shown in the note 05.01.

5.1 Property, Plant and Equipment - at cost less Accumulated Depreciation

Assets' Category	Opening Balance as on 01 July 2018		Addition		Disposal/ Adjustment		Closing Balance as on 30 June 2019		Depreciation Rate (%)	Depreciation Charged for the year		Adjustment for disposal during the year		Closing Balance as on 30 June 2019		Carrying Amount as on 30 June 2019		
	Taka	Taka	Taka	Taka	Taka	Taka	Taka	Taka		Taka	Taka	Taka	Taka	Taka	Taka	Taka	Taka	Taka
A. Land and land development:																		
Land-Freehold (12.04 Acres)	49,046,490	-	-	-	-	-	49,046,490	-	-	-	-	-	-	-	-	-	-	49,046,490
Land Development	21,416,417	-	-	-	-	-	21,416,417	-	-	-	-	-	-	-	-	-	-	21,416,417
Internal Road and Drainage	3,506,580	-	-	-	-	-	3,506,580	10%	2,644,797	86,178	-	-	-	2,730,975	-	-	775,605	
Embankment	46,660,074	-	-	-	-	-	46,660,074	20%	42,387,515	854,512	-	-	-	43,242,027	-	-	3,418,047	
	120,629,561	120,629,561	120,629,561	120,629,561	120,629,561	120,629,561	120,629,561		45,032,312	940,690	940,690	940,690	940,690	45,973,002	45,973,002	45,973,002	74,656,559	
B. Building:																		
Factory Building (Including Leased Assets)	304,368,680	-	-	-	-	-	304,368,680	5%	111,487,093	5,763,302	-	-	-	117,250,395	-	-	187,118,285	
Factory Building (NOF Plant)	257,346,737	-	-	-	-	-	257,346,737	5%	12,311,108	6,676,442	-	-	-	244,334,408	-	-	18,987,550	
General Building	33,321,203	-	-	-	-	-	33,321,203	5%	17,192,022	806,459	-	-	-	17,998,481	-	-	15,322,722	
Coil Ware House	5,467,518	-	-	-	-	-	5,467,518	10%	4,131,861	133,566	-	-	-	4,265,427	-	-	1,202,091	
	600,504,138	600,504,138	600,504,138	600,504,138	600,504,138	600,504,138	600,504,138		145,122,084	13,379,768	13,379,768	13,379,768	13,379,768	158,501,853	158,501,853	158,501,853	447,977,506	
C. Plant and machinery																		
Capital Machinery	1,233,517,738	-	-	-	-	-	1,233,517,738	10%	749,066,572	28,950,802	-	-	-	778,017,374	-	-	455,500,365	
Capital Machinery (NOF Plant)	626,594,801	-	-	-	-	-	626,594,801	10%	50,906,915	31,369,233	-	-	-	82,276,148	-	-	544,318,653	
	1,860,112,539	1,860,112,539	1,860,112,539	1,860,112,539	1,860,112,539	1,860,112,539	1,860,112,539		799,973,487	60,329,035	60,329,035	60,329,035	60,329,035	860,293,521	860,293,521	860,293,521	999,819,018	
D. Equipment and appliances:																		
Factory Equipment	22,691,689	-	-	-	-	-	22,691,689	10%	9,960,644	760,807	-	-	-	10,721,451	-	-	11,970,238	
Factory Equipment (NOF Plant)	2,296,579	-	-	-	-	-	2,296,579	10%	177,438	115,472	-	-	-	292,910	-	-	2,003,669	
Hydrogen Generation System Plant (NOF Plant)	-	44,882,861	-	-	-	-	44,882,861	10%	-	612,440	-	-	-	612,440	-	-	44,270,421	
Office Equipment	1,585,190	-	-	-	-	-	1,585,190	10%	993,706	40,174	-	-	-	1,033,880	-	-	632,875	
Guest House Equipment	1,543,095	-	-	-	-	-	1,543,095	10%	1,179,643	36,345	-	-	-	1,215,988	-	-	327,107	
Computer	3,214,408	-	-	-	-	-	3,214,408	10%	1,788,918	149,278	-	-	-	1,938,196	-	-	1,389,912	
Air Conditioners	6,596,736	-	-	-	-	-	6,596,736	10%	3,179,303	362,338,06	-	-	-	3,541,641	-	-	3,794,156	
Air Conditioners (NOF Plant)	-	96,888	-	-	-	-	96,888	10%	-	7,273	-	-	-	7,273	-	-	89,615	
Generator	1,240,000	-	-	-	-	-	1,240,000	10%	753,669	48,633	-	-	-	802,302	-	-	437,698	
Electric Line Installation	3,175,374	-	-	-	-	-	3,175,374	10%	2,229,486	94,589	-	-	-	2,324,075	-	-	851,299	
Electric Line Installation (NOF Plant)	12,851,881	-	-	-	-	-	12,851,881	10%	5,906,539	378,452	-	-	-	6,284,991	-	-	6,566,890	
Gas Line Installation	4,569,154	-	-	-	-	-	4,569,154	10%	3,334,381	123,477	-	-	-	3,457,858	-	-	1,111,296	
Fire Extinguisher	58,100	-	-	-	-	-	58,100	10%	45,028	1,307	-	-	-	46,335	-	-	11,765	
Telephone Line Installation	398,527	-	-	-	-	-	398,527	10%	307,293	9,123	-	-	-	316,416	-	-	82,111	
Grinding Wheel	134,666	-	-	-	-	-	134,666	10%	104,908	2,976	-	-	-	107,884	-	-	26,782	
Water Tank	113,500	-	-	-	-	-	113,500	10%	88,476	2,502	-	-	-	90,978	-	-	22,522	
Work Roll	1,593,025	-	-	-	-	-	1,593,025	10%	968,233	62,479	-	-	-	1,030,712	-	-	562,313	
Radiolink and Networking (Factory)	433,880	-	-	-	-	-	433,880	10%	228,416	20,546	-	-	-	248,962	-	-	184,918	
Tools and Tackles	121,238	-	-	-	-	-	121,238	10%	94,511	1,597	-	-	-	96,108	-	-	25,130	
	62,617,042	45,914,075	45,914,075	45,914,075	45,914,075	45,914,075	45,914,075		31,340,591	2,829,810	2,829,810	2,829,810	2,829,810	34,170,401	34,170,401	34,170,401	74,360,716	
E. Furniture and Fixtures																		
Furniture and Fixtures	4,040,403	-	-	-	-	-	4,040,403	10%	2,515,984	153,142	-	-	-	2,669,126	-	-	1,378,277	
Furniture and Fixtures (NOF Plant)	291,295	-	-	-	-	-	291,295	10%	131,788	21,291	-	-	-	153,079	-	-	191,616	
	4,331,698	60,400	60,400	60,400	60,400	60,400	60,400		2,647,772	174,433	174,433	174,433	174,433	2,822,205	2,822,205	2,822,205	1,569,893	
F. Lifting Crane and Jetty Construction																		
Coil Cart	54,948,213	-	-	-	-	-	54,948,213	15%	41,325,632	1,221,128	-	-	-	42,546,760	-	-	12,401,453	
Motor vehicles	9,315,746	-	-	-	-	-	9,315,746	10%	4,883,824	264,852	-	-	-	5,148,675	-	-	4,167,071	
Interior Decoration	84,387,077	-	-	-	-	-	84,387,077	20%	56,535,711	5,570,273	-	-	-	62,105,985	-	-	22,281,092	
	4,170,096	-	-	-	-	-	4,170,096	15%	3,454,892	107,281	-	-	-	3,562,173	-	-	607,923	
	152,821,132	152,821,132	152,821,132	152,821,132	152,821,132	152,821,132	152,821,132		106,200,059	7,163,534	7,163,534	7,163,534	7,163,534	113,363,593	113,363,593	113,363,593	39,457,539	
30 June 2019	2,801,016,110	51,949,696	51,949,696	51,949,696	51,949,696	51,949,696	51,949,696		1,130,316,305	84,808,269	84,808,269	84,808,269	84,808,269	1,215,124,574	1,215,124,574	1,215,124,574	1,637,841,232	
30 June 2018	2,793,722,656	7,293,454	7,293,454	7,293,454	7,293,454	7,293,454	7,293,454		1,053,728,380	76,587,925	76,587,925	76,587,925	76,587,925	1,130,316,305	1,130,316,305	1,130,316,305	1,670,699,805	

Depreciation allocated to:

Note(s)	Basis
27.00	75%
29.00	25%
84,808,269	100%

	Note(s)	Amount in Taka	
		30 June 2019	30 June 2018
09.00 Sundry Receivables			
Against CR Coil	09.01	1,291,999,636	2,226,143,717
Against C.I and G.P Sheet		892,202,769	84,316,767
Others		2,031,288,459	-
		4,215,490,864	2,310,460,484
09.01 Against CR Coil	09.00		
Chemon Ispat Limited		956,744,757	1,373,169,665
S. Alam Steels Limited		335,254,879	852,974,052
		1,291,999,636	2,226,143,717

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

09.03 Ageing of Accounts Receivables is stated in note 40.01.01 (a).

10.00 Advances, Deposits and Prepayments

Advances	10.01	2,633,108,055	1,822,978,983
Deposits	10.02	15,467,283	15,467,282
Prepayments	10.03	4,544,509	50,512,370
		2,653,119,847	1,888,958,635

10.01 Advances

Against Supply of Goods		2,187,843,280	1,206,305,795
Against Salary		2,545,000	3,425,000
Bank Guarantee Margin		104,209,260	101,063,416
Advance Income Tax	10.01.01	332,877,674	507,916,591
VAT current account		-	809,784
Supplementary Tax Current A/C		164,674	164,674
Others		5,468,167	3,293,723
		2,633,108,055	1,822,978,983

10.01.01 Advance Income Tax

Opening Balance	10.01	507,916,590	730,039,596
Paid During the year		106,432,145	89,379,139
		614,348,735	819,418,734
Adjusted with Advance Income Tax		(7,500,000)	(129,963,845)
		606,848,735	689,454,889
Excess Income Tax Liability adjusted on income increased by Income Tax Authority by estimating income		-	(38,345,259)
		606,848,735	651,109,630
Prior year tax adjustment		(142,821,143)	-
		464,027,592	651,109,630
Advance Income Tax Refund	10.01.02	(131,149,918)	(143,193,039)
		332,877,674	507,916,591

10.01.02 Advance Income Tax Refund

Accounts year ended	Assessment year	Provision for Income Tax	Advance Income Tax paid at Source	Assessed Final Income Tax by the Income Tax Authority	Advance Income Tax Refund
A	B	C	D	E	F=D-E
30.06.15	2015-2016	5,000,000	148,567,688	85,856,882	62,710,806
30.06.16	2016-2017	2,500,000	132,821,897	64,382,785	68,439,112
Total		7,500,000	281,389,585	150,239,667	131,149,918

	Note(s)	Amount in Taka	
		30 June 2019	30 June 2018
10.02 Deposits	10.00		
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.		1,379,993	1,379,992
Bangladesh Telecommunications Company Limited (BTCL)		6,600	6,600
Grameen 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
		15,467,283	15,467,282
10.03 Prepayments	10.00		
Insurance		1,185,221	1,050,707
Internet Service		40,032	62,904
Fees & Renewal to BSTI		-	23,316
Interest on MPI		3,319,256	49,375,443
		4,544,509	50,512,370
11.00 Short Term Investment			
Name of Banks			
Fixed Deposit Receipts:			
Rupali Bank Limited		-	13,153,562
Islami Bank Bangladesh Limited		38,922,819	40,027,771
		38,922,819	53,181,333
12.00 Short Term Loan to Subsidiary Company			
S. Alam Power Generation Limited		944,154,380	784,300,266
		944,154,380	784,300,266
Short-term loan is extended by S. Alam Cold Rolled Steels Limited to S. Alam Power Generation Limited based on respective company's Board's decision on date 01.02.2014, it was decided to treat a financing provided to S.Alam Power Generation Limited as interest free short-term loan.			
13.00 Cash and Cash Equivalents			
Cash in Hand	13.01	74,974	48,596
Cash at Banks	13.02	113,301,794	30,537,894
		113,376,768	30,586,490
13.01 Cash in Hand - note 13.00	13.00		
Head Office		64,174	15,499
Factory Office		10,800	33,097
		74,974	48,596
13.02 Cash at Banks	13.00		
Bank	Branch	Account No.	
AB Bank Ltd.	Agrabad, Chattogram	CD#4101-774707-000	94,839
Agrani Bank Ltd.	New Market, Chattogram	CD#33009854	-
Agrani Bank Ltd.	Laldighi, Chattogram	CD#29373	472,880
Al-Arafah Islami Bank Ltd.	Khatungonj, Chattogram	CD# 0091020013952	117,975
Bank Asia Ltd.	Khatungonj, Chattogram	CD#01333005952	54,797
Dhaka Bank Ltd.	Khatungonj, Chattogram	CD#0171502235	9,516
EXIM Bank Ltd.	Khatungonj, Chattogram	CD#00411100004909	1,008,008
First Security Islami Bank Ltd.	Khatungonj, Chattogram	SND#13100002884	93
First Security Islami Bank Ltd.	Khatungonj, Chattogram	SND#13100003008	12,525,331
			95,424
			745
			1,675
			45,064
			90,697
			1,510,121
			102,014
			1,217
			9,867,660

Bank	Branch	Account No.	Amount in Taka	
			30 June 2019	30 June 2018
First Security Islami Bank Ltd.	Khatungonj, Chattogram	SND#13100002711	36,889	37,020
First Security Islami Bank Ltd.	Khatungonj, Chattogram	SND#1310002792	18,497	19,123
First Security Islami Bank Ltd.	Anderkilla, Chattogram	CD#13411100003882	50,126,888	2,486,209
IFIC Bank Ltd.	Khatungonj, Chattogram	CD#0170184017001	12,815	8,965
Islami Bank Bangladesh Ltd.	Khatungonj, Chattogram	CD#10601002130	291,525	1,547,701
Jamuna Bank Ltd.	Jubilee Road, Chattogram	CD#00190211002260	14,076	16,802
Janata Bank Ltd.	Shadharan Bima Corp Branch, Chattogram	CD#001031259	465,583	741,566
Mercantile Bank Ltd.	Khatungonj Branch, Chattogram	CD#011211100005747	9,909	79,141
National Bank Ltd.	Khatungonj, Chattogram	CD#0002-33069282	130,960	118,869
NRB Global Bank Ltd.	Khatungonj, Chattogram	CD#0111100219390	145,785	22,319
Pubali Bank Ltd.	Khatungonj, Chattogram	CD#0642901085670	3,481,119	9,329
Rupali Bank Ltd.	Anderkilla, Corporate Branch, Chattogram	CD#1552020006497	1,079,140	1,226,376
Rupali Bank Ltd.	O.R Nizam Road, Corporate Branch, Chattogram	SND#1552024000134	111,502	110,211
Southeast Bank Ltd.	Principal Office, Dhaka	CD#11100036055	1,361,747	57,867
Social Islami Bank Ltd.	Khatungonj, Chattogram	CD#0141330020285	144,729	9,280
The City Bank Ltd.	Khatungonj, Chattogram	CD#1101002163001	24,702	683,980
Union Bank Ltd.	Khatungonj, Chattogram	CD#0101010000801	41,427,474	11,527,681
Union Bank Ltd.	Gulshan Branch, Dhaka	CD#0021010001342	43,355	43,930
Uttara Bank Ltd.	Khatungonj, Chattogram	CD#015812221999319	91,660	76,908
			113,301,794	30,537,894

14.00 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

14.01 Shareholding position

Name of shareholders	As at 30 June 2019		As at 30 June 2018	
	% of Holding	Number of Shares of Tk. 10 each	% of Holding	Number of Shares of Tk. 10 each
Mr. Mohammed Saiful Alam	2.34%	2,303,980	2.34%	2,303,980
Mr. Abdus Samad	2.00%	1,967,430	2.00%	1,967,430
Mr. Md. Osman Gani	2.00%	1,967,430	2.00%	1,967,430
S. Alam Steels Ltd	18.74%	18,431,940	18.74%	18,431,940
S. Alam Cement Ltd.	9.37%	9,215,960	9.37%	9,215,960
S. Alam Hatchery Ltd.	9.37%	9,215,960	9.37%	9,215,960
S. Alam Luxury Chair Coach Services Ltd.	2.34%	2,303,980	2.34%	2,303,980
S. Alam Vegetable Oil Ltd.	2.34%	2,303,980	2.34%	2,303,980
Bangladesh Fund	5.37%	5,286,146	5.33%	5,239,191
ABIL-IDA	0.25%	250,000	0.01%	10,000
ICB Unit Fund	1.18%	1,163,138	1.15%	1,132,296
ICB	4.57%	4,493,269	0.02%	16,300
Others	40.12%	39,467,887	45.00%	44,262,653
	100.00%	98,371,100	100.00%	98,371,100

14.02 Classification of shares by holding

Class by number of shares	No. of Holders	No. of Shares	% of Holding
Not more than 500	2,645	445,291	0.45%
From 501 to 5,000	3,347	5,821,475	5.92%
From 5,001 to 10,000	356	2,715,738	2.76%
From 10,001 to 20,000	220	3,268,425	3.32%
From 20,001 to 30,000	77	1,941,851	1.97%
From 30,001 to 40,000	25	861,095	0.88%
From 40,001 to 50,000	20	885,385	0.90%
From 50,001 to 100,000	39	2,991,986	3.04%
From 100,001 to 1,000,000	54	17,026,913	17.31%
From 1,000,001 and above	13	62,412,941	63.45%
	6,796	98,371,100	100.00%

15.00 Long Term Loan

	Note(s)	Amount in Taka	
		30 June 2019	30 June 2018
Due within one year	21.01	394,896,000	394,896,000
Due more than one year	15.01	17,145,354	197,571,422
		412,041,354	592,467,422

15.01 Rupali Bank Limited

	Note(s)	Amount in Taka	
		30 June 2019	30 June 2018
Term Loan Account No. -1552067000014	15.01	8,581,931	28,000,289
Term Loan Account No. - 1552067000015	15.01.02	8,563,423	169,571,133
		17,145,354	197,571,422

15.01.01 Loan Account No.1552067000014

	Note(s)	Amount in Taka	
		30 June 2019	30 June 2018
Opening balance	15.01	28,000,289	85,938,649
Loan received during the year		-	-
Interest charged during the year		1,569,642	6,036,640
Other charges during the year		12,000	25,000
		29,581,931	92,000,289
Payment during the year		(21,000,000)	(64,000,000)
		8,581,931	28,000,289
Current portion of term loan		-	-
Closing balance		8,581,931	28,000,289

Limit amount	:	Tk. 257,000,000
Purpose	:	To meet shortage of working capital
Sanction date	:	08.11.16
Interest rate	:	9%
Security	:	Hypothecation of Import Goods & Personal Guarantee from all directors.
Repayment method	:	Quarterly

	Note(s)	Amount in Taka	
		30 June 2019	30 June 2018
15.01.02 Term Loan Account No. - 1552067000015	15.01		
Opening balance		564,467,133	673,214,078
Loan received during the year		-	-
Interest charged during the year		45,887,290	71,528,055
Other charges during the year		25,000	25,000
		610,379,423	744,767,133
Payment during the year		(206,920,000)	(180,300,000)
		403,459,423	564,467,133
Current portion of term loan		(394,896,000)	(394,896,000)
Closing balance		8,563,423	169,571,133

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	:	9%
Security	:	Hypothecation of Import Goods & Personal Guarantee from all directors.
Repayment method	:	Quarterly

16.00 Trade Creditors

Liability against Deferred LC		2,724,584,803	846,913,052
Customs Authority-Inbond Duty		237,575,902	16,189,486
Sundry Creditors	16.01	132,925,345	123,391,208
		3,095,086,050	986,493,746

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

17.00 Short Term Liabilities

Short Term Bank Loan (LTR)	17.01	2,246,643,292	2,774,282,381
Loan against PAD, MPI & Bai-Muazzal Hypo	17.02	6,908,434,837	5,364,036,007
		9,155,078,129	8,138,318,388

17.01 Short Term Bank Loan (LTR)

Janata Bank Ltd., Shadharan Bima Corp Branch, Ctg.	17.00	2,246,643,292	2,774,282,381
		2,246,643,292	2,774,282,381

17.02 Loan against PAD, MPI & Bai-Muazzal Hypo

Janata Bank Ltd., Shadharan Bima Corp Branch, Ctg. (PAD)	17.00	5,157,079,001	2,994,729,777
Islami Bank Bangladesh Ltd., Khatungonj Branch, Ctg. (MPI)		217,755,835	1,209,792,590
Exim Bank Ltd., Khatungonj Branch, Ctg (Bia-Muazzal Hypo)		1,533,600,001	1,159,513,640
		6,908,434,837	5,364,036,007

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

17.03.01 Lender: Rupali Bank Ltd., O. R. Nizam Road, Corporate Branch, Chattogram

Types of Liabilities	Sanctioned limit (Figures in crore)	Rate of Interest %
LC, PAD & LIM	57	9.00%
LTR	20	9.00%
Bank Guarantee	30	0.00%

Security:

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

17.03.02 Lender: Janata Bank Ltd., Shadharan Bima Corp Branch, Chattogram

Types of Liabilities	Sanctioned limit (Figures in crore)	Rate of Interest %
LTR	208	9.00%
LC/PAD	400	9.00%

Security:

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

17.03.03 Lender: Islami Bank Bangladesh Ltd., Khatungonj Branch, Chattogram.

Types of Liabilities	Sanctioned limit (Figures in crore)	Rate of Interest %
TR with LC & BG	900	9.00%

Security:

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

17.03.04 Lender: Export Import Bank of Bangladesh Ltd., Khatungonj Branch, Chattogram

Types of Liabilities	Sanctioned limit (Figures in crore)	Rate of Interest %
Bai-Muazzal (HYPO)	153	10.00%

Security:

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

18.00 Liabilities for Expenses

	Amount in Taka	
	30 June 2019	30 June 2018
Audit Fee	400,000	400,000
Karnaphuli Gas Distribution Co. Ltd.	1,308,310	928,003
Salary and Allowances	8,799,476	8,238,452
Telephone and Mobile Charges	36,218	26,216
Liason Office Expenses	27,222	30,662
Against C & F	151,919	102,454
Transportation	692,300	209,300
Karnaphuli Filling Station Limited	845,988	247,325
Against Store and Spare	1,608,970	11,439,758
	13,870,403	21,622,170

Note(s)

Amount in Taka

30 June 2019

30 June 2018

19.00 Advance against Sales

14,642,547

7,119,889

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

20.00 Due to Affiliated Companies

3,065,350

131,141,605

	Note(s)	Amount in Taka	
		30 June 2019	30 June 2018
21.00 Current Portion of Long Term Loan			
These represent current portion of long term loans from financial institutions which are repayable within next twelve months from 01 July, 2019 and consist of as follows:			
Term loan	21.01 & 15.00	394,896,000	394,896,000
		394,896,000	394,896,000
21.01 Term Loan (Payment within one year)	15.00		
Rupali Bank Limited			
Term Loan Account No. - 1552067000014		-	-
Term Loan Account No. - 1552067000015		394,896,000	394,896,000
		394,896,000	394,896,000
22.00 Liability against Unclaimed Dividend			
Opening Balance		32,455,465	30,802,049
Dividend declared during the year		98,371,100	98,371,100
		130,826,565	129,173,149
Dividend paid		(96,017,542)	(96,717,684)
Closing Balance		34,809,023	32,455,465
The break up of unclaimed dividend is given below:			
Unclaimed dividend on Ordinary Share	22.01	33,311,071	30,957,513
Unclaimed dividend on Convertible Preference Share		1,497,952	1,497,952
		34,809,023	32,455,465
23.00 Provision for Income Tax			
For Current Tax	23.01	144,158,493	57,898,186
For Deferred Tax	23.02	318,791,984	320,370,886
		462,950,477	378,269,072
23.01 Provision for Current Tax			
Opening balance		57,898,186	139,963,845
Provision made during the year		93,760,307	47,898,186
		151,658,493	187,862,031
Prior year tax adjustment	23.01.02	142,821,143	-
		294,479,636	187,862,031
Adjusted during the year	23.01.01	(150,321,143)	(129,963,845)
Closing balance		144,158,493	57,898,186

	30 June 2019		30 June 2018	
	Rate	Amount	Rate	Amount
Reconciliation of effective tax rate				
Profit before tax		346,458,872		184,091,279
Total income tax expenses	27.06%	93,760,307	26.02%	47,898,186
Factors affecting the tax rate charge:				
Tax using the applicable rate	25.00%	86,614,718	25.00%	46,022,820
Difference between accounting and fiscal depreciation	0.88%	3,037,593	-0.36%	(667,561)
Inadmissible expenses	0.85%	2,949,283	0.67%	1,229,557
Effect of taxable perquisit	0.33%	1,158,713	0.71%	1,313,370
	27.06%	93,760,307	26.02%	47,898,186

23.01.01 Adjusted during the year

Tax paid in cash

Adjusted with Advance Income Tax

Amount in Taka	
30 June 2019	30 June 2018
-	-
150,321,143	129,963,845
150,321,143	129,963,845

Year wise Income Tax assessment status is as follows:

Accounting Year	Assessment Year	Present Status
30 June 2017 and earlier years	2017-2018 and earlier years	Assessment Completed
30 June 2018	2018-2019	Income Tax Return submitted and under process to complete

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).

23.01.02 Prior year tax adjustment

Accounts year ended	Assessment Year	Provision for Income Tax	Assessed Final Income Tax by Income Tax Authority	Prior year Tax to adjust with Current Income Tax
30.06.2015	2015-2016	5,000,000	85,862,320	80,862,320
30.06.2016	2016-2017	2,500,000	64,458,823	61,958,823
Total		7,500,000	150,321,143	142,821,143

23.02 Provision for Deferred Tax

Opening Balance

Provision made during the year

Provision realized during the year

Closing Balance

320,370,886	313,198,270
(1,578,902)	7,172,616
318,791,984	320,370,886
-	-
318,791,984	320,370,886

Carrying Amount (Taka)	Tax Base (Taka)	Taxable / (Deductible) Temporary Difference (Taka)
------------------------	-----------------	--

Calculation of Deferred Tax**A. As on 30 June 2019:**

Property, Plant and Equipment (Except Land)

Applicable Tax Rate

1,567,378,325

292,210,391

1,275,167,934

25%

318,791,984**B. As on 30 June 2018:**

Property, Plant and Equipment (Except Land)

Applicable Tax Rate

1,600,236,898

318,753,353

1,281,483,545

25%

320,370,886**Provision made/(Realized) during the year (A-B)****(1,578,902)**

	Note(s)	Amount in Taka	
		30 June 2019	30 June 2018
24.00 Provision for Workers' Profit Participation & Welfare Fund			
Opening balance		99,881,624	89,243,531
Accrued interest on WPP and WF		7,485,668	6,687,811
Provided during the year @ 5% on net profit before tax		18,234,677	9,689,015
		25,720,345	16,376,826
		125,601,969	105,620,357
Paid during the year		(7,609,221)	(5,738,733)
Closing balance		117,992,748	99,881,624
25.00 Other Liabilities			
Income Tax deducted at source from salary		228,886	297,350
Income Tax deducted at source-others		35,056	47,892
Against Right share application		24,000	24,000
Against share application money (IPO)		374,455	374,455
VAT deducted at source		-	46,814
		662,397	790,511
	Note(s)	Amount in Taka	
		01 July 2018 to 30 June 2019	01 July 2017 to 30 June 2018
26.00 Revenue (Net of VAT)			
CR Coil		1,587,122,550	2,122,876,446
C.I Sheet		3,058,406,291	1,388,425,352
G.P Sheet		43,861,279	33,941,484
Scrap		481,430,170	261,500,312
		5,170,820,290	3,806,743,594
27.00 Cost of Sales			
Opening stock of raw materials		4,349,089,131	4,696,933,189
Purchased during the year		2,833,692,694	2,542,629,826
		7,182,781,825	7,239,563,015
Closing sock of raw materials		(2,553,379,448)	(4,349,089,131)
Cost of raw materials consumed		4,629,402,377	2,890,473,884
Add: Manufacturing Expenses:			
Power (Electricity)		135,756,133	130,601,695
Gas		12,958,025	11,819,668
Fuel and Lubricants- Factory Generator		2,078,050	1,901,230
Factory overhead - (Note 24.09)		140,460,146	114,754,820
Consumption of Stores and Spares		121,274,500	120,367,491
Consumption of Packaging materials		220,682	2,282,247
Consumption of other chemicals		775,148	461,240
Depreciation	05.00	63,606,202	57,440,944
		477,128,886	439,629,335
Cost of Goods Manufactured		5,106,531,263	3,330,103,219
Add : Opening stock of WIP (CR)		110,626,206	14,785,067
Opening stock of WIP (NOF)		19,371,500	14,143,388
Less: Closing stock of WIP (CR)		335,470,575	110,626,206
Closing stock of WIP (NOF)		507,937,460	19,371,500
		4,393,120,934	3,229,033,968
Add : Opening stock of finished goods (CR)		9,980,771	96,364,395
Opening stock of finished goods (NOF)		319,120,968	220,972,018
Less: Closing stock of Finished Goods (CR)		156,569,829	9,980,771
Closing stock of finished goods (NOF)		209,360,673	319,120,968
Cost of Sales		4,356,292,171	3,217,268,642

	Note(s)	Amount in Taka	
		01 July 2018 to 30 June 2019	01 July 2017 to 30 June 2018
27.01 Raw Materials - H.R Coil			
Opening stock		1,843,806,927	2,464,656,154
Add : Purchased during the year		2,047,903,975	1,862,586,813
		3,891,710,902	4,327,242,967
Less: Closing stock		222,369,706	1,843,806,927
Cost of H.R Coil consumed		3,669,341,196	2,483,436,040
27.02 Raw Materials - Hydrochloric Acid			
Opening stock		36,940,496	36,288,358
Add : Purchased during the year		6,896,070	6,545,713
		43,836,566	42,834,071
Less: Closing stock		34,811,302	36,940,496
Consumption of Hydrochloric Acid		9,025,264	5,893,575
27.03 Raw Materials - TIN Ingot			
Opening stock		76,398,474	83,161,643
Add : Purchased during the year		10,131,012	-
		86,529,486	83,161,643
Less: Closing stock		77,326,968	76,398,474
Consumption of TIN Ingot		9,202,518	6,763,169
27.04 Raw Materials - ZINC Ingot			
Opening stock		2,215,364,845	1,972,343,667
Add : Purchased during the year		761,318,275	623,019,545
		2,976,683,120	2,595,363,212
Less: Closing stock		2,088,453,520	2,215,364,845
Consumption of ZINC Ingot		888,229,600	379,998,367
27.05 Raw Materials - LEAD Ingot			
Opening stock		120,337,457	119,737,617
Add : Purchased during the year		-	1,171,198
		120,337,457	120,908,815
Less: Closing stock		119,222,010	120,337,457
Consumption of Lead Ingot		1,115,447	571,358
27.06 Raw Materials - ZINC Alloy			
Opening stock		41,151,395	5,402,247
Add : Purchased during the year		1,389,534	44,676,095
		42,540,929	50,078,342
Less: Closing stock		-	41,151,395
Consumption of ZINC Alloy		42,540,929	8,926,947
27.07 Raw Materials - Antimony Ingot			
Opening stock		3,637,662	5,054,020
Add : Purchased during the year		4,803,828	2,264,062
		8,441,490	7,318,082
Less: Closing stock		-	3,637,662
Consumption of Antimony Ingot		8,441,490	3,680,420
27.08 Raw Materials - Chromic Acid			
Opening stock		11,451,875	10,289,483
Add : Purchased during the year		1,250,000	2,366,400
		12,701,875	12,655,883
Less: Closing stock		11,195,942	11,451,875
Consumption of Chromic Acid		1,505,933	1,204,008

	Note(s)	Amount in Taka	
		01 July 2018 to 30 June 2019	01 July 2017 to 30 June 2018
27.09 Factory Overhead			
Salaries and Allowances		102,826,058	85,249,300
Insurance Expenses		12,473,956	12,539,043
Medical & Welfare Expenses		1,650,932	439,382
Labour Charges		1,102,832	327,364
Repairs and Maintenance		11,280,130	8,581,494
Carrying Charges-Raw Materials		1,149,627	1,556,661
Uniform and Liveries		124,974	25,489
Transportation		2,793,350	2,841,650
Printing & Stationery		324,737	363,040
Canteen Expenses - Factory		228,011	174,450
Telephone and Internet Charges		384,926	177,653
Miscellaneous Expenses		906,018	426,200
Registration and Renewal		3,569,212	765,599
Rent, Rates and Taxes		40,994	116,113
Travelling and Conveyance		304,586	1,124,726
Vehicle Maintenance		1,299,803	46,656
		140,460,146	114,754,820
28.00 Selling and Distribution Costs			
Advertisement		539,031	860,950
		539,031	860,950
29.00 Administrative Costs			
Salaries and Allowances		16,649,545	25,715,354
Depreciation - (note 01.01)		21,202,067	19,146,981
Donation and Subscriptions		-	95,000
Canteen Expenses		543,386	319,772
Fees and Renewals		1,440,284	2,081,957
Guest House Expenses		490,763	651,642
Legal and Professional Expenses		685,750	814,250
Liaison Office Expenses		115,948	119,727
Office Maintenance Expenses		1,653,258	605,010
Liaison Office Rent		433,422	426,316
Office Decoration		43,890	35,910
Stationery Expenses		306,101	360,995
Registration and Renewal		17,500	25,251
Rent, Rates and Taxes		217,976	201,881
Telephone and E-Mail Expenses		180,346	186,660
Travelling and Conveyance Expenses		208,471	246,367
Vehicle Maintenance		2,145,059	2,623,561
Management Meeting and Conference		2,308,881	2,765,365
Electricity Expenses		446,171	588,737
Miscellaneous Expenses		265,658	446,744
Audit Fees		400,000	400,000
		49,754,476	57,857,480
30.00 Other Income			
Miscellaneous Income		833	833
		833	833

		Amount in Taka	
		01 July 2018 to 30 June 2019	01 July 2017 to 30 June 2018
31.00	Finance Costs		
	Bank Charges	707,809	632,229
	Interest on Short Term Loan	349,277,097	229,956,713
	Interest on Term Loan	47,456,932	106,065,025
	Interest on WPP & WF	7,485,668	6,687,811
	Bank Guarantee Commission	3,207,369	1,710,918
		408,134,875	345,052,696
32.00	Finance Income		
	Interest Income from MTDR	7,472,399	6,550,879
	Interest on STD/SND	361,209	356,906
	Interest Income from FDR	759,371	1,167,850
		8,592,979	8,075,635
33.00	Basic Earnings Per Share (EPS)		
	Profit attributable to the ordinary shareholders	111,456,324	129,020,477
	Number of ordinary shares outstanding during the year	98,371,100	98,371,100
	Basic Earnings Per Share (EPS)	1.13	1.31
		Amount in Taka	
		30 June 2019	30 June 2018
34.00	Net Asset Value Per Share (NAV)		
	Total Assets	15,216,160,892	12,281,437,081
	Less: Total Liabilities	13,310,198,478	10,388,559,891
	Net Asset Value (NAV)	1,905,962,414	1,892,877,189
	Number of ordinary shares outstanding during the year	98,371,100	98,371,100
	Net Asset Value Per Share (NAV)	19.38	19.24
35.00	Net Operating Cash Flow Per Share		
	Cash flows from operating activities	57,750,229	118,009,773
	Number of ordinary shares outstanding during the year	98,371,100	98,371,100
	Net Operating Cash Flow Per Share	0.59	1.20
		Amount in Taka	
		01 July 2018 to 30 June 2019	01 July 2017 to 30 June 2018
36.00	Reconciliation of net income with cash flows from operating activities		
	Net profit After Tax	111,456,324	129,020,477
	Adjustment for non-cash items:		
	Depreciation	84,808,268.98	76,587,925.00
		196,264,592.97	205,608,402.00
	Adjustment for non-operating items:		
	Cash Paid for Financial Expenses	400,649,207	338,364,885
	Finance Income	(8,592,979)	(8,075,635)
	Other Income	(833)	(833)
	Adjustment for Provision of Deferred Tax	(1,578,902)	7,172,616

	Amount in Taka	
	01 July 2018 to 30 June 2019	01 July 2017 to 30 June 2018
Adjutment for changes in accruals:		
(Increase)/ Decrease in Accounts Receivable	(1,905,030,380)	425,006,476
(Increase)/ Decrease in Inventory	(72,405,777)	732,035,794
(Increase)/ Decrease in Advances, Deposits & Prepayments except AIT	(796,378,985)	(1,173,633,694)
Increase/(Decrease) - Advance against sales	7,522,659	(53,051,426)
Increase/(Decrease) in Trade Payable	2,108,592,304	(471,457,582)
Increase/(Decrease) in Other Liabilities	(128,114)	96,443
Increase/(Decrease) in Liabilities for Expenses	(7,751,767)	3,594,147
Excess of WPPF & WF provision over payment	18,111,124	10,638,093
Excess of Tax provision over adjustment	86,260,307	(82,065,659)
Excess of AIT adjusted with Tax over payment	(98,932,145)	40,584,706
AIT Refund	131,149,918	143,193,039
Net cash (used in)/generated by operating activities	57,750,229	118,009,773

37.00 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.

38.00 Quantitative Movement of Inventories

38.01 Raw Materials:

Opening Stock

	01 July 2018 to 30 June 2019 M.Ton	01 July 2017 to 30 June 2018 M.Ton
H.R Coil	31,272.92	50,677.31
Hydrochloric Acid	5,833.17	5,558.42
TIN Ingot	36.97	40.44
ZINC Ingot	8,409.28	8,190.67
LEAD Ingot	541.46	544.06
ZINC Alloy	110.08	23.86
Antimony Ingot	4.24	7.45
Chromic Acid	32.23	25.84
	46,240.35	65,068.05

Add: Purchased during the year

H.R Coil	26,746.44	26,041.27
Hydrochloric Acid	1,160.57	1,192.01
TIN Ingot	5.00	-
ZINC Ingot	2,293.99	1,694.44
LEAD Ingot	-	-
ZINC Alloy	-	119.51
Antimony Ingot	5.00	2.00
Chromic Acid	5.00	9.86
	30,216.00	29,059.09
Raw materials available for consumption	76,456.35	94,127.14

	01 July 2018 to 30 June 2019	01 July 2017 to 30 June 2018
	M.Ton	M.Ton
Less: Consumed		
H.R Coil	55,008.24	45,445.66
Hydrochloric Acid	1,437.57	917.26
TIN Ingot	4.46	3.47
ZINC Ingot	3,208.98	1,475.83
LEAD Ingot	5.02	2.60
ZINC Alloy	110.08	33.29
Antimony Ingot	9.24	5.21
Chromic Acid	4.27	3.47
	59,787.86	47,886.79

Closing Stock		
H.R Coil	3,010.53	31,272.92
Hydrochloric Acid	5,556.17	5,833.17
TIN Ingot	37.51	36.97
ZINC Ingot	7,494.29	8,409.28
LEAD Ingot	536.44	541.46
ZINC Alloy	-	110.08
Antimony Ingot	-	4.24
Chromic Acid	32.96	32.23
	16,667.90	46,240.35

38.02 Finished Goods:

i) In Cold Rolled Plant

Opening stock	148	1,715
Add : Produced during the year	50,161	41,693
	50,309	43,408
Less : Transferred to NOF plant during the year	32,031	18,071
Available for sale	18,278	25,337
Less : Sold during the year	16,470	25,189
Closing stock	1,808	148

ii) In NOF Plant

Opening stock	3,180	2,894
Add : Produced during the year	33,465	17,363
Available for sale	36,645	20,257
Less : Sold during the year	34,776	17,077
Closing stock	1,869	3,180

Amount in Taka	
30 June 2019	30 June 2018
Bank Guarantee Against Karnaphuli Gas Distribution Co. Ltd.	2,751,593
Deposit to Customs Authority against duty claim under appeal	59,897,407
Bank Guarantee Against Customs Authority under Bond	237,575,902
	300,224,902
	131,036,649

39.00 Guarantees

The following Bank guarantees were outstanding on the reporting date:

Bank Guarantee Against Karnaphuli Gas Distribution Co. Ltd.	2,751,593	2,751,593
Deposit to Customs Authority against duty claim under appeal	59,897,407	59,897,407
Bank Guarantee Against Customs Authority under Bond	237,575,902	68,387,649
	300,224,902	131,036,649

40.00 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-

	Amount in Taka	
	30 June 2019	30 June 2018
Sundry Receivables	4,215,490,864	2,310,460,484
Cash and Cash Equivalents	113,376,768	30,586,490
	4,328,867,632	2,341,046,974

(a) Sundry 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:

0 - 90 days	558,484,527	82,226,932
91 - 180 days	1,675,453,583	246,680,798
181 - 365 days	1,981,552,754	1,981,552,754
	4,215,490,864	2,310,460,484

(b) Cash and cash equivalents

The company held cash and cash equivalents of Tk. 113,376,762 at 30 June 2019 (2018: Tk. 30,586,490), 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:

	0 to 12 Months	Contractual Cash Flows	Carrying Amount
Non-derivative financial liabilities:			
As at 30 June 2019			
Trade creditors	3,095,086,050	3,098,260,530	3,098,260,530
Liabilities for expenses	13,870,403	10,695,923	10,695,923
Other liabilities	662,397	662,397	662,397
	3,109,618,850	3,109,618,850	3,109,618,850
As at 30 June 2018			
Trade creditors	986,493,746	986,493,746	986,493,746
Liabilities for expenses	21,622,170	21,622,170	21,622,170
Other liabilities	790,511	790,511	790,511
	1,008,906,427	1,008,906,427	1,008,906,427

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 2018, the Company was exposed to foreign currency risk in respect of financial liabilities denominated in the following currencies:

	30 June 2019		30 June 2018	
	US\$	Taka	US\$	Taka
Exposure to currency risk				
Foreign currency denominated assets:				
Trade receivables	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Foreign currency denominated liabilities:				
Liabilities for expenses (LC liability)	32,567,668	2,724,584,802	10,531,256	846,913,051
	<u>32,567,668</u>	<u>2,724,584,802</u>	<u>10,531,256</u>	<u>846,913,051</u>
Net exposure	32,567,668	2,724,584,802	10,531,256	846,913,051

The following significant exchange rate is applied during the year:

US dollar	83.66	80.42
-----------	-------	-------

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.

41.00 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 2019		30 June 2018	
	Cold Rolled	NOF	Total	Total
External Revenues :				
Local Sales	1,587,122,550	3,058,406,291	4,645,528,841	1,422,366,836
Scrap Sales	387,800,340	137,491,109	525,291,449	51,474,383
Total External Sales and Reportable Segment Revenue	1,974,922,890	3,195,897,400	5,170,820,290	1,473,841,219
Cost of sales	1,547,118,149	2,809,174,021	4,356,292,170	1,893,592,935
Gross Profit	427,804,741	386,723,379	814,528,120	439,309,440
% of Gross Profit before Tax	21.66	12.10	15.75	18.83
				10.19
Reportable Segment Profit before Tax	121,513,037	224,945,835	346,458,872	46,462,280
Other income	833	-	833	-
Finance income	8,592,979	-	8,592,979	8,075,635
Finance costs	268,424,036	139,710,839	408,134,875	345,052,696
Depreciation & Amortisation	45,627,668	39,180,601	84,808,269	55,416,398
Reportable Segment Assets	8,104,929,554	6,833,874,338	14,938,803,892	8,255,149,051
Capital Expenditure	7,066,835	44,882,861	51,949,696	7,293,454
Reportable Segments Liabilities	13,218,456,080	91,742,398	13,310,198,478	10,047,281,823
				2,400,863
				9,694,317
				341,278,068
				10,388,559,891
				12,004,080,081
				3,748,931,030
				137,628,999
				184,091,279
				3,806,743,594
				3,545,243,282
				261,500,312

		Amount in Taka	
		30 June 2019	30 June 2018
41.01	Reconciliation of Reportable Segments - note 41.00		
	Assets		
	Total Assets from reportable segments	14,938,803,892	12,004,080,081
	Add: Others- Investment	277,357,000	277,357,000
	Total Assets	15,216,160,892	12,281,437,081
	Liabilities		
	Total Liabilities for reportable segments	13,310,198,478	10,388,559,891
	Total liabilities	13,310,198,478	10,388,559,891
		30 June 2019	30 June 2018
		M.Ton	M.Ton
42.00	Production Capacity		
	SACRSL Plant:		
	Installed Capacity (In M.Ton)	120,000	120,000
	Actual Equivalent Production-0.090 mm to 0.420 mm (In M.Ton)	71,706.92	83,560.55
	Capacity utilised (%)	59.76%	69.63%
	NOF Plant:		
	Installed Capacity (In M.Ton)	72,000	72,000
	Actual Equivalent Production-0.090 mm to 0.420 mm (In M.Ton)	39,236.08	20,415.08
	Capacity utilised (%)	54.49%	28.35%

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

Salary Range (Monthly)	Head Office		Factory				Total Number of Employees
	Officer	Staff	Casual	Officer	Staff	Worker	
Below 3,000	-	-	-	-	-	-	-
3,000 and Above	15	7	6	82	33	232	375
For the year ended 30 June 2019	15	7	6	82	33	232	375
For the year ended 30 June 2018	19	6	9	78	30	228	370

43.00 Attendance Status of Board Meeting of Directors and Honorarium

During the year ended 30 June 2019, there were 05 (Five) Board meetings held. The attendance status of all the meetings and honorarium of directors are as follows:

Sl. No.	Name of the Directors	Position	Meeting Held	Attendance	Honorarium per Attendance	Total Honorarium
01	Mr. Abdus Samad	Chairman	5	5	8,000	40,000
02	Mr. Mohammad Saiful Alam	Managing Director	5	4	8,000	32,000
03	Mr. Osman Gani	Director	5	4	8,000	32,000
04	Mr. Mohammed Shah Jahan	Director (ICB Nominee)	5	5	8,000	40,000
05	Ms. Halima Begum	Director (General Investors' Group)	5	5	8,000	40,000
06	Mr. Mohammad Ishaque	Independent Director	5	2	8,000	16,000
07	Mr. Monotosh Chandra Roy, FCA	Independent Director	5	5	8,000	40,000
08	Sampad Kumar Basak FCA	Independent Director	5	3	8,000	24,000

44.00 Capital Commitment

The company had no capital commitment at the reporting date.

Amount in Taka	
30 June 2019	30 June 2018
400,000	400,000
400,000	400,000

45.00 Auditors Remuneration

Audit fee

400,000	400,000
400,000	400,000

46.00 Remuneration of MD, Managers and Officers:

Amount in Taka			Amount in Taka		
July- 2018 to June-2019			July- 2017 to June-2018		
MD	Managers	Officers	MD	Managers	Officers

46.01 Remuneration:

Salary , Allowances	-	28,224,749	16,400,664	-	32,409,888	10,859,148
---------------------	---	------------	------------	---	------------	------------

House Rent Allowance:

House Rent	-	7,056,187	4,100,166	-	8,102,472	2,714,787
Other Utilites	-	21,168,562	12,300,498	-	24,307,416	8,144,361
	-	28,224,749	16,400,664	-	32,409,888	10,859,148
Leave Encashment	-	-	-	-	-	-
Provident fund	-	-	-	-	-	-
	-	28,224,749	16,400,664	-	32,409,888	10,859,148
Number Of Employee	-	28	34	-	28	25

46.02 House Rent Accommodation: Managers and Officers are paid in cash with monthly salary as House Rent Allowance.

46.03 Transport Senior Officials are provided compnay's car with free of cost subject to limit.

46.04 Telephone Monthly mobile bill is paid in cash subject to limit.

46.05 Medical Manager and Officers are paid in cash with monthly salary as Medical Allowance.

46.06 Remuneration The Managing Director and Directors are not paid any remuneration except Fee of Board of Directors' Meeting.

47.00 Related Party Transactions

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

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

Name of parties	Nature of Transactions	Outstanding as on 30 June 2019
Karnafuli Praktik Gas Ltd.	Short term Loan	3,065,350

48.00 Events After The Reporting Period

The Board of Directors in their meeting held on 02 .11.2019 recommended 10% cash dividend for the year 2019.

49.00 Significant Deviation in Earning per Share (EPS):

Short provision of Income Tax charged during the period to the Statement of Profit or Loss and Other Comprehensive Income considering recognition of Current Tax of prior periods. Hence, in spite of significant increased of revenue during the period, earning per Share (EPS) has decreased as compared to the corresponding year.

50.00 Significant Deviation in Net Operating Cash Flow per Share (NOCFPS):

Net Operating Cash Flows per Share (NOCFPS) has been decreased mainly due to (a) decrease of substantial total collection from customers (b) increase of advance income tax payment as compared to the corresponding financial year.

51.00 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.


Company Secretary


Director


Managing Director

SUBSIDIARY PROFILE

S. ALAM POWAER GENERATION LTD.

Directors' Report to the Shareholders:

Dear Shareholders,

It is a matter of great pleasure for your Directors in presenting their 11th Annual Report along with the audited Accounts and the Auditors' Report thereon for the year ended 30th June 2019.

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 visited our project site for assessment of our requirements of Gas for consumption in production of electricity. This matter is under active consideration of the Authority. 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. In addition, Government's initiatives to import LNG shall create a new horizon for Bangladesh Industrial Sector.

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 11th 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 Code (CGC) issued by the Bangladesh Securities & Exchange Commission vide its BSEC/CMRRCD/2006-158/207/Admin/80 dated 03 June 2018 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. Abdus Samad is the Director 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 30/06/2019, in particular the investments made by this subsidiary company.

M/s. Rahaman Mostafa & Co, Chartered Accountants, current auditors of the Company, retire. They have been auditors of the Company consecutively for two year simultaneous to our parent company SACRSL. Being a subsidiary of the SACRSL, we had to appoint same auditors as that of the parent company, for audit of accounts of the company for the next 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

02 November, 2019

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

Opinion

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 2019 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.

In our opinion, the Financial Statements prepared in accordance with International Accounting Standard (IAS) and International Financial Reporting Standards (IFRS), give a true and fair view of the state of the company's affairs as at 30 June 2019 and 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.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the company in accordance with the International Ethics Standards Board for Accountants' code of Ethics for Professional Accountants (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Matter

Without qualifying our opinion we would like to draw attention to the fact disclosed in note 6.01 to the Financial Statements.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards (IFRS), the Companies Act 1994 and other applicable laws and regulations 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.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditors' Responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- Obtain an understanding of internal control relevant to the audit 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 Company's internal control;
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw

attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern;

- Evaluate the overall presentation, structure and content of the Company financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

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

- i. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit and made due verification thereof;
- ii. 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;
- iii. 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 and returns.

**Chattogram,
02 November 2019**


Rahman Mostafa Alam & Co.
Chartered Accountants

S. ALAM POWER GENERATION LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2019

Particulars	Note(s)	Amount in Taka	
		30 June 2019	30 June 2018
ASSETS & PROPERTIES			
NON CURRENT ASSETS & PROPERTIES		2,707,404,719	2,596,011,805
Property, Plant and Equipment	06.00	2,707,404,719	2,596,011,805
CURRENT ASSETS		31,004,873	30,417,005
Inventory	07.00	16,080,504	15,820,504
Advances, Deposits and Prepayments	08.00	14,791,685	14,478,228
Cash and Cash Equivalents	09.00	132,684	118,273
TOTAL ASSETS & PROPERTIES		2,738,409,592	2,626,428,810
SHAREHOLDERS' EQUITY AND LIABILITIES			
SHAREHOLDERS' EQUITY		420,024,191	431,187,686
Share Capital	10.00	395,072,700	395,072,700
Retained Earnings		24,951,491	36,114,986
NON CURRENT LIABILITIES		1,021,779,322	1,086,505,176
Long Term Loan	11.00	1,021,779,322	1,086,505,176
CURRENT LIABILITIES		1,296,606,079	1,108,735,948
Liabilities for Expenses	12.00	257,854	134,986
Short Term Loan from Holding Company	13.00	944,154,380	784,300,266
Due to Affiliated Companies	14.00	338,026,697	310,133,548
Provision for Income Tax	15.00	14,167,148	14,167,148
TOTAL SHAREHOLDERS EQUITY AND LIABILITIES		2,738,409,592	2,626,428,810
Net Asset Value Per Share	21.00	106.32	109.14
Capital Commitments	24.00	-	-

The accompanying notes from 1 to 27 form an integral part of these financial statements.


Company Secretary


Director


Managing Director

Signed in terms of our separate report of even date

Chattogram, 02 November 2019


Rahman Mostafa Alam & Co.
Chartered Accountants

S. ALAM POWER GENERATION LIMITED
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2019

Particulars	Note(s)	Amount in Taka	
		01 July 2018 to 30 June 2019	01 July 2017 to 30 June 2018
Revenue		-	-
Cost of Sales	16.00	(8,765,503)	(7,559,288)
Gross Profit		(8,765,503)	(7,559,288)
Operating Expenses			
Administrative Expenses	17.00	(2,391,751)	(723,039)
		(2,391,751)	(723,039)
Operating Profit		(11,157,254)	(8,282,327)
Finance Costs	18.00	(6,241)	(6,181)
		(11,163,495)	(8,288,508)
Other Income	19.00	-	-
Profit before Tax		(11,163,495)	(8,288,508)
Income Tax Expenses			
Current Year	15.00	-	-
Profit after Tax		(11,163,495)	(8,288,508)
Earnings Per Share			
Basic Earnings Per Share	20.00	(2.83)	(2.10)

The accompanying notes from 1 to 27 form an integral part of these financial statements.


Company Secretary


Director


Managing Director

Signed in terms of our separate report of even date

Chattogram, 02 November 2019


Rahman Mostafa Alam & Co.
Chartered Accountants

S. ALAM POWER GENERATION LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2019

Particulars	Amount in Taka		
	Share Capital	Retained Earnings	Total Equity
Balance as on 01 July 2018	395,072,700	36,114,986	431,187,686
Net Profit after tax for the year 2018-2019	-	(11,163,495)	(11,163,495)
Balance as on 30 June 2019	395,072,700	24,951,491	420,024,191
Balance as on 01 July 2017	395,072,700	44,403,494	439,476,194
Net Profit after tax for the year 2017-2018	-	(8,288,508)	(8,288,508)
Balance as on 30 June 2018	395,072,700	36,114,986	431,187,686


Company Secretary


Director


Managing Director

S. ALAM POWER GENERATION LIMITED
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2019

Particulars	Note(s)	Amount in Taka	
		30 June 2019	30 June 2018
Cash flows from operating activities			
Cash paid to suppliers		(6,167,676)	(1,165,412)
Cash paid to employees		(417,493)	(635,359)
Cash paid for administrative expenses		(1,514,777)	(415,251)
Payment of income tax		-	(1,000,000)
A. Net cash flow from operating activities		(8,099,946)	(3,216,022)
Cash flows from investing activities			
Acquisition of property, plant and equipment		(114,900,811)	(118,579,638)
B. Net cash flow from investing activities		(114,900,811)	(118,579,638)
Cash flows from financing activities			
Proceeds from long term loan		(64,725,854)	-
Cash received from/(paid to) holding companies		159,854,114	23,713,727
Cash received from/(paid to) affiliated companies		27,893,149	7,779
Cash paid for financial expenses		(6,241)	(6,181)
C. Net cash flow from financing activities		123,015,168	23,715,325
Net Increase/(Decrease) in Cash & Cash Equivalents (A+B+C)		14,411	(66,897)
Cash and cash equivalents at the beginning of the year		118,273	185,170
Cash and cash equivalents at the end of the year		132,684	118,273
Net Operating Cash Flow Per Share	22.00	(2.05)	(0.81)


Company Secretary


Director


Managing Director

S. ALAM POWER GENERATION LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019

01.00 BACKGROUND AND INFORMATION

01.01 Formation and Legal Status

S. Alam Power Generation Limited, Chattogram 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, Chattogram, 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.

01.02 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.

02.00 Present status of the project

02.01 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 up at Kalarpool, Shikalbaha, Patiya in Chattogram.

02.02 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 2019.

03.00 Basis of preparation

03.01 Statement of Compliance

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

- (i) International Financial Reporting Standards (IFRSs).
- (ii) International Accounting Standards (IASs).
- (iii) Interpretations of IFRSs and IASs.

03.02 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

03.03 Date of authorization

The Board of Directors has authorized these financial statements on 02 November 2019.

03.04 Going Concern

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

03.05 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.

03.06 Statement of Cash flows

Statement of Cash Flows is prepared principally in accordance with IAS 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.

03.07 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.

03.08 Comparative information

Comparative information has been disclosed in respect of the year 2017-2018 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 2017-2018 have been re-arranged wherever considered necessary to ensure comparability with the current year.

03.09 Reporting period

The financial statements of the Company cover one financial year from 01 July 2018 to 30 June 2019 for all reported periods.

04.00 Significant Accounting Policies

IAS-1	Presentation of Financial Statements
IAS-2	Inventories
IAS-7	Statement of Cash Flows
IAS-8	Accounting Policies, Changes in Accounting Estimates and Errors
IAS-12	Income Taxes
IAS-16	Property, Plant and Equipment
IAS-24	Related Party Disclosures
IAS-33	Earnings per share
IAS-37	Provisions, Contingent Liabilities and Contingent Assets
IFRS-15	Revenue from Contracts with Customers
IFRS-7	Financial Instrument: Disclosure

04.01 Property, plant and equipment

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

04.01.01 Recognition and measurement

The cost of an item of property, plant and equipment comprises its purchase price, import duty and non-refundable taxes (after deducting trade discount and rebates) and any 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.

04.01.02 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.

04.01.03 Depreciation - Other Assets

Since the Plant operation was suspended during the year, no depreciation was charged on machinery and equipment. Depreciation has been applied on the item under capital assets except land, capital machinery & factory equipment.

04.02 Inventories

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

04.03 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.

04.04 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.

04.05 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.

04.06 Cash and cash equivalents

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

04.07 Impairment

04.07.01 Financial Assets

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

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

Impairment losses on available for sale financial assets are recognized by reclassifying the losses accumulated in the fair value reserve to profit or loss.

04.07.02 Non Financial Assets

The carrying amounts of the Company's non-financial assets, other than inventories and deferred tax assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists then the recoverable amount of the asset is estimated. An impairment loss is recognized if the carrying amount of an asset or its related cash-generating unit (CGU) exceeds its estimated recoverable amount.

04.08 Financial Instruments

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

04.08.01 Non-derivative financial assets

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

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

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

04.08.02 Financial assets at fair value through profit or loss

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

04.08.03 Loans and receivables

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

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

Cash and cash equivalents

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

04.08.04 Available-for-sale financial assets

Available-for-sale financial assets are non-derivative financial assets that are designated as available for sale and are not classified in any other categories of financial assets. Generally available-for-sale financial assets are recognised initially at fair value plus any directly attributable transaction costs and subsequent to initial recognition at fair value and changes therein other than impairment losses are recognized in other comprehensive income and presented in the fair value reserve in equity.

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

04.09 Non-derivative financial liabilities

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

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

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

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

04.10 Employee benefit schemes

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

04.11 Provisions

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

04.12 Earnings Per Share (EPS)

Basic Earnings:

This represents profit for the year attributable to ordinary shareholders. As there is no preference dividend, non-controlling interest or extra ordinary items, the net profit after tax for the year has been considered fully attributable to the ordinary shareholders (refer to note - 20 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.

04.13 Income tax expenses

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

Current tax:

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using the tax rates enacted or substantially enacted at the reporting date, and any adjustment to tax payable in respect of previous year.

04.14 Leases

04.14.01 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.

04.14.02 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.

05.00 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 financial statements of the company are duly complied with.

Particulars	Note(s)	Amount in Taka	
		30 June 2019	30 June 2018
06.00 A. Property, Plant and Equipment			
Land (2.54 Acres)		35,486,270	35,486,270
Factory Building		19,438,815	19,438,815
Capital Machinery	6.01	2,630,666,702	2,538,792,556
Factory Equipment		933,200	933,200
Computer		444,580	444,580
Air Conditioner		100,800	100,800
Furniture & Fixtures		346,736	346,736
Gas Line Installation		1,700,000	1,700,000
Motor Vehicles		23,026,665	-
		2,712,143,768	2,597,242,957
B. Accumulated Depreciation			
Opening Balance		1,231,152	-
Charges during the year	06.02	3,507,898	1,231,152.35
		4,739,050	1,231,152.35
Adjustment during the year		-	-
		4,739,050	1,231,152
Written Down Value (WDV)		2,707,404,719	2,596,011,805

Detail of Property, Plant & Equipment and Depreciation as on 30 June 2019 are shown in the note 6.02.

6.01 The company started commercial operation of 17MW captive power plant in the month of August 2016. But immediately after the commencement of commercial operation, fuel price has been increased by the authority. As a result, electricity that would have been produced by use of high cost fuel will not be feasible. Under such a situation, the management decided not to produce power at such a high cost and exerted efforts for getting permission to get gas line installation to the project for production of electricity. So, the machineries require further development for consumption of cheap fuel like gas. As development is required, borrowing cost of these machineries has capitalized considering the para 20 to 23 of IAS 23 Borrowing cost. Hence interest on loan has been capitalized and added to the machineries.

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

Assets' Category	Cost			Depreciation Rate (%)	Depreciation			Carrying Amount as on 30 June 2019 Taka
	Opening Balance as on 01 July 2018 Taka	Addition Taka	Disposal/ Adjustment Taka		Closing Balance as on 30 June 2019 Taka	Charged for the year Taka	Adjustment for disposal during the year Taka	
A. Land and land development:								
Land (2.54 Acres)	35,486,270	-	-	-	-	-	-	35,486,270
	35,486,270							35,486,270
B. Building:								
Factory Building	19,438,815	-	-	5%	971,941	-	1,943,882	17,494,934
	19,438,815				971,941		1,943,882	17,494,934
C. Machinery								
Capital Machinery	2,538,792,556	91,874,146	-	10%	-	-	-	2,630,666,702
	2,538,792,556	91,874,146						2,630,666,702
D. Equipment and appliances:								
Factory Equipment	933,200	-	-	10%	-	-	-	933,200
Computer	444,580	-	-	10%	40,012	-	84,470	360,110
Air Conditioner	100,800	-	-	10%	9,072	-	19,152	81,648
Gas Line Installation	1,700,000	-	-	10%	153,000	-	323,000	1,377,000
	3,178,580				224,538		426,622	2,751,958
E. Furniture and Fixtures								
Furniture and Fixtures	346,736	-	-	10%	31,206	-	65,880	280,856
	346,736				31,206		65,880	280,856
F. Motor Vehicles								
Motor Vehicles	-	23,026,665	-	10%	-	-	2,302,667	20,723,999
		23,026,665					2,302,667	20,723,999
30 June 2019	2,597,242,957	114,900,811	-		1,231,152	3,507,898	4,739,050	2,707,404,719
30 June 2018	2,478,663,319	118,579,638	-		-	1,231,152	1,231,152	2,596,011,805

Basis	01 July 2018 to 30 June 2019	01 July 2017 to 30 June 2018
Depreciation allocated to:		
Cost of Sales - Note 16.00	2,630,923	923,364
Administrative Costs- Note 17.00	876,974	307,788
100%	3,507,897	1,231,152

Particulars	Note(s)	Amount in Taka		
		01 July 2018 to 30 June 2019	01 July 2017 to 30 June 2018	
07.00 Capital Work in Progress				
Opening Balance		-	2,310,473,925	
Add: Expenditure incurred during the year		-	132,703,124	
		-	2,443,177,049	
Less : Transferred to property, plant and equipment		-	(2,443,177,049)	
Closing Balance		-	-	
07.00 Inventory				
Lubricant Oil		1,538,240	1,538,240	
HFO		13,702,500	13,702,500	
LFO		839,764	579,764	
		16,080,504	15,820,504	
08.00 Advances, Deposits and Prepayments				
Advances - note 08.01		13,910,616	14,478,228	
Prepayments - note 08.02		881,069	-	
		14,791,685	14,478,228	
08.01 Advances - note 08.00				
Consultancy (BIDCO Associates)		-	650,000	
Advance Income Tax		13,510,028	13,509,528	
S.S Enterprise		300,000	300,000	
Against Salary		90	-	
Sundry Advance		100,498	18,700	
		13,910,616	14,478,228	
08.02 Prepayments - note 08.00				
Prepaid Insurance		881,069	-	
		881,069	-	
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.				
09.00 Cash and Cash Equivalents				
Cash in Hand		5,320	9,956	
Cash at Banks - note 09.01		127,364	108,317	
		132,684	118,273	
09.01 Cash at Bank - note 09.00				
Bank	Branch	Account No.		
First Security Islami Bank Ltd.	Khatungonj Br., Chattogram	CD#010211100009425	32,856	11,449
National Bank Limited	Khatungonj Br., Chattogram	CD#1002000515781	83,665	84,815
Janata Bank Limited	Shadharan Bima Corporate Br.	CD#001031226	10,843	12,053
			127,364	108,317

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

Particulars	Note(s)	Amount in Taka	
		01 July 2018 to 30 June 2019	01 July 2017 to 30 June 2018

10.00 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 10.01

395,072,700 395,072,700

10.01 Issued and Paid up Shares are Subscribed by :

Name of shareholders	Number of Shares	% of Holding	30 June 2019 Taka	30 June 2018 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>

11.00 Long Term Loan

Project Loan - note 11.01

1,021,779,322 1,086,505,176
1,021,779,322 1,086,505,176

11.01 Project loan - note 11.00

Due within one year

- -

Due after more than one year

1,021,779,322 1,086,505,176
1,021,779,322 1,086,505,176

11.02 Janata Bank Limited Loan Account No. 690000102

Opening Balance

1,088,576,742 1,010,768,279

Add: Loan received during the year

- -

Add: Interest charged during the year

- -

1,088,576,742 1,010,768,279

Less: Payment during the year

- -

1,088,576,742 1,010,768,279

Less: Current portion of term loan

- -

1,088,576,742 1,010,768,279

Terms of Project loan

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

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

Total loan facilities: Tk. 98 Crore.

Interest rate:

Interest rate is 09.00% 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
- Personal guarantee of all directors of the company jointly and individually.

Purpose:

For meeting expenditure for capital machineries.

Particulars	Note(s)	Amount in Taka	
		01 July 2018 to 30 June 2019	01 July 2017 to 30 June 2018
12.00 Liabilities for Expenses			
Salary		97,366	31,846
VAT Payable		15,000	15,000
Audit Fee Payable		50,000	50,000
Sundry Creditors		95,488	38,140
		257,854	134,986
13.00 Short Term Loan from Holding Company			
S. Alam Cold Rolled Steels Limited		944,154,380	784,300,266
		944,154,380	784,300,266
14.00 Due to Affiliated Companies		338,026,697	310,133,548
S. Alam Vegetable Oil Limited		102,000	102,000
Genesis Textile Accessories & Apparels limited		1,000,000	1,000,000
Sonali Traders		18,759,647	13,867,298
Global Trading Corporation limited		78,000,000	78,000,000
S. Alam Super Edible Oil Limited		50,500,000	50,500,000
S. Alam Refined Sugar Industries Limited		250,050,000	250,050,000
Minhaj Corporation		1,700,000	1,700,000
S. Alam Power Plant Limited		7,779	7,779
S. Alam Steels Limited		(36,443,306)	(36,444,106)
S. Alam Brothers Ltd.		(15,150,000)	(38,150,000)
Shah Amanat Prakritik Gas Ltd.		(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.			
15.00 Provision for Income Tax			
Opening Balance		14,167,148	15,167,148
Add: Provision made during the year		-	-
		14,167,148	15,167,148
Less: Paid during the year		-	1,000,000
Closing Balance		14,167,148	14,167,148
16.00 Cost of Sales			
Opening Stock (note 16.01 to 16.03)		15,820,504	15,625,504
Purchased during the year (note 16.01 to 16.03)		260,000	195,000
		16,080,504	15,820,504
Closing Stock (note 16.01 to 16.03)		(16,080,504)	(15,820,504)
Consumption during the year		-	-
Add : Factory overhead (note 16.04)		8,765,503	7,559,288
		8,765,503	7,559,288
16.01 Lubricant Oil Consumed			
Opening Stock - note -07.00		1,538,240	1,538,240
Add: Purchased during the year		-	-
		1,538,240	1,538,240
Less: Closing Stock		1,538,240	1,538,240
Consumption of Lubricant Oil		-	-

Particulars	Note(s)	Amount in Taka	
		01 July 2018 to 30 June 2019	01 July 2017 to 30 June 2018
16.02 HFO Consumed			
Opening Stock - note - 07.00		13,702,500	13,702,500
Add: Purchased during the year		-	-
		13,702,500	13,702,500
Less: Closing Stock		13,702,500	13,702,500
Consumption of HFO		-	-
16.03 LFO Consumed			
Opening Stock - note 07.00		579,764	384,764
Add: Purchased during the year		260,000	195,000
		839,764	579,764
Less: Closing Stock		839,764	579,764
Consumption of LFO		-	-
16.04 Factory Overhead			
Salaries & Wages		483,013	611,920
Depreciation (Note-06.02)		2,630,923	923,364
Insurance Expenses		4,663,593	5,043,904
Stationary		14,514	21,731
Labour Bill		910	4,020
Repairs & Maintenance		86,533	115,569
Entertainment		14,650	13,591
Electricity Charges		622,114	598,740
Travelling & Conveyance		18,723	4,560
Registration & Renewal		184,119	132,480
Vehicle Up-Keep		34,311	66,709
Miscellaneous Expenses		12,100	22,700
		8,765,503	7,559,288
17.00 Administrative Expenses			
Salaries & Allowance		425,000	-
Legal & Professional Fee		711,000	65,000
Depreciation (Note-6.02)		876,974	307,788
Stationery		4,500	3,300
Audit Fee		50,000	50,000
License & Renewal Fee		17,500	23,046
Telephone & Mobile Expenses		3,038	-
Advertisement & Publications		178,383	-
Entertainment		4,165	-
Vehicle Up-Keep		97,252	197,605
Miscellaneous Expenses		23,939	76,300
		2,391,751	723,039
18.00 Finance Costs			
Bank Charges		6,241	6,181
		6,241	6,181
19.00 Other Income			
Other Income		-	-
		-	-

Particulars	Note(s)	Amount in Taka	
		01 July 2018 to 30 June 2019	01 July 2017 to 30 June 2018
20.00 Basic Earnings Per Share (EPS)			
Profit attributable to the ordinary shareholders		(11,163,495)	(8,288,508)
Number of shares outstanding during the year		3,950,727	3,950,727
Basic Earnings Per Share (EPS)		(2.83)	(2.10)
21.00 Net Asset Value Per Share (NAV)			
Total Assets		2,738,409,592	2,626,428,810
Less: Total Liabilities		2,318,385,401	2,195,241,124
Net Asset Value (NAV)		420,024,191	431,187,686
Number of ordinary shares outstanding during the year		3,950,727	3,950,727
Net Asset Value Per Share		106.32	109.14
22.00 Net Operating Cash Flow Per Share			
Cash flows from operating activities		(8,099,946)	(3,216,022)
Number of shares outstanding during the year		3,950,727	3,950,727
Net Operating Cash Flow Per Share		(2.05)	(0.81)

	Number of Employees	
	30 June 2019	30 June 2018
23.00 Number of Employees - Para 3 of Schedule XI, Part II		
Below Tk 3,000	-	-
Tk. 3,000 and above	5	3
	5	3

24.00 Capital Commitments
The company had no capital commitment at the reporting date.

25.00 Contingent Liabilities
The company had no contingent liabilities at the reporting date.

26.00 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.

27.00 Related Party Transaction
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 IAS-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 2019
S. Alam Steels Limited	Affiliated Company	Short Term Loan	(36,443,306)
S. Alam Brothers Ltd.	Affiliated Company	Short Term Loan	(15,150,000)
Shah Amanat Prakritik Gas Ltd.	Affiliated Company	Short Term Loan	(10,499,423)
Genesis Textile Accessories & Apparels limited	Affiliated Company	Short Term Loan	1,000,000
Sonali Traders	Affiliated Company	Short Term Loan	18,759,647
Global Trading Corporation limited	Affiliated Company	Short Term Loan	78,000,000
S. Alam Super Edible Oil Limited	Affiliated Company	Short Term Loan	50,500,000
S. Alam Refined Sugar Industries Limited	Affiliated Company	Short Term Loan	250,050,000
Minhaj Corporation	Affiliated Company	Short Term Loan	1,700,000
S. Alam Power Plant Limited	Affiliated Company	Short Term Loan	7,779
S. Alam Vegetable Oil Limited	Affiliated Company	Short Term Loan	102,000



এস. আলম কোল্ড রোল্ড স্টিলস্ লিমিটেড
S. ALAM COLD ROLLED STEELS LIMITED
S. Alam Bhaban, 2119, Asadgonj, Chattogram

প্রতিনিধিপত্র (PROXY FORM)

শেয়ার সংখ্যা

ফেলিও / বিও নং

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

আমি / আমরা _____ এস. আলম কোল্ড রোল্ড স্টিলস্ লিমিটেড-এর সদস্য এবং আমি / আমরা জনাব _____ কে আমরা / আমাদের প্রতিনিধি হিসেবে আমার / আমাদের অনুপস্থিতিতে ৬ জানুয়ারি, ২০২০ তারিখে চিটাগাং ক্লাব লিমিটেডে, এস.এস. খালেদ রোড, চট্টগ্রামে সকাল ১০:৩০ ঘটিকায় অনুষ্ঠিতব্য কোম্পানির ১৯তম বার্ষিক সাধারণ সভায় এবং ঐ সভার যে কোনো মূলতবি সভায় উপস্থিত থাকার এবং আমার / আমাদের পক্ষে ভোটদানের জন্য নিয়োগ করছি।

আমার / আমাদের সম্মুখে তিনি _____ তারিখে স্বাক্ষর প্রদান করলেন।

প্রক্সির / প্রতিনিধির স্বাক্ষর : _____

স্বাক্ষর :

শেয়ারহোল্ডারের স্বাক্ষর

রেভেনিউ স্ট্যাম্প
২০/- টাকা

বি. দ্র :-

- প্রদত্ত স্বাক্ষর কোম্পানির অফিসে সংরক্ষিত/ডিপোজিটরিতে অন্তর্ভুক্ত নমুনা স্বাক্ষরের সাথে মিল থাকতে হবে।
- সদস্যবৃন্দ এই সাধারণ সভায় উপস্থিত থাকতে এবং ভোট প্রদান করতে পারেন কিংবা তাঁর পক্ষে উপস্থিত থাকতে এবং ভোটদানের জন্য একজন সদস্যকে প্রতিনিধি (প্রক্সি) নিয়োগ করতে পারেন। প্রতিনিধিপত্র যথাযথভাবে স্বাক্ষর প্রদান করতঃ ২০ টাকার রেভেনিউ স্ট্যাম্প সহযোগে সভার নির্ধারিত সময়ের ৪৮ ঘন্টা পূর্বে কোম্পানির রেজিস্টার্ড অফিসে অবশ্যই জমা দিতে হবে।

হাজিরাপত্র (ATTENDANCE SLIP)

৬ জানুয়ারি, ২০২০ তারিখে চিটাগাং ক্লাব লিমিটেড, এস.এস. খালেদ রোড, চট্টগ্রামে অনুষ্ঠিত এস. আলম কোল্ড রোল্ড স্টিলস্ লিমিটেড এর ১৯তম বার্ষিক সাধারণ সভায় আমার উপস্থিতি লিপিবদ্ধ করলাম।

শেয়ারহোল্ডারের নাম : _____

শেয়ার সংখ্যা

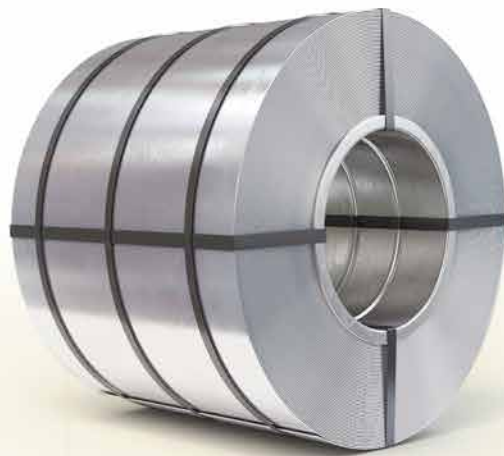
ফেলিও / বিও নং

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

প্রতিনিধির নাম : _____

শেয়ারহোল্ডারের / প্রতিনিধির স্বাক্ষর _____

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



Registered Office

S. Alam Bhaban, 2119, Asadgonj, Chattogram
Phone: +880-31-636997; 636649; 611426; 611195

Liaison Office

Sharif Mansion (6th floor), 56-57, Motijheel Commercial Area, Dhaka
Phone: +880-2-9560631