

The cover features a large green arrow pointing from the top-left towards the bottom-right. The background is a collage: the top-left shows a US \$100 bill and a gold coin; the top-center shows a line graph with upward-trending arrows; the right side shows a factory with large rolls of steel; and the bottom-right shows a close-up of several rolls of steel. The text is centered within the green arrow.

ANNUAL REPORT

2021 - 22

S. ALAM COLD ROLLED STEELS LIMITED

ANNUAL REPORT
2021-22

22ND
**ANNUAL
GENERAL
MEETING**



S. ALAM COLD ROLLED STEELS LTD.



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Performance
at a glance
2021-22

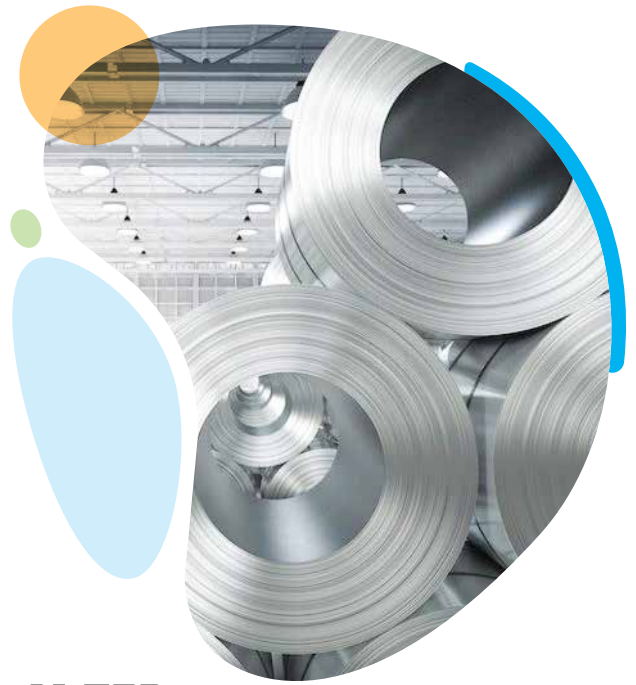
REVENUE
(in Million)
4761.27

**GROSS
PROFIT**
(in Million)
767.31

**PROFIT
BEFORE TAX**
(in Million)
176.77

**PROFIT
AFTER TAX**
(in Million)
62.68

**EARNINGS
PER SHARE**
0.67



COMPANY Profile of S. ALAM COLD ROLLED STEELS LIMITED

S. Alam Cold Rolled Steels Limited is the flagship company of the S. Alam Group, a well-established business conglomerate in the country, operating in the business of steel manufacturing. It 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 the 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, and started its commercial operation on February 16, 2004. Afterward, in order to meet the increasing demand for non-oxide furnace (NOF) type GP/CI sheets throughout the world and in this region, S. Alam Cold Rolled Steels Limited set up a NOF type continuous galvanizing line (CGL) with a CTL plant for production of GP/CI sheets with the most modern and economical technology using the C.R. Coils produced by the company. The 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 : +88-031-636997, 023333-69726,
023333-67195, 023333-69283
E-mail : sharedivision@s.alamgroupbd.com
Website : www.s.alamgroupbd.com
 - **Liaison Office** SW(H), Plot # 05, Road # 02 (Level # 02)
Gulshan-01, Dhaka-1212
 - **Authorized Capital** Taka 350 Crore
 - **Paid up Capital** Taka 98.37 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
Ms. Halima Begum
Mr. Md. Rafique Ullah
Mr. Sampad Kumar Basak FCA
Mr. Hasan Iqbal

■ AUDIT COMMITTEE

Mr. Hasan Iqbal
Mr. Mohammed Saiful Alam
Mr. Md. Rafique Ullah

■ NOMINATION AND REMUNERATION COMMITTEE

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

■ COMPANY SECRETARY

Mr. Md. Shohel Amin ACS

■ SENIOR CORPORATE OFFICIALS

Mr. Subrata Kumar Bhowmick FCA
Mr. Engr. Moshir Rahman
Mr. Md. Delwar Hossain FCA
Mr. Shimul Nandy
Mr. Engr. Shafiqul Alam

■ STATUTORY AUDITOR

■ CORPORATE GOVERNANCE PROFESSIONAL

■ PRINCIPAL BANKER

■ INSURER

■ EXTERNAL CREDIT ASSESSMENT INSTITUTION

Chairman
Managing Director
Director
Nominee Director- S. Alam Vegetable Oil Ltd.
Nominee Director- ICB (Institutional Investor)
Independent Director
Independent Director

Chairman
Member
Member

Chairman
Member
Member

Company Secretary

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

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

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

Janata Bank Ltd.
Export Import Bank of Bangladesh Ltd.
Islami Bank (Bangladesh) Ltd.
Global Islami Bank Ltd.
Bangladesh Commerce Bank Ltd.
Rupali Bank Ltd.

Northern Islami Insurance Ltd.

Alpha Credit Rating Limited



Letter of TRANSMITTAL



Date: December 15, 2022

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, 2022.

We are pleased to transmit a copy of the Annual Report 2021-22 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, 2022 and the statement of comprehensive income, statement of changes in equity and statement of cash flows along with notes thereon along with the Directors' Report and Auditors' Report for the year ended 30th June, 2022 for your information and record.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Md. Shohel Amin'.

Md. Shohel Amin ACS
Company Secretary

NOTICE

NOTICE OF THE 22nd ANNUAL GENERAL MEETING

Notice is hereby given that the 22nd Annual General Meeting of S. ALAM COLD ROLLED STEELS LIMITED will be held on Saturday, the 07th January, 2023 at 10.30 A.M. through a digital platform using the link <https://sacrsi.virtualagmbd.com> 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, 2022 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, 2022.
3. To elect/re-elect the Directors of the company.
4. To approve the appointment of Independent Director.
5. To appoint Auditors for the year ended 30th June, 2023 and fix their remuneration.
6. To appoint professional for Certification on Compliance of Corporate Governance Code for the year ended 30th June, 2023 and fix their remuneration.
7. To approve the subsidiary company short term loan/business transaction for the year ended 30th June, 2022 as per notification No. SEC/CMMRRCD/2006-159/Admin/02-10, dated 10 September, 2006.

By order of the Board of Directors


Md. Shohel Amin ACS
Company Secretary

Date: December 15, 2022
Chattogram

NOTES:

1. **Record Date:** November 24, 2022. 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. **Link** of the meeting is <https://sacrsi.virtualagmbd.com>. Members are requested to log in to the system prior to the meeting starting time at 10.30 AM on 07th January 2023. For logging in to system, members need to sign in by putting 16 digits BO number and other credentials confirming their identity. The webcast will be started at 10.30 AM. For any technical difficulties, please contact +88 01767-753779.
4. 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, 2022 will 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.
5. **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 will be available at the Registered Office within the office hour from 15-12-2022 to 20-12-2022.
 - C. Nomination paper duly filled with signature and supporting documents to be submitted to the Registered Office, S. Alam Bhaban, 2119, Asadgonj, Chattogram within 26-12-2022. The last date of withdrawal of candidature is 28-12-2022.
 - D. After proper scrutinizing, final list of the eligible candidate for Directors from the institutional shareholders and the general shareholders will be displayed on the Notice Board of the Registered Office of the Company on 02-01-2023.
6. The Hon'ble shareholders will be able to vote electronically and submit their query/comments on financial statements, if any, from 48 hours before commencement of AGM and also during the AGM.



Message from the
CHAIRMAN

Dear Shareholders,
Assala-mu-alaikum,

I believe that by the grace of almighty Allah, all of you are in good health and safe with your family members.

It gives me immense pleasure to write you on the auspicious occasion of the 22nd Annual General Meeting of the company and to present you the Annual Report of S. Alam Cold Rolled Steels Ltd. for the year ended June 30 2022. And, I would eventually like to express my gratitude to all who have stood by us during chasing the challenges.

We have been passing a very challenging time since the inception of the COVID-19 pandemic which followed global disruption due to the Russia-Ukraine war and posed a hindrance to the recovery from the trough. Resultantly, the high global commodity prices, record global inflation, depreciation of currencies against the dollar, and sluggish economic activities by war-induced supply chain disruption are being observed. The unprecedented energy crisis, changes in import policy, changes in target customers' behavior due to an increase in living costs, and geopolitical crises have made the business situation more challenging.

As you are aware, we have been engaged in the business of manufacturing and processing flat steel products like CR Strips, C. I. Sheets, and G. P. Sheets, and the raw materials of such products are fully dependent on imports. The factors mentioned above had a direct impact on our business performance. Hence, we could not attain our target as planned. Despite the challenging business environment, we have been working to manage the situation to remain in our favor through our operational effectiveness, competitive advantages, and the necessary flexibility in our plans as well as strategies.

We, SACRSL, and the Board of Directors are devoted to safeguarding the interests of the shareholders and firmly believe in growing shareholders' value. We work to capitalize on the goal through ongoing improvement of our operational effectiveness. Despite insufficient profit earned by the company during the COVID-19 Pandemic in the last two years, we had declared a cash dividend in line with the consecutive dividend declaration, however, considering the company's earnings, business outlook, and macro-economic situation, the Board of Directors for the best interest of the company has recommended 5% cash dividend for the year ended 30th June 2022.

The much-desired Padma Bridge was opened for public use on the 26th of June 2022, while several mega projects including Metro Rail, and Bangabandhu Tunnel awaiting to be inaugurated very soon, which will open the doors of Bangladesh's immense economic potential and improvement of the macro-economic condition, our economy will regain its vitality soon. I must acknowledge the Government of Bangladesh for its efforts in achieving these remarkable successes.

Finally, I would like to convey my gratitude and appreciation to all of our Hon'ble stakeholders for their steadfast support and advice for the betterment of the company. I would also like to reach out my sincere gratitude to our fellow Board members, staff, and management team for their relentless passion and commitment, which inspires us to keep moving forward.


(**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 the business affairs of the group, and his keen sense of professionalism led to his appointment as the Vice Chairman of the S. Alam Group. He demonstrated his entrepreneurial skills, and used his experience to establish many corporate bodies of the Group notably in the steel sectors.

Mr. Samad is involved in and manages various industrial concerns and carries on business as an importer, trader, general merchant, and 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.

Besides holding Directorship in S. Alam Group including S. Alam Steels Ltd., S. Alam Cement Ltd., S. Alam Hatchery Limited, S. Alam Luxury Chair Coach Services Limited, S. Alam Power Plant Ltd., S. Alam Tank Terminal Ltd., SS Power I Limited, Karnaphuli Prakritik Gas Ltd., S. Alam Properties Ltd., Ekushey Television Limited, etc. He is also the Director and Chairman of the Executive Committee of Al-Arafah Islami Bank 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 intelligent and efficient business personality and has achieved remarkable success in business. Under his dynamic leadership, the S. Alam Group has grown into one of the largest group of companies in Bangladesh within a short span of time.

Mr. Alam, a pioneer industrialist, is always placing his eagerness to attach any unexploited opportunity in the business community. He is a well-traveled person and has visited many countries in Asia, Europe, USA, Canada, Australia in connection with trade and business.

He is a member of the audit committee, as well as the nomination and remuneration committee, in addition to his role as a director in the company.

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

Besides holding Directorship in S. Alam Group including S. Alam Steels Ltd., S. Alam Cement Ltd., S. Alam Luxury Chair Coach Services Limited, S. Alam Refined Sugar Industries Ltd. etc. He is also the Chairman of First Security Islami Bank Limited, First Security Islami Capital & Investment Limited, Aviva Finance Limited, SS Power I Limited, Ekushey Television Limited and Reliance Brokerage Services Limited. He is also the sponsor shareholder of Al-Arafah Islami Bank Limited and the sponsor director of Northern Islami Insurance Ltd.



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 the 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 Praktitik Gas Co. Limited and is a Director on nomination of the Union Bank Ltd.



MS. HALIMA BEGUM

Ms. Halima Begum, is the Nominee Director representing S. Alam Vegetable Oil Limited in the Board of Directors of the company. She was re-appointed as Director from sponsor group on 15th January, 2022.

Ms. Begum is a graduate with long experience in the field of trade and commerce. She had a keen interest and an innate aptitude for doing business and rendering service to the nation for promoting economic development of Bangladesh. She is the proprietor of M/s. Brothers Syndicate and also Director on Nomination of the Union Bank Ltd.



MR. MD. RAFIQUE ULLAH

Mr. Md. Rafique Ullah, is the Director of the company who has been re-appointed on January 15, 2021 at the 21st AGM of the company 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 General Manager of the Investment Corporation of Bangladesh (ICB) having 34 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, Chartered Accountants, one of the reputed Audit, Tax and Advisory firms in Bangladesh. He was re-appointed as Independent Director of the company on November 11, 2021. Currently, he is the Chairman of the Nomination and Remuneration Committee of the company.

Mr. Basak has more than 32 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 surveys for reputed companies like ANZ Grindlays Bank, American ExPress Bank, IFIC Bank Ltd, National Bank Ltd, Lloyds of London, Ex BCCI (Overseas) Ltd.



MR. HASAN IQBAL

Mr. Hasan Iqbal is a Corporate Leader. He was appointed as Independent Director of the Company on 07 July 2022. Currently, he is the Chairman of the Audit Committee of the company.

Mr. Iqbal has more than 38 years of versatile experience in the Banking sector. He is the former Deputy Managing Director of Union Bank Limited. Prior to his joining the Union Bank, he served Janata Bank Ltd. as a Deputy Managing Director. Mr. Iqbal started his career as a senior officer of Sonali Bank Ltd. before being gradually promoted to the position of General Manager. Mr. Iqbal obtained his graduation and post-graduation degree from Jahangirnagar University later he also obtained his MBA degree from Eastern University. He earned his Banking Diploma Degree (DAIBB) from the Institute of Bankers Bangladesh.

He has vast experience in internal control and compliance, internal audit, external audit, foreign exchange audit-compliance and monitoring, human resources, research and planning, disciplinary, public relation, business development and marketing, accounts and financial management, anti-money laundering, branch operation and also served various position including Chairman of Investment Committee, Chairman of Investment Risk management Committee, Chief of anti-money laundering compliance officer, focal point of National Integrity Strategy and head of sustainable finance unit etc.

He also participated in numerous training and seminars held at SBSC, BBTI, BIBM (Bangladesh), NIBM India, Thailand, Singapore, Indonesia, FICCI & IBA India.

DIRECTORS' REPORT

Bismillahir Rahmanir Rahim

Dear Shareholders,

The Board of Directors of your company have the pleasure in presenting the 22nd Annual Report on the business and operations of the company together with the Audited Standalone and Consolidated Financial Statements of the company and report of the auditors thereon for the year ended 30th June, 2022. The Directors' 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, 2022 with comparative figures for the previous years in summarized form are as under:

(Consolidated figures in Taka)

Particulars	2021-22	20120-21
Revenue	4,761,272,509	5,348,227,239
Gross Profit	767,310,676	745,242,833
Operating Profit	717,331,104	688,087,830
Profit before Tax	176,737,580	175,617,736
Profit After Tax	62,684,065	82,315,734
NAVPS	18.56	18.89
EPS	0.67	0.88
NOCPS	37.57	(21.75)

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
2021-22	0.19	0.03	0.41	0.67
2020-21	0.22	0.43	0.44	0.88

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 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.

Reasons for variance in Quarterly/Annual Financial Result:

Earnings Per Share decreased due to decrease of revenue as well as increase of provision of minimum TAX, on the other hand, increase of collection from the Customers while decrease of payment to the suppliers during the period as compared to the corresponding period has resulted in significant increase in Net Operating Cash Flows per share (NOCFPS) were the reasons for deviation of financial results between reporting period and previous corresponding period.

And the reasons for variance in quarterly financial results were duly disclosed in price sensitive information as well as in the quarterly financial statements.

Dividend:

The Board of Directors of the Company pursuant to BSEC Directive No BSEC/CMRRCD/ 2021-386/03 dated 14th January 2021 had approved a Dividend Distribution Policy. The Policy is available on the Company's website: https://www.s.alamgroupbd.com/sacrs1_ir_div.php#headerTop/Dividend_Distribution_Policy.pdf

Keeping in line with the said policy, the Board of Directors is pleased to recommend a 5% cash dividend i.e. Tk. 0.50 per equity share of Face Value of Tk. 10/- each fully paid up, for the Financial Year ended 30th June,

2022, subject to the approval of the shareholders at the ensuing 22nd Annual General Meeting (AGM).

Further, in terms of the provisions of the BSEC Capital Market Stabilization Fund Rules-2021, the amount of dividend held in the Dividend Account of the Company, which remains unclaimed /un-paid for a period of three years from the date of such declaration of Dividend, is transferred to the CMSF.

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. However, the operation of the company had been suspended due to higher production cost compared to the prevailing market price of electricity. Details discussed in Directors Report of SAPGL.

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 also nominated Mr. Aklasur Rahman and Mr. Md. Shafiqul Islam FCA 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 5% cash dividend for the year ended 30th June 2022 subject to the approval thereof by the shareholders in the forthcoming Annual General Meeting. Mr. Hasan Iqbal was appointed as an Independent Director in the Board of Directors as well as Chairman of the Audit Committee on 07th July, 2022.

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. Osman Goni continued to be the Managing Director of the company. In total 6 (Six) 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
Mr. Abdus Samad	Chairman	6	6
Mr. Osman Goni	Managing Director	6	6
Mr. Mohammed Saiful Alam	Director	6	6
Ms. Halima Begum	Director	6	6
Mr. Mohammed Shahjahan	Director (ICB)	6	6
Mr. Md. Rafique Ullah	Director (ICB)	6	6
Mr. Sampad Kumar Basak FCA	Independent Director	6	6
Mr. Md. Enayet Ullah FCA	Independent Director	6	5

C. Appointment of Director:

Mr. Sampad Kumar Basak FCA re-appointed as the Independent Director of the company on 11th November, 2021 by the Board of Directors and the approval of the shareholders duly obtained in the 21st Annual General Meeting of the company.

D. Resignation of Independent Director:

Mr. Md. Shafiqul Islam FCA, Independent Director of the company resigned from the Board of Directors on 11th June, 2022 due to his pre-occupation otherwise.

E. 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, Director and Chairman of the Board from Sponsor Group, therefore, shall retire by rotation in accordance with the Article No. 99 (b) at the ensuing 22nd Annual General Meeting and being eligible, he offers himself for re-election.

Moreover, upon his nomination by the ICB, Mr. Md. Rafique Ullah, was elected un-contest as Director representing Institutional Investors' Group while having no one had contested for the position as Director from General Investors' Group in the last AGM, therefore, the position remain vacant.

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 22nd 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 53.07% 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/Committees 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.

All Meetings of the Board of Directors were held in Hybrid system (in combination of physical presence and digital platform) considering BSEC Notification in this regard.

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.

From our previous report, the Audit Committee was re-constituted twice due to the resignations of Mr. Sampad Kumar Basak FCA and Mr. Md. Shafiqul Islam FCA, from the Audit Committee, on November 11, 2021 and July 07, 2022 respectively.

However, the Audit committee comprised of Mr. Hasan Iqbal, Chairman, Mr. Mohammed Saiful Alam and Mr. Rafique Ullah as its Members and Mr. Md. Shohel Amin ACS, Company Secretary continues to act as the Secretary to the Audit Committee. All Members of the Audit Committee are financially literate.

Nomination and Remuneration Committee:

The Board has a Nomination and Remuneration Committee (NRC) as a sub-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 committee comprised of Mr. Sampad Kumar Basak FCA, Chairman, Mr. Abdus Samad, Member, and Mr. Mohammed Saiful Alam, 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.

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 30/06/2022;
- (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 will obtain a certificate from M/s. Rahman Mostafa Alam & Co., Chartered Accountants, regarding the compliance of the aforesaid conditions during the year under report and to be attached as **Annexure-B**.

Appointment/Re-appointment Auditors:

The Existing Auditors of the company – M/S Hoda Vasi Chowdhury & 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 able to continue with them. The Board, in its meeting held on October 27, 2022, considered the recommendation of the Audit Committee with respect to the appointment of M/S Hoda Vasi Chowdhury & Co., Chartered Accountants as the statutory auditor of the company at a remuneration of Tk. 5,00,000/- for the year ended 30th June 2023. The honourable shareholders are therefore requested to appoint 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 October 27, 2022, considered the recommendation of the Audit Committee with respect to the appointment of M/S Rahman Mostafa Alam & 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, 2023 at a remuneration of Tk. 50,000. Based on due consideration, the Board recommends for shareholders' approval regarding the appointment of M/S Rahman Mostafa Alam & Co., Chartered Accountants as the corporate governance professional of the Company for the year ended 30th June, 2023.

Unclaimed/Unpaid/Undistributed Dividend:

In compliance with the requirements of BSEC Directive No BSEC/CMRRCD/ 2021-386/03 dated 14th January, 2021 and Capital Market Stabilization Fund (CMSF) Rule, the company transferred Tk. 3,20,00,000/- on 22nd September, 2021 and Tk. 9,30,765/- on 16th February, 2022 totalling Tk. 3,29,30,765/- to the Capital Market Stabilization Fund (CMSF) in relation to the unclaimed/unpaid cash dividend/unsubscribed IPO

Money/ cash dividend on preference shares for the financial years 2006 to 2018. A year wise list of shareholders for unclaimed dividend had been published in the Company's website. Apart from it, a summary of the unclaimed dividend has also been presented in the Note-16 to the Financial Statements for the year ended 30th June, 2022.

The company pays its cash dividend to the shareholders through the BEFTN system and issues dividend warrants to those shareholders whose bank accounts are offline. The reasons for most of the unclaimed dividends are yet to be presented before the Bank counter by the shareholders for encashment, time expired warrants are not returned to the company for time extension or duplicate issue. Some of the warrants were returned back from registered post and retained by the company intact with the intention to deliver on demand.

Unclaimed Cash Dividend:

As on 30th June, 2022, total unclaimed cash dividend stood Tk. 3,61,23,001/- as detailed below.

Sl. No .	Dividend for the year	Amount (Tk.)
1	2006	406,913
2	2007	994,662
3	2008	996,530
4	2009	1,611,617
5	2010	3,502,615
6	2011	4,159,545
7	2012	5,086,328
8	2013	4,608,054
9	2014	1,907,883
10	2015	2,149,396
11	2016	2,723,692
12	2017	1,938,859
13	2018	2,289,490
14	2019	1,263,769
15	2020	1,224,941
16	2021	992,226
17	Total unclaimed dividend for ordinary shares	35,856,663
18	Total unclaimed dividend for preference shares	266,338
19	Total unclaimed cash dividend as on 30.06.2022	36,123,001

Unclaimed Bonus/Right Shares:

In compliance with the requirements of the Capital Market Stabilization Fund (CMSF) Rule and BSEC letter SEC/SRMIC/165-2020/306 dated November 24, 2021, out of total 980 unclaimed bonus/right shares held in

company's BO Suspense Account, the company transferred 10 shares to the BO Account of the respective shareholder and the rest 970 shares having been unclaimed transferred to Capital Market Stabilization Fund (CMSF) BO Account on January 10, 2022.

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 remain the Company's topmost priority and the Company aspires to be the industry benchmark in safety. SACRSL is committed to conducting all its operations free from accidents and occupational hazards. During the Covid-19 pandemic in the country, the company had taken all sorts of cautionary/safety measures and had followed Govt. directives to remain safe in the workplace. 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 PLC., 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

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

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

Date: October 27, 2022

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

Subject: **Declaration on Financial Statements for the year ended on June 30, 2022.**

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, 2022 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, 2022 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)



Solution....Begins

Rahman Mostafa Alam & Co.

Chartered Accountants



Certificate on Compliance of the Corporate Governance Code of S. Alam Cold Rolled Steels Limited For the year ended on June 30, 2022

We have examined the compliance status to the Corporate Governance Code by **S. Alam Cold Rolled Steels Limited** for the year ended on 30 June, 2022. 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 provisions 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:

- 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;
- 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.
- 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
- The Governance of the company is highly satisfactory.

Firm's Name : **Rahman Mostafa Alam & Co.**
Chartered Accountants

Signature
Auditor's Name
Date
Place

: **Arafat Kamal, FCA (1184)**
: November 30, 2022
: Chattogram

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 is 1 (One) ID as on 30/06/2022 and one casual vacancy duly filled up later by 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	
1(2)(b)(iii)	Who has not been an executive of the company in immediately preceding 2 (two) financial years;	Complied	
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	
1(2)(b)(v)	Who is not a member or TREC (Trading Right Entitlement Certificate) holder, Director or officer of any stock exchange;	Complied	
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	
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	
1(2)(b)(viii)	Who is not independent director in more than 5 (five) listed companies;	Complied	
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	
1(2)(b)(x)	Who has not been convicted for a criminal offence involving moral turpitude;	Complied	
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	
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

Condition No.	Title	Compliance Status	Remarks (if any)
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
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	
1(5)(ii)	The segment-wise or product-wise performance;	Complied	
1(5)(iii)	Risks and concerns including internal and external risk factors, threat to sustainability and negative impact on environment, if any;	Complied	
1(5)(iv)	A discussion on Cost of Goods sold, Gross Profit Margin and Net Profit Margin, where applicable;	Complied	
1(5)(v)	A discussion on continuity of any extraordinary activities and their implications (gain or loss);	Complied	
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;		Not Applicable
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	

Condition No.	Title	Compliance Status	Remarks (if any)
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	
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;		Not Applicable
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	

Condition No.	Title	Compliance Status	Remarks (if any)
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	
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.	Complied	
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	
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;	Complied	
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	

Condition No.	Title	Compliance Status	Remarks (if any)
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	
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	
5(2)(a)	The Audit Committee shall be composed of at least 3 (three) members;	Complied	
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	
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	

Condition No.	Title	Compliance Status	Remarks (if any)
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	
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	
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	
5(6)(a)(ii)(c)	suspected infringement of laws, regulatory compliances including securities related laws, rules and regulations;	Complied	
5(6)(a)(ii)(d)	any other matter which the Audit Committee deems necessary shall be disclosed to the Board immediately;	Complied	
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	
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	
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	

Condition No.	Title	Compliance Status	Remarks (if any)
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;	Complied	
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;		Not Applicable
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	
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;		Not Applicable
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;	Complied	
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	
7(1)(ii)	Financial information systems design and implementation;	Complied	
7(1)(iii)	Book-keeping or other services related to the accounting records or financial statements;	Complied	

Condition No.	Title	Compliance Status	Remarks (if any)
7(1)(iv)	Broker-dealer services;	Complied	
7(1)(v)	Actuarial services;	Complied	
7(1)(vi)	Internal audit services or special audit services;	Complied	
7(1)(vii)	Any service that the Audit Committee determines;	Complied	
7(1)(viii)	Audit or certification services on compliance of corporate governance as required under condition No. 9(1);	Complied	
7(1)(ix)	Any other service that creates conflict of interest.	Complied	
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	
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	
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 2022. 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:

The war in Ukraine presented a challenge to the ongoing recovery from the COVID-19 pandemic, even though the global economy was already making significant progress. Due to supply chain interruption caused by war, there is an increase in the price of commodities globally and a slowdown in economic activity.

International Monetary Fund (IMF) in their publication "World Economic Outlook (WEO)" October 2022 edition, projected that the global economy to decelerate markedly from 6% in 2021 to 3.2% in 2022 and 2.7% in 2023 which are the weakest growth profile since 2001 except for the global financial crisis and the acute phase of the COVID-19 pandemic and reflects significant slowdowns for the largest economies. Output of the Advance Economies have been projected to grow by 5.2% in 2021, 2.4% in 2022 and 1.1% in 2023 respectively while Output of the Emerging Market and Developing Economies (EMDEs) have been estimated to grow by 6.6% in 2021, 3.7% in 2022 and remain unchanged at 3.7% in 2023 respectively. On the other hand, Global inflation has been forecasted to rise 8.8% in 2022 but to decline to 6.5% in 2023 and to 4.1% by 2024. Upside inflation surprises have been most widespread among advanced economies, with greater variability in emerging market and developing economies. The projections for 2022 and 2023 are 1.2% and 1.1% respectively lower than in the October 2021 WEO update.

Since changes in economic, geopolitical, and ecological

conditions all have an effect on the future, there is a lot of uncertainty in the outlook. The cost of living crisis and domestic price pressures have reached multi-decade highs, prompting rapid monetary policy tightening and straining household budgets. In addition, Russia's ongoing conflict in Ukraine and other tensions have increased the possibility of significant geopolitical disruption. Longer-lasting inflation may result from more shocks to the price of energy and food. By reducing real earnings and jeopardizing macroeconomic stability, rising price pressures continue to pose the biggest threat to the world's prosperity now and in the future.

Bangladesh Economic Overview:

The economy of Bangladeshi had been expanding steadily at roughly 7.0% for the last decade except for the COVID-19 pandemic, which lowered the growth rate to 3.45% in FY 2019–20. In FY 2020–21, the economy expanded by 6.94%, while in FY 2021–22, GDP grew by 7.25%. According to the provisional estimates of BBS, the GDP will grow at 7.5 percent in FY 2022-23. On the other hand inflation was 5.56% in 2020-21 and 6.15% stood in 2021-22. The country has a proven track of progress and expansion, particularly during periods of significant global unpredictability. Over the past 20 years, rapid economic expansion has been backed by a large demographic dividend, solid ready-made garment (RMG) exports, sustained remittance inflows, and stable macroeconomic conditions. In FY22, the COVID-19 pandemic recovery remained robust, despite new challenges brought on by the recent rise in commodity prices.

Now, like all other countries, Bangladesh is facing global economic challenges. A growing balance of payments deficit and an increase in imports, significant devaluation of Taka against Dollar, high energy price were the results of rising commodity prices, which in turn accelerated inflation. Foreign exchange holdings decreased. As import-suppression restrictions affect the economy, real GDP growth is anticipated to decline in FY 2022-23, many international organization predicts. Bangladesh must create jobs and employment opportunities

through a competitive business climate, expand human capital and develop a skilled labor force, build effective infrastructure, and create a legislative environment that encourages private investment in order to realize its aim of reaching upper middle-income status by 2031.

INDUSTRY STRUCTURE AND DEVELOPMENTS:

World Steel Outlook:

The World Steel Association (worldsteel) in its Short Range Outlook (SRO) forecasted that steel demand will contract by 2.3% in 2022 to reach 1,796.7 Mt after increasing by 2.8% in 2021. In 2023 steel demand will see a recovery of 1.0% to reach 1,814.7 Mt. The current forecast represents a downward revision over the earlier forecast, reflecting the repercussion of persistently high inflation and rising interest rates globally. High inflation, monetary tightening, and China's slowdown contributed to a difficult 2022, but infrastructure demand is expected to lift 2023 steel demand slightly.

The global economic environment has deteriorated significantly in 2022 as inflation risk fully materialized along with other major headwinds, namely the Russia-Ukraine war and China's lockdowns. The Russia-Ukraine war exacerbated the inflationary pressure that was ignited by the post-lockdown supply and demand imbalances as the war disrupted energy and food supplies and intervened with the normalization of supply chains. In particular in Europe, where dependence on Russian gas supply is high, economic activities, as well as confidence, are heavily affected by the energy crisis.

Bangladesh Steel Industry:

Bangladesh is one of Asia's leading emerging steel markets and has a growing need for raw materials and steelmaking technologies. 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). Different types of flat products include Plates, Hot Rolled Sheets, Cold Rolled Sheets and Coated Sheet.

The steel industry is primarily driven by two factors: first, the implementation of the government's ADP programs and infrastructure-building activities, and second, industrial and individual demand, particularly in the real estate sector. According to industry insiders, annual steel consumption of steel (both graded and non-graded) products, comprising long products and flat products - CR/GP sheet, is now around 8 million MT. 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, and thriving garments sector.

Preparation of Financial Statements:

The Financial Statements of the company have been prepared in accordance with International Accounting Standards (IAS), International Financial Reporting Standards (IFRS), The Companies Act 1994, relevant rules and guidelines issued by the Bangladesh Securities and Exchange Commission, and other applicable laws in Bangladesh. These financial statements have been prepared on going concern basis under the historical cost convention method.

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 2021-22.

COMPARATIVE ANALYSIS ON FINANCIAL PERFORMANCE OF S. ALAM COLD ROLLED STEELS LTD.

Financial Position of Last Five Years:

(Taka in Million)

Operational Results	2021-22	2020-21	2019-20	2018-19	2017-18
Revenue	4761.27	5,348.22	4,085.00	5,170.82	3,806.74
Gross Profit	767.31	745.24	630.07	805.76	581.92
Profit after Tax	62.68	82.31	51.53	100.29	120.73
EPS	0.67	0.88	0.55	1.05	1.25
Net Assets Value (NAV)	18.56	18.89	19.01	19.46	19.41
Net Operating Cash Flow	37.57	(21.75)	9.19	0.50	1.17
Proposed/Declared Dividend	5% cash	10% cash	10% cash	10% cash	10% cash

The operating and financial data depicted herein above is intended to convey the Management's perspective on the financial and operating performance of the Company for the Financial Year 2021-22. During the year under review, the net profit after tax decreased due to decrease of the revenue and increase of provision of current income tax and finance cost as compared to the previous corresponding year.

Comparative Financial Performance of the Peer Industry:

The company is categorized as the producer of flat steel segment and the peer companies include Abul Khair Steel, KYCR, PHP, Appollo Ispat, TK etc. However, all the companies in the peer industry except Appollo Ispat Complex Ltd. are non-listed companies therefore; financial data and other information of the other companies are not published for general information. It has been observed that Appollo Ispat Complex Ltd. did not upload Annual Report for last couple of years, so we could not able to compile comparative data.

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**.

Looking Forward:

The overall infrastructural development of Bangladesh has benefited greatly from the steel industry. However, it is anticipated that the ongoing conflict between Russia and Ukraine, as well as its macroeconomic repercussions

and the post-pandemic recession, will have a long-lasting impact on consumer purchasing patterns, demand, supply chains, and organizational models. The causes are anticipated to have medium- to long-term effects on the economy given the unpredictability of the war's outcome and the uncertainty of recovery timelines.

Considering the current economic state, your company is focused on "Survive, Revive and Thrive" strategy and the management of the company is sincere in adoption of necessary flexible plans and strategy to continue its operation for foreseeable future. Your Company is well positioned to harness the present challenges, given the strength of its Brand, innovation capabilities, and

marketing. Accordingly, with our distribution strength we will strive to ensure continuous availability of stock across channels and flexibility in our supply chain. Despite challenging environment, we believe that by exhibiting a higher degree of performance, quick and effective decision-making we will be able to stay ahead of the curve and continue to expand our business.

For and on behalf of the management



(Osman Goni)
Managing Director

Key Operating Financial Performance for Last Five Years

PARTICULARS	30.06.2022	30.06.2021	30.06.2020	30.06.2019	30.06.2018
Operating Information	CONSOLIDATED (BDT in Million)				
Revenue	4761.27	5,348.22	4,085.00	5,170.82	3,806.74
Cost of Sales	(3993.96)	(4,602.98)	(3,454.92)	(4,365.05)	(3,224.83)
Gross Profit	767.31	745.24	630.07	805.76	581.92
Selling and Distribution Expenses	(0.84)	(0.34)	(2.16)	(0.53)	(0.86)
Administrative Expenses	(49.14)	(56.81)	(48.19)	(52.14)	(58.58)
Operating Profit	717.33	688.08	579.71	753.08	522.47
Financial Expenses	(539.03)	(508.94)	(459.20)	(408.14)	(345.06)
Profit before Non-operating Income	178.30	179.14	120.52	344.93	177.42
Other Income	0.00	0.00	0.00	0.00	0.00
Finance Income	8.34	6.47	7.51	8.59	8.08
Contribution to WPPF and Welfare Fund	(9.91)	(9.99)	(6.75)	(18.23)	(9.69)
Profit before Tax	176.74	175.61	121.28	335.29	175.80
Income Tax Expenses	(114.05)	(93.30)	(69.75)	(235.00)	(55.07)
Total Comprehensive Income	62.68	82.31	51.53	100.29	120.73

BALANCE SHEET INFORMATION	CONSOLIDATED (BDT in Million)				
Non-Current Assets	4,149.73	4,198.76	4,286.45	4,336.29	4,260.16
Current Assets	11,522.52	13,914.73	13,685.53	12,387.81	9,577.10
Total Assets	15,672.24	18,113.49	17,971.98	16,724.10	13,837.25
Shareholder's Equity	1,825.96	1,858.20	1,869.74	1,914.47	1,909.20
Non-Controlling Interest	115.37	118.80	123.09	125.20	128.55
Non-Current Liabilities	241.15	274.25	316.14	1,357.71	1,604.45
Current Liabilities	13,489.78	15,862.22	15,663.01	13,326.71	10,195.05
Total Liabilities	13,730.91	16,136.48	15,979.15	14,684.42	11,799.50
OTHER INFORMATION					
Earnings Per Share (Taka)	0.67	0.88	0.55	1.05	1.25
Proposed/Declared Dividend	5% Cash	10% Cash	10% cash	10% Cash	10% Cash
Net Asset Value Per Share (Taka)	18.56	18.89	19.01	19.46	19.41
Net Operating Cash Flow Per Share (Taka)	37.57	(21.75)	9.19	0.50	1.17

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

Particulars	Year ended on 30.06.2022 (Consolidated)	Year ended on 30.06.2021 (Consolidated)	Increase/(Decrease) based on Turnover of the year under reports
Cost of Goods Sold	83.88% of Turnover	86.06% of Turnover	2.18%
Gross Profit Margin	16.12% of Turnover	13.93% of Turnover	2.19%
Net Profit Margin	1.32% of Turnover	1.53% of Turnover	(0.21%)

(a) **Cost of Goods Sold:**

Cost of goods sold (COGS) is the term used to describe the direct costs associated with manufacturing the products that a company/business sells. As compared to that of the previous year, the Cost of Sales for the year under report witnessed a decrease by 2.18% on the turnover for the year. The decrease in the cost of sales has been mainly due to raw materials purchased at lower cost as compared to the previous year.

(b) **Gross Profit Margin:**

Gross profit margin is the percentage of sales revenue that a company is able to convert into gross profit. Companies use gross profit margin to determine how efficiently they generate gross profit from sales of products or services. In comparison with that of the previous year, Gross Profit Margin in relation to the Turnover of the year under report recorded 2.19% increase. Reasons are attributable mainly decrease of cost of sales as compared to the corresponding previous year.

(c) **Net Profit Margin:**

The amount of net income or profit generated as a percentage of revenue is expressed as the net profit margin, or simply net margin. It is the proportion of a company's or business segment's net profits to revenues. Net Profit Margin in relation to the Turnover of the period under report recorded 0.21% decrease on comparison with that of the previous year. The reasons are attributable to increase of Finance Expenses as well as provision of minimum TAX compared to the previous year.

SEGMENT-WISE / PRODUCT-WISE PERFORMANCE:

(Figures in nearest Taka '000)

	As at 30.06.2022			As at 30.06.2021		
	CR Coil	GP/CI Sheet (NOF)	Total	CR Coil	GP/CI Sheet (NOF)	Total
Revenue	2,978,392	1,782,881	4,761,273	2,557,858	2,790,369	5,348,227
Cost of Sales	(2,418,870)	(1,567,461)	(3,986,331)	(2,199,388)	(2,392,667)	(4,592,055)
Gross Profit (GP)	559,522	215,420	774,942	358,470	397,702	756,172
GP in % of Revenue	18.79%	12.08%	16.28%	14.01%	14.25%	14.14%
Selling, Distribution & Administrative Cost	(42,198)	(3,886)	(46,084)	(44,118)	(9,714)	(53,832)
Operating Result	517,324	211,534	728,858	314,352	387,988	702,340
Finance Cost (Net)	(394,656)	(136,017)	(530,673)	(241,179)	(261,252)	(502,431)
Net Profit Before Provisions	122,668	75,517	198,185	73,173	126,736	199,909
Contribution to WPPF & WF	(6,133)	(3,776)	(9,909)	(3,659)	(6,337)	(9,996)
Profit Before Tax	116,535	71,741	188,276	69,514	120,399	189,913
Net Profit in % of Revenue	3.91%	4.02%	3.95%	2.72%	4.31%	3.55%

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	Director xxxxx xxxxx	23,03,980 4,31,890 Nil	2.342 0.439 0
b	Mr. Abdus Samad Spouse and Minor Children	Chairman xxxxx	19,67,430 Nil	2 0
c	Mr. Osman Goni Spouse and Minor Children	Managing Director xxxxx	19,67,430 Nil	2 0
d	Mr. Md. Rafique Ullah Spouse and Minor Children	ICB Nominee Director from Institutional Investors' Group xxxxx	Nil Nil	0 0
e	Ms. Halima Begum Spouse and Minor Children	Nominated Director, S. Alam Vegetable Oil Ltd. xxxxx	1,000 Nil	0.001 0
f	Mr. Md. Enayet Ullah, 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. Delwar Hossain, FCA Spouse and Minor Children	Chief Financial Officer xxxxx	Nil Nil	0 0
i	Mr. Md. Shohel Amin, ACS Spouse and Minor Children	Company Secretary 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 & Compliance)

Sl. No.	Names	Position	Number of Shares	Percentage
a)	Mr. Md. Moshur Rahman	Sr. General Manager (Factory)	60	0.000061
b)	Mr. Shaful Alam	DGM (NOF)	0	0
c)	Mr. Md. Shah Alam	Sr. Manager	0	0
d)	Mr. Mohsin Alam Chowdhury	Manager (Electrical)	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

S. Alam Cold Rolled Steels Ltd. has an Audit Committee of the Board of Directors, in compliance with the Notification of Bangladesh Securities and Exchange Commission (BSEC) No. BSEC/CMRRCD/2006-158/207/Admin/80 dated June 03, 2018. All Members of the Audit Committee are financially literate and are able to analyze and interpret financial statements to effectively discharge their duties and responsibilities as Members of the Audit Committee. The terms of reference of the Audit Committee have been determined by the Board in accordance with the BSEC Corporate Governance Code.

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 the internal audit function and by continuous monitoring of the Internal Control Risk management process, the Committee assists the Board of Directors in ensuring that the financial statements reflect a true and fair view of the state of affairs of the company.

Composition of Audit Committee

The Board Audit Committee of S. Alam Cold Rolled Steels Ltd. is comprised of three members of the Board of Directors including one Independent Director. The composition of the present Audit Committee is as follows:

Name	Category	Position
Mr. Hasan Iqbal	Independent Director	Chairman
Mr. Mohammed Saiful Alam	Director	Member
Mr. Md. Rafique Ullah	Director	Member
Mr. Md. Shohel Amin ACS	Company Secretary	Secretary to the Committee

Role of the Audit Committee:

The Audit Committee's authorities, duties and responsibilities flow from the Board's oversight function and the terms of reference of the Audit Committee approved by the Board. The major responsibilities of the Committee include:

- Reviewing along with management, the quarterly, half-yearly and annual financial statements as well as other financial results of the company before submission to the Board, and upon its satisfaction of the review, recommend the same to the Board for approval.
- Reviewing the adequacy and effectiveness of the company's financial reporting process, and statement of all related party transactions submitted by the management.
- Exercising its oversight of the work of internal audit. Reviewing the effectiveness of internal audit function including performance, structure, adequacy of resources, and compliance. Examining audit findings and material weaknesses and monitoring implementation of audit action plans.
- Reviewing the hiring and performance of the external auditors, recommending to the Board for appointment and determination of audit fees based on scope of the work and magnitude of the external auditors.
- Reviewing and monitoring the processes to ensure compliance with laws, rules and regulations, and the codes of conduct.

Attendance of the Audit Committee Meeting:

The Audit Committee met 4 times during the year ended 30th June, 2022. The composition of and number of meetings attended by the Members of the AC during the year are as follows;

Name	Position	Number of meeting Held	No. of meeting attended
Mr. Sampad Kumar Basak FCA	Chairman	2	2
Mr. Md. Shafiqul Islam FCA	Chairman	2	2
Mr. Mohammed Saiful Alam	Member	4	4
Mr. Md. Rafique Ullah	Member	4	4

Activities of the Audit Committee:

As per terms of reference of the Audit Committee, governed by the BSEC Corporate Governance Code, the committee carried out its duties and responsibilities to work on the areas that were raised for consideration and discussed to evaluate issues related to key events of financial reporting cycles. During the financial period under report, activities of the committee include, among others:

- Reviewed along with the management, the quarterly, half yearly, and annual financial statements of the company before submission to the Board and recommended to the Board for adoption and circulation in compliance with the relevant legal and regulatory requirements.
- Reviewed the Management's Discussion and Analysis before disclosing in the Annual Report;
- Assessed the report of the external auditors on critical accounting policies, significant judgments and practices used by the company in preparation of financial statements.
- Recommended to the Board for re-appointing Hoda Vasi Chowdhury & Co., Chartered Accountants, as the statutory auditor of the Company for the next financial year ending on 30 June, 2023.
- Recommended to the Board for re-appointing Rahman Mostafa Alam & Co., Chartered Accountants, as the corporate governance auditor of the Company for the next financial year ending on 30 June ,2023.
- Reviewed the effectiveness of internal financial control system and the internal audit procedures.
- Reviewed the external auditors' findings arising from audit, particularly comments and responses of the management.
- Reviewed the financial statements and affairs of the subsidiary company in particular the investments made by the company.
- Reviewed the matters of compliance as per requirements of the BSEC to remain compliant, as appropriate.
- Reviewed the performance, appointment process and audit fees based on scope of the work and magnitude of the external auditors.

The committee is of the opinion that adequate controls and procedures are in place to provide reasonable assurance that the company's assets are safeguarded and the financial position of the Company is adequately managed.

On behalf of the Committee



Hasan Iqbal

Chairman, Audit Committee

REPORT OF THE NOMINATION AND REMUNERATION COMMITTEE

The Nomination and Remuneration Committee of the company 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 has been prepared according to the requirements of the Corporate Governance Code issued by the Bangladesh Securities and Exchange Commission (BSEC).

A. Composition:

As on June 30, 2022, the Nomination and Remuneration Committee Comprised with following members;

Name	Category	Position of the Committee
Mr. Sampad Kumar Basak FCA	Independent Director	Chairman
Mr. Mohammed Saiful Alam	Non-Executive Director	Member
Mr. Abdus Samad	Non-Executive Director	Member
Mr. Md. Shohel Amin ACS	Company Secretary	Secretary

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;
 - (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. Nomination and Remuneration Policy:

The Board has, on the recommendation of the Nomination & Remuneration Committee, framed a Policy for selection, appointment and remuneration of Directors and Key Managerial Personnel in accordance with the guidelines of BSEC Corporate Governance Code. The Nomination and Remuneration Policy for members of the Board of Directors, Key Managerial Personnel and Senior Management of the Company is designed to attract, motivate and retain and promote talent and to ensure long term sustainability of talented top level Executive and also to create competitive advantage.

The Policy reflects the Company's objectives for good corporate governance as well as sustained long-term value creation for shareholders.

D. Evaluation Policy:

In accordance with the corporate governance code, Nomination and Remuneration Committee duly formulated evaluation criteria for evaluation of performance of the Board of Directors and Independent Director which have been adopted by the Board.

The Board evaluation criteria framed through questionnaire designed with qualitative parameters and feedback based on ratings. Evaluation of the Board was based on criteria such as composition and role of the Board, Board communication and relationships, functioning of Board Committees, Meaningful participation, succession planning, strategic planning, etc.

The Independent Directors to be evaluated on parameters like Director's contributions at Board/Committee meetings, willingness to devote time and effort to understand the Company and its business, ability to understand governance, regulatory, financial, fiduciary and ethical requirements of the Board/Committee, adherence to Code of Conduct and how the independent director is able to bring independent judgment during board deliberations on strategy, performance, risk management etc. in addition to the criteria for evaluation of Non- Executive Directors.

The Key objective of the Board evaluation is to achieve persistent and consistent improvement in the governance of the Company at the Board level with the participation of all concerned in an environment of harmony. The Board acknowledges its intention to establish and follow "best practices" in Board governance in order to fulfill its fiduciary obligation to the Company. The Board believes the evaluation will lead to a closer working relationship among the Board members, greater efficiency in the use of the Board's time, and increased effectiveness of the Board as a governing body.

E. Meetings and attendance during the year:

During the financial year ended 30th June, 2022, the Nomination and Remuneration Committee met 1 (One) times on 05th May, 2022. The composition of the Nomination and Remuneration Committee and number of meetings attended by the Members during the year are given below:

Name	Position	Number of Meeting Held	No. of Meeting Attended
Mr. Sampad Kumar Basak FCA	Chairman	1	1
Mr. Mohammed Saiful Alam	Member	1	1
Mr. Abdus Samad	Member	1	1

F. Activities during the Year:

- i. Reviewed the terms of reference of NRC policy and reported findings, if any, to the Board.
- ii. Reviewed human resources policy, criteria for selection, transfer or replacement and promotion at different levels.
- iii. Reviewed annually the human resources position and training policies of the company.
- iv. Reviewed the remuneration policy of the Board of Directors and top level executives.


(Sampad Kumar Basak FCA)
Chairman
Nomination and Remuneration Committee

S. ALAM COLD ROLLED STEELS LTD.

DIVIDEND DISTRIBUTION POLICY

INTRODUCTION

The Dividend Distribution Policy is formulated and adopted in compliance with the requirements of the Directive No. BSEC/CMRRCD/2021-386/03 dated 14 January, 2021 of the Bangladesh Securities and Exchange Commission (BSEC) regarding the dividend declaration, pay off, disbursement and compliance.

OBJECTIVE

The objective of this Policy is to lay down the criteria and parameters that are to be considered by the Board of Directors of the Company while deciding on the declaration of Dividend from time to time. This Policy is applicable to dividend declared/recommended on the equity shares of the Company.

DEFINITIONS

“The Act” means The Companies Act 1994

“The Company” means S. Alam Cold Rolled Steels Ltd.

“AGM” means Annual General Meeting

“Board” means Board of Directors of S. Alam Cold Rolled Steels Ltd.

“Shareholders” means Members whose name is registered in the Member Register of the Company.

“Shares” means Ordinary Equity Shares.

CONCEPT OF DIVIDEND

Dividend is the payment made by a Company to its shareholders, usually in the form of distribution of its profits. The profits earned by the Company can either be retained in business or used for acquisitions, expansion or diversification, or it can be distributed to the shareholders. The Company may choose to retain a part of its profits and distribute the balance among its shareholders as dividend.

FORMS OF DIVIDENDS

- **Final Dividend:** The final dividend is paid once for the financial year after the annual financial statements are prepared. The Board of Directors of the Company has the power to recommend the payment of final dividend to the shareholders for their approval at the Annual General Meeting of the Company. The declaration of final dividend shall be included in the ordinary business items that are required to be transacted at the Annual General Meeting.
- **Interim Dividend:** Interim dividend may be declared by the Board of Directors one or more times in a financial year as may be deemed fit by the Board. The Board of Directors of the Company would declare an interim dividend, as and when considered appropriate, in line with this Policy.

DECLARATION OF DIVIDEND

Dividend shall be declared or paid only out of –

- 1) Current financial year’s profit:
 - a. after providing for depreciation in accordance with law;
 - b. after transferring to reserves such amount as may be prescribed or as may be otherwise considered appropriate by the Board at its discretion and as per applicable law.
- 2) The profits for any previous financial year(s) after providing for depreciation in accordance with law and remaining undistributed;
- 3) Out of 1 & 2 both.

In case of inadequacy or absence of profits in any financial year, the Company may also declare/ pay Dividend out of the accumulated profits earned by it in previous years and transferred by the Company to the reserves, provided such declaration/ payment of dividend shall be made only in accordance with the provisions of the Act.

FINANCIAL PARAMETERS CONSIDERED WHILE DECLARING DIVIDEND

The financial parameters that may be considered before declaring dividend are profitability, cash flow and future growth and profitability outlook of the company.

CIRCUMSTANCES UNDER WHICH SHAREHOLDERS MAY NOT EXPECT DIVIDEND

- a. Due to losses incurred by the Company and the Board considers it appropriate not to declare dividend for any particular year;
- b. Due to operation of any other law in force;
- c. Uncertainty of the earnings/ financial results of the Company; and
- d. The availability of opportunities for reinvestments of surplus funds;
- e. Any other corporate action resulting in cash outflow

FACTORS AFFECTING DIVIDEND DECLARATION

a) External Factors to be considered while recommending/ declaring dividend

- Any significant changes in macro-economic environment affecting Bangladesh or the geographies in which the Company operates, or the business of the Company or of its clients;
- Any political, tax and regulatory changes in the geographies in which the Company operates;
- Any significant change in the business or technological environment resulting in the Company making significant investments to effect the necessary changes to its business model;
- Any changes in the competitive environment requiring significant investment.

b) Internal Factors to be considered while recommending/ declaring dividend

Apart from the various external factors, the Board will take into account various internal factors including the financial parameters while declaring dividend, which inter alia will include:

- Expected cash requirements of the Company including working capital, capital expenditure
- Quarterly and Annual financial results
- Investments including Mergers and Acquisitions (M&A)
- Expansion and Modernization
- Free cash flow generation
- Funds required to service any outstanding loans
- Research and development;

c) Retained Earnings

Retained earnings would be used to further the company's business priorities. If there are excess reserves beyond the medium to long term business requirements, the retained earnings would be distributed to shareholders via Dividends or other means as permitted by applicable regulations.

PARAMETERS FOR VARIOUS CLASSES OF SHARES

Currently, the Company does not have different classes of shares. If the Company has more than one class of shares in future, dividend for each class would be subject to prescribed statutory guidelines as well as terms of offer of each class to the investors of that class of shares.

PUBLICATION OF POLICY

This Dividend Distribution Policy shall be disclosed in the Annual Report of the Company and on the Company's website www.s.alamgroupbd.com. If the Company proposes to declare dividend on the basis of any additional parameters apart from those mentioned in the Policy or proposes to change the parameters contained in this Policy, it shall disclose such changes along with the rationale for the same in the Annual Report and on the website.

EFFECTIVE DATE

This Policy has been approved by the Board of Directors of the Company at its meeting held on 01 April, 2021 and shall be effective and applicable for dividend, if any, declared for the Financial Year 2020-21 onwards.

REVIEW & AMENDMENT

This Policy may be reviewed and amended periodically as and when required by the Board to ensure that it meets the objectives of the relevant legislation and needs of the Company and remains effective. The Board has the right to change/ amend the policy as may be expedient taking into account the law for the time being in force. //

Glimpse of 21st Annual General Meeting





**AUDITORS' REPORT &
AUDITED FINANCIAL
STATEMENTS**
2021 - 22

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF S. ALAM COLD ROLLED STEELS LIMITED REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Opinion

We have audited the accompanying consolidated financial statements of **S. ALAM COLD ROLLED STEELS LIMITED** and its subsidiaries (the "Group"), which comprise the consolidated Statement of Financial Position as at 30 June 2022, 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 notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion and to the best of our information and according to explanations given to us, the accompanying consolidated financial statements, prepared in accordance with International Financial Reporting Standards (IFRSs), give a true and fair view of the consolidated financial position of the Group as at 30 June 2022 and of its consolidated financial performance and consolidated cash flows for the period from 1 July 2021 to 30 June 2022 and comply with the Companies Act 1994 (amendment in 2020), the Securities and Exchange Rules, 1987 and other applicable laws and regulations.

Basis of opinion

We conducted our audit in accordance with International Standard on Auditing (ISAs). Our responsibilities under those standards are further described in the "**Auditors' responsibilities for the audit of the consolidated financial statements**" section of our report. We are independent of the Group 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 these requirements and the IESBA Code and the Institute of Chartered Accountants of Bangladesh (ICAB) By Laws. We believe that the audit evidence we have obtained are sufficient and appropriate to provide a basis for our audit opinion.

Emphasis of Matter

We draw attention to Note 4.01 of the consolidated financial statements, which describes why the Group had stopped producing electricity and reason for capitalization of borrowing cost. Our opinion is not modified in respect of this matter.

Key Audit Matter

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

Sl.	Key Audit Matters	How the matter was addressed in our audit matter
1	<p>Revenue <u>(Refer to note 20)</u></p> <p>Revenue of TK. 4,761,272,509 is recognized in the income statement of S. ALAM COLD ROLLED STEELS LIMITED for the year ended 30 June 2022. We identified revenue recognition as a key audit matter because revenue is one of the key performance indicators of the Company and therefore there is an inherent risk of manipulation of the timing of recognition of revenue by management to meet specific targets or expectations.</p> <p>As described in the accounting policy 3.04 to the consolidated financial statements, the Company recognizes revenue upon transfer of control as per IFRS 15 – Revenue from Contract with Customers.</p>	<p>In light of the fact that the high degree of complexity we assessed the Company's processes and controls for recognizing revenue as part of our audit. Furthermore, in order to mitigate the inherent risk in this area, our audit approach included testing of the controls and the substantive audit procedure, including: -</p> <ul style="list-style-type: none"> ➤ We evaluated the Company's accounting policies pertaining to revenue recognition and assessed compliance with the policies in terms of IFRS 15 – Revenue from Contracts with Customers. ➤ We identified and tested controls related to revenue recognition and our audit procedure focused on assessing the invoicing and measurement systems up to entries in the general ledger. Examining customer's invoices and receipts of payment on a sample basis.

SI.	Key Audit Matters	How the matter was addressed in our audit matter
		<ul style="list-style-type: none"> ➤ We conducted substantive testing of revenue recorded over the year using sampling techniques, by examining the relevant supporting documents including sales invoices and challans. In addition, we confirmed certain customers' receivable balances at the reporting date, selected on a sample basis by considering the amounts outstanding with those customers. ➤ Furthermore, we tested the sales transactions recognized shortly before and after the reporting date, including the sales returns recorded after that date, to examine whether sales transactions were recorded in the correct recording periods.
2	<p>Inventories (Refer to note 06)</p> <p>Inventories represent about 42.33%, of the total assets of the Company; inventories are thus a material item to the consolidated financial statements. Please refer to note 06 to the consolidated financial statements.</p> <p>As described in the accounting policy note 3.03 to the consolidated financial statements, inventories are valued at the lower of the cost or net realizable values. As such, management is required to make judgments in determining whether inventories are being appropriately valued, and also need to make provision for aged inventories, if required.</p> <p>Due to the value and volume of inventories being held by the Company at the reporting date and complexities involved in the accounting and presentation thereof, inventories have been considered as a key audit matter.</p>	<ul style="list-style-type: none"> ➤ Tested the operating effectiveness of key controls over inventories; including observing the process of management's year-end inventory count. ➤ Verified a sample of inventory items to ensure that costs have been appropriately recorded. ➤ Tested on a sample basis the net realizable value by comparing costs to recent selling prices and assessing the reasonableness of any, resulting in write down of inventory items. ➤ Assessed whether appropriate provision have been recognized for aged, damaged, slow-moving or obsolete inventories by reviewing the age of inventories held and evaluating management's basis for determining the usability of inventories. ➤ Performed cut-off tests to determine that the purchase and sales of the inventories have been considered in correct accounting period. ➤ Reviewed the historical accuracy of inventory provision and the level of write downs.
3	<p>Property, Plant and Equipment (Refer to note 4)</p> <ul style="list-style-type: none"> ➤ The Company has a large number of Property, Plant and Equipment items. In view of availability of latest machinery due to modern technology, the obsolescence & impairment may be noticed in existing machineries. ➤ 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>Our audit procedure 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; and ➤ For selected samples, performing physical observation to assess management's determination on whether the equipment is obsolete, and testing the assumptions used in estimating recoverable amount, such as estimated useful life and replacement cost. <p>Examine management's periodic review of Property, Plant and Equipment for determination of impairment and obsolescence. We also refer to our observation in Emphasis of Matter</p>

SI.	Key Audit Matters	How the matter was addressed in our audit matter
4	<p>Measurement of Deferred Tax (Refer to note 17.02)</p> <p>The Company recognizes deferred taxes relating to property, plant and equipment, investment in associates and employee benefits (Gratuity), which are very complex in nature.</p> <p>As such accounting for deferred taxes involves management judgment in developing estimates of tax exposures and contingencies in order to assess the adequacy of tax provision. 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 design, implementation and operating effectiveness of key controls in respect of the Company and the process of recognition of deferred taxes. ➤ Using our own tax specialists to evaluate the tax bases and Company tax strategy. ➤ Assessing the accuracy and completeness of deferred tax, and ➤ Evaluating the adequacy of the consolidated financial statements' disclosures, including disclosures of assumptions, judgments and sensitivities. We involved tax specialists to assess key assumptions, control recognition and measurement of deferred tax liabilities (Assets).
5	<p>Trade Receivables (Refer to note 07)</p> <ul style="list-style-type: none"> ➤ Trade receivables is a key audit matter in the audit due to quantum of the trade receivable balance, realization nature of long outstanding invoices and management judgment at the time of impairment test. 	<p>Our audit procedures in this area included among others:</p> <ul style="list-style-type: none"> ➤ Obtained trade receivable balance confirmation; ➤ Analyzed the aging of trade receivable; ➤ Obtained a list of long outstanding receivable and assessed the recoverability of these through inquiry with management and by obtaining sufficient corroborative evidence to support the conclusion. ➤ Reviewed subsequent status of receivables.

Reporting on other information

Other information consists of the information included in the Annual Report other than the consolidated financial statements and our audit report thereon. We obtained the Director's Report, Management Discussion and Analysis, Financial information, and Corporate Governance report prior to the date of our auditor's report, and we expect to obtain the remaining reports of the Annual Report after the date of our auditor's report. Management is responsible for the other information.

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

Based on the work we have performed; we conclude that we have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Consolidated financial statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards (IFRSs), the Companies Act 1994 (amendment in 2020), the Securities and Exchange Rules, 1987 and other applicable laws and regulations and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group'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 Group or to cease operations, or has no realistic alternative but to do so.

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

Auditors' responsibilities for the audit of the Consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' 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 consolidated financial statements.

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

- (a) identify and assess the risks of material misstatement of the consolidated 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.
- (b) 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 Group's internal control.
- (c) evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- (d) 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 Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated 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 auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- (e) evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- (f) obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

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 with those charged with governance 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.

We determine those matters, from the matters communicated with those charged with governance, which were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' 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 (amendment in 2020) 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 Group so far as it appeared from our examination of these books and;
- 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.
- iv) the expenditure incurred was for the purposes of the Group 's business.

Chattogram, 01 Nov. 2022

For and on behalf of

Hoda Vasi Chowdhury & Co.
Chartered Accountants


Showkat Hossain, FCA

Senior Partner

Enrollment No.: 0137

DVC: 2211010137AS125320

S. ALAM COLD ROLLED STEELS LIMITED
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2022

	Note(s)	30 June 2022 Taka	30 June 2021 Taka
ASSETS & PROPERTIES			
NON CURRENT ASSETS & PROPERTIES			
Property, Plant and Equipment	4	4,149,727,190	4,198,616,199
Right of use asset	5	-	145,315
CURRENT ASSETS			
Inventories	6	6,634,694,035	7,870,058,570
Trade Receivables	7	2,782,865,003	3,942,511,372
Advances, Deposits and Prepayments	8	1,982,868,562	1,801,263,780
Short Term Investment	9	68,578,539	59,389,390
Cash and Cash Equivalents	10	53,510,626	241,506,232
TOTAL ASSETS & PROPERTIES		15,672,243,955	18,113,490,858
SHAREHOLDERS' EQUITY & LIABILITIES			
SHAREHOLDERS' EQUITY			
Share Capital	11	983,711,000	983,711,000
Share Premium	11.03	433,930,746	433,930,746
Retained Earnings	11.04	408,313,747	440,563,050
NON CONTROLLING INTEREST	11.05	115,365,726	118,803,458
NON-CURRENT LIABILITIES			
Deferred Tax Liabilities	17.02	241,145,448	274,258,955
CURRENT LIABILITIES			
Trade Creditors	12	2,469,340,394	1,884,706,937
Lease Liabilities for current portion	5.02	-	158,574
Short Term Liabilities	13	10,267,309,570	13,478,793,676
Liabilities for Expenses	14	53,396,750	22,565,424
Advance against Sales	15	116,383,040	813,873
Liability against Unclaimed Dividend	16	3,480,936	37,029,085
Provision for Income Tax	17.01	466,594,146	321,994,184
Provision for Workers' Profit Participation & Welfare Fund	18	112,881,516	115,861,606
Other Liabilities	19	390,936	300,290
TOTAL SHAREHOLDERS' EQUITY & LIABILITIES		15,672,243,955	18,113,490,858
Net Asset Value Per Share	27	18.56	18.89

These financial statements should be read in conjunction with the annexed notes 1 to 45
and were approved by the Board of Directors on 27.10.2022
and were signed on its behalf by:


COMPANY SECRETARY


DIRECTOR


MANAGING DIRECTOR

Signed in terms of our separate report of even date annexed

Chattogram, 01 Nov., 2022

For and on behalf of
Hoda Vasi Chowdhury & Co.
Chartered Accountants


Showkat Hossain, FCA
Senior Partner
Enrollment No.: 0137
DVC: 2211010137AS125320

S. ALAM COLD ROLLED STEELS LIMITED
CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2022

	Note(s)	30 June 2022 Taka	30 June 2021 Taka
Revenue	20	4,761,272,509	5,348,227,239
Cost of Sales	21	(3,993,961,833)	(4,602,984,406)
Gross Profit		767,310,676	745,242,833
Operating Expenses			
Selling and Distribution Expenses	22	(836,000)	(336,545)
Office & Administrative Expenses	23	(49,143,572)	(56,818,458)
		(49,979,572)	(57,155,003)
Operating Profit		717,331,104	688,087,830
Finance Expenses	24	(539,027,172)	(508,946,641)
Profit before Non- Operating Income		178,303,932	179,141,189
Finance Income	25	8,342,866	6,471,987
Net Profit before Tax and WPP and Welfare Fund		186,646,798	185,613,176
Contribution to WPP and Welfare Fund	18	(9,909,218)	(9,995,440)
Profit before Income Tax		176,737,580	175,617,736
Income Tax Expenses:			
Current Tax:			
Current Year	17.01	(147,167,022)	(135,189,744)
Deferred Tax (Income/Expenses)	17.02	33,113,507	41,887,742
		(114,053,515)	(93,302,002)
Net Profit after Tax for the Year		62,684,065	82,315,734
Net Profit after Tax Attributable to			
Shareholders of the Company		66,121,797	86,604,422
Non-controlling interest		(3,437,732)	(4,288,688)
		62,684,065	82,315,734
Basic Earnings Per Share	26	0.67	0.88

These financial statements should be read in conjunction with the annexed notes 1 to 45
and were approved by the Board of Directors on 27.10.2022
and were signed on its behalf by:


COMPANY SECRETARY


DIRECTOR


MANAGING DIRECTOR

Signed in terms of our separate report of even date annexed

Chattogram, 01 Nov., 2022

For and on behalf of
Hoda Vasi Chowdhury & Co.
Chartered Accountants


Showkat Hossain, FCA
Senior Partner
Enrollment No.: 0137
DVC: 2211010137AS125320

S. ALAM COLD ROLLED STEELS LIMITED
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2022

Particulars	Amount in Taka				
	Share Capital	Share Premium	Retained Earnings	Non-Controlling Interest	Total Equity
Balance as on 01 July 2021	983,711,000	433,930,746	440,563,050	118,803,458	1,977,008,254
Cash dividend paid for the year 2020-2021	-	-	(98,371,100)	-	(98,371,100)
Net Profit after tax for the year 2021-2022	-	-	66,121,797	(3,437,732)	62,684,065
Adjustment for adoption of IFRS 16-Lease	-	-	-	-	-
Balance as on 30 June 2022	983,711,000	433,930,746	408,313,747	115,365,726	1,941,321,219
Balance as on 01 July 2020	983,711,000	433,930,746	452,099,701	123,092,146	1,992,833,593
Cash dividend paid for the year 2019-2020	-	-	(98,371,100)	-	(98,371,100)
Net Profit after tax for the year 2020-2021	-	-	86,604,422	(4,288,688)	82,315,734
Adjustment for adoption of IFRS 16-Lease	-	-	230,027	-	230,027
Balance as on 30 June 2021	983,711,000	433,930,746	440,563,050	118,803,458	1,977,008,254
Note(s)	11.00	11.03	11.04	11.05	

These financial statements should be read in conjunction with the annexed notes 1 to 45 and were approved by the Board of Directors on 27.10.2022 and were signed on its behalf by:


COMPANY SECRETARY


DIRECTOR


MANAGING DIRECTOR

S. ALAM COLD ROLLED STEELS LIMITED
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2022

	Note(s)	30 June 2022 Taka	30 June 2021 Taka
Cash flows from Operating Activities			
Cash Received from Customers	31.01	6,036,488,045	5,031,295,633
Cash Paid to Suppliers	31.02	(2,022,733,464)	(6,871,949,188)
Cash Paid to Employees	31.03	(132,470,696)	(139,685,343)
Cash Paid for Operating Expenses	31.04	(2,426,377)	(2,892,370)
Payment of Advance Income Tax	31.05	(169,562,790)	(138,697,636)
Payment for WPP & WF	31.06	(13,618,860)	(18,037,458)
Net Cash Inflow/(Outflow) from Operating Activities (A)	29.00	<u>3,695,675,858</u>	<u>(2,139,966,362)</u>
Cash Flows from Investing Activities			
Acquisition of Property, Plant And Equipment	31.07	(1,124,206)	(2,550,473)
Investment in Fixed Deposit Receipt	31.08	(9,189,149)	(18,194,492)
Interest Received from Fixed Deposit Receipt	31.09	8,342,866	6,471,987
Net Cash Inflow/(Outflow) from Investing Activities (B)		<u>(1,970,489)</u>	<u>(14,272,979)</u>
Cash flows from financing activities			
Proceeds / (Repayment of) from Short Term Loan	31.10	(3,211,484,106)	2,969,095,215
Proceeds from / (Repayment to) Affiliated Companies	31.11	-	(372,186,950)
Dividend Paid	31.12	(131,919,249)	(97,228,694)
Cash Paid for Financial Expenses	31.13	(538,297,620)	(506,630,066)
Net Cash Inflow/(Outflow) from Financing Activities (C)		<u>(3,881,700,975)</u>	<u>1,993,049,505</u>
Net Increase/(Decrease) during the year the Year (A+B+C)		<u>(187,995,606)</u>	<u>(161,189,836)</u>
Cash and Cash Equivalents at the End of the Year	10.00	53,510,626	241,506,232
Cash and Cash Equivalents at the Beginning of the Year		241,506,232	402,696,068
		<u>(187,995,606)</u>	<u>(161,189,836)</u>
Net Operating Cash Flow Per Share	28.00	<u>37.57</u>	<u>(21.75)</u>

These financial statements should be read in conjunction with the annexed notes 1 to 45
and were approved by the Board of Directors on 27.10.2022
and were signed on its behalf by:


COMPANY SECRETARY


DIRECTOR


MANAGING DIRECTOR

S. ALAM COLD ROLLED STEELS LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AS AT AND FOR THE YEAR ENDED 30 JUNE 2022

1.00 BACKGROUND AND INFORMATION

1.01 Formation and Legal Status

S. Alam Cold Rolled Steels Limited is a public company limited by shares is domiciled in Bangladesh. The address of the company's registered office is S. Alam Bhaban, 2119 Asadgonj, Chattogram, 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 16 May 2006.

1.02 Nature of the business

The main activity of the company is to manufacture and sell high quality Cold Rolled Steel Strips (CR Strips) in the form of coils and sheets, CI sheets and GP sheets. The company has set up its factory on 12.02 acres of land at Kalarpool, Shikalbaha, Patiya, Chattogram, Bangladesh.

The company commenced commercial production of CR Strips plant from 16 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 70.204% 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, Chattogram 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, Chattogram, Bangladesh. Its registered office is located at S.Alam Bhaban, 2119, Asadgonj, Chattogram, Bangladesh. The main objective of the company is to install and run power plant to produce and supply electricity.

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

2.00 BASIS OF PREPARATION

2.01 Statement of compliance

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

2.02 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 2022.
- ii) Statement of profit or loss and other comprehensive income for the year ended 30 June 2022.
- iii) Statement of changes in equity for the year ended 30 June 2022.
- iv) Statement of cash flows for the year ended 30 June 2022.
- v) Notes, comprising a summary of significant accounting policies and explanatory information.

2.03 Date of authorization

The Board of Directors has authorized these financial statements on 27 October, 2022.

2.04 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 2012;
- (vii) The Value Added Tax Rules 2012;
- (viii) The Listing Regulations of Dhaka Stock Exchange (DSE);
- (ix) The Listing Regulations of Chittagong Stock Exchange (CSE);
- (x) Bangladesh Labour Act 2006 etc.

2.05 Accounting convention and assumption.

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

2.06 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.

2.07 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.

2.08 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.

2.09 Comparative information

Comparative information has been disclosed in respect of the year 2020-2021 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.

2.10 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.

2.11 Reporting period

The financial statements of the Company cover one financial year from 01 July 2021 to 30 June 2022 for all reported periods.

3.00 SIGNIFICANT ACCOUNTING POLICIES

The financial statements have been prepared in compliance with requirement of International Accounting Standards (IAS) and International Financial Reporting Standards (IFRS) as adopted by the Institute of Chartered Accountants of Bangladesh (ICAB) as applicable in Bangladesh. The following IAS and IFRS 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-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
IFRS-16	Lease

3.01 Basis of Consolidation

3.01.01 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.

3.01.02 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.

3.01.03 Transactions eliminated on consolidation

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

3.02 Property, plant and equipment

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

3.02.01 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 recognized in profit or loss.

3.02.02 Subsequent costs

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

3.02.03 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)	53.73%	21.19%
Capital Machinery	53.73%	21.19%
Factory equipment	53.73%	21.19%
Generator	53.73%	21.19%
Work Roll	53.73%	21.19%
Luffing Crane and Jetty Construction	53.73%	21.19%
Coil Cart	53.73%	21.19%

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

3.03 Inventories

Inventories are measured at lower of cost and net realizable 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 realizable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and selling expenses.

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

3.04 Revenue Recognition

Revenue has been recognized in accordance with the guideline of IFRS 15.

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.

3.05 Trade receivables

Trade receivables are initially recognized 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 un-collectability of any amount so recognized.

There is no fixed company policy regarding provision for impairment loss on debtors if, any receivables are not realized within the credit period.

3.06 Advances, deposits and prepayments

Advances are initially measured at cost. After initial recognition, advances are carried at cost less deductions, adjustments or charges to other account heads such as property, plant and equipment, inventory or expenses.

Deposits are measured at payment value.

Prepayments are initially measured at cost. After initial recognition, prepayments are carried at cost less charges to profit or loss.

3.07 Cash and cash equivalents

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

3.08 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.

Non-derivative financial assets

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

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

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 recognized in profit and loss as incurred. Financial assets at fair value through profit or loss are measured at fair value and changes therein which take into account and dividend income are recognized in profit or loss.

Held-to-maturity 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 recognized 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 recognized at cost which is the fair value of the consideration given in return. After initial recognition these are carried at amortized cost less impairment losses due to un-collectability of any amount so recognized.

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 recognized 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 recognizes financial liabilities on the date that are originated.

The company derecognizes 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 recognized 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 recognized at cost which is the fair value of the consideration. After initial recognition these are carried at amortized cost.

(c) Other liabilities

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

3.09 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".

3.10 Employee benefit schemes

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

3.11 Workers' profit participation fund

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

3.12 Provisions and contingencies

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

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

3.13 Earnings Per Share (EPS)

Basic Earnings:

This represents profit for the year attributable to ordinary shareholders. As there is no preference shares, non-controlling interest or extra ordinary items, the net profit after tax for the year has been considered fully attributable to the ordinary shareholders (refer to Note- 26.00 to the Financial Statements).

Diluted Earnings per share:

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

3.14 Finance income and finance costs

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

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

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

3.15 Foreign currency transactions

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

3.16 Income tax expenses

Tax expenses comprises current and deferred tax. Current tax and deferred tax are recognized in profit or loss to the extent it relates to items recognized 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 recognized 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 recognized to the extent that it is probable that future taxable profits will be available against which the deductible temporary differences can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

3.17 Impairment

Impairment of assets (IAS-36) at each balance sheet date, the company assess whether there is any indication that the carrying amount of an asset exceeds its recoverable amount. An asset is carried at more than its recoverable amount if its carrying amount exceeds the amount to be recovered through use or sale of the asset. If this is the case, the asset is described as impaired and an impairment loss is recognized as an expense in the profit and loss statement unless the asset is carried at revalued amount in accordance with International Accounting Standards (IAS) 16 - Property, Plant & and Equipment, on in which case any impairment loss of revalued asset should be treated as a revaluation decrease under that Accounting Standard. No impairment loss was recognized for the year ended 30 June 2022, as there were no such indication existed as on Balance Sheet date.

3.18 Right of use asset

The Company has applied IFRS 16 using the modified retrospective approach and therefore the comparative information has not been restated and continues to be reported under IAS 17.

Policy applicable from 01 July 2019

At inception of a contract, the Company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company uses the definition of a lease in IFRS 16. This policy is applied to contracts entered into, on or after 01 January, 2019.

As a lessee

At commencement or on modification of a contract that contains a lease component, the Company allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices. However, for the leases of property the Company has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

The Company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Company by the end of the lease term or the cost of the right-of-use asset reflects that the Company will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain re-measurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate.

The Company determines its incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of the asset leased.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- the exercise price under a purchase option that the Company is reasonably certain to exercise, lease payments in an optional renewal period if the Company is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Company is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is re-measured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, if the Company changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment.

When the lease liability is re-measured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

Short-term leases and leases of low-value assets

The Company has elected not to recognise right-of-use assets and lease liabilities for leases of low-value assets and short-term leases. The Company recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

Policy applicable before 01 July 2019

All the lease transactions have been classified based on the extent to which risks and rewards incidental to ownership of the assets lie with the lessor or lessee. According to this classification, all the Company's lease transactions have been identified as operating lease as per IAS 17: Leases based on the substance of the transactions, not merely on the legal form.

3.19 Segment reporting

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

3.20 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.

3.21 New Standards and interpretations

The financial statements have been prepared in compliance with requirements of IAS/IFRS as adopted in Bangladesh.

	Note(s)	30 June 2022 Taka	30 June 2021 Taka
4.00 Property, Plant and Equipment			
A. Cost			
Opening Balance		5,583,794,069	5,581,243,596
Addition during the year	4.02	1,124,206	2,550,473
		5,584,918,275	5,583,794,069
Deletion during the year	4.02	-	-
Total Cost		5,584,918,275	5,583,794,069
B. Accumulated Depreciation			
Opening Balance		1,385,177,870	1,294,788,656
Charged during the year	4.02	50,013,215	90,389,214
		1,435,191,085	1,385,177,870
Adjustments during the year	4.02	-	-
Total Depreciation		1,435,191,085	1,385,177,870
Written Down Value (WDV) as on 30 June (A-B)		4,149,727,190	4,198,616,199

Detail of Property, Plant & Equipment and Depreciation as on 30 June 2022 are shown in the notes 4.02.

4.01 S. Alam Power Generation Ltd, a subsidiary of the company commenced commercial operation of 17 MW Captive Power Plant in August 2016 with fuel. But immediately after commencement of commercial operation the price of fuel was increased by the government. The management observed that producing electricity by using high cost fuel will not be feasible as entire output will not be required by S.Alam Cold Rolled Steels Limited alone, hence decided not to produce any power. The borrowing cost of the Plant & Machineries were capitalized in accordance with clause 20 to 23 of IAS 23 - Borrowing cost.

The management at present considering the option to re-start the production with natural gas in order to meet the power requirement of S.Alam Cold Rolled Steels Limited and another heavy industry being erected nearby and expects that both the industry shall be able to utilize full production of S. Alam Power Generation Ltd.

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

Assets' Category	Cost				Depreciation Rate (%)	Depreciation		Carrying Amount as on 30 June 2022
	Opening Balance as on 01 July 2021	Addition	Disposal/ Adjustment	Closing Balance as on 30 June 2022		Charged for the year	Adjustment for disposal during the year	
	Taka	Taka	Taka	Taka		Taka	Taka	
A. Land and land development:								
Land-Freehold (14.56 Acres)	75,575,760	-	-	75,575,760	-	-	-	75,575,760
Land Development	21,416,417	-	-	21,416,417	-	-	-	21,416,417
	96,992,177			96,992,177				96,992,177
B. Building:								
Factory Building (Including Leased Assets)	304,368,680	-	-	304,368,680	5%	4,684,493	-	134,681,586
Factory Building (NOF Plant)	263,321,958	-	-	263,321,958	5%	2,469,777	-	32,683,939
Internal Road and Drainage	3,506,580	-	-	3,506,580	10%	62,824	-	2,941,164
Embankment	46,660,074	-	-	46,660,074	20%	44,472,524	-	44,910,034
General Building	52,760,018	-	-	52,760,018	5%	23,142,084	-	24,622,981
Coil Ware House	5,467,518	-	-	5,467,518	10%	4,493,824	-	4,591,194
	676,084,828			676,084,828		9,232,870		244,430,898
C. Plant and machinery								
Capital Machinery	3,873,923,052	-	-	3,873,923,052	10%	838,992,605	-	860,190,440
Capital Machinery (NOF Plant)	626,594,801	-	-	626,594,801	10%	13,1728,004	-	142,214,231
	4,500,517,853			4,500,517,853		31,684,062		1,002,404,671
D. Equipment and appliances:								
Factory Equipment	23,624,889	-	-	23,624,889	10%	1,232,339	-	12,880,903
Factory Equipment (NOF Plant)	14,944,780	-	-	14,944,780	10%	1,491,411	-	1,776,488
Hydrogen Generation System Plant (NOF Plant)	45,655,744	-	-	45,655,744	10%	4,710,443	-	5,578,073
Office Equipment	1,704,094	370,132	-	2,074,226	10%	1,121,832	-	1,165,695
Guest House Equipment	1,592,145	-	-	1,592,145	10%	1,285,668	-	1,316,316
Computer	3,991,618	111,800	-	4,103,418	10%	2,365,806	-	2,529,724
Air Conditioners	7,436,597	255,000	-	7,691,597	10%	4,297,195	-	4,626,365
Air Conditioners (NOF Plant)	466,888	-	-	466,888	10%	89,674	-	127,395
Generator	1,240,000	-	-	1,240,000	10%	885,465	-	920,918
Electric Line Installation	3,175,374	-	-	3,175,374	10%	2,485,822	-	2,522,872
Electric Line Installation (NOF Plant)	12,851,881	-	-	12,851,881	10%	6,881,599	-	7,008,109
Gas Line Installation	6,269,154	-	-	6,269,154	10%	4,253,635	-	4,455,187
Fire Extinguisher	58,100	-	-	58,100	10%	48,571	-	49,524
Telephone Line Installation	398,527	-	-	398,527	10%	332,017	-	338,668
Grinding Wheel	134,666	-	-	134,666	10%	112,972	-	115,142
Water Tank	113,500	-	-	113,500	10%	95,258	-	97,082
Work Roll	1,593,025	-	-	1,593,025	10%	1,137,551	-	1,183,099
Radiolink and Networking (Factory)	433,880	-	-	433,880	10%	284,097	-	299,075
Tools and Tackles	121,238	-	-	121,238	10%	99,473	-	100,642
	125,806,100	736,932		126,543,032		44,302,326		47,091,276
E. Furniture and Fixtures								
Furniture and Fixtures	4,642,001	387,274	-	5,029,275	10%	3,087,442	-	3,265,440
Furniture and Fixtures (NOF Plant)	512,803	-	-	512,803	10%	215,547	-	245,273
	5,154,804	387,274		5,542,078		3,302,989		3,510,713
F. Luffing Crane and Jetty Construction								
G. Coil Cart								
H. Motor vehicles								
I. Interior Decoration								
	54,948,213	-	-	54,948,213	15%	802,365	-	45,795,059
	9,315,746	-	-	9,315,746	10%	5,706,497	-	3,415,324
	110,804,252	-	-	110,804,252	20%	77,223,856	-	82,261,291
	4,170,096	-	-	4,170,096	15%	3,730,871	-	3,796,755
	179,238,307			179,238,307		6,099,609		137,753,527
30 June 2022	5,583,794,069	1,124,206		5,584,918,275		1,385,177,870		4,149,727,190
30 June 2021	5,581,243,596	2,550,473		5,583,794,069		1,294,788,656		4,198,616,199

Depreciation allocated to:

Note(s)	Basis	30 June 2021 Taka	30 June 2022 Taka
21	75%	67,791,910	37,509,911
23	25%	22,597,303	12,503,304
	100%	90,389,214	50,013,215

	Note(s)	30 June 2022 Taka	30 June 2021 Taka
5.00 Right of use assets			
A. Cost			
Opening Balance		532,823	-
Adjustment for adoption of IFRS 16		-	532,823
Adjusted opening balance		532,823	532,823
Add: Addition during the year		-	-
		532,823	532,823
Less: Deletion during the year		-	-
Closing Balance		532,823	532,823
B. Accumulated Depreciation			
Opening Balance		387,508	-
Prior year Adjustment		-	193,754
Adjusted Opening Balance		387,508	193,754
Add: Depreciation for the year		145,315	193,754
		532,823	387,508
Less : Adjustments during the year		-	-
Closing Balance		532,823	387,508
Written Down Value (WDV) [A-B]		-	145,315

Company had a lease arrangement with chattogram city corporation for a space of 2,925.88 sft at Asadgonj, Chattogram which was expired on 31st March, 2022. Management have already applied for lease arrangement for same property on date 26th April, 2022 which application is under process for approval from the concern authority.

5.01 The Make-up

Right of use assets (for Corporate Office Space at 2nd Floor)

Cost	532,823	532,823
Additions	-	-
Disposals/transfers	-	-
Closing Balance	532,823	532,823
Accumulated depreciation/ Amortization		
Opening Balance	387,508	-
Prior year Adjustment	-	193,754
	387,508	193,754
Depreciation/Amortization for the period	145,315	193,754
Adjustment for disposals/transfers	-	-
Closing Balance	532,823	387,508
Carrying amount	-	145,315

	Note(s)	30 June 2022 Taka	30 June 2021 Taka
5.02 Lease Liabilities			
Opening Balance		158,574	-
Adjustment for Adoption of IFRS-16		-	532,823
Adjustment for Interest Expenses- Adoption of IFRS-16		-	40,700
Add/(less): Prior year adjustment for adoption of IFRS-16		-	(219,441)
Adjusted Opening Balance		158,574	354,082
Add:Addition during the year (Interest)		6,009	23,933
		164,583	378,015
Less:Paid/Adjusted during the year		(164,583)	(219,441)
Closing Balance		-	158,574
Non-current portion		-	-
Current portion		-	158,574
		-	158,574
6.00 Inventories			
Raw Materials	6.01	2,695,986,372	2,975,333,891
Raw Materials-in-Bond items		612,852,869	643,338,680
Work-in-Process	6.02	737,412,448	784,268,640
Finished Goods	6.03	974,968,016	1,034,122,597
Stores and Spares		313,019,460	272,496,840
Stock-in-transit		1,284,309,366	2,144,352,418
Lubricant Oil		1,538,240	1,538,240
HFO		13,702,500	13,702,500
LFO		904,764	904,764
		6,634,694,035	7,870,058,570
6.01 Raw materials			
		30 June 2022	30 June 2021
		Qty. (MT)	Taka
H. R Coil		2,845.88	281,618,790
Hydrochloric Acid		4,579.98	27,028,843
TIN Ingot		33.39	69,087,773
ZINC Ingot		7,951.35	2,187,740,017
LEAD Ingot		525.85	116,868,638
ZINC Alloy		-	-
Antimony Ingot		-	-
Chromic Acid		48.85	13,642,311
		2,695,986,372	2,975,333,891
6.02 Work-in-Process			
CR Coil		352,822,796	374,569,840
NOF		384,589,652	409,698,800
		737,412,448	784,268,640
6.03 Finished Goods			
CR Coil		488,875,142	445,660,984
C.I & GP Sheet		486,092,874	588,461,613
		974,968,016	1,034,122,597

	Note(s)	30 June 2022 Taka	30 June 2021 Taka
7.00 Trade Receivables			
Against CR Coil	7.01	1,899,520,304	1,890,257,481
Against C.I and G.P Sheet		8,347,517	39,211,903
Others		874,997,182	2,013,041,988
		2,782,865,003	3,942,511,372
7.01 Against CR Coil			
Chemon Ispat Limited		1,352,468,336	1,465,866,325
S. Alam Steels Limited		547,051,968	424,391,156
		1,899,520,304	1,890,257,481
Trade receivables have been stated at arm's length price. All receivables have been considered good and realizable. Therefore, no amount was written off as bad debt and no bad debt was considered as doubtful to provide for.			
8.00 Advances, Deposits and Prepayments			
Advances	8.01	1,816,571,959	1,700,172,960
Deposits	8.02	54,253,294	16,275,693
Prepayments	8.03	112,043,309	84,815,127
		1,982,868,562	1,801,263,780
8.01 Advances			
Against Supply of Goods		520,369,223	753,107,481
Against Salary		5,560,000	1,740,000
Bank Guarantee Margin		69,896,533	66,854,824
Advance Income Tax	8.01.01	718,568,630	551,572,900
VAT current account *		366,844,419	324,374,710
Supplementary Tax Current A/C		164,674	164,674
S.S Enterprise		300,000	300,000
Others		134,868,480	2,058,371
		1,816,571,959	1,700,172,960
* Company maintained sufficient fund in VAT current accounts in order to meet any unforeseen VAT claim.			
8.01.01 Advance Income Tax			
Opening Balance		551,572,900	416,330,156
Paid During the year		169,562,790	135,242,744
		721,135,690	551,572,900
Adjusted with advance Income Tax		(2,567,060)	-
		718,568,630	551,572,900
Advance Income Tax Refund		-	-
		718,568,630	551,572,900
8.02 Deposits			
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.		2,188,403	2,188,403
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		40,371,728	2,394,127
		54,253,294	16,275,693

	Note(s)	30 June 2022 Taka	30 June 2021 Taka
8.03	Prepayments		
	Insurance	11,984,444	1,435,785
	Internet Service	102,935	-
	BSTI Fee	5,854,309	-
	Listing Fee	88,333	-
	Interest on MBC	94,013,288	83,379,342
		112,043,309	84,815,127

9.00 Short Term Investment

Name of Banks

Fixed Deposit Receipts:

Islami Bank Bangladesh Limited	45,243,843	43,269,808
Janata Bank Ltd.	23,334,696	16,119,582
	68,578,539	59,389,390

10.00 Cash and Cash Equivalents

Cash in Hand	10.01	10,367	44,049
Cash at Banks	10.02	53,500,259	241,462,183
		53,510,626	241,506,232

10.01 Cash in Hand

Head Office & Liasion Office	10,244	36,459
Factory Office	123	7,590
	10,367	44,049

10.01 Cash in Hand

Head Office & Liasion Office	10,244	36,459
Factory Office	123	7,590
	10,367	44,049

10.02 Cash at Banks

Bank	Branch	Account No.	30 June 2022 Taka	30 June 2021 Taka
AB Bank Ltd.	Agrabad Br., Chattogram	CD#4101-774707-000	89,604	93,409
Agrani Bank Ltd.	Laldighi Br. Chattogram	CD#29373	34,601	38,521
Al-Arafah Islami Bank Ltd	Khatungonj Br., Chattogram	CD# 0091020013952	67,018	82,948
Bangladesh Commerce Bank Ltd.	Khatungonj Br., Chattogram	CD# 02321000634	8,908	-
Bank Asia Ltd.	Khatungonj Br., Chattogram	CD#01333005952	135,732	279,422
Dhaka Bank Ltd.	Khatungonj Br., Chattogram	STD#0171502235	17,309	18,805
Exim Bank Ltd.	Khatungonj Br., Chattogram	CD#00411100004909	85,343	125,557
First Security Islami Bank Ltd.	Khatungonj Br., Chattogram	SND#13100003008	5,921,623	37,856,796
First Security Islami Bank Ltd.	Khatungonj Br., Chattogram	SND#13100002711	36,787	37,155
First Security Islami Bank Ltd.	Khatungonj Br., Chattogram	SND#1310002792	17,036	17,814
First Security Islami Bank Ltd.	Anderkilla Br., Chattogram	CD#13411100003882	10,063,998	21,542,510
IFIC Bank Ltd.	Khatungonj Br., Chattogram	CD#0170184017001	7,970	14,292
Islami Bank Bangladesh Ltd.	Khatungonj Br., Chattogram	CD#10601002130	25,410,478	27,383,357
Jamuna Bank Ltd.	Jubilee Road Br. Chattogram	CD#00190211002260	3,276	7,196
Janata Bank Ltd.	Shadharan Bima Corp. Br. Chattogram	CD#001031259	9,448,365	150,588,479
Mercantile Bank Ltd.	Khatungonj Br., Chattogram	CD#011211100005747	7,304	12,574

Bank	Branch	Account No.	30 June 2022 Taka	30 June 2021 Taka
National Bank Ltd.	Khatungonj Br., Chattogram	CD#0002-33069282	78,623	84,600
NRB Global Bank Ltd.	Khatungonj Br., Chattogram	CD#0111100219390	11,380	65,500
Pubali Bank Ltd.	Khatungonj Br., Chattogram	CD#0642901085670	20,509	36,946
Rupali Bank Ltd	O.R Nizam Road Corporate Br. Chattogram	CD#15520235000579	5,703	4,592
Rupali Bank Ltd	O.R Nizam Road Corporate Br. Chattogram	SND#1552024000134	117,959	116,628
Rupali Bank Ltd	Local Office, Dhaka	CD # 0018020010320	4,677	4,677
Southeast Bank Ltd.	Principal Office, Dhaka	CD#11100036055	76,212	91,902
Social Islami Bank Ltd.	Khatungonj Br., Chattogram	CD#0141330020285	961,042	1,734,857
The City Bank Ltd.	Khatungonj Br., Chattogram	CD#1101002163001	12,814	16,619
Union Bank Ltd.	Khatungonj Br., Chattogram	CD#0101010000801	416,755	154,084
Union Bank Ltd.	Gulshan Br. Dhaka	CD#0021010001342	40,710	41,400
Uttara Bank Ltd.	Khatungonj Br., Chattogram	CD#015812221999319	124,368	809,438
First Security Islami Bank Ltd.	Khatungonj Br.	CD#010211100009425	209,151	133,981
National Bank Limited	Khatungonj Br.	CD#1002000515781	1,595	2,285
Janata Bank Limited	Shadharan Bima Corporate Br.	CD#001031226	15,839	16,529
Islami Bank Bangladesh Ltd.	Khatungonj Br.	CD#1060100415610	47,570	49,310
			53,500,259	241,462,183

**30 June 2022
Taka**

**30 June 2021
Taka**

11.00 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

11.01 Shareholding Position

Name of Shareholders	As at 30 June 2022		As at 30 June 2021	
	% 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	7.97%	7,836,775	5.37%	5,286,146
ICB AMCL Unit Fund	3.46%	3,401,701	-	-
ICB Unit Fund	1.18%	1,163,138	1.18%	1,163,138
ICB	4.57%	4,493,269	4.57%	4,493,269
Others	34.32%	33,765,557	40.38%	39,717,887
	100.00%	98,371,100	100.00%	98,371,100

11.02 Classification of shares by holding

Class by number of shares	No. of Holders Nos.	No. of Shares Nos.	% of Holding
Less than 500	2110	326,286	0.33%
From 501 to 5,000	2471	4,106,857	4.17%
From 5,001 to 10,000	323	2,483,143	2.52%
From 10,001 to 20,000	143	2,110,567	2.15%
From 20,001 to 30,000	61	1,515,366	1.54%
From 30,001 to 40,000	24	841,945	0.86%
From 40,001 to 50,000	25	1,152,857	1.17%
From 50,001 to 100,000	36	2,517,386	2.56%
From 100,001 to 1,000,000	43	13,994,152	14.23%
From 1,000,001 and above	15	69,322,541	70.47%
TOTAL	5251	98,371,100	100%

	Note(s)	30 June 2022 Taka	30 June 2021 Taka
11.03 Share Premium		433,930,746	433,930,746
		433,930,746	433,930,746
11.04 Retained Earnings			
Opening Balance		440,563,050	452,099,701
Cash dividend paid		(98,371,100)	(98,371,100)
Net Profit after tax		66,121,797	86,604,422
Adjustment for adoption of IFRS 16-Lease		-	230,027
		408,313,747	440,563,050
11.05 Non- Controlling Interest			
Opening Balance		118,803,458	123,092,146
Net Profit after tax		(3,437,732)	(4,288,688)
		115,365,726	118,803,458
12.00 Trade Creditors			
Liability against Deferred L/C		2,325,624,870	1,627,080,100
Customs Authority-Inbond Duty		139,258,005	147,284,042
Sundry Creditors		4,457,519	110,342,795
		2,469,340,394	1,884,706,937
13.00 Short Term Liabilities			
Loan against Trust Receipt (LTR)	13.01	2,117,209,817	2,247,082,667
Loan against PAD, CC-Hypo, Bai-Muazzal Hypo, Bai-Murabaha	13.02	8,150,099,753	11,231,711,009
		10,267,309,570	13,478,793,676
13.01 Short Term Bank Loan (LTR)			
Janata Bank Ltd., Shadharan Bima Corp Branch, Ctg.		2,117,209,817	2,247,082,667
		2,117,209,817	2,247,082,667
13.02 Loan against PAD, CC-Hypo, Bai-Muazzal Hypo, Bai-Murabaha			
Janata Bank Ltd., Shadharan Bima Corp Branch, Ctg. (PAD)		2,939,124,275	3,496,199,002
Janata Bank Ltd., Shadharan Bima Corp Branch, Ctg. (Cash Credit - HYPO)		1,048,497,885	3,476,679,682
Exim Bank Ltd., Khatungonj Branch, Ctg (Bia-Muazzal Hypo)		1,911,036,500	2,137,999,999
Islami Bank Bangladesh Ltd., Khatungonj Branch, Ctg, (Bia Murabaha)		2,251,441,094	2,120,832,326
		8,150,099,754	11,231,711,009

13.03 Terms and condition of the above liabilities are as follows :**13.03.01 Lender:** Janata Bank Ltd., Shadharan Bima Corporate Branch, Chattogram.

Types of Liabilities	Sanctioned limit (Figures in crore)	Rate of Interest
LC/PAD/LTR/CC-Hypo	650	9%
Working Capital under Stimulus Package	100	9%

Security :

- i) LC/Bill of Lading, Corporate Guarantee & Personal Guarantee of all directors.
- ii) 100% registered mortgage of 2971.27 Decimal land in different places at Chattogram, Bangladesh

13.03.02 Lender: Islami Bank Bangladesh Ltd., Khatungonj Corporate Branch, Chattogram.

Types of Liabilities	Sanctioned limit (Figures in crore)	Rate of Interest
TR with LC/Bill/Bai-Murabaha/MPI/BG	1250	9%
Working Capital under Stimulus Package	100	4.50% by the company and 4.50% by the Government as Subsidy

Security :

- i) Post dated cheque, Corporate Guarantee & Personal Guarantee of all directors.
- ii) Hypothecation on Inventories, goods in warehouse and Bank Guarantee etc.
- iii) 1,149 Decimal land and building with existing machinery of the project located at Shikalbaha, Patiya, Chattogram, Bangladesh.

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

Types of Liabilities	Sanctioned limit (Figures in crore)	Rate of Interest
Bai - Muajjal Hypo	502	9%

Security :

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

13.03.04 Lender: Union Bank Ltd., Khatungonj Branch, Chattogram

Types of Liabilities	Sanctioned limit (Figures in crore)	Rate of Interest
Bank Guarantee	105	BG Margin @ 2.70% in the form of MTDR & Commission 0.15% for 1st Qtr & 0.10% for subsequent quarter

Security :

- i) Personal guarantee of all directors of the Company.
- ii) Post dated cheque.

13.03.05 Lender: Global Islami Bank Ltd., Khatungonj Branch, Chattogram

Types of Liabilities	Sanctioned limit (Figures in crore)	BG Margin , Commission & Charges
Bank Guarantee	100	BG Margin @ 2.00% in the form of MTDR & Commission 0.15% for 1st Qtr & 0.10% for subsequent quarter

Security :

- i) Personal guarantee of all directors of the Company.
- ii) Post dated cheque.

	Note(s)	30 June 2022 Taka	30 June 2021 Taka
14.00 Liabilities for Expenses			
Audit Fee		550,000	500,000
Chittagong Palli Bidyut Samity -1		13,890,232	10,542,762
Karnaphuli Gas Distribution Co. Ltd.		912,315	509,770
Salary and Allowances		10,586,789	273,300
Telephone and Mobile Charges		25,005	-
Liason Office Expenses		32,751	28,668
Against C & F		323,414	182,604
Profit earned on unclaimed dividend to deposit CMSF		269,956	-
Transportation		355,670	161,000
Karnaphuli Filling Station Limited		89,765	51,511
Against Store and Spare		26,296,624	10,197,669
Overtime Factory		245	-
Tax Payable		2,600	-
Sundry Creditors		46,384	95,640
VAT Payable		15,000	22,500
		53,396,750	22,565,424
15.00 Advance against Sales		116,383,040	813,873
16.00 Liability against Unclaimed Dividend			
Opening Balance		37,029,085	35,886,679
Dividend declared during the year		98,371,100	98,371,100
		135,400,185	134,257,779
Dividend paid		(131,919,249)	(97,228,694)
Closing Balance		3,480,936	37,029,085

As per directive No. BSEC/CMRRCD/2021-386/03 and Bangladesh Securities and Commission Rules (Capital Market Stublisation Fund) Rules-2021, if cash dividend remain unpaid or unclaimed for a period of three years from the date of declaration or approval or record date, shall be transferred to CMSF (Capital Market Stublisation Fund). The company transferred total amount of Taka 32,930,765 as unclaimed or unpaid cash dividend/ nonsubscribed IPO money to CMSF that was remain unclaimed for more than three years.

The break up of unclaimed dividend is given below:

Unclaimed dividend on Ordinary Share	16.01	3,480,936	35,531,133
Unclaimed dividend on Convertible Preference Share		-	1,497,952
		3,480,936	37,029,085

16.01 Year wise unclaimed Dividend on Ordinary Share

Year	30 June 2022 Taka	30 June 2021 Taka
2005-2006	-	406,913
2006-2007	-	994,662
2007-2008	-	996,530
2008-2009	-	1,611,617
2009-2010	-	3,502,615
2010-2011	-	4,197,227
2011-2012	-	5,093,821
2012-2013	-	4,699,632
2013-2014	-	1,907,883
2014-2015	-	2,149,396
2015-2016	-	2,723,692
2016-2017	-	1,938,859
2017-2018	-	2,315,840
2018-2019	1,263,769	1,501,528
2019-2020	1,224,941	1,490,918
2020-2021	992,226	-
Unclaim Dividend for Ordinary Share	3,480,936	35,531,133

	Note(s)	30 June 2022 Taka	30 June 2021 Taka
17.00 Provision for Income Tax			
For Current Tax	17.01	466,594,146	321,994,184
For Deferred Tax	17.02	241,145,448	274,258,955
		707,739,594	596,253,139

17.01 Provision for Current Tax			
Opening Balance		321,994,184	190,259,332
Provision made during the year	17.01.01	147,167,022	135,189,744
		469,161,206	325,449,076
Paid/Adjusted during the year		(2,567,060)	(3,454,892)
Closing Balance		466,594,146	321,994,184

17.01.01 Computation of Tax liability as per 82 C of ITO 1984

	Note	Taxable Profit/(Loss)	Tax Rate	Tax Liability
a) As per section 82 C (3)a				
Head of Income				
Business Income U/S 28	17.01.02	193,244,547	20.00%	38,648,909
Income from other sources U/S 33	25.00	8,342,866	20.00%	1,668,573
Tax Liability on Income from regular sources				40,317,483

	Note	Taxable Profit/(Loss)	Tax Rate	Tax Liability
b) As per section 82 C (2) (b) para(ii)				
On Import stage U/S 53 against import of H.R Coil as iron product under H.S Code Heading "72"				146,305,741
On Interest of FDR/MTDR & STD/SND accounts U/S 53F(2)				861,281
				147,167,022
c) As per section 82C (4) (a)				
Gross sales		4,761,272,509	0.60%	28,567,635
Finance Income		8,342,866	0.60%	50,057
				28,617,692
Therefore , Provision for current tax liability is higher of a, b & c				147,167,022

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17.01.02 Computation of Business income (U/S - 28)

Profit before tax as per Accounts		188,275,142
Add: Inadmissible Items		
Accounting Depreciation		47,375,044
Accounting Depreciation - Right of use asset		145,315
Excess perquisite		2,085,202
Provision for Worker's Profit Participation & Welfare Fund		9,909,218
Miscellaneous Expenses		1,735,258
		61,250,037
Profit before admissible items		249,525,179
Less: Deductible items		
Income from other sources		8,342,866
Fiscal (Tax) depreciation		34,318,906
Payment for Worker's Profit Participation & Welfare Fund		13,618,860
		56,280,632
Total Taxable Profit		193,244,547

	30 June 2022		30 June 2021	
	Rate	Amount in Taka	Rate	Amount in Taka
17.01.03 Reconciliation of effective tax rate				
Profit before tax	-	188,275,142	-	189,913,361
Provision for current year tax	78.17%	147,167,022	71.18%	135,189,744

Factors affecting the tax rate charge:

Tax using the applicable rate	20.00%	37,655,028	22.50%	42,730,506
Difference between regular tax and Minimum Tax Under 82C of ITO 1984	56.75%	106,849,539	43.59%	82,784,781
Difference between accounting WPPF & WF Provision and payment	-0.39%	(741,928)	-0.95%	(1,809,454)
Difference between accounting and fiscal depreciation	1.40%	2,640,291	5.43%	10,305,748
Inadmissible expenses	0.18%	347,052	0.18%	345,132
Effect of taxable perquisit	0.22%	417,040	0.44%	833,031
	78.17%	147,167,022	71.18%	135,189,744

17.01.04 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 year	Assessment Completed
30 June 2018	2018-2019	Assessment with 1st Appeal and 2nd Appeal completed. But revised demand notice after 2nd Appeal not yet received.
30 June 2019 to 30 June 2021	2019-2020 to 2021-2022	Assessment completed and on process for 1st Appeal.

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).

17.02 Deferred Tax Liability

	30 June 2022 Taka	30 June 2021 Taka
Opening Balance	274,258,955	316,146,697
Provision made during the year	-	-
	274,258,955	316,146,697
Provision realized during the year	(33,113,507)	(41,887,742)
Closing balance	241,145,448	274,258,955

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

Calculation of Deffered Tax

A. As on 30 June 2022 :

Property, Plant and Equipment (Except Land)	1,379,758,365	174,031,126	1,205,727,239
Right of use asset	-	-	-
			1,205,727,239
Applicable Tax Rate			20%
			241,145,448

	Carrying Amount (Taka)	Tax Base (Taka)	Taxable / (Deductible) Temporary Difference (Taka)
B. As on 30 June 2021 :			
Property, Plant and Equipment (Except Land)	1,426,009,202	207,225,826	1,218,783,376
Right of use asset	145,315	-	145,315
			<u>1,218,928,691</u>
Applicable Tax Rate			22.50%
			<u>274,258,955</u>
Provision made/(Realized) during the year (A-B)			<u><u>(33,113,507)</u></u>
18.00 Provision for Workers' Profit Participation & Welfare Fund (WPP & WF)			
Opening Balance		115,861,606	121,610,982
Accrued interest on WPPF		729,552	2,292,642
Provided during the year @ 5% on net profit before tax		9,909,218	9,995,440
		<u>10,638,770</u>	<u>12,288,082</u>
		126,500,376	133,899,064
Paid during the year		(13,618,860)	(18,037,458)
Closing Balance		<u><u>112,881,516</u></u>	<u><u>115,861,606</u></u>
19.00 Other Liabilities			
Income Tax deducted at source from salary		291,465	-
Income Tax deducted at source-others		24,471	13,748
VAT deducted at sources		75,000	-
Refund warrant of IPO		-	286,542
		<u>390,936</u>	<u>300,290</u>
20.00 Revenue			
Sales of C.R Coil		2,549,487,982	2,044,802,361
Sales of C.I Sheet		1,616,697,172	2,531,630,222
Sales of G.P Sheet		32,768,139	32,958,192
Sales of Scrap		562,319,216	738,836,464
		<u><u>4,761,272,509</u></u>	<u><u>5,348,227,239</u></u>
21.00 Cost of Sales			
Opening Stock of Raw Materials		2,991,479,395	3,756,637,002
Purchased during the year	21.01 to 21.11	3,203,722,008	3,585,974,283
		6,195,201,403	7,342,611,285
Closing Stock of Raw Materials	21.01 to 21.11	(2,712,131,876)	(2,991,479,395)
Cost of raw materials consumed		<u><u>3,483,069,527</u></u>	<u><u>4,351,131,890</u></u>

	Note(s)	30 June 2022 Taka	30 June 2021 Taka
Add: Manufacturing Expenses:			
Power (Electricity)		145,612,566	184,684,816
Gas		10,916,169	17,061,769
Fuel and Lubricants- Factory Generator		718,350	1,131,000
Factory overhead	21.12	139,728,079	154,985,435
Consumption of Stores and Spares		69,902,678	89,087,180
Consumption of Packaging materials		493,779	1,224,944
Depreciation	4.02	37,509,912	67,791,910
		<u>404,881,533</u>	<u>515,967,054</u>
Cost of Goods Manufactured		3,887,951,060	4,867,098,944
Add: Opening stock of WIP (CR)	6.02	374,569,840	306,735,856
Opening stock of WIP (NOF)	6.02	409,698,800	484,528,965
Less: Closing stock of WIP (CR)	6.02	352,822,796	374,569,840
Closing stock of WIP (NOF)	6.02	384,589,652	409,698,800
		<u>3,934,807,252</u>	<u>4,874,095,125</u>
Add: Opening stock of Finished Goods (CR)	6.03	445,660,984	343,297,701
Opening stock of Finished Goods (NOF)	6.03	588,461,613	419,714,177
Less: Closing stock of Finished Goods (CR)	6.03	488,875,142	445,660,984
Closing stock of Finished Goods (NOF)	6.03	486,092,874	588,461,613
Cost of sales		<u>3,993,961,833</u>	<u>4,602,984,406</u>
21.01 Raw Materials Consumed - H.R Coil			
Opening Stock of raw materials		624,125,528	1,467,298,217
Add: Purchased during the year		<u>2,832,571,012</u>	<u>2,787,828,936</u>
		3,456,696,540	4,255,127,153
Less: Closing Stock of Raw Materials		<u>281,618,790</u>	<u>624,125,528</u>
Cost of raw materials consumed		<u>3,175,077,750</u>	<u>3,631,001,625</u>
21.02 Raw Materials Consumed - Hydrochloric Acid			
Opening Stock of raw materials		27,647,615	32,191,734
Add: Purchased during the year		<u>6,339,316</u>	<u>7,718,245</u>
		33,986,931	39,909,979
Less: Closing Stock of raw materials		<u>27,028,843</u>	<u>27,647,615</u>
Consumption of Hydrochloric Acid		<u>6,958,088</u>	<u>12,262,364</u>
21.03 Raw Materials Consumed - TIN Ingot			
Opening Stock of raw materials		74,586,824	67,715,730
Add: Purchased during the year		<u>-</u>	<u>20,428,376</u>
		74,586,824	88,144,106
Less: Closing Stock of raw materials		<u>69,087,773</u>	<u>74,586,824</u>
Consumption of TIN Ingot		<u>5,499,051</u>	<u>13,557,282</u>

	Note(s)	30 June 2022 Taka	30 June 2021 Taka
21.04 Raw Materials Consumed - ZINC Ingot			
Opening Stock of raw materials		2,111,768,050	2,039,598,675
Add: Purchased during the year		361,224,725	732,919,960
		<u>2,472,992,775</u>	<u>2,772,518,635</u>
Less: Closing Stock of raw materials		2,187,740,017	2,111,768,050
Consumption of ZINC Ingot		<u>285,252,758</u>	<u>660,750,585</u>
21.05 Raw Materials Consumed - LEAD Ingot			
Opening Stock of raw materials		117,311,800	118,444,820
Add: Purchased during the year		-	-
		<u>117,311,800</u>	<u>118,444,820</u>
Less: Closing Stock of raw materials		116,868,638	117,311,800
Consumption of Lead Ingot		<u>443,162</u>	<u>1,133,020</u>
21.06 Raw Materials Consumed - ZINC Alloy			
Opening Stock of raw materials		6,833,013	4,551,189
Add: Purchased during the year		-	29,332,333
		<u>6,833,013</u>	<u>33,883,522</u>
Less: Closing Stock of raw materials		-	6,833,013
Consumption of ZINC Alloy		<u>6,833,013</u>	<u>27,050,509</u>
21.07 Raw Materials Consumed - Antimony Ingot			
Opening Stock of raw materials		2,249,496	-
Add: Purchased during the year		-	5,574,695
		<u>2,249,496</u>	<u>5,574,695</u>
Less: Closing Stock of raw materials		-	2,249,496
Consumption of Antimony Ingot		<u>2,249,496</u>	<u>3,325,199</u>
21.08 Raw Materials Consumed - Chromic Acid			
Opening Stock of raw materials		10,811,565	10,691,133
Add: Purchased during the year		3,586,955	2,171,738
		<u>14,398,520</u>	<u>12,862,871</u>
Less: Closing Stock of raw materials		13,642,311	10,811,565
Consumption of Chromic Acid		<u>756,209</u>	<u>2,051,306</u>
21.09 Lubricant Oil Consumed			
Opening Stock		1,538,240	1,538,240
Add: Purchased during the year		-	-
		<u>1,538,240</u>	<u>1,538,240</u>
Less: Closing Stock		1,538,240	1,538,240
Consumption of Lubricant Oil		<u>-</u>	<u>-</u>
21.10 HFO Consumed			
Opening Stock		13,702,500	13,702,500
Add: Purchased during the year		-	-
		<u>13,702,500</u>	<u>13,702,500</u>
Less: Closing Stock		13,702,500	13,702,500
Consumption of HFO		<u>-</u>	<u>-</u>

	Note(s)	30 June 2022 Taka	30 June 2021 Taka
21.11 LFO Consumed			
Opening Stock		904,764	904,764
Add: Purchased during the year		-	-
		<u>904,764</u>	<u>904,764</u>
Less: Closing Stock		904,764	904,764
Consumption of LFO		<u>-</u>	<u>-</u>
21.12 Factory Overhead			
Salaries and Allowances		112,983,671	108,092,214
Insurance Expenses		9,819,515	15,793,625
Medical & Welfare Expenses		344,820	412,896
Labour Charges		805,048	1,661,157
Repairs and Maintenance		2,442,615	9,732,465
Carrying Charges-Raw Materials		1,767,956	1,515,800
Uniform and Liveries		-	9,992
Transportation		2,762,620	2,769,200
Printing & Stationery		249,838	195,408
Canteen Expenses - Factory		262,425	251,843
Telephone and Internet Charges		401,535	375,759
Miscellaneous Expenses		1,424,124	1,251,636
Registration and Renewal		3,306,953	9,992,837
Rent, Rates and Taxes		1,366,000	1,446,954
Travelling and Conveyance Expenses		167,007	160,030
Vehicle Maintenance		1,607,162	1,300,327
Entertainment Expense		16,790	23,292
		<u>139,728,079</u>	<u>154,985,435</u>
22.00 Selling and Distribution Costs			
Advertisement		836,000	336,545
		<u>836,000</u>	<u>336,545</u>
23.00 Office & Administrative Expenses			
Salaries and Allowances		25,980,514	23,214,953
Amortization	5.00	145,315	193,754
Depreciation	4.02	12,503,304	22,597,303
Canteen Expenses		568,673	238,114
Fees and Renewals		1,315,622	2,539,984
Guest House Expenses		-	207,542
Legal and Professional Expenses		578,000	667,300
Liaison Office Expenses		111,389	122,432
Office Maintenance Expenses		1,162,945	651,821
Liaison Office Rent		435,792	435,791
Stationery Expenses		534,669	540,173
Registration and Renewal		17,500	71,100
Rent, Rates and Taxes		87,774	404,134
Telephone and Mobile Expenses		171,279	198,930
Travelling and Conveyance Expenses		263,803	163,435
Vehicle Maintenance		2,110,813	1,056,399
Management Meeting and Conference		1,746,020	1,175,513
Electricity Expenses		427,308	403,014
Miscellaneous Expenses		432,852	1,436,767
Audit Fees	37.00	550,000	500,000
		<u>49,143,572</u>	<u>56,818,458</u>

	Note(s)	30 June 2022 Taka	30 June 2021 Taka
24.00 Finance Expenses			
Bank Charges		943,377	1,300,401
Interest for Lease	5.02	6,009	23,933
Interest on Short Term Loan		481,880,128	500,076,672
Foreign Exchange Loss		50,445,942	-
Interest on WPPF	18.00	729,552	2,292,642
Bank Guarantee Commission		5,022,164	5,252,993
		539,027,172	508,946,641
25.00 Finance Income			
Interest Income from MTDR		4,927,371	4,945,727
Interest on STD/SND		84,367	744,662
Interest Income from FDR		3,331,128	781,598
		8,342,866	6,471,987
26.00 Basic Earnings Per Share (EPS)			
Profit attributable to the ordinary shareholders		66,121,797	86,604,422
Number of ordinary shares outstanding during the year		98,371,100	98,371,100
Basic Earnings Per Share (EPS)		0.67	0.88
27.00 Net Asset Value Per Share (NAVPS)			
Total Assets		15,672,243,955	18,113,490,858
Less: Total Liabilities		13,846,288,462	16,255,286,062
Net Asset Value (NAV)		1,825,955,493	1,858,204,796
Number of ordinary shares outstanding during the year		98,371,100	98,371,100
Net Asset Value Per Share (NAVPS)		18.56	18.89
28.00 Net Operating Cash Flow Per Share (NOCFPS)			
Cash flows from operating activities		3,695,675,858	(2,139,966,362)
Number of ordinary shares outstanding during the year		98,371,100	98,371,100
Net Operating Cash Flow Per Share (NOCFPS)		37.57	(21.75)
29.00 Reconciliation of net income with cash flows from Operating Activities			
Net profit After Tax		62,684,065	82,315,734
Adjustment for non-cash items			
Depreciation		50,158,530	90,582,968
		112,842,596	172,898,701

	30 June 2022 Taka	30 June 2021 Taka
Adjustment for non-operating items :		
Cash Paid for Financial Expenses	538,297,620	506,653,999
Finance Income	(8,342,866)	(6,471,987)
Adjustment for Provision of Deferred Tax	(33,113,507)	(41,887,741)
Adjustment for changes in accruals :		
(Increase)/ Decrease in Accounts Receivable	1,159,646,369	(315,993,566)
(Increase)/ Decrease in Inventory	1,235,364,535	(537,842,860)
(Increase)/ Decrease in Advances, Deposits & Prepayments except AIT	(14,609,052)	616,886,490
Increase/(Decrease) - Advance against sales	115,569,167	(938,040)
Increase/(Decrease) in Trade Payable	584,633,457	(2,523,189,535)
Increase/(Decrease) Lease Liabilities for current portion	(158,574)	-
Increase/(Decrease) in Other Liabilities	90,646	(317,409)
Increase/(Decrease) in Liabilities for Expenses	30,831,326	(507,145)
Increase/(Decrease) in provision of WPPF & WF	(2,980,090)	(5,749,376)
Excess of Tax provision over adjustment	144,599,962	131,734,852
Excess of AIT adjusted with Tax over payment	(166,995,730)	(135,242,746)
Net cash (used in)/generated by operating activities	3,695,675,858	(2,139,966,362)

30.00 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	23,941,264	Pending before the VAT Appellate Tribunal for verdict.
Penalty imposed by VAT Authority in 2022	189,888,003	Pending before the VAT Appellate Tribunal for verdict.
TOTAL	213,829,267	

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

	Note(s)	30 June 2022 Taka	30 June 2021 Taka
31.00	RELATED NOTES FOR STATEMENT OF CASH FLOWS		
A	<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>		
31.01	Cash Received from Customers		
	Revenue	20.00 4,761,272,509	5,348,227,239
	Add: Opening balance of accounts receivables	7.00 3,942,511,372	3,626,517,806
	Less: Closing balance of accounts receivables	7.00 (2,782,865,003)	(3,942,511,372)
		5,920,918,878	5,032,233,673
	Advance against sales	15.00 115,569,167	(938,040)
		6,036,488,045	5,031,295,633
31.02	Cash Paid to Suppliers		
	COGS less Salary Expense (Factory)	21.00 3,880,978,162	4,494,892,192
	Depreciation of FOH	4.02 (37,509,912)	(67,791,910)
	Add: Closing Inventory	6.00 6,634,694,035	7,870,058,570
	Less: Opening Inventory	6.00 (7,870,058,570)	(7,332,215,710)
		2,608,103,715	4,964,943,142
	Add: Opening Trade Payable	12.00 1,884,706,937	4,407,896,472
	Less: Closing Trade Payable	12.00 (2,480,866,241)	(1,884,706,937)
	Increase/(decrease) in Advances	8.00 10,789,052	(616,183,490)
		2,022,733,463	6,871,949,188
31.03	Cash Paid to Employees		
	Employee Cost (FOH & Admin)	21.12 & 23 138,964,185	131,307,167
	Changes in provision for salary & allowances	14.00 (10,313,489)	9,081,176
	Changes in advance against salary	8.01 3,820,000	(703,000)
		132,470,696	139,685,343
31.04	Cash Paid for other operating expenses		
	Administrative & selling expenses less salary & allowance (HO)	23.00 23,999,058	33,914,450
	Depreciation (Administrative)	23.00 (12,648,619)	(22,791,057)
	Change in Other Liabilities	19.00 (90,646)	317,408
	Change in Lease Liabilities for current portion	5.02 158,574	-
	Change in Provision for Expenses	14.00 (8,991,990)	(8,548,430)
		2,426,377	2,892,370
31.05	Payment of Advance Income Tax	8.01.01 169,562,790	138,697,636
31.06	Payment for WPP & WF	18.00 13,618,860	18,037,458

	Note(s)	30 June 2022 Taka	30 June 2021 Taka
B. CASH FLOWS FROM INVESTING ACTIVITIES			
31.07 Acquisition of Property, Plant and Equipment			
Addition during the year	4.00	1,124,206	2,550,473
31.08 Investment in Short Term Investment	9.00		
Opening Balance		59,389,390	41,194,898
Less: Closing Balance		(68,578,539)	(59,389,390)
Changes in Short Term Investment		(9,189,149)	(18,194,492)
31.09 Interest Received from FDR & Other Income			
Interest Income from FDR, MTDR	25.00	8,342,866	6,471,987
		8,342,866	6,471,987
C. CASH FLOWS FROM FINANCING ACTIVITIES			
31.10 Received from/(Repayment of) Short term loan	13.00		
Closing Balance		10,267,309,570	13,478,793,675
Less: Opening Balance		(13,478,793,676)	(10,509,698,460)
Changes in Short term loan		(3,211,484,106)	2,969,095,215
31.11 Cash Received from / (Paid to) affiliated companies			
Closing Balance		-	-
Less: Opening Balance		-	(372,186,950)
Changes in affiliated companies		-	(372,186,950)
31.12 Dividend Paid	16.00		
Opening Balance		37,029,085	35,886,679
Add: Proposed Dividend last year		98,371,100	98,371,100
		135,400,185	134,257,779
Less: Closing Balance		(3,480,936)	(37,029,085)
Dividend Paid		131,919,249	97,228,694
31.13 Cash payment for financial expenses	24.00		
Financial Expense		(539,027,172)	(508,922,708)
Provision Interest on WPPF		729,552	2,292,642
		(538,297,620)	(506,630,066)

	Note(s)	30 June 2022 M. Ton	30 June 2021 M. Ton
32.00 Quantitative Movement of Inventories			
32.01 Raw Materials:			
Opening Stock of Raw Materials			
H.R Coil		12,416.26	30,061.02
Hydrochloric Acid		4,657.01	5,271.99
TIN Ingot		36.05	32.85
ZINC Ingot		8,012.37	7,401.28
LEAD Ingot		527.84	532.94
ZINC Alloy		25.83	17.85
Antimony Ingot		2.70	-
Chromic Acid		36.50	33.30
		25,714.56	43,351.23
Add: Purchased during the year			
H.R Coil		30,294.85	51,761.00
Hydrochloric Acid		1,096.15	1,422.64
TIN Ingot		-	10.00
ZINC Ingot		1,002.14	3,099.00
LEAD Ingot		-	-
ZINC Alloy		-	110.89
Antimony Ingot		-	10.00
Chromic Acid		15.00	10.00
		32,408.14	56,423.53
Raw materials available for consumption		58,122.70	99,774.76
Less: Raw Materials Consumed			
H.R Coil		39,865.22	69,405.76
Hydrochloric Acid		1,173.18	2,037.62
TIN Ingot		2.66	6.80
ZINC Ingot		1,063.16	2,487.91
LEAD Ingot		1.99	5.10
ZINC Alloy		25.83	102.91
Antimony Ingot		2.70	7.30
Chromic Acid		2.66	6.80
		42,137.40	74,060.20
Closing Stock of Raw Materials			
H.R Coil		2,845.89	12,416.26
Hydrochloric Acid		4,579.98	4,657.01
TIN Ingot		33.39	36.05
ZINC Ingot		7,951.35	8,012.37
LEAD Ingot		525.85	527.84
ZINC Alloy		-	25.83
Antimony Ingot		-	2.70
Chromic Acid		48.84	36.50
		15,985.30	25,714.56

	30 June 2022 M. Ton	30 June 2021 M. Ton
32.02 Finished Goods:		
A. In Cold Rolled Plant		
Opening stock	4,533	4,688
Add: Produced during the year	36,656	63,676
	<u>41,189</u>	<u>68,364</u>
Less: Transferred to NOF plant during the year	15,425	38,221
Available for sale	25,764	30,143
Less: Sold during the year	21,202	25,610
Closing stock	4,562	4,533
	<u>2,971</u>	<u>284</u>
Packed Goods	2,971	284
Unpacked Goods	1,590	4,249
	4,562	4,533
B. In NOF Plant		
Opening stock	5,882	5,646
Add: Produced during the year	13,289	33,985
Available for sale	19,171	39,631
Less: Sold during the year	15,379	33,749
Closing stock	3,792	5,882
	<u>2,378</u>	<u>1,609</u>
Packed Goods	2,378	1,609
Unpacked Goods	1,414	4,273
	3,792	5,882
	30 June 2022 Taka	30 June 2021 Taka
33.00 Guarantees		
The following Bank guarantees were outstanding on the reporting date:		
Bank Guarantee Against Karnaphuli Gas Distribution Co. Ltd.	4,368,413	4,368,413
Deposit to Customs Authority against duty claim under appeal	40,371,728	26,481,278
Bank Guarantee Against Customs Authority under Bond	640,852,956	726,810,397
	685,593,097	757,660,088

34.00 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.

34.01 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.

30 June 2022
Taka30 June 2021
Taka**34.01.01 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:

Trade Receivables	2,782,865,003	3,942,511,372
Cash and Cash Equivalents	53,510,626	241,506,232
Short term Investment	68,578,539	59,389,390
	2,904,954,168	4,243,406,994

(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 (Note 7)

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

0 - 90 days	1,335,398,131	1,052,922,863
91 - 180 days	564,122,423	1,043,635,603
181 - 365 days	883,344,449	1,845,952,906
	2,782,865,003	3,942,511,372

(b) Cash and Cash Equivalents

The company held cash and cash equivalents of Tk.53,510,626 at 30 June 2022 (2021: Tk.241,506,232), which represents its minimum credit exposure on these assets. The balance with banks are maintained with local branch of domestic scheduled banks.

34.02 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:

	Amount In BDT		
	0 to 12 Months	Contractual Cash Flows	Carrying Amount
<u>Non-derivative financial liabilities:</u>			
<u>As at 30 June 2022</u>			
Trade creditors	2,469,340,394	2,469,340,394	2,469,340,394
Liabilities for expenses	53,396,750	53,396,750	53,396,750
Other liabilities	390,936	390,936	390,936
	2,523,128,080	2,523,128,080	2,523,128,080
<u>As at 30 June 2021</u>			
Trade creditors	1,884,706,937	1,884,706,937	1,884,706,937
Liabilities for expenses	22,565,424	22,565,424	22,565,424
Other liabilities	300,290	300,290	300,290
	1,907,572,651	1,907,572,651	1,907,572,651

34.03 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:

34.03.01 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 2022, the Company was exposed to foreign currency risk in respect of financial liabilities denominated in the following currencies:

	30 June 2022		30 June 2021	
	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)	26,058,280	2,325,624,870	19,142,119	1,627,080,100
	<u>26,058,280</u>	<u>2,325,624,870</u>	<u>19,142,119</u>	<u>1,627,080,100</u>
Net exposure	<u>26,058,280</u>	<u>2,325,624,870</u>	<u>19,142,119</u>	<u>1,627,080,100</u>

The following significant exchange rate is applied during the year:

US dollar	89.25	85.00
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34.03.02 Transaction Risk

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

34.03.03 Economic Risk

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

34.03.04 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.

35.00 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 Rolled Strips and manufacturing and distribution of CR Strips.
- ii) Non-Oxide Furnace (NOF): Includes purchasing of CR Strips and manufacturing and distribution of CI and GP Sheets.
- iii) Power Generation Plant: 17MW Captive Power Plant.

Information about reportable segments	30 June 2022			30 June 2021				
	Cold Rolled Taka	NOF Taka	Power Taka	Total Taka	Cold Rolled Taka	NOF Taka	Power Taka	Total Taka
External Revenues:								
Local Sales	2,549,487,982	1,649,465,311	-	4,198,953,293	2,044,802,361	2,564,588,414	-	4,609,390,775
Scrap Sales	428,903,588	133,415,628	-	562,319,216	513,055,454	225,781,010	-	738,836,464
Total External Sales and Reportable Segment Revenue	2,978,391,570	1,782,880,939	-	4,761,272,509	2,557,857,815	2,790,369,424	-	5,348,227,239
Cost of sales	(2,418,870,020)	(1,567,460,875)	(7,630,938)	(3,993,961,833)	(2,199,388,099)	(2,392,667,464)	(10,928,843)	(4,602,984,406)
Gross Profit/(Loss)	559,521,550	215,420,064	(7,630,938)	767,310,676	358,469,716	397,701,960	(10,928,843)	745,242,833
% of Gross Profit before Tax	18.79%	12.08%	-	16.12%	14.01%	14.25%	-	13.93%
Reportable Segment Profit before Tax	116,534,118	71,741,024	(11,537,562)	176,737,580	69,513,758	120,399,605	(14,295,627)	175,617,735
% of Net Profit before income tax on sales	3.91%	4.02%	-	3.71%	2.72%	4.31%	-	3.28%
Finance income	5,256,006	3,086,860	-	8,342,866	3,106,554	3,365,433	-	6,471,987
Finance Expenses	399,912,102	139,103,890	11,180	539,027,172	244,285,922	264,617,154	43,565	508,946,641
Depreciation & Amortisation	33,217,690	14,302,670	2,492,856	50,013,216	48,648,828	38,855,252	2,885,134	90,389,214
Share of Profit/(Loss) of Non-Controlling interest - Net of Tax	-	-	(3,437,732)	(3,437,732)	-	-	(4,288,688)	(4,288,688)
Reportable Segment Assets	8,838,426,648	4,100,816,792	2,733,000,515	15,672,243,955	11,169,857,049	4,201,611,507	2,742,022,301	18,113,490,857
Capital Expenditure	1,124,206	-	-	1,124,206	236,121	2,314,352	-	2,550,473
Reportable Segments Liabilities	13,482,857,537	237,011,741	11,053,458	13,730,922,736	15,725,143,626	519,262,041	10,880,396	16,255,286,063

	30 June 2022 Taka	30 June 2021 Taka
35.01 Reconciliation of Reportable Segments Assets		
Total Assets from reportable segments	15,672,243,955	18,113,490,857
Total Assets	15,672,243,955	18,113,490,857
Liabilities		
Total Liabilities for reportable segments	13,730,922,736	16,255,286,063
Total liabilities	13,730,922,736	16,255,286,063
36.00 Production Capacity	30 June 2022 M. Ton	30 June 2021 M. Ton
Cold Rolled Plant:		
Installed Capacity (In M.Ton)	120,000.00	120,000.00
Actual Equivalent Production-0.090 mm to 0.420 mm (In M.Ton)	64,471.12	91,496.05
Capacity utilised (%)	53.73%	76.25%
NOF Plant:		
Installed Capacity (In M.Ton)	72,000.00	72,000.00
Actual Equivalent Production-0.090 mm to 0.420 mm (In M.Ton)	15,256.11	39,496.89
Capacity utilised (%)	21.19%	54.86%
37.00 Auditors Remuneration		
Audit fee	550,000	500,000
	550,000	500,000
38.00 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	14	11	7	72	43	234	381
For the year ended 30 June 2022	14	11	7	72	43	234	381
For the year ended 30 June 2021	15	8	7	80	35	245	390

39.00 Attendance Status of Board Meeting of Directors, Audit Committee, Nominatioin and Remuneration Committee with Honorarium.

39.01 No. of Board Meeting of Directors attended by its Members during the year.

During the year ended 30 June 2022, there were 06 (six) 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 (Taka)	Total Honorarium (Taka)
01	Mr. Abdus Samad	Chairman	6	6	8,000	48,000
02	Mr. Osman Gani	Managing Director	6	6	8,000	48,000
03	Mr. Mohammad Saiful Alam	Director	6	6	8,000	48,000
04	Ms. Halima Begum	Director	6	6	8,000	48,000
06	Mr. Md. Rafique Ullah	Director	6	6	8,000	48,000
06	Mr. Sampad Kumar Basak FCA	Independent Director	6	6	8,000	48,000
07	Mr. Md. Shafiqul Islam FCA	Independent Director	6	5	8,000	40,000

39.02 Attendance Status of the Audit Committee and Honorarium

No. of Audit Committee Meeting attended by its Members with Honorarium during the year are as follows:

Sl. No.	Name of the Directors	Position	AC Meeting Held	Attendance	Honorarium per Attendance (Taka)	Total Honorarium (Taka)
01	Mr. Sampad Kumar Basak, FCA	Chairman	2	2	8,000	16,000
02	Mr. Mohammed Saiful Alam	Member	4	4	8,000	32,000
03	Mr. Md. Rafique Ullah	Member	4	4	8,000	32,000
04	Mr. Md. Shafiqul Islam FCA	Chairman	2	2	8,000	16,000

39.03 Attendance Status of the Nomination & Remuneration Committee and Honorarium

No. of Nomination & Remuneration Committee Meeting with Honorarium attended by its Members during the year are as follows:

Sl. No.	Name of the Directors	Position	NRC Meeting Held	Attendance	Honorarium per Attendance (Taka)	Total Honorarium (Taka)
01	Mr. Sampad Kumar Basak, FCA	Chairman	1	1	8,000	8,000
02	Mr. Mohammed Saiful Alam	Member	1	1	8,000	8,000
03	Mr. Abdus Samad	Member	1	1	8,000	8,000

39.04 Capital Commitment

The company had no capital commitment at the reporting date.

40.00 Remuneration of MD, Managers and Officers:

Amount in Taka			Amount in Taka		
01 July 2021 to 30 June 2022			01 July 2020 to 30 June 2021		
MD	Managers	Officers	MD	Managers	Officers

40.01 Remuneration:

Salary, Allowances	-	31,262,467	18,792,432	-	2,93,58,612	1,70,16,444
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House Rent Allowance:

House Rent	-	7,815,617	4,698,108	-	73,39,653	42,54,111
Other Utilites	-	23,446,850	14,094,324	-	2,20,18,959	1,27,62,333
	-	31,262,467	18,792,432	-	2,93,58,612	1,70,16,444
Leave Encashment	-	-	-	-	-	-
Provident fund	-	-	-	-	-	-
	-	31,262,467	18,792,432	-	2,93,58,612	1,70,16,444
Number of Employee	-	26	37	-	26	35

- 40.02 House Rent Accommodation** : Managers and Officers are entitled for House Rent Allowance.
- 40.03 Transport** : Senior Officials are provided company's car with free of cost subject to limit.
- 40.04 Mobile Bill** : Monthly mobile bill is reimbursed as per approved limit.
- 40.05 Medical** : Manager and Officers are reimbursed Medical Allowance subject to approved limit.
- 40.06 Remuneration** : The Managing Director and Directors are not paid any remuneration except fee for attending Board of Directors' Meeting.

30 June 2022
Taka

30 June 2021
Taka

40.07 Key Management Personnel Compensation

In accordance with the para 17 of IAS 24 related party disclosure: Deputy General Manager and above senior officials are the Key management personnel of the company and paid the amount of compensation to the Personnel during the year is as follows :

Short term employee benefits	11,668,125	10,993,626
Post employment benefits	-	-
Others long term benefits	-	-
Termination benefits	-	-
Share-based payment	-	-
	11,668,125	10,993,626

41.00 Events After The Reporting Period

The Board of Directors of S. Alam Cold Rolled Steels Limited in their meeting held on 27 October, 2022 has recommended 5% cash dividend for the year ended 30 June 2022.

42.00 Deviation in Earning per Share (EPS):

During the period from 01 July 2021 to 30 June 2022 net profit after tax has decreased due to decrease of Revenue and increase in Provision of minimum Current Tax U/S 82C of Income Tax Ordinance 1984 in comparison with corresponding previous period from 01 July 2020 to 30 June 2021.

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

Increase of Collection from the Customers of Taka 1,005,192,412 and decrease of Payment to the Suppliers of Taka 4,849,215,724 during the period as compared to the corresponding period has resulted in significant increase in Net Operating Cash Flows per share (NOCFPS) during the period from 01.07.2021 to 30.06.2022 in comparison with its negative position during the corresponding previous period from 01 July 2020 to 30 June 2021.

44.00 Significant Deviation in Revenue :

During the reporting period, the price of the prime raw material has been increased and fluctuated in the international market as well as increase in the foreign exchange rate but selling price with demand of the manufactured products has been decreased in the domestic market. The Revenue of the company has been decreased during the period from 01 July 2021 to 30 June 2022 than those of the corresponding period 01 July 2020 to 30 June 2021.

45.00 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

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF S. ALAM COLD ROLLED STEELS LIMITED REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

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 2022, 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, together with the notes to the financial statements, including a summary of significant accounting policies.

In our opinion and to the best of our information and according to explanations given to us, the accompanying Financial Statements, prepared in accordance with International Financial Reporting Standards (IFRSs), give a true and fair view of the financial position of the company as at 30 June 2022 and of its financial performance and cash flows for the period from 1 July 2021 to 30 June 2022 and comply with the Companies Act 1994 (amendment in 2020), the Securities and Exchange Rules, 1987 and other applicable laws and regulations.

Basis of opinion

We conducted our audit in accordance with International Standard on Auditing (ISAs) as adopted by the Institute of Chartered Accountants of Bangladesh (ICAB). Our responsibilities under those standards are further described in "**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) that are relevant to our audit of the financial statements in Bangladesh and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code.

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

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 for 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.

Sl.	Key Audit Matter	How our audit addressed the key audit matter
1	<p>Revenue (Refer to note 22)</p> <p>Revenue of TK. 4,761,272,509 is recognized in the income statement of S. ALAM COLD ROLLED STEELS LIMITED for the year ended 30 June 2022. We identified revenue recognition as a key audit matter because revenue is one of the key performance indicators of the company and therefore there is an inherent risk of manipulation of the timing of recognition of revenue by management to meet specific targets or expectations.</p> <p>As described in the accounting policy 3.03 to the financial statements, the company recognizes revenue upon transfer of control as per IFRS 15 – Revenue from Contract with Customers.</p>	<p>In light of the fact that the high degree of complexity we assessed the Company's processes and controls for recognizing revenue as part of our audit. Furthermore, in order to mitigate the inherent risk in this area, our audit approach included testing of the controls and the substantive audit procedure, including: -</p> <ul style="list-style-type: none"> ➤ We evaluated the Company's accounting policies pertaining to revenue recognition and assessed compliance with the policies in terms of IFRS 15 – Revenue from Contracts with Customers. ➤ We identified and tested controls related to revenue recognition and our audit procedure focused on assessing the invoicing and measurement systems up to entries in the general ledger. Examining customer's invoices and receipts of payment on a sample basis. ➤ We conducted substantive testing of revenue recorded over the year using sampling techniques, by examining the relevant supporting documents

Sl.	Key Audit Matter	How our audit addressed the key audit matter
		<p>including sales invoices and challans. In addition, we confirmed certain customers' receivable balances at the reporting date, selected on a sample basis by considering the amounts outstanding with those customers.</p> <ul style="list-style-type: none"> ➤ Furthermore, we tested the sales transactions recognized shortly before and after the reporting date, including the sales returns recorded after that date, to examine whether sales transactions were recorded in the correct recording periods.
2	<p>Inventories (Refer to note 07)</p> <p>Inventories represent about 42.53%, of the total assets of the Company; inventories are thus a material item to the financial statements. Please refer to note 07 to the financial statements.</p> <p>As described in the accounting policy note 3.02 to the financial statements, inventories are valued at the lower of the cost or net realizable values. As such, management is required to make judgments in determining whether inventories are being appropriately valued, and also need to make provision for aged inventories, if required.</p> <p>Due to the value and volume of inventories being held by the Company at the reporting date and complexities involved in the accounting and presentation thereof, inventories have been considered as a key audit matter.</p>	<ul style="list-style-type: none"> ➤ Tested the operating effectiveness of key controls over inventories; including observing the process of management's year-end inventory count. ➤ Verified a sample of inventory items to ensure that costs have been appropriately recorded. ➤ Tested on a sample basis the net realizable value by comparing costs to recent selling prices and assessing the reasonableness of any, resulting in write down of inventory items. ➤ Assessed whether appropriate provision have been recognized for aged, damaged, slow-moving or obsolete inventories by reviewing the age of inventories held and evaluating management's basis for determining the usability of inventories. ➤ Performed cut-off tests to determine that the purchase and sales of the inventories have been considered in correct accounting period. ➤ Reviewed the historical accuracy of inventory provision and the level of write downs.
3	<p>Property, Plant and Equipment (Refer to note 4)</p> <ul style="list-style-type: none"> ➤ The company has a large number of Property, Plant and Equipment items. In view of availability of latest machinery due to modern technology, the obsolescence & impairment may be noticed in existing machineries. ➤ 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>Our audit procedure 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; and ➤ For selected samples, performing physical observation to assess management's determination on whether the equipment is obsolete, and testing the assumptions used in estimating recoverable amount, such as estimated useful life and replacement cost. <p>Examine management's periodic review of Property, Plant and Equipment for determination of impairment and obsolescence. We also refer to our observation in Emphasis of Matter.</p>

SI.	Key Audit Matter	How our audit addressed the key audit matter
4	<p>Measurement of Deferred Tax (Refer to note 19.02)</p> <p>The Company recognizes deferred taxes relating to property, plant and equipment, investment in associates and employee benefits (Gratuity), which are very complex in nature.</p> <p>As such accounting for deferred taxes involves management judgment in developing estimates of tax exposures and contingencies in order to assess the adequacy of tax provision. 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 design, implementation and operating effectiveness of key controls in respect of the company and the process of recognition of deferred taxes. ➤ Using our own tax specialists to evaluate the tax bases and company tax strategy. ➤ Assessing the accuracy and completeness of deferred tax, and ➤ Evaluating the adequacy of the financial statements' disclosures, including disclosures of assumptions, judgments and sensitivities. We involved tax specialists to assess key assumptions, control recognition and measurement of deferred tax liabilities (Assets).
5	<p>Trade Receivables (Refer to note 08)</p> <ul style="list-style-type: none"> ➤ Trade receivables is a key audit matter in the audit due to quantum of the trade receivable balance, realization nature of long outstanding invoices and management judgment at the time of impairment test. 	<p>Our audit procedures in this area included among others:</p> <ul style="list-style-type: none"> ➤ Obtained trade receivable balance confirmation; ➤ Analyzed the aging of trade receivable; ➤ Obtained a list of long outstanding receivable and assessed the recoverability of these through inquiry with management and by obtaining sufficient corroborative evidence to support the conclusion. ➤ Reviewed subsequent status of receivables.

Reporting on other information

Other information consists of the information included in the Company's 30 June 2022 year ended Annual Report other than the financial statements and our audit report thereon. We obtained the Director's Report, Management Discussion and Analysis, Financial information, and Corporate Governance report prior to the date of our auditor's report, and we expect to obtain the remaining reports of the Annual Report after the date of our auditor's report. Management is responsible for the other information.

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.

Based on the work we have performed; we conclude that we have nothing to report in this regard.

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 of the Company in accordance with International Financial Reporting Standards (IFRSs), the Companies Act 1994 (amendment in 2020), the Securities and Exchange Rules, 1987 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' responsibilities 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 auditors' 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:

(a) 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.

(b) 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.

(c) evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

(d) 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 auditors' 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 auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.

(e) evaluate the overall presentation, structure and content of the financial statements, including the disclosures and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

(f) obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the Company audit. We remain solely responsible for our audit opinion.

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 with those charged with governance 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.

We determine those matters, from the matters communicated with those charged with governance, which 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 auditors' 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 (amendment in 2020) 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 these books and;
- 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.
- iv) the expenditure incurred was for the purposes of the Company's business.

Chattogram, 01 Nov. 2022

For and on behalf of

Hoda Vasi Chowdhury & Co.
Chartered Accountants


Showkat Hossain, FCA

Senior Partner

Enrollment No.: 0137

DVC: 2211010137AS125320

S. ALAM COLD ROLLED STEELS LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2022

	Note(s)	30 June 2022 Taka	30 June 2021 Taka
ASSETS & PROPERTIES			
NON CURRENT ASSETS & PROPERTIES			
Property, Plant and Equipment	4	1,450,221,272	1,496,472,108
Right of use asset	5	-	145,315
Investment	6	277,357,000	277,357,000
CURRENT ASSETS			
Inventories	7	6,618,548,531	7,853,913,066
Trade Receivables	8	2,782,865,033	3,942,511,405
Advances, Deposits and Prepayments	9	1,965,793,778	1,786,695,063
Short Term Investment	10	68,578,539	59,389,390
Short Term Loan to Subsidiary Companies	11	2,343,743,094	2,332,443,348
Cash and Cash Equivalents	12	53,236,286	241,299,240
TOTAL ASSETS & PROPERTIES		15,560,343,533	17,990,225,935
SHAREHOLDERS' EQUITY & LIABILITIES			
SHAREHOLDERS' EQUITY			
Share Capital	13	983,711,000	983,711,000
Share Premium	13.03	433,930,746	433,930,746
Retained Earnings	13.04	422,832,507	446,981,980
NON-CURRENT LIABILITIES			
Deferred Tax Liabilities	19.02	241,145,448	274,258,955
CURRENT LIABILITIES			
Trade Creditors	14	2,469,340,394	1,884,706,937
Lease Liabilities for current portion	5.02	-	158,574
Short Term Liabilities	15	10,267,309,570	13,478,793,676
Liabilities for Expenses	16	53,055,550	22,397,285
Advance against Sales	17	116,383,040	813,873
Liability against Unclaimed Dividend	18	3,480,936	37,029,085
Provision for Income Tax	19.01	455,881,890	311,281,928
Provision for Workers' Profit Participation & Welfare Fund	20	112,881,516	115,861,606
Other Liabilities	21	390,936	300,290
TOTAL SHAREHOLDERS' EQUITY & LIABILITIES		15,560,343,533	17,990,225,935
Net Asset Value Per Share	29	18.71	18.95

These financial statements should be read in conjunction with the annexed notes 1 to 47
and were approved by the Board of Directors on 27.10.2022
and were signed on its behalf by:


COMPANY SECRETARY


DIRECTOR


MANAGING DIRECTOR

Signed in terms of our separate report of even date annexed

Chattogram, 01 Nov. 2022

For and on behalf of
Hoda Vasi Chowdhury & Co.
Chartered Accountants


Showkat Hossain, FCA
Senior Partner
Enrollment No.: 0137
DVC : 2211010137AS125320

S. ALAM COLD ROLLED STEELS LIMITED
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2022

	Note(s)	30 June 2022 Taka	30 June 2021 Taka
Revenue	22	4,761,272,509	5,348,227,239
Cost of Sales	23	(3,986,330,895)	(4,592,055,564)
Gross Profit		774,941,614	756,171,675
Operating Expenses			
Selling and Distribution Expenses	24	(836,000)	(336,545)
Office & Administrative Expenses	25	(45,248,128)	(53,495,240)
		(46,084,128)	(53,831,785)
Operating Profit		728,857,486	702,339,890
Finance Expenses	26	(539,015,992)	(508,903,076)
Profit before Non- Operating Income		189,841,494	193,436,814
Finance Income	27	8,342,866	6,471,987
Net Profit before Tax and WPP and Welfare Fund		198,184,360	199,908,801
Contribution to WPP and Welfare Fund	20	(9,909,218)	(9,995,440)
Profit before Income Tax		188,275,142	189,913,361
Income Tax Expenses:			
Current Tax:			
Current Year	19.01	(147,167,022)	(135,189,744)
Deferred Tax (Income/Expenses)	19.02	33,113,507	41,887,742
		(114,053,515)	(93,302,002)
Net Profit after Tax for the Year		74,221,627	96,611,359
Basic Earnings Per Share	28	0.75	0.98

These financial statements should be read in conjunction with the annexed notes 1 to 47
and were approved by the Board of Directors on 27.10.2022
and were signed on its behalf by:


COMPANY SECRETARY


DIRECTOR


MANAGING DIRECTOR

Signed in terms of our separate report of even date annexed

Chattogram, 01 Nov. 2022

For and on behalf of
Hoda Vasi Chowdhury & Co.
Chartered Accountants


Showkat Hossain, FCA
Senior Partner
Enrollment No.: 0137
DVC : 2211010137AS125320

S. ALAM COLD ROLLED STEELS LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2022

Amount in Taka

Particulars	Share Capital	Share Premium	Retained Earnings	Total Equity
Balance as on 01 July 2021	983,711,000	433,930,746	446,981,980	1,864,623,726
Cash dividend paid for the year 2020-2021	-	-	(98,371,100)	(98,371,100)
Net Profit after tax for the year 2021-2022	-	-	74,221,627	74,221,627
Adjustment for adoption of IFRS 16-Lease	-	-	-	-
Balance as on 30 June 2022	983,711,000	433,930,746	422,832,507	1,840,474,253
Balance as on 01 July 2020	983,711,000	433,930,746	448,511,694	1,866,153,440
Cash dividend paid for the year 2019-2020	-	-	(98,371,100)	(98,371,100)
Net Profit after tax for the year 2020-2021	-	-	96,611,359	96,611,359
Adjustment for adoption of IFRS 16-Lease	-	-	230,027	230,027
Balance as on 30 June 2021	983,711,000	433,930,746	446,981,980	1,864,623,726
Note(s)	13.00	13.03	13.04	

These financial statements should be read in conjunction with the annexed notes 1 to 47
and were approved by the Board of Directors on 27.10.2022
and were signed on its behalf by:


COMPANY SECRETARY


DIRECTOR


MANAGING DIRECTOR

S. ALAM COLD ROLLED STEELS LIMITED
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2022

	Note(s)	30 June 2022 Taka	30 June 2021 Taka
Cash flows from operating activities			
Cash Received from Customers	33.01	6,036,488,048	5,031,295,630
Cash Paid to Suppliers	33.02	(2,015,176,238)	(6,863,264,514)
Cash Paid to Employees	33.03	(129,975,348)	(137,680,291)
Cash Paid for Operating Expenses	33.04	(1,335,733)	(1,510,435)
Payment of Advance Income Tax	33.05	(169,484,791)	(135,189,744)
Payment for WPP & WF	33.06	(13,618,860)	(18,037,458)
Net Cash Inflow/(Outflow) from Operating Activities (A)	31.00	3,706,897,078	(2,124,386,812)
Cash Flows from Investing Activities			
Acquisition of Property, Plant And Equipment	33.07	(1,124,206)	(2,550,473)
Short Term Loan to Subsidiary Companies	33.08	(11,299,746)	(266,791,617)
Investment in Fixed Deposit Receipt	33.09	(9,189,150)	(18,194,493)
Interest Received from Fixed Deposit Receipt	33.10	8,342,866	6,471,987
Net Cash Inflow/(Outflow) from Investing Activities (B)		(13,270,236)	(281,064,596)
Cash flows from financing activities			
Proceeds / (Repayment of) from Short Term Loan	33.11	(3,211,484,107)	2,969,095,215
Proceeds from / (Repayment to) Affiliated Companies	33.12	-	(121,185,350)
Dividend Paid	33.13	(131,919,249)	(97,228,694)
Cash Paid for Financial Expenses	33.14	(538,286,440)	(506,586,501)
Net Cash Inflow/(Outflow) from Financing Activities (C)		(3,881,689,796)	2,244,094,670
Net Increase/(Decrease) during the year the Year (A+B+C)		(188,062,954)	(161,356,738)
Cash and Cash Equivalents at the End of the Year	12.00	53,236,286	241,299,240
Cash and Cash Equivalents at the Beginning of the Year		241,299,240	402,655,978
		(188,062,954)	(161,356,738)
Net Operating Cash Flow Per Share	30.00	37.68	(21.60)

These financial statements should be read in conjunction with the annexed notes 1 to 47
and were approved by the Board of Directors on 27.10.2022
and were signed on its behalf by:


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 2022

1.00 BACKGROUND AND INFORMATION

1.01 Formation and Legal Status

S. Alam Cold Rolled Steels Limited is a public company limited by shares is domiciled in Bangladesh. The address of the company's registered office is S. Alam Bhaban, 2119 Asadgonj, Chattogram, 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 16 May 2006.

1.02 Nature of the business

The main activity of the company is to manufacture and sell high quality Cold Rolled Steel Strips (CR Strips) in the form of coils and sheets, CI sheets and GP sheets. The company has set up its factory on 12.02 acres of land at Kalarpool, Shikalbaha, Patiya, Chattogram, Bangladesh.

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

2.00 BASIS OF PREPARATION

2.01 Statement of compliance

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

2.02 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 2022
- ii) Statement of profit or loss and other comprehensive income for the year ended 30 June 2022
- iii) Statement of changes in equity for the year ended 30 June 2022
- iv) Statement of cash flows for the year ended 30 June 2022
- v) Notes, comprising a summary of significant accounting policies and explanatory information.

2.03 Date of authorization

The Board of Directors has authorized these financial statements on 27 October 2022.

2.04 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 2012;

- (vii) The Value Added Tax Rules 2012;
- (viii) The Listing Regulations of Dhaka Stock Exchange (DSE);
- (ix) The Listing Regulations of Chittagong Stock Exchange (CSE);
- (x) Bangladesh Labour Act 2006 etc.

2.05 Accounting convention and assumption

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

2.06 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.

2.07 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.

2.08 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.

2.09 Comparative information

Comparative information has been disclosed in respect of the year 2020-2021 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.

2.10 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.

2.11 Reporting period

The financial statements of the Company cover one financial year from 01 July 2021 to 30 June 2022 for all reported periods.

3.00 SIGNIFICANT ACCOUNTING POLICIES

The financial statements have been prepared in compliance with requirement of International Accounting Standards (IAS) and International Financial Reporting Standards (IFRS) as adopted by the Institute of Chartered Accountants of Bangladesh (ICAB) as applicable in Bangladesh. The following IAS and IFRS 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-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
IFRS-16	Lease

3.01 Property, plant and equipment

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

3.01.01 Recognition and measurement

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

3.01.02 Subsequent costs

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

3.01.03 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. Incase 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 consistently on the basis of capacity utilization of capital machinery:

Particulars	Capacity Utilization	
	CR Coil Plant	NOF Plant
Factory Building (including Leased Assets)	53.73%	21.19%
Capital Machinery	53.73%	21.19%
Factory equipment	53.73%	21.19%
Generator	53.73%	21.19%
Work Roll	53.73%	21.19%
Luffing Crane and Jetty Construction	53.73%	21.19%
Coil Cart	53.73%	21.19%

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

3.02 Inventories

Inventories are measured at lower of cost and net realizable 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 Realizable 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 realizable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and selling expenses.

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

3.03 Revenue Recognition

Revenue has been recognized in accordance with the guideline of IFRS 15.

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.

3.04 Trade receivables

Trade receivables are initially recognized 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 un-collectability of any amount so recognized.

There is no fixed company policy regarding provision for impairment loss on debtors if, any receivables are not realized within the credit period.

3.05 Advances, deposits and prepayments

Advances are initially measured at cost. After initial recognition, advances are carried at cost less deductions, adjustments or charges to other account heads such as property, plant and equipment, inventory or expenses.

Deposits are measured at payment value.

Prepayments are initially measured at cost. After initial recognition, prepayments are carried at cost less charges to profit or loss.

3.06 Cash and cash equivalents

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

3.07 Financial Instruments

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

Non-derivative financial assets

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

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

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 recognized in profit and loss as incurred. Financial assets at fair value through profit or loss are measured at fair value and changes therein which take into account and dividend income are recognized in profit or loss.

Held-to-maturity 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 recognized 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 recognized at cost which is the fair value of the consideration given in return. After initial recognition these are carried at amortized cost less impairment losses due to un-collectability of any amount so recognized.

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 recognized 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 recognizes financial liabilities on the date that are originated.

The company derecognizes 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 recognized 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 recognized at cost which is the fair value of the consideration. After initial recognition these are carried at amortized cost.

(c) Other liabilities

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

3.08 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".

3.09 Employee benefit schemes

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

3.10 Workers' profit participation fund

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

3.11 Provisions and contingencies

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

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

3.12 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- 28.00 to the Financial Statements).

Diluted Earnings per share:

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

3.13 Finance income and finance costs

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

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

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

3.14 Foreign currency transactions

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

3.15 Income tax expenses

Tax expenses comprises current and deferred tax. Current tax and deferred tax are recognized in profit or loss to the extent it relates to items recognized 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 recognized 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 recognized to the extent that it is probable that future taxable profits will be available against which the deductible temporary differences can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

3.16 Impairment

Impairment of assets (IAS-36) at each balance sheet date, the company assess whether there is any indication that the carrying amount of an asset exceeds its recoverable amount. An asset is carried at more than its recoverable amount if its carrying amount exceeds the amount to be recovered through use or sale of the asset. If this is the case, the asset is described as impaired and an impairment loss is recognized as an expense in the profit and loss statement unless the asset is carried at revalued amount in accordance with International Accounting Standards (IAS) 16 - Property, Plant & Equipment, on in which case any impairment loss of revalued asset should be treated as a revaluation decrease under that Accounting Standard. No impairment loss was recognized for the year ended 30 June 2022, as there were no such indication existed as on Balance Sheet date.

3.17 Right of use asset

The Company has applied IFRS 16 using the modified retrospective approach and therefore the comparative information has not been restated and continues to be reported under IAS 17.

Policy applicable from 1 July 2019

At inception of a contract, the Company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company uses the definition of a lease in IFRS 16. This policy is applied to contracts entered into, on or after 01 January 2019.

As a lessee

At commencement or on modification of a contract that contains a lease component, the Company allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices. However, for the leases of property the Company has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

The Company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Company by the end of the lease term or the cost of the right-of-use asset reflects that the Company will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain re-measurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate.

The Company determines its incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of the asset leased.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- the exercise price under a purchase option that the Company is reasonably certain to exercise, lease payments in an optional renewal period if the Company is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Company is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is re-measured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, if the Company changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment.

When the lease liability is re-measured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

Short-term leases and leases of low-value assets

The Company has elected not to recognise right-of-use assets and lease liabilities for leases of low-value assets and short-term leases. The Company recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

Policy applicable before 1 July 2019

All the lease transactions have been classified based on the extent to which risks and rewards incidental to ownership of the assets lie with the lessor or lessee. According to this classification, all the Company's lease transactions have been identified as operating lease as per IAS 17: Leases based on the substance of the transactions, not merely on the legal form.

3.18 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.

3.19 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.

3.20 New Standards and interpretations

The financial statements have been prepared in compliance with requirements of IAS/IFRS as adopted in Bangladesh.

	Note(s)	30 June 2022 Taka	30 June 2021 Taka
4.00 Property, Plant and Equipment			
A. Cost			
Opening Balance		2,870,868,689	2,868,318,216
Addition during the year	4.01	1,124,206	2,550,473
		2,871,992,895	2,870,868,689
Deletion during the year	4.01	-	-
Total Cost		2,871,992,895	2,870,868,689
B. Accumulated Depreciation			
Opening Balance		1,374,396,579	1,286,892,498
Charged during the year	4.01	47,375,044	87,504,081
		1,421,771,623	1,374,396,579
Adjustments during the year	4.01	-	-
Total Depreciation		1,421,771,623	1,374,396,579
Written Down Value (WDV) as on 30 June (A-B)		1,450,221,272	1,496,472,108

Detail of Property, Plant & Equipment and Depreciation as on 30 June 2022 are shown in the notes 4.01.

	Note(s)	30 June 2022 Taka	30 June 2021 Taka
5.00 Right of use assets			
A. Cost			
Opening Balance		532,823	-
Adjustment for adoption of IFRS 16		-	532,823
Adjusted opening balance		532,823	532,823
Add: Addition during the year		-	-
		532,823	532,823
Less: Deletion during the year		-	-
Closing Balance		532,823	532,823
B. Accumulated Depreciation			
Opening Balance		387,508	-
Prior year Adjustment		-	193,754
Adjusted Opening Balance		387,508	193,754
Add: Depreciation for the year		145,315	193,754
		532,823	387,508
Less : Adjustments during the year		-	-
Closing Balance		532,823	387,508
Written Down Value (WDV) [A-B]		-	145,315

Company had a lease arrangement with chattogram city corporation for a space of 2,925.88 sft at Asadgonj, chattogram which was expired on 31st March, 2022. Management have already applied for lease arrangement for same property on date 26th April 2022 which application is under process for approval from the concern authority.

5.01 The Make-up			
Right of use assets (for Corporate Office Space at 2nd Floor)			
Cost		532,823	532,823
Additions		-	-
Disposals/transfers		-	-
Closing Balance		532,823	532,823
Accumulated depreciation/ Amortization			
Opening Balance		387,508	-
Prior year Adjustment		-	193,754
		387,508	193,754
Depreciation/Amortization for the period		145,315	193,754
Adjustment for disposals/transfers		-	-
Closing Balance		532,823	387,508
Carrying amount		-	145,315
5.02 Lease Liabilities			
Opening Balance		158,574	-
Adjustment for Adoption of IFRS-16		-	532,823
Adjustment for Interest Expenses- Adoption of IFRS-16		-	40,700
Add/(less): Prior year adjustment for adoption of IFRS-16		-	(219,441)
Adjusted Opening Balance		158,574	354,082
Add:Addition during the year (Interest)	26.00	6,009	23,933
		164,583	378,015
Less:Paid/Adjusted during the year		(164,583)	(219,441)
Closing Balance		-	158,574
Non-current portion		-	-
Current portion		-	158,574
		-	158,574

	Note(s)	30 June 2022 Taka	30 June 2021 Taka
6.00 Investment			
S. Alam Power Generation Limited		277,357,000	277,357,000
		277,357,000	277,357,000
6.01	The Company holds 70.204% shares of S. Alam Power Generation Limited .		
6.02	The Company got allotment of 2,773,570 shares of Tk. 100 each of S. Alam Power Generation Limited.		
6.03	As per Audited Financial Position as on 30 June 2022 Net Asset Value (NAV) per share of S. Alam Power Generation Limited is Tk. 98.00 (30 June 2021 : Tk. 100.92).		
6.04	The Captive Power Plant, a subsidiary of the company, commenced commercial operation on 28th August, 2016 but could not continue due to high cost of production of electricity per unit.		
7.00 Inventories			
Raw Materials	7.01	2,695,986,372	2,975,333,891
Raw Materials-in-Bond items		612,852,869	643,338,680
Work-in-Process	7.02	737,412,448	784,268,640
Finished Goods	7.03	974,968,016	1,034,122,597
Stores and Spares		313,019,460	272,496,840
Stock-in-transit		1,284,309,366	2,144,352,418
		6,618,548,531	7,853,913,066
7.01 Raw Materials			
		30 June 2022	30 June 2021
		Qty. (MT)	Taka
H. R Coil		2,845.88	281,618,790
Hydrochloric Acid		4,579.98	27,028,843
TIN Ingot		33.39	69,087,773
ZINC Ingot		7,951.35	2,187,740,017
LEAD Ingot		525.85	116,868,638
ZINC Alloy		-	-
Antimony Ingot		-	-
Chromic Acid		48.85	13,642,311
		2,695,986,372	2,975,333,891
7.02 Work-in-Process			
CR Coil		352,822,796	374,569,840
NOF		384,589,652	409,698,800
		737,412,448	784,268,640
7.03 Finished Goods			
CR Coil		488,875,142	445,660,984
C.I & GP Sheet		486,092,874	588,461,613
		974,968,016	1,034,122,597
8.00 Trade Receivables			
Against CR Coil	8.01	1,899,520,304	1,890,257,481
Against C.I and G.P Sheet		8,347,517	39,211,903
Others		874,997,212	2,013,042,021
		2,782,865,033	3,942,511,405

	Note(s)	30 June 2022 Taka	30 June 2021 Taka
8.01 Against CR Coil			
Chemon Ispat Limited		1,352,468,336	1,465,866,325
S. Alam Steels Limited		547,051,968	424,391,156
		1,899,520,304	1,890,257,481

Trade receivables have been stated at arm's length price. All receivables have been considered good and realizable. Therefore, no amount was written off as bad debt and no bad debt was considered as doubtful to provide for.

9.00 Advances, Deposits and Prepayments			
Advances	9.01	1,802,572,100	1,686,129,431
Deposits	9.02	54,253,294	16,275,693
Prepayments	9.03	108,968,384	84,289,939
		1,965,793,778	1,786,695,063

9.01 Advances			
Against Supply of Goods		520,369,223	753,107,481
Against Salary		5,560,000	1,590,000
Bank Guarantee Margin		69,896,533	66,854,824
Advance Income Tax	9.01.01	704,897,102	537,979,371
VAT current account *		366,844,419	324,374,710
Supplementary Tax Current A/C		164,674	164,674
Others		134,840,149	2,058,371
		1,802,572,100	1,686,129,431

* Company maintained sufficient fund in VAT current accounts in order to meet any unforeseen VAT claim.

9.01.01 Advance Income Tax			
Opening Balance		537,979,371	402,789,627
Paid During the year		169,484,791	135,189,744
		707,464,162	537,979,371
Adjusted with advance Income Tax		(2,567,060)	
		704,897,102	537,979,371
Advance Income Tax Refund			
		704,897,102	537,979,371

9.02 Deposits			
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.		2,188,403	2,188,403
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		40,371,728	2,394,127
		54,253,294	16,275,693

9.03 Prepayments			
Insurance		8,909,519	910,597
Internet Service		102,935	
BSTI Fee		5,854,309	
Listing Fee		88,333	
Interest on MBC		94,013,288	83,379,342
		108,968,384	84,289,939

	Note(s)	30 June 2022 Taka	30 June 2021 Taka
10.00 Short Term Investment			
<u>Name of Banks</u>			
Fixed Deposit Receipts:			
Islami Bank Bangladesh Limited		45,243,843	43,269,808
Janata Bank Ltd.		23,334,696	16,119,582
		68,578,539	59,389,390
11.00 Short Term Loan to Subsidiary Companies			
S. Alam Power Generation Limited		2,343,743,094	2,332,443,348
		2,343,743,094	2,332,443,348
12.00 Cash and Cash Equivalents			
Cash in Hand	12.01	10,182	39,162
Cash at Banks	12.02	53,226,104	241,260,078
		53,236,286	241,299,240
12.01 Cash in Hand			
Head Office & Liasion Office		10,059	31,572
Factory Office		123	7,590
		10,182	39,162
12.02 Cash at Banks			

Bank	Branch	Account No.	30 June 2022 Taka	30 June 2021 Taka
AB Bank Ltd.	Agrabad Br., Chattogram	CD#4101-774707-000	89,604	93,409
Agrani Bank Ltd.	Laldighi Br. Chattogram	CD#29373	34,601	38,521
Al-Arafah Islami Bank Ltd	Khatungonj Br., Chattogram	CD# 0091020013952	67,018	82,948
Bangladesh Commerce Bank Ltd.	Khatungonj Br., Chattogram	CD# 02321000634	8,908	-
Bank Asia Ltd.	Khatungonj Br., Chattogram	CD#01333005952	135,732	279,422
Dhaka Bank Ltd.	Khatungonj Br., Chattogram	STD#0171502235	17,309	18,805
Exim Bank Ltd.	Khatungonj Br., Chattogram	CD#00411100004909	85,343	125,557
First Security Islami Bank Ltd.	Khatungonj Br., Chattogram	SND#13100003008	5,921,623	37,856,796
First Security Islami Bank Ltd.	Khatungonj Br., Chattogram	SND#13100002711	36,787	37,155
First Security Islami Bank Ltd.	Khatungonj Br., Chattogram	SND#1310002792	17,036	17,814
First Security Islami Bank Ltd.	Anderkilla Br., Chattogram	CD#13411100003882	10,063,998	21,542,510
IFIC Bank Ltd.	Khatungonj Br., Chattogram	CD#0170184017001	7,970	14,292
Islami Bank Bangladesh Ltd.	Khatungonj Br., Chattogram	CD#10601002130	25,410,478	27,383,357
Jamuna Bank Ltd.	Jubilee Road Br. Chattogram	CD#00190211002260	3,276	7,196
Janata Bank Ltd.	Shadharan Bima Corp. Br. Chattogram	CD#001031259	9,448,365	150,588,479
Mercantile Bank Ltd.	Khatungonj Br., Chattogram	CD#011211100005747	7,304	12,574
National Bank Ltd.	Khatungonj Br., Chattogram	CD#0002-33069282	78,623	84,600
NRB Global Bank Ltd.	Khatungonj Br., Chattogram	CD#0111100219390	11,380	65,500
Pubali Bank Ltd.	Khatungonj Br., Chattogram	CD#0642901085670	20,509	36,946
Rupali Bank Ltd	O.R Nizam Road Corp. Br. Chattogram	CD#1552020006497	5,703	4,592
Rupali Bank Ltd	O.R Nizam Road Corp. Br. Chattogram	SND#1552024000134	117,959	116,628
Rupali Bank Ltd	O.R Nizam Road Corp. Br. Chattogram	CD # 0018020010320	4,677	4,677
Southest Bank Ltd.	Principal Office, Dhaka	CD#11100036055	76,212	91,902

Bank	Branch	Account No.	30 June 2022 Taka	30 June 2021 Taka
Social Islami Bank Ltd.	Khatungonj Br., Chattogram	CD#0141330020285	961,042	1,734,857
The City Bank Ltd.	Khatungonj Br., Chattogram	CD#1101002163001	12,814	16,619
Union Bank Ltd.	Khatungonj Br., Chattogram	CD#0101010000801	416,755	154,084
Union Bank Ltd.	Gulshan Br. Dhaka	CD#0021010001342	40,710	41,400
Uttara Bank Ltd.	Khatungonj Br., Chattogram	CD#015812221999319	124,368	809,438
			53,226,104	241,260,078

30 June 2022 Taka	30 June 2021 Taka
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13.00 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

13.01 Shareholding position

Name of shareholders	As at 30 June 2022		As at 30 June 2021	
	% 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	7.97%	7,836,775	5.37%	5,286,146
ICB AMCL Unit Fund	3.46%	3,401,701	-	-
ICB Unit Fund	1.18%	1,163,138	1.18%	1,163,138
ICB	4.57%	4,493,269	4.57%	4,493,269
Others	34.32%	33,765,557	40.38%	39,717,887
	100.00%	98,371,100	100.00%	98,371,100

13.02 Classification of shares by holding

Class by number of shares	No. of Holders	No. of Shares	% of Holding
Less than 500	2110	326,286	0.33%
From 501 to 5,000	2471	4,106,857	4.17%
From 5,001 to 10,000	323	2,483,143	2.52%
From 10,001 to 20,000	143	2,110,567	2.15%
From 20,001 to 30,000	61	1,515,366	1.54%
From 30,001 to 40,000	24	841,945	0.86%
From 40,001 to 50,000	25	1,152,857	1.17%
From 50,001 to 100,000	36	2,517,386	2.56%
From 100,001 to 1,000,000	43	13,994,152	14.23%
From 1,000,001 and above	15	69,322,541	70.47%
Total	5251	98,371,100	100%

	Note(s)	30 June 2022 Taka	30 June 2021 Taka
13.03 Share Premium		433,930,746	433,930,746
		433,930,746	433,930,746
13.04 Retained Earnings			
Opening Balance		446,981,980	448,511,694
Cash dividend paid		(98,371,100)	(98,371,100)
Net Profit after tax		74,221,627	96,611,359
Adjustment for adoption of IFRS 16-Lease		-	230,027
		422,832,507	446,981,980
14.00 Trade Creditors			
Liability against Deferred L/C		2,325,624,870	1,627,080,100
Customs Authority-Inbond Duty		139,258,005	147,284,042
Sundry Creditors		4,457,519	110,342,795
		2,469,340,394	1,884,706,937
15.00 Short Term Liabilities			
Loan against Trust Receipt (LTR)	15.01	2,117,209,817	2,247,082,667
Loan against PAD, CC-Hypo, Bai-Muazzal Hypo, Bai-Murabaha	15.02	8,150,099,753	11,231,711,009
		10,267,309,570	13,478,793,676
15.01 Short Term Bank Loan (LTR)			
Janata Bank Ltd., Shadharan Bima Corp Branch, Ctg.		2,117,209,817	2,247,082,667
		2,117,209,817	2,247,082,667
15.02 Loan against PAD, CC-Hypo, Bai-Muazzal Hypo, Bai-Murabaha			
Janata Bank Ltd., Shadharan Bima Corp Branch, Ctg. (PAD)		2,939,124,275	3,496,199,002
Janata Bank Ltd., Shadharan Bima Corp Branch, Ctg. (Cash Credit - HYPO)		1,048,497,885	3,476,679,682
Exim Bank Ltd., Khatungonj Branch, Ctg (Bia-Muazzal Hypo)		1,911,036,500	2,137,999,999
Islami Bank Bangladesh Ltd., Khatungonj Branch, Ctg, (Bia Murabaha)		2,251,441,094	2,120,832,326
		8,150,099,754	11,231,711,009

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

15.03.01 Lender: Janata Bank Ltd., Shadharan Bima Corporate Branch, Chattogram.

Types of Liabilities	Sanctioned limit (Figures in crore)	Rate of Interest %
LC/PAD/LTR/CC-Hypo	650	9%
Working Capital under Stimulus Package	100	9%

Security :

- i) LC/Bill of Lading, Corporate Guarantee & Personal Guarantee of all directors.
- ii) 100% registered mortgage of 2971.27 Decimal land in different places at Chattogram, Bangladesh.

15.03.02 Lender: Islami Bank Bangladesh Ltd., Khatungonj Corporate Branch, Chattogram.

Types of Liabilities	Sanctioned limit (Figures in crore)	Rate of Interest %
TR With LC/Bill/Bai-Murabaha/MPI/BG	1250	9%
Working Capital under Stimulus Package	100	4.50% by the company and 4.50% by the Government as Subsidy

Security :

- i) Post dated cheque, Corporate Guarantee & Personal Guarantee of all directors.
- ii) Hypothecation on Inventories, goods in warehouse and Bank Guarantee etc.
- iii) 1,149 Decimal land and building with existing machinery of the project located at Shikalbaha, Patiya, Chattogram, Bangladesh.

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

Types of Liabilities	Sanctioned limit (Figures in crore)	Rate of Interest %
Bai - Muajjal Hypo	502	9%

Security :

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

15.03.04 Lender: Union Bank Ltd., Khatungonj Branch, Chattogram.

Types of Liabilities	Sanctioned limit (Figures in crore)	Rate of Interest %
Bank Guarantee	105	BG Margin @ 2.70% in the form of MTDR & Commission 0.15% for 1st Qtr & 0.10% for subsequent quarter

Security :

- i) Personal guarantee of all directors of the Company.
- ii) Post dated cheque.

15.03.05 Lender: Global Islami Bank Ltd., Khatungonj Branch, Chattogram

Types of Liabilities	Sanctioned limit (Figures in crore)	BG Margin , Commission & Charges
Bank Guarantee	100	BG Margin @ 2.00% in the form of MTD R & Commission 0.15% for 1st Qtr & 0.10% for subsequent quarter

Security :

- i) Personal guarantee of all directors of the Company.
- ii) Post dated cheque.

	Note(s)	30 June 2022 Taka	30 June 2021 Taka
16.00 Liabilities for Expenses			
Audit Fee		500,000	450,000
Chittagong Palli Bidyut Samity -1		13,890,232	10,542,763
Karnaphuli Gas Distribution Co. Ltd.		912,315	509,770
Salary and Allowances		10,359,818	273,300
Telephone and Mobile Charges		25,005	-
Liason Office Expenses		32,751	28,668
Against C & F		323,414	182,604
Profit earned on unclaimed dividend to deposit CMSF		269,956	-
Transportation		355,670	161,000
Karnaphuli Filling Station Limited		89,765	51,511
Against Store and Spare		26,296,624	10,197,669
		53,055,550	22,397,285
17.00 Advance against Sales		116,383,040	813,873
18.00 Liability against Unclaimed Dividend			
Opening Balance		37,029,085	35,886,679
Dividend declared during the year		98,371,100	98,371,100
		135,400,185	134,257,779
Dividend paid		(131,919,249)	(97,228,694)
Closing Balance		3,480,936	37,029,085

As per directive No. BSEC/CMRRCD/2021-386/03 and Bangladesh Securities and Commission Rules (Capital Market Stublisation Fund) Rules-2021, if cash dividend remain unpaid or unclaimed for a period of three years from the date of declaration or approval or record date, shall be transferred to CMSF (Capital Market Stublisation Fund). The company transferred total amount of Taka 32,930,765 as unclaimed or unpaid cash dividend/ nonsubscribed IPO money to CMSF that was remain unclaimed for more than three years.

The break up of unclaimed dividend is given below:

Unclaimed dividend on Ordinary Share	18.01	3,480,936	35,531,133
Unclaimed dividend on Convertible Preference Share		-	1,497,952
		3,480,936	37,029,085

18.01 Year wise unclaimed Dividend on Ordinary Share

Year	30 June 2022 Taka	30 June 2021 Taka
2005-2006	-	406,913
2006-2007	-	994,662
2007-2008	-	996,530
2008-2009	-	1,611,617
2009-2010	-	3,502,615
2010-2011	-	4,197,227
2011-2012	-	5,093,821
2012-2013	-	4,699,632
2013-2014	-	1,907,883
2014-2015	-	2,149,396
2015-2016	-	2,723,692
2016-2017	-	1,938,859
2017-2018	-	2,315,840
2018-2019	1,263,769	1,501,528
2019-2020	1,224,941	1,490,918
2020-2021	992,226	-
Unclaim Dividend for Ordinary Share	3,480,936	35,531,133

	Note(s)	30 June 2022 Taka	30 June 2021 Taka
19.00 Provision for Income Tax			
For Current Tax	19.01	455,881,890	311,281,928
For Deferred Tax	19.02	241,145,448	274,258,955
		697,027,338	585,540,883
19.01 Provision for Current Tax			
Opening Balance		311,281,928	176,092,184
Provision made during the year	19.01.01	147,167,022	135,189,744
		458,448,950	311,281,928
Paid/Adjusted during the year		(2,567,060)	-
Closing Balance		455,881,890	311,281,928

19.01.01 Computation of Tax liability as per 82 C of ITO 1984

	Note(s)	Taxable Profit/(Loss)	Tax Rate	Tax Liability
a) As per section 82 C (3) (a)				
Head of Income				
Business Income U/S 28	19.01.02	193,244,547	20.00%	38,648,909
Income from other sources U/S 33	27.00	8,342,866	20.00%	1,668,573
Tax Liability on Income from regular sources				40,317,483
b) As per section 82 C (2) (b)				
On Importstage U/S 53 against import of H.R Coil as iron product under H.S Code Heading "72"				146,305,741
On Interest of FDR/MTDR & STD/SND accounts U/S 53F(2)				861,281
				147,167,022

	Taxable Profit/(Loss)	Tax Rate	Tax Liability
c) As per section 82C (4) (a)			
Gross sales	4,761,272,509	0.60%	28,567,635
Finance Income	8,342,866	0.60%	50,057
			28,617,692
Therefore , Provision for current tax liability is higher of a, b & c			147,167,022

19.01.02 Computation of Business income (U/S - 28)

	Note(s)	30 June 2021 Taka
Profit before tax as per Accounts		188,275,142
Add: Inadmissible Items		
Accounting Decreciation	4.01	47,375,044
Accounting Decreciation - Right of use asset	5.00	145,315
Excess perquisite		2,085,202
Provision for Worker's Profit Participation & Welfare Fund	20.00	9,909,218
Miscellaneous Expenses		1,735,258
		61,250,037
Profit before admissible items		249,525,179
Less: Deductable items		
Income from other sources	27.00	8,342,866
Fiscal (Tax) depreciation		34,318,906
Payment for Worker's Profit Participation & Welfare Fund	20.00	13,618,860
		56,280,632
Total Taxable Profit		193,244,547

19.01.03 Reconciliation of effective tax rate

	30 June 2022		30 June 2021	
	Rate	Amount in Taka	Rate	Amount in Taka
Profit before tax	-	188,275,142	-	189,913,361
Provision for current year tax	78.17%	147,167,022	71.18%	135,189,744

Factors affecting the tax rate charge:

Tax using the applicable rate	20.00%	37,655,028	22.50%	42,730,506
Difference between regular tax and Minimum Tax Under 82C of ITO 1984	56.75%	106,849,539	43.59%	82,784,781
Difference between accounting WPPF & WF Provision and payment	-0.39%	(741,928)	-0.95%	(1,809,454)
Difference between accounting and fiscal depreciation	1.40%	2,640,291	5.43%	10,305,748
Inadmissible expenses	0.18%	347,052	0.18%	345,132
Effect of taxable perquisit	0.22%	417,040	0.44%	833,031
	78.17%	147,167,022	71.18%	135,189,744

19.01.04 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	Assessment with 1st Appeal and 2nd Appeal completed. But revised demand notice after 2nd Appeal not yet received.
30 June 2019 to 30 June 2021	2019-2020 to 2021-2022	Assessment completed and on process for 1st Appeal.

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

	30 June 2022 Taka	30 June 2021 Taka
19.02 Deferred Tax Liability		
Opening Balance	274,258,955	316,146,697
Provision made during the year	-	-
	<u>274,258,955</u>	<u>316,146,697</u>
Provision realized during the year	<u>(33,113,507)</u>	<u>(41,887,742)</u>
Closing Balance	<u>241,145,448</u>	<u>274,258,955</u>

	Carrying Amount (Taka)	Tax Base (Taka)	Taxable / (Deductible) Temporary Difference (Taka)
Calculation of Deffered Tax			
A. As on 30 June 2022:			
Property, Plant and Equipment (Except Land)	1,379,758,365	174,031,126	1,205,727,239
Right of use asset	-	-	-
			<u>1,205,727,239</u>
Applicable Tax Rate			20%
			<u>241,145,448</u>
B. As on 30 June 2021 :			
Property, Plant and Equipment (Except Land)	1,426,009,202	207,225,826	1,218,783,376
Right of use asset	145,315	-	145,315
			<u>1,218,928,691</u>
Applicable Tax Rate			22.50%
			<u>274,258,955</u>
Provision made/(Realized) during the year (A-B)			<u>(33,113,507)</u>

	Note(s)	30 June 2022 Taka	30 June 2021 Taka
20.00 Provision for Workers' Profit Participation & Welfare Fund (WPP & WF)			
Opening Balance		115,861,606	121,610,982
Accrued interest on WPPF		729,552	2,292,642
Provided during the year @ 5% on net profit before tax		9,909,218	9,995,440
		10,638,770	12,288,082
		126,500,376	133,899,064
Paid during the year		(13,618,860)	(18,037,458)
Closing Balance		112,881,516	115,861,606
21.00 Other Liabilities			
Income Tax deducted at source from salary		291,465	-
Income Tax deducted at source-others		24,471	13,748
VAT deducted at sources		75,000	-
Refund warrant of IPO		-	286,542
		390,936	300,290
22.00 Revenue			
Sales of C.R Coil		2,549,487,982	2,044,802,361
Sales of C.I Sheet		1,616,697,172	2,531,630,222
Sales of G.P Sheet		32,768,139	32,958,192
Sales of Scrap		562,319,216	738,836,464
		4,761,272,509	5,348,227,239
23.00 Cost of Sales			
Opening Stock of Raw Materials		2,975,333,891	3,740,491,498
Purchased during the year	23.01 to 23.08	3,203,722,008	3,585,974,283
		6,179,055,899	7,326,465,781
Closing Stock of Raw Materials	23.01 to 23.08	(2,695,986,372)	(2,975,333,891)
Cost of raw materials consumed		3,483,069,527	4,351,131,890
Add: Manufacturing Expenses:			
Power (Electricity)		145,106,106	184,009,288
Gas		10,916,169	17,061,769
Fuel and Lubricants- Factory Generator		718,350	1,131,000
Factory overhead	23.09	134,582,230	146,895,970
Consumption of Stores and Spares		69,902,678	89,087,180
Consumption of Packaging materials		493,779	1,224,944
Depreciation	4.01	35,531,283	65,628,061
		397,250,595	505,038,212
Cost of Goods Manufactured		3,880,320,122	4,856,170,102
Add: Opening stock of WIP (CR)	7.02	374,569,840	306,735,856
Opening stock of WIP (NOF)	7.02	409,698,800	484,528,965
Less: Closing stock of WIP (CR)	7.02	352,822,796	374,569,840
Closing stock of WIP (NOF)	7.02	384,589,652	409,698,800
		3,927,176,314	4,863,166,283

	Note(s)	30 June 2022 Taka	30 June 2021 Taka
Add: Opening stock of Finished Goods (CR)	7.03	445,660,984	343,297,701
Opening stock of Finished Goods (NOF)	7.03	588,461,613	419,714,177
Less: Closing stock of Finished Goods (CR)	7.03	488,875,142	445,660,984
Closing stock of Finished Goods (NOF)	7.03	486,092,874	588,461,613
Cost of Sales		3,986,330,895	4,592,055,564
23.01 Raw Materials Consumed - H.R Coil			
Opening Stock of raw materials		624,125,528	1,467,298,217
Add: Purchased during the year		2,832,571,012	2,787,828,936
		3,456,696,540	4,255,127,153
Less: Closing Stock of Raw Materials		281,618,790	624,125,528
Cost of raw materials consumed		3,175,077,750	3,631,001,625
23.02 Raw Materials Consumed - Hydrochloric Acid			
Opening Stock of raw materials		27,647,615	32,191,734
Add: Purchased during the year		6,339,316	7,718,245
		33,986,931	39,909,979
Less: Closing Stock of raw materials		27,028,843	27,647,615
Consumption of Hydrochloric Acid		6,958,088	12,262,364
23.03 Raw Materials Consumed - TIN Ingot			
Opening Stock of raw materials		74,586,824	67,715,730
Add: Purchased during the year		-	20,428,376
		74,586,824	88,144,106
Less: Closing Stock of raw materials		69,087,773	74,586,824
Consumption of TIN Ingot		5,499,051	13,557,282
23.04 Raw Materials Consumed - ZINC Ingot			
Opening Stock of raw materials		2,111,768,050	2,039,598,675
Add: Purchased during the year		361,224,725	732,919,960
		2,472,992,775	2,772,518,635
Less: Closing Stock of raw materials		2,187,740,017	2,111,768,050
Consumption of ZINC Ingot		285,252,758	660,750,585
23.05 Raw Materials Consumed - LEAD Ingot			
Opening Stock of raw materials		117,311,800	118,444,820
Add: Purchased during the year		-	-
		117,311,800	118,444,820
Less: Closing Stock of raw materials		116,868,638	117,311,800
Consumption of Lead Ingot		443,162	1,133,020
23.06 Raw Materials Consumed - ZINC Alloy			
Opening Stock of raw materials		6,833,013	4,551,189
Add: Purchased during the year		-	29,332,333
		6,833,013	33,883,522
Less: Closing Stock of raw materials		-	6,833,013
Consumption of ZINC Alloy		6,833,013	27,050,509
23.07 Raw Materials Consumed - Antimony Ingot			
Opening Stock of raw materials		2,249,496	-
Add: Purchased during the year		-	5,574,695
		2,249,496	5,574,695
Less: Closing Stock of raw materials		-	2,249,496
Consumption of Antimony Ingot		2,249,496	3,325,199

	Note(s)	30 June 2022 Taka	30 June 2021 Taka
23.08 Raw Materials Consumed - Chromic Acid			
Opening Stock of raw materials		10,811,565	10,691,133
Add: Purchased during the year		3,586,955	2,171,738
		<u>14,398,520</u>	<u>12,862,871</u>
Less: Closing Stock of raw materials		13,642,311	10,811,565
Consumption of Chromic Acid		<u>756,209</u>	<u>2,051,306</u>
23.09 Factory Overhead			
Salaries and Allowances		112,310,519	107,489,205
Insurance Expenses		5,946,661	10,016,542
Medical & Welfare Expenses		344,820	412,896
Labour Charges		804,748	1,659,557
Repairs and Maintenance		2,093,140	9,316,245
Carrying Charges-Raw Materials		1,767,956	1,515,800
Uniform and Liveries		-	9,992
Transportation		2,762,620	2,769,200
Printing & Stationery		243,706	157,965
Canteen Expenses - Factory		262,425	251,843
Telephone and Internet Charges		401,535	375,759
Miscellaneous Expenses		1,376,624	1,011,636
Registration and Renewal		3,177,823	9,094,494
Rent, Rates and Taxes		1,366,000	1,446,954
Travelling and Conveyance Expenses		161,257	150,690
Vehicle Maintenance		1,562,396	1,217,192
		<u>134,582,230</u>	<u>146,895,970</u>
24.00 Selling and Distribution Costs			
Advertisement		836,000	336,545
		<u>836,000</u>	<u>336,545</u>
25.00 Office & Administrative Expenses			
Salaries and Allowances		23,781,347	22,059,953
Amortization	5.00	145,315	193,754
Depreciation	4.01	11,843,761	21,876,020
Canteen Expenses		560,187	238,114
Fees and Renewals		1,279,811	2,539,984
Guest House Expenses		-	207,542
Legal and Professional Expenses		570,500	609,800
Liaison Office Expenses		111,389	122,432
Office Maintenance Expenses		1,162,945	651,821
Liaison Office Rent		435,792	435,791
Stationery Expenses		534,669	539,783
Registration and Renewal		17,500	52,800
Rent, Rates and Taxes		87,774	404,134
Telephone and Mobile Expenses		169,336	192,430
Travelling and Conveyance Expenses		263,803	163,435
Vehicle Maintenance		1,252,037	656,636
Management Meeting and Conference		1,746,020	1,175,513
Electricity Expenses		427,308	403,014
Miscellaneous Expenses		358,634	522,284
Audit Fees	39.00	500,000	450,000
		<u>45,248,128</u>	<u>53,495,240</u>

	Note(s)	30 June 2022 Taka	30 June 2021 Taka
26.00 Finance Expenses			
Bank Charges		932,197	1,256,836
Interest for Lease	5.02	6,009	23,933
Interest on Short Term Loan		481,880,128	500,076,672
Foreign Exchange Loss		50,445,942	-
Interest on WPPF	20.00	729,552	2,292,642
Bank Guarantee Commission		5,022,164	5,252,993
		539,015,992	508,903,076
27.00 Finance Income			
Interest Income from MTDR		4,927,371	4,945,727
Interest on STD/SND		84,367	744,662
Interest Income from FDR		3,331,128	781,598
		8,342,866	6,471,987
28.00 Basic Earnings Per Share (EPS)			
Profit attributable to the ordinary shareholders		74,221,627	96,611,359
Number of ordinary shares outstanding during the year		98,371,100	98,371,100
Basic Earnings Per Share (EPS)		0.75	0.98
29.00 Net Asset Value Per Share (NAVPS)			
Total Assets		15,560,343,533	17,990,225,935
Less: Total Liabilities		13,719,869,280	16,125,602,209
Net Asset Value (NAV)		1,840,474,253	1,864,623,726
Number of ordinary shares outstanding during the year		98,371,100	98,371,100
Net Asset Value Per Share (NAVPS)		18.71	18.95
30.00 Net Operating Cash Flow Per Share (NOCFPS)			
Cash flows from operating activities		3,706,897,078	(2,124,386,812)
Number of ordinary shares outstanding during the year		98,371,100	98,371,100
Net Operating Cash Flow Per Share (NOCFPS)		37.68	(21.60)
31.00 Reconciliation of net income with cash flows from Operating Activities			
Net profit After Tax		74,221,627	96,611,359
Adjustment for non-cash items			
Depreciation		47,520,359	87,697,835
		121,741,986	184,309,194
Adjustment for non-operating items:			
Cash Paid for Financial Expenses		538,286,440	506,610,434
Finance Income		(8,342,866)	(6,471,987)
Adjustment for Provision of Deferred Tax		(33,113,507)	(41,887,742)
Adjustment for changes in accruals:			
(Increase)/ Decrease in Accounts Receivable		1,159,646,372	(315,993,569)
(Increase)/ Decrease in Inventory		1,235,364,535	(537,842,860)
(Increase)/ Decrease in Advances, Deposits & Prepayments except AIT		(12,180,984)	617,559,179

	30 June 2022 Taka	30 June 2021 Taka
Increase/(Decrease) - Advance against sales	115,569,167	(938,040)
Increase/(Decrease) in Trade Payable	584,633,457	(2,523,189,535)
Increase/(Decrease) Lease Liabilities for current portion	(158,574)	-
Increase/(Decrease) in Other Liabilities	90,646	(291,808)
Increase/(Decrease) in Liabilities for Expenses	30,658,265	(500,702)
Increase/(Decrease) in provision of WPPF & WF	(2,980,090)	(5,749,376)
Excess of Tax provision over adjustment	144,599,962	135,189,744
Excess of AIT adjusted with Tax over payment	(166,917,731)	(135,189,744)
Net cash (used in)/generated by operating activities	3,706,897,078	(2,124,386,812)

32.00 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	23,941,264	Pending before the VAT Appellate Tribunal for verdict.
Penalty imposed by VAT Authority in 2022	189,888,003	Pending before the VAT Appellate Tribunal for verdict.
Total	213,829,267	

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

	Note(s)	30 June 2022 Taka	30 June 2021 Taka	
33.00	RELATED NOTES FOR STATEMENT OF CASH FLOWS			
A.	<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>			
33.01	Cash received from Customers			
Revenue	22.00	4,761,272,509	5,348,227,239	
Add: Opening balance of accounts receivables	8.00	3,942,511,405	3,626,517,836	
Less: Closing balance of accounts receivables	8.00	(2,782,865,033)	(3,942,511,405)	
		5,920,918,881	5,032,233,670	
Advance against sales	17.00	115,569,167	(938,040)	
		6,036,488,048	5,031,295,630	
33.02	Cash Paid to Suppliers			
COGS less Salary Expense (Factory)	23.00	3,874,020,376	4,484,566,359	
Depreciation of FOH	4.01	(35,531,283)	(65,628,061)	
Add: Closing Inventory	7.00	6,618,548,531	7,853,913,066	
Less: Opening Inventory	7.00	(7,853,913,066)	(7,316,070,206)	
		2,603,124,558	4,956,781,158	
Add: Opening Trade Payable	14.00	1,884,706,937	4,407,896,472	
Less: Closing Trade Payable	14.00	(2,480,866,241)	(1,884,706,937)	
Increase/(decrease) in Advances	9.00	8,210,984	(616,706,179)	
		2,015,176,238	6,863,264,514	
33.03	Cash Paid to Employees			
Employee Cost (FOH & Admin)	23.9 & 25	136,091,866	129,549,158	
Changes in provision for salary & allowances	16.00	(10,086,518)	8,984,133	
Changes in advance against salary	9.01	3,970,000	(853,000)	
		129,975,348	137,680,291	
33.04	Cash Paid for other operating expenses			
Administrative & selling expenses less salary & allowance (HO)	24 & 25	22,302,781	31,746,231	
Depreciation (Administrative)	25.00	(11,989,076)	(22,069,774)	
Change in Other Liabilities	21.00	(90,646)	317,409	
Change in Lease Liabilities for current portion	5.02	158,574	-	
Change in Provision for Expenses	16.00	(9,045,900)	(8,483,431)	
		1,335,733	1,510,435	
33.05	Payment of Advance Income Tax	9.01.01	169,484,791	135,189,744
33.06	Payment for WPP & WF	20.00	13,618,860	18,037,458

	Note(s)	30 June 2022 Taka	30 June 2021 Taka
B. CASH FLOWS FROM INVESTING ACTIVITIES			
33.07 Acquisition of Property, Plant and Equipment			
Addition during the year	4.00	1,124,206	2,550,473
33.08 Short term loan to Subsidiary companies			
Changes in SAPGL	11.00	(11,299,746)	(266,791,617)
		(11,299,746)	(266,791,617)
33.09 Investment in Short Term Investment	10.00		
Opening Balance		59,389,390	41,194,897
Less: Closing Balance		(68,578,540)	(59,389,390)
Changes in Short Term Investment		(9,189,150)	(18,194,493)
33.10 Interest Received from FDR & Other Income			
Interest Income from FDR, MTDR	27.00	8,342,866	6,471,987
		8,342,866	6,471,987
C. CASH FLOWS FROM FINANCING ACTIVITIES			
33.11 Received from/(Repayment of) Short term loan	15.00		
Closing Balance		10,267,309,570	13,478,793,675
Less: Opening Balance		(13,478,793,677)	(10,509,698,460)
Changes in Short term loan		(3,211,484,107)	2,969,095,215
33.12 Cash Received from / (Paid to) affiliated companies			
Closing Balance		-	-
Less: Opening Balance		-	(121,185,350)
Changes in affiliated companies		-	(121,185,350)
33.13 Dividend Paid	18.00		
Opening Balance		37,029,085	35,886,679
Add: Proposed Dividend last year		98,371,100	98,371,100
		135,400,185	134,257,779
Less: Closing Balance		(3,480,936)	(37,029,085)
Dividend Paid		131,919,249	97,228,694
33.14 Cash payment for financial expenses	26.00		
Financial Expense		(539,015,992)	(508,879,143)
Provision Interest on WPPF		729,552	2,292,642
		(538,286,440)	(506,586,501)

	30 June 2022 M. Ton	30 June 2021 M. Ton
34.00 Quantitative Movement of Inventories		
34.01 Raw Materials:		
Opening Stock of Raw Materials		
H. R Coil	12,416.26	30,061.02
Hydrochloric Acid	4,657.01	5,271.99
TIN Ingot	36.05	32.85
ZINC Ingot	8,012.37	7,401.28
LEAD Ingot	527.84	532.94
ZINC Alloy	25.83	17.85
Antimony Ingot	2.70	-
Chromic Acid	36.50	33.30
	25,714.56	43,351.23
Add: Purchased during the year		
H. R Coil	30,294.85	51,761.00
Hydrochloric Acid	1,096.15	1,422.64
TIN Ingot	-	10.00
ZINC Ingot	1,002.14	3,099.00
LEAD Ingot	-	-
ZINC Alloy	-	110.89
Antimony Ingot	-	10.00
Chromic Acid	15.00	10.00
	32,408.14	56,423.53
Raw materials available for consumption	58,122.70	99,774.76
Less: Raw Materials Consumed		
H. R Coil	39,865.22	69,405.76
Hydrochloric Acid	1,173.18	2,037.62
TIN Ingot	2.66	6.80
ZINC Ingot	1,063.16	2,487.91
LEAD Ingot	1.99	5.10
ZINC Alloy	25.83	102.91
Antimony Ingot	2.70	7.30
Chromic Acid	2.66	6.80
	42,137.40	74,060.20
Closing Stock of Raw Materials		
H. R Coil	2,845.89	12,416.26
Hydrochloric Acid	4,579.98	4,657.01
TIN Ingot	33.39	36.05
ZINC Ingot	7,951.35	8,012.37
LEAD Ingot	525.85	527.84
ZINC Alloy	-	25.83
Antimony Ingot	-	2.70
Chromic Acid	48.84	36.50
	15,985.30	25,714.56

	30 June 2022 M. Ton	30 June 2021 M. Ton
34.02 Finished Goods:		
A. In Cold Rolled Plant		
Opening stock	4,533	4,688
Add: Produced during the year	36,656	63,676
	<u>41,189</u>	<u>68,364</u>
Less: Transferred to NOF plant during the year	15,425	38,221
Available for sale	25,764	30,143
Less: Sold during the year	21,202	25,610
Closing stock	4,562	4,533
Packed Goods	2,972	284
Unpacked Goods	1,590	4,249
	4,562	4,533
B. In NOF Plant		
Opening stock	5,882	5,646
Add: Produced during the year	13,289	33,985
Available for sale	19,171	39,631
Less: Sold during the year	15,379	33,749
Closing stock	3,792	5,882
Packed Goods	2,378	1,609
Unpacked Goods	1,414	4,273
	3,792	5,882

	30 June 2022 Taka	30 June 2021 Taka
35.00 Guarantees		
The following Bank guarantees were outstanding on the reporting date:		
Bank Guarantee Against Karnaphuli Gas Distribution Co. Ltd.	4,368,413	4,368,413
Deposit to Customs Authority against duty claim under appeal	40,371,728	26,481,278
Bank Guarantee Against Customs Authority under Bond	640,852,956	726,810,397
	685,593,097	757,660,088

36.00 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.

30 June 2022
Taka

30 June 2021
Taka

36.01 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.

36.01.01 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-

Trade Receivables	2,782,865,033	3,942,511,405
Cash and Cash Equivalents	53,236,286	241,299,240
Short term Investment	68,578,539	59,389,390
Short Term Loan to Subsidiary Company	2,343,743,094	2,332,443,348
	5,248,422,952	6,575,643,383

(a) Trade receivables

The company's management has not established a credit policy under which each new customer is analyzed individually for creditworthiness before the company's standard payment and delivery terms and conditions are offered.

Ageing of trade and other receivables (Note 8)

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

0 - 90 days	1,335,398,131	1,052,922,863
91 - 180 days	564,122,423	923,635,606
181 - 365 days	883,344,479	1,845,952,936
	2,782,865,033	3,822,511,405

(b) Cash and cash equivalents

The company held cash and cash equivalents of Tk.53,236,286 at 30 June 2022 (2021: Tk.241,299,240), which represents its minimum credit exposure on these assets. The balance with banks are maintained with local branch of domestic scheduled banks.

36.02 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:

	Amount in BDT		
	0 to 12 Months	Contractual Cash Flows	Carrying Amount
Non-derivative financial liabilities:			
As at 30 June 2022			
Trade creditors	2,469,340,394	2,469,340,394	2,469,340,394
Liabilities for expenses	53,055,550	53,055,550	53,055,550
Other liabilities	390,936	390,936	390,936
	2,522,786,880	2,522,786,880	2,522,786,880
As at 30 June 2021			
Trade creditors	1,884,706,937	1,884,706,937	1,884,706,937
Liabilities for expenses	22,397,285	22,397,285	22,397,285
Other liabilities	300,290	300,290	300,290
	1,907,404,512	1,907,404,512	1,907,404,512

36.03 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:

36.03.01 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 2022, the Company was exposed to foreign currency risk in respect of financial liabilities denominated in the following currencies:

	30 June 2022		30 June 2021	
	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)	26,058,280	2,325,624,870	19,142,119	1,627,080,100
	<u>26,058,280</u>	<u>2,325,624,870</u>	<u>19,142,119</u>	<u>1,627,080,100</u>
Net exposure	<u>26,058,280</u>	<u>2,325,624,870</u>	<u>19,142,119</u>	<u>1,627,080,100</u>

The following significant exchange rate is applied during the year:

US dollar	89.25	85.00
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36.03.02 Transaction risk

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

36.03.03 Economic risk

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

36.03.04 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.

37.00 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 Rolled Strips 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 2022			30 June 2021		
	Cold Rolled Taka	NOF Taka	Total Taka	Cold Rolled Taka	NOF Taka	Total Taka
External Revenues :						
Local Sales	2,549,487,982	1,649,465,311	4,198,953,293	2,044,802,361	2,564,588,414	4,609,390,775
Scrap Sales	428,903,588	133,415,628	562,319,216	513,055,454	225,781,010	738,836,464
Total External Sales and Reportable Segment Revenue	2,978,391,570	1,782,880,939	4,761,272,509	2,557,857,815	2,790,369,424	5,348,227,239
Cost of sales	(2,418,870,020)	(1,567,460,875)	(3,986,330,895)	(2,199,388,099)	(2,392,667,464)	(4,592,055,563)
Gross Profit	559,521,550	215,420,064	774,941,614	358,469,716	397,701,960	756,171,676
% of Gross Profit before Tax	18.79%	12.08%	16.28%	14.01%	14.25%	14.14%
Reportable Segment Profit before Tax	116,534,118	71,741,024	188,275,142	69,513,758	120,399,605	189,913,363
% of Net Profit before income tax on sales	3.91%	4.02%	3.95%	2.72%	4.31%	3.55%
Finance income	5,256,006	3,086,860	8,342,866	3,106,554	3,365,433	6,471,987
Finance Expenses	399,912,102	139,103,890	539,015,992	244,285,922	264,617,154	508,903,076
Depreciation & Amortisation	33,217,690	14,302,670	47,520,360	48,648,828	38,855,252	87,504,080
Reportable Segment Assets	11,182,169,741	4,100,816,792	15,282,986,533	13,511,257,429	4,201,611,507	17,712,868,936
Capital Expenditure	1,124,206	-	1,124,206	236,121	2,314,352	2,550,473
Reportable Segments Liabilities	13,482,857,539	237,011,741	13,719,869,280	15,606,340,168	519,262,041	16,125,602,209

	30 June 2022 Taka	30 June 2021 Taka
37.01 Reconciliation of Reportable Segments		
Assets		
Total Assets from reportable segments	15,282,986,533	17,712,868,936
Add: Others- Investment	277,357,000	277,357,000
Total Assets	15,560,343,533	17,990,225,936
Liabilities		
Total Liabilities for reportable segments	13,719,869,280	16,125,602,209
Total liabilities	13,719,869,280	16,125,602,209

	30 June 2022 M. Ton	30 June 2021 M. Ton
38.00 Production Capacity		
SACRSL Plant:		
Installed Capacity (In M.Ton)	120,000.00	120,000.00
Actual Equivalent Production-0.090 mm to 0.420 mm (In M.Ton)	64,471.12	91,496.05
Capacity Utilised (%)	53.73%	76.25%
NOF Plant:		
Installed Capacity (In M.Ton)	72,000.00	72,000.00
Actual Equivalent Production-0.090 mm to 0.420 mm (In M.Ton)	15,256.11	39,496.89
Capacity Utilised (%)	21.19%	54.86%
39.00 Auditors Remuneration		
Audit fee	500,000	450,000
	500,000	450,000

40.00 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	13	11	7	72	42	231
For the year ended 30 June 2022	13	11	7	72	42	231
For the year ended 30 June 2021	14	8	7	80	34	242

41.00 Attendance Status of Board Meeting of Directors, Audit Committee, Nomination and Remuneration Committee with Honorarium.**41.01 No. of Board Meeting of Directors attended by its Members during the year.**

During the year ended 30 June 2022, there were 06 (six) Board meetings held. The attendance status of all the meetings and honorarium of Directors are as follows:

SI. No.	Name of the Directors	Position	Meeting Held	Attendance	Honorarium per Attendance (Taka)	Total Honorarium (Taka)
01	Mr. Abdus Samad	Chairman	6	6	8,000	48,000
02	Mr. Osman Gani	Managing Director	6	6	8,000	48,000
03	Mr. Mohammad Saiful Alam	Director	6	6	8,000	48,000
04	Ms. Halima Begum	Director	6	6	8,000	48,000
05	Mr. Md. Rafique Ullah	Director	6	6	8,000	48,000
06	Mr. Sampad Kumar Basak FCA	Independent Director	6	6	8,000	48,000
07	Mr. Md. Shafiqul Islam FCA	Independent Director	6	5	8,000	40,000

41.02 Attendance Status of the Audit Committee and Honorarium

No. of Audit Committee Meeting attended by its Members with Honorarium during the year are as follows:

SI. No.	Name of the Directors	Position	AC Meeting Held	Attendance	Honorarium per Attendance (Taka)	Total Honorarium (Taka)
01	Mr. Sampad Kumar Basak, FCA	Chairman	2	2	8,000	16,000
02	Mr. Mohammed Saiful Alam	Member	4	4	8,000	32,000
03	Mr. Md. Rafique Ullah	Member	4	4	8,000	32,000
04	Mr. Md. Shafiqul Islam FCA	Chairman	2	2	8,000	16,000

41.03 Attendance Status of the Nomination & Remuneration Committee and Honorarium

No. of Nomination & Remuneration Committee Meeting with Honorarium attended by its Members during the year are as follows

SI. No.	Name of the Directors	Position	NRC Meeting Held	Attendance	Honorarium per Attendance (Taka)	Total Honorarium (Taka)
01	Mr. Sampad Kumar Basak, FCA	Chairman	1	1	8,000	8,000
02	Mr. Mohammed Saiful Alam	Member	1	1	8,000	8,000
03	Mr. Abdus Samad	Member	1	1	8,000	8,000

41.04 Capital Commitment

The company had no capital commitment at the reporting date.

42.00 Remuneration of MD, Managers and Officers:

Amount in Taka			Amount in Taka		
01 July 2021 to 30 June 2022			01 July 2020 to 30 June 2021		
MD	Managers	Officers	MD	Managers	Officers

42.01 Remuneration:

Salary, Allowances	-	31,262,467	18,792,432	-	29,358,612	17,016,444
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House Rent Allowance:

House Rent	-	7,815,617	4,698,108	-	7,339,653	4,254,111
Other Utilities	-	23,446,850	14,094,324	-	22,018,959	12,762,333
	-	31,262,467	18,792,432	-	29,358,612	17,016,444
Leave Encashment	-	-	-	-	-	-
Provident fund	-	-	-	-	-	-
	-	31,262,467	18,792,432	-	29,358,612	17,016,444
Number of Employee	-	26	37	-	26	35

42.02 House Rent Accommodation Managers and Officers are entitled for House Rent Allowance.

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

42.04 Mobile Bill : Monthly mobile bill is reimbursed as per approved limit.

42.05 Medical : Manager and Officers are reimbursed Medical Allowance subject to approved limit.

42.06 Remuneration : The Managing Director and Directors are not paid any remuneration except fee for attending Board of Directors' Meeting.

30 June 2022 Taka

30 June 2021 Taka

42.07 Key Management Personnel Compensation

In accordance with the para 17 of IAS 24 related party disclosure: Deputy General Manager and above senior officials are the Key management personnel of the company and paid the amount of compensation to the Personnel during the year is as follows :

Short term employee benefits	11,668,125	10,993,626
Post employment benefits	-	-
Others long term benefits	-	-
Termination benefits	-	-
Share-based payment	-	-
	11,668,125	10,993,626

43.00 Events After The Reporting Period

The Board of Directors of S. Alam Cold Rolled Steels Limited in their meeting held on 27 October 2022 has recommended 5% cash dividend for the year ended 30 June 2022.

44.00 Deviation in Earning per Share (EPS):

During the period from 01 July 2021 to 30 June 2022 net profit after tax has decreased due to decrease of Revenue and increase in Provision of minimum Current Tax U/S 82C of Income Tax Ordinance 1984 in comparison with corresponding previous period from 01 July 2020 to 30 June 2021.

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

Increase of Collection from the Customers of Taka 1,005,192,418 and decrease of Payment to the Suppliers of Taka 4,848,088,276 during the period as compared to the corresponding period has resulted in significant increase in Net Operating Cash Flows per share (NOCFPS) during the period from 01.07.2021 to 30.06.2022 in comparison with its negative position during the corresponding previous period from 01 July 2020 to 30 June 2021.

46.00 Significant Deviation in Revenue :

During the reporting period, the price of the prime raw material has been increased and fluctuated in the international market as well as increase in the foreign exchange rate but selling price with demand of the manufactured products has been decreased in the domestic market. The Revenue of the company has been decreased during the period from 01 July 2021 to 30 June 2022 than those of the corresponding period 01 July 2020 to 30 June 2021.

47.00 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 POWER GENERATION LTD.

Directors' Report to the Shareholders:

Dear Shareholders,

It is a matter of great pleasure for your Directors in presenting their 14th Annual Report along with the audited Financial Statements and the Auditors' Report thereon for the year ended 30th June 2022.

The Board of Directors of the company report that 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, the 17MW captive power plant commenced its commercial operation on 28 August 2016, in consequence whereof the company 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 to continue 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.

Thereafter, with best endeavours of Directors and Management, the company was able to get required permission of gas connection. However, Bangladesh Energy Regulatory Commission (BERC) has rescheduled its charges for gas through their order BERC Order No. 2019/06 dated 30th June 2019, in which, all electricity producers except captive power plant will get per cubic meter gas at a Tk. 4.45/- while captive power plants will get per cubic meter gas at a Tk. 13.85/-, in such higher price, production of electricity will not financially viable, therefore, the operation of the company could not be resumed during the year under report. Your directors and management have continued their best efforts to make feasible the project. 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 14th 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. Aklasur Rahman is the Director to retire by rotation this year. Being eligible, he offers himself 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 June 30 2022, in particular the investments made by this subsidiary company.

M/s. Hoda Vasi Chowdhury & Co, Chartered Accountants, current auditors of the Company, would retire. They have been auditors of the Company for two year simultaneous to our parent company S. Alam Cold Rolled Steels Ltd. therefore they are eligible for appointment for another term in continuity. Being a subsidiary of the SACRSL, our company appoints the same Auditors as that of parent company, for auditing of financial statements of the company for the same term. Your Directors therefore propose the hon'ble 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.



(Mohammed Touhidul Alam)

Chairman

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF S. ALAM POWER GENERATION LIMITED REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

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 2022, 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, together with the notes to the financial statements, including a summary of significant accounting policies.

In our opinion and to the best of our information and according to explanations given to us, the accompanying Financial Statements, prepared in accordance with International Financial Reporting Standards (IFRSs), give a true and fair view of the financial position of the company as at 30 June 2022 and of its financial performance and cash flows for the period from 1 July 2021 to 30 June 2022 and comply with the Companies Act 1994 (amendment in 2020), the Securities and Exchange Rules, 1987 and other applicable laws and regulations.

Basis of opinion

We conducted our audit in accordance with International Standard on Auditing (ISAs) as adopted by the Institute of Chartered Accountants of Bangladesh (ICAB). Our responsibilities under those standards are further described in "**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) that are relevant to our audit of the financial statements in Bangladesh and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained are sufficient and appropriate to provide a basis for our audit opinion.

Emphasis of Matter

We draw attention to Note 6.01 of the financial statements, which describes why the company had stopped producing electricity and reason for capitalization of borrowing cost. Our opinion is not modified in respect of this matter.

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 of the Company in accordance with International Financial Reporting Standards (IFRSs), the Companies Act 1994 (amendment in 2020), the Securities and Exchange Rules, 1987 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' responsibilities 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 auditors' 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:

- (a) 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.

- (b) 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.
- (c) evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- (d) 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 auditors' 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 auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- (e) evaluate the overall presentation, structure and content of the financial statements, including the disclosures and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- (f) obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the Company audit. We remain solely responsible for our audit opinion.

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 with those charged with governance 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.

We determine those matters, from the matters communicated with those charged with governance, which 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 auditors' 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 (amendment in 2020) 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 these books and;
- 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.
- iv) the expenditure incurred was for the purposes of the Company's business.

Chattogram, 01 Nov. 2022

For and on behalf of
Hoda Vasi Chowdhury & Co
Chartered Accountants


Showkat Hossain, FCA

Senior Partner
Enrollment No: 0137
DVC: 2211010137AS235196

S. ALAM POWER GENERATION LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2022

	Note(s)	30 June 2022 Taka	30 June 2021 Taka
ASSETS & PROPERTIES			
NON CURRENT ASSETS & PROPERTIES			
Property, Plant and Equipment	6.00	2,708,462,917	2,711,101,089
CURRENT ASSETS			
Inventory	7.00	16,145,504	16,145,504
Advances, Deposits and Prepayments	8.00	17,074,784	14,568,716
Cash and Cash Equivalents	9.00	274,340	206,992
TOTAL ASSETS & PROPERTIES		2,741,957,545	2,742,022,301
SHAREHOLDERS' EQUITY AND LIABILITIES			
SHAREHOLDERS' EQUITY			
Share Capital	10.00	395,072,700	395,072,700
Retained Earnings	10.02	(7,911,705)	3,625,857
CURRENT LIABILITIES			
Liabilities for Expenses	11.00	341,200	168,140
Short Term Loan from Holding Company	12.00	2,343,743,094	2,332,443,348
Provision for Income Tax	13.00	10,712,256	10,712,256
TOTAL SHAREHOLDERS EQUITY AND LIABILITIES		2,741,957,545	2,742,022,301
Net Asset Value Per Share	18.00	98.00	100.92

These financial statements should be read in conjunction with the annexed notes 1 to 23
and were approved by the Board of Directors on 27.10.2022
and were signed on its behalf by:


COMPANY SECRETARY



DIRECTOR


MANAGING DIRECTOR

Signed in terms of our separate report of even date annexed

For and on behalf of
Hoda Vasi Chowdhury & Co.
Chartered Accountants

Chattogram, 01 Nov. 2022


Showkat Hossain, FCA
Senior Partner
Enrollment No.: 0137
DVC : 2211010137AS235196

S. ALAM POWER GENERATION LIMITED
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2022

	Note(s)	30 June 2022 Taka	30 June 2021 Taka
Revenue		-	-
Cost of Sales	14.00	(7,630,938)	(10,928,843)
Gross Profit/(Loss)		(7,630,938)	(10,928,843)
Operating Expenses			
Office & Administrative Expenses	15.00	(3,895,444)	(3,323,219)
		(3,895,444)	(3,323,219)
Operating Profit/(Loss)		(11,526,382)	(14,252,062)
Finance Expenses	16.00	(11,180)	(43,565)
Profit/(Loss) before Tax		(11,537,562)	(14,295,627)
Income Tax Expenses			
Current Year	13.00	-	-
Profit/(Loss) after Tax		(11,537,562)	(14,295,627)
Earnings Per Share			
Basic Earnings Per Share	17.00	(2.92)	(3.62)

These financial statements should be read in conjunction with the annexed notes 1 to 23
and were approved by the Board of Directors on 27.10.2022
and were signed on its behalf by:


COMPANY SECRETARY


DIRECTOR


MANAGING DIRECTOR

Signed in terms of our separate report of even date annexed

For and on behalf of
Hoda Vasi Chowdhury & Co.
Chartered Accountants

Chattogram, 01 Nov. 2022


Showkat Hossain, FCA
Senior Partner
Enrollment No.: 0137
DVC : 2211010137AS235196

S. ALAM POWER GENERATION LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2022

	Amount in Taka		
	Share Capital	Retained Earnings	Total Equity
Balance as on 01 July 2021	395,072,700	3,625,857	398,698,557
Net Profit/(Loss) after tax	-	(11,537,562)	(11,537,562)
Balance as on 30 June 2022	395,072,700	(7,911,705)	387,160,995
Balance as on 01 July 2020	395,072,700	17,921,484	412,994,184
Net Profit/(Loss) After Tax	-	(14,295,627)	(14,295,627)
Balance as on 30 June 2021	395,072,700	3,625,857	398,698,557
Note(s)	10.00	10.02	

These financial statements should be read in conjunction with the annexed notes 1 to 23
and were approved by the Board of Directors on 27.10.2022
and were signed on its behalf by:


COMPANY SECRETARY


DIRECTOR


MANAGING DIRECTOR

S. ALAM POWER GENERATION LIMITED
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2022

	Note(s)	30 June 2022 Taka	30 June 2021 Taka
Cash flows from operating activities			
Payment made to suppliers	23.01	(7,534,481)	(8,830,172)
Payment made to employees	23.02	(445,936)	(699,452)
Payment made for administrative expenses	23.03	(3,235,901)	(2,601,936)
Payment made for Income Tax	23.04	-	(3,454,892)
Increase on VAT & Tax provision	23.05	(4,900)	6,900
A. Net cash flow from operating activities	19.01	(11,221,218)	(15,579,552)
Cash flows from investing activities			
Acquisition of property, plant and equipment	23.06	-	-
B. Net cash flow from investing activities		-	-
Cash flows from financing activities			
Payment received from/(paid to) holding companies	23.07	11,299,746	266,791,617
Payment received from/(paid to) affiliated companies	23.08	-	(251,001,600)
Payment for financial expenses	23.09	(11,180)	(43,565)
C. Net cash flow from financing activities		11,288,566	15,746,452
Net Increase/(Decrease) in Cash & Cash Equivalents (A+B+C)		67,348	166,901
Cash and Cash Equivalents at the End of the Year		274,340	206,992
Cash and Cash Equivalents at the Beginning of the Year		206,992	40,091
		67,348	166,901
Net Operating Cash Flow Per Share	19.00	(2.84)	(3.94)

These financial statements should be read in conjunction with the annexed notes 1 to 23
and were approved by the Board of Directors on 27.10.2022
and were signed on its behalf by:


COMPANY SECRETARY


DIRECTOR


MANAGING DIRECTOR

S. ALAM POWER GENERATION LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022

1.00 BACKGROUND AND INFORMATION

1.01 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, Chattogram, Bangladesh.

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

1.02 Nature of the business

The main objective of the company is to install and run a captive or independent power plant for generation of electricity. Commercial operation was commenced on 28 August 2016 but could not continue due to high cost of production of electricity per unit.

2.00 Present status of the project

2.01 Plant Development

The Plant is consist of two (2) units of World-renowned brand WARTSILA 17MW Generator. The Power Plant was established to produce electricity for S. Alam Cold Rolled Steels Limited and the remaining electricity to 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.

2.02 Registration with Bangladesh Energy Regulatory Commission

S. Alam Power Generation Limited has been registered as commercial power plant as an Independent Power Producer on 04 April 2012 vide License no. **BERC/POWER/CIPP-006/L/004/789** under Bangladesh Energy Regulatory Commission. The company has applied for renewal of license.

3.00 Basis of preparation

3.01 Statement of Compliance

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

- (i) International Financial Reporting Standards (IFRS).
- (ii) International Accounting Standards (IAS).
- (iii) Interpretations of IFRS and IAS.

3.02 Regulatory Compliance

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

- (i) The Companies Act 1994;
- (ii) The Income Tax Ordinance 1984;
- (iii) The Income Tax Rules 1984;
- (iv) The Value Added Tax Act 2012;
- (v) The Value Added Tax Rules 2012;
- (vi) Bangladesh Labor Act 2006.

3.03 Basis of measurement

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

3.04 Date of authorization

The Board of Directors has authorized these financial statements on 27 October 2022.

3.05 Going Concern

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

3.06 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.

3.07 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 as prescribed by Securities and Exchange Rules, 1987.

3.08 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.

3.09 Comparative information

Comparative information has been disclosed in respect of the year 2020-2021 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.

3.10 Reporting period

The financial statements of the Company cover one financial year from 01 July 2021 to 30 June 2022 for all reported periods.

4.00 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-7	Financial Instrument: Disclosure
IFRS-15	Revenue from Contracts with Customers
IFRS-16	Leases

4.01 Property, plant and equipment

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

4.01.01 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.

4.01.02 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.

4.01.03 Depreciation - Other Assets

Since the plant is not in operation no depreciation was charged on machinery and equipment. Depreciation has been applied on the item under capital assets except land, capital machinery & factory equipment.

4.02 Inventories

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

4.03 Transactions with affiliated companies

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

4.04 Advances, deposits and prepayments

Advances are initially measured at cost. After initial recognition, advances are carried at cost less deductions, adjustments or charges to other account heads such as property, plant and equipment, inventory or expenses.

4.05 Finance income and cost

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

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

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

4.06 Cash and cash equivalents

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

4.07 Impairment

Impairment of assets (IAS-36) at each balance sheet date, the company assess whether there is any indication that the carrying amount of an asset exceeds its recoverable amount. An asset is carried at more than its recoverable amount if its carrying amount exceeds the amount to be recovered through use or sale of the asset. If this is the case, the asset is described as impaired and an impairment loss is recognized as an expense in the profit and loss statement unless the asset is carried at revalued amount in accordance with International Accounting Standards (IAS) 16 - Property, Plant & and Equipment, on in which case any impairment loss of revalued asset should be treated as a revaluation decrease under that Accounting Standard. No impairment loss was recognized for the year ended 30 June 2022, as there were no such indication existed as on Balance Sheet date.

4.08 Financial Instruments

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

4.08.01 Non-derivative financial assets

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

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

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

4.08.02 Financial assets at fair value through profit or loss

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

4.08.03 Loans and receivables

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

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

Cash and cash equivalents

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

4.08.04 Available-for-sale financial assets

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

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

4.09 Non-derivative financial liabilities

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

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

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

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

4.10 Employee benefit schemes

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

4.11 Provisions

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

4.12 Earnings Per Share (EPS)

Basic Earnings:

This represents profit for the year attributable to ordinary shareholders. As there is no preference dividend, non-controlling interest or extra ordinary items, the net profit after tax for the year has been considered fully attributable to the ordinary shareholders (refer to note-19 to the Financial Statements).

Diluted Earnings per share:

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

4.13 Income tax expenses

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

Current tax:

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

4.14 Right of use asset

The Company management has adopt IFRS 16-lease for reporting earlier lease under IAS-17. During the year, there are no contract to report under IFRS-16.

Policy applicable from 1 July 2020

At inception of a contract, the Company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company uses the definition of a lease in IFRS 16. This policy is applied to contracts entered into, on or after 01 January 2019.

As a lessee

At commencement or on modification of a contract that contains a lease component, the Company allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices. However, for the leases of property the Company has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

The Company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Company by the end of the lease term or the cost of the right-of-use asset reflects that the Company will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain re-measurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate.

The Company determines its incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of the asset leased.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- the exercise price under a purchase option that the Company is reasonably certain to exercise, lease payments in an optional renewal period if the Company is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Company is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is re-measured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, if the Company changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment.

When the lease liability is re-measured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

Short-term leases and leases of low-value assets

The Company has elected not to recognise right-of-use assets and lease liabilities for leases of low-value assets and short-term leases. The Company recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

Policy applicable before 1 July 2019

All the lease transactions have been classified based on the extent to which risks and rewards incidental to ownership of the assets lie with the lessor or lessee. According to this classification, all the Company's lease transactions have been identified as operating lease as per IAS 17: Leases based on the substance of the transactions, not merely on the legal form.

5.00 New Standards and interpretations

The financial statements have been prepared in compliance with requirements of IAS/IFRS as adopted in Bangladesh.

	Note(s)	30 June 2022 Taka	30 June 2021 Taka
6.00 Property, Plant And Equipment			
A. Cost			
Opening Balance		2,721,882,380	2,721,882,380
Addition during the year		-	-
		<u>2,721,882,380</u>	<u>2,721,882,380</u>
Deletion during the year		-	-
Total Cost		<u>2,721,882,380</u>	<u>2,721,882,380</u>
B. Accumulated Depreciation			
Opening Balance		10,781,291	7,896,157
Charged during the year		2,638,172	2,885,134
		<u>13,419,463</u>	<u>10,781,291</u>
Adjustments during the year		-	-
Total Depreciation		<u>13,419,463</u>	<u>10,781,291</u>
Written Down Value (WDV) as on 30 June (A-B)		<u>2,708,462,917</u>	<u>2,711,101,089</u>

Detail of Property, Plant & Equipment and Depreciation as on 30 June 2022 are shown in the notes 6.02.

6.01 The Company started commercial operation of 17 MW Captive Power Plant in August 2016 with fuel. But immediately after commencement of commercial operation the price of fuel was increased by the government. The management observed that producing electricity by using high cost fuel will not be feasible as entire output will not be required by S.Alam Cold Rolled Steels Limited alone, hence decided not to produce any power. The borrowing cost of the Plant & Machineries were capitalized in accordance with clause 20 to 23 of IAS 23 - Borrowing cost.

The management at present considering the option to re-start the production with natural gas in order to meet the power requirement of S.Alam Cold Rolled Steels Limited and another heavy industry being erected nearby and expects that both the industry shall be able to utilize full production of S.Alam Power Generation Ltd.

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

Assets' Category	Cost			Depreciation Rate (%)	Depreciation			Carrying Amount as on 30 June 2022 Taka
	Opening Balance as on 01 July 2021 Taka	Addition Taka	Disposal/ Adjustment Taka		Closing Balance as on 30 June 2022 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	-	-	-	35,486,270
B. Building:								
Factory Building	19,438,815	-	-	19,438,815	5%	789,459	4,439,097	14,999,718
	19,438,815	-	-	19,438,815		789,459	4,439,097	14,999,718
C. Machinery								
Capital Machinery	2,640,405,314	-	-	2,640,405,314	10%	-	-	2,640,405,314
	2,640,405,314	-	-	2,640,405,314		-	-	2,640,405,314
D. Equipment and appliances:								
Factory Equipment	933,200	-	-	933,200	10%	-	-	933,200
Computer	444,580	-	-	444,580	10%	29,169	182,060	262,520
Air Conditioner	100,800	-	-	100,800	10%	6,614	41,278	59,522
Gas Line Installation	1,700,000	-	-	1,700,000	10%	111,537	696,167	1,003,833
	3,178,580	-	-	3,178,580		147,319	919,505	2,259,075
E. Furniture and Fixtures								
Furniture and Fixtures	346,736	-	-	346,736	10%	22,750	141,992	204,744
	346,736	-	-	346,736		22,750	141,992	204,744
F. Motor Vehicles								
Motor Vehicles	23,026,665	-	-	23,026,665	10%	1,678,644	7,918,870	15,107,795
	23,026,665	-	-	23,026,665		1,678,644	7,918,870	15,107,795
30 June 2022	2,721,882,380	-	-	2,721,882,380		2,638,172	13,419,463	2,708,462,917
30 June 2021	2,721,882,380	-	-	2,721,882,380		2,885,134	10,781,291	2,711,101,089

Depreciation allocated to:	Basis	Amount in Taka	
		30 June 2022	30 June 2021
Cost of Sales	75%	1,978,629	2,163,850
Office & Administrative Expenses	25%	659,543	721,283
	100%	2,638,172	2,885,134

	Note(s)	30 June 2022 Taka	30 June 2021 Taka
7.00 Inventory			
Lubricant Oil	14.01	1,538,240	1,538,240
HFO	14.02	13,702,500	13,702,500
LFO	14.03	904,764	904,764
		16,145,504	16,145,504
8.00 Advances, Deposits and Prepayments			
Advances	8.01	13,999,859	14,043,528
Prepayments	8.02	3,074,925	525,188
		17,074,784	14,568,716
8.01 Advances			
Advance Income Tax		13,671,528	13,593,528
S. S Enterprise		300,000	300,000
Against Salary		-	150,000
Sundry Advance		28,331	-
		13,999,859	14,043,528
8.02 Prepayments			
Prepaid Insurance		3,074,925	525,188
		3,074,925	525,188

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.

9.00 Cash and Cash Equivalents			
Cash in Hand		185	4,887
Cash at Banks	9.01	274,155	202,105
		274,340	206,992

9.01 Cash at Banks			30 June 2022 Taka	30 June 2021 Taka
Name of the Bank	Branch	A/C No.		
First Security Islami Bank Ltd.	Khatungonj Br.	CD#010211100009425	209,151	133,981
National Bank Limited	Khatungonj Br.	CD#1002000515781	1,595	2,285
Janata Bank Limited	Shadharan Bima Corporate Br.	CD#001031226	15,839	16,529
Islami Bank Bangladesh Ltd.	Khatungonj Br.	CD#1060100415610	47,570	49,310
			274,155	202,105

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

	30 June 2022 Taka	30 June 2021 Taka
10.00 Share Capital		
Authorised Capital:		
10,000,000 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	395,072,700	395,072,700

10.01 Shareholding Position

Name of shareholders	As at 30 June 2022		As at 30 June 2021	
	% of Holding	Number of Shares of Tk. 100 each	% of Holding	Number of Shares of Tk. 100 each
S. Alam Cold Rolled Steels Ltd.	70.204%	2,773,570	70.204%	2,773,570
Mr. Mohammed Saiful Alam	19.861%	784,671	19.861%	784,671
Mr. Abdus Samad	9.929%	392,286	9.929%	392,286
Mr. Shahidul Alam	0.003%	100	0.003%	100
Mr. Touhidul Alam	0.003%	100	0.003%	100
	100.00%	3,950,727	100.00%	3,950,727

10.02 Retained Earnings

	30 June 2022 Taka	30 June 2021 Taka
Opening Balance	3,625,857	17,921,484
Net Profit after tax	(11,537,562)	(14,295,627)
	(7,911,705)	3,625,857

11.00 Liabilities for Expenses

	30 June 2022 Taka	30 June 2021 Taka
Salary	226,971	-
Overtime Factory	245	-
VAT Payable	15,000	22,500
Tax Payable	2,600	-
Audit Fee Payable	50,000	50,000
Sundry Creditors	46,384	95,640
	341,200	168,140

12.00 Short Term Loan from Holding Company

	30 June 2022 Taka	30 June 2021 Taka
S. Alam Cold Rolled Steels Limited	2,343,743,094	2,332,443,348
	2,343,743,094	2,332,443,348

13.00 Provision for Income Tax

	30 June 2022 Taka	30 June 2021 Taka
Opening Balance	10,712,256	14,167,148
Add: Provision made during the year	-	-
	10,712,256	14,167,148
Less: Paid during the year	-	3,454,892
Closing Balance	10,712,256	10,712,256

13.01 Year wise Income Tax assessment status is as follows:

Accounting Year	Assessment Year	Present Status
30 June 2020 and earlier years	2020-2021 and earlier years	Assessment Completed
30 June 2021	2021-2022	Income Tax Return submitted and Assessment completed U/S 82BB.

	Note(s)	30 June 2022 Taka	30 June 2021 Taka
14.00 Cost of Sales			
Opening Stock		16,145,504	16,145,504
Add: Purchased during the year	14.01 to 14.03	-	-
		16,145,504	16,145,504
Less: Closing Stock		16,145,504	16,145,504
Consumption during the year		-	-
Add : Factory overhead	14.04	7,630,938	10,928,843
		7,630,938	10,928,843
14.01 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	7.00	1,538,240	1,538,240
Consumption of Lubricant Oil		-	-
14.02 HFO Consumed			
Opening Stock		13,702,500	13,702,500
Add: Purchased during the year		-	-
		13,702,500	13,702,500
Less : Closing Stock	7.00	13,702,500	13,702,500
Consumption of HFO		-	-
14.03 LFO Consumed			
Opening Stock		904,764	904,764
Add: Purchased during the year		-	-
		904,764	904,764
Less : Closing Stock	7.00	904,764	904,764
Consumption of LFO		-	-
14.04 Factory Overhead			
Salaries & Wages		673,152	603,009
Depreciation	6.02	1,978,629	2,163,850
Insurance Expenses		3,872,854	5,777,083
Stationary		6,132	37,443
Labour Bill		300	1,600
Repairs & Maintenance		349,475	416,220
Entertainment		16,790	23,292
Electricity Charges		506,460	675,528
Travelling & Conveyance		5,750	9,340
Registration & Renewal		129,130	898,343
Vehicle Up-Keep		44,766	83,135
Miscellaneous Expenses		47,500	240,000
		7,630,938	10,928,843

	Note(s)	30 June 2022 Taka	30 June 2021 Taka
15.00 Office & Administrative Expenses			
Salaries & Allowance		2,199,167	1,155,000
Legal & Professional Fee		7,500	57,500
Depreciation	6.02	659,543	721,283
Stationery		-	390
Audit Fee		50,000	50,000
License & Renewal Fee		35,811	18,300
Telephone & Mobile Expenses		1,943	6,500
Vehicle Up-Keep		858,776	399,763
Canteen Expense		8,486	-
Miscellaneous Expenses		74,218	914,483
		3,895,444	3,323,219
16.00 Finance Expenses			
Bank Charges		11,180	43,565
		11,180	43,565
17.00 Basic Earnings Per Share (EPS)			
Profit attributable to the ordinary shareholders		(11,537,562)	(14,295,627)
Number of shares outstanding during the year		3,950,727	3,950,727
Basic Earnings Per Share (EPS)		(2.92)	(3.62)
18.00 Net Asset Value Per Share (NAV)			
Total Assets		2,741,957,545	2,742,022,301
Less: Total Liabilities		2,354,796,550	2,343,323,744
Net Asset Value (NAV)		387,160,995	398,698,557
Number of ordinary shares outstanding during the year		3,950,727	3,950,727
Net Asset Value Per Share		98.00	100.92
19.00 Net Operating Cash Flow Per Share			
Cash flows from operating activities		(11,221,218)	(15,579,552)
Number of shares outstanding during the year		3,950,727	3,950,727
Net Operating Cash Flow Per Share		(2.84)	(3.94)

	30 June 2022 Taka	30 June 2021 Taka
19.01 Reconciliation of net income with cash flows from operating activities		
Net profit After Tax	(11,537,562)	(14,295,627)
Adjustment for non-cash items:		
Depreciation	2,638,172	2,885,134
	(8,899,390)	(11,410,493)
Adjustment for non-operating items:		
Cash Paid for Financial Expenses	11,180	43,565
Income Tax expenses paid	-	(3,454,892)
Adjutment for changes in accruals:		
(Increase)/ Decrease in Inventory	-	-
(Increase)/ Decrease in Advances, Deposits & Prepayments except AIT	(2,506,068)	(725,688)
Increase/(Decrease) in Liabilities for Expenses	173,060	(32,043)
Net cash (used in)/generated by operating activities	(11,221,218)	(15,579,551)

20.00 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	1	-	-	1	3	5
For the year ended 30 June 2022	1	-	-	1	3	5
For the year ended 30 June1 2021	1	-	-	1	3	5

21.00 Contingent Liabilities

The company had no contingent liabilities at the reporting date.

22.00 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.

	Note(s)	30 June 2022 Taka	30 June 2021 Taka
23.00 RELATED NOTES FOR STATEMENT OF CASH FLOWS			
A. CASHFLOW FROM OPERATING ACTIVITIES			
23.01 Cash Paid to supplier			
Cost of goods sold	14.00	6,957,786	10,325,834
Less: Non cash expense (Depreciation-Factory)	6.02	(1,978,629)	(2,163,850)
Add: Closing Inventory	7.00	16,145,504	16,145,504
Less: Opening Inventory	7.00	(16,145,504)	(16,145,504)
		4,979,157	8,161,984
Add: Opening Accounts Payable (Sundry Creditors)	11.00	95,640	38,140
less: Closing Accounts Payable	11.00	(46,384)	(95,640)
		5,028,413	8,104,484
Add: increase in Advances	8.00	2,506,068	725,688
Cash paid to suppliers		7,534,481	8,830,172
23.02 Cash paid to employees			
Salaries & wages	14.04	673,152	603,009
Add: Decrease in provision for Salaries & Wages	11.00	(226,971)	96,443
Less: Increase In Provision for Overtime	12.00	(245)	-
Cash paid to employees		445,936	699,452
23.03 Payment for Administration Expense:			
Total Operating Expenses	15.00	3,895,444	3,323,219
Less: Non cash expense (Depreciation)	6.02	(659,543)	(721,283)
Cash paid for Administrative expenses		3,235,901	2,601,936
23.04 Tax paid during the period	13.00	-	(3,454,892)
23.05 VAT & Tax Payable	11.00		
Opening Balance		17,600	22,500
Closing Balance		22,500	15,600
		(4,900)	6,900
B. CASH FLOWS FROM INVESTING ACTIVITIES			
23.06 Acquisition on Plant Property & Equipment	6.02	-	-
C. CASH FLOWS FROM FINANCING ACTIVITIES			
23.07 Cash received from /(paid to) holding company	12.00		
Opening Balance		2,332,443,348	2,065,651,731
Closing Balance		2,343,743,094	2,332,443,348
		11,299,746	266,791,617
23.08 Cash received from /(paid to) Affiliated company			
Opening Balance		-	251,001,600
Closing Balance		-	-
		-	(251,001,600)
23.09 Cash paid for financial Expenses	16.00	(11,180)	(43,565)



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

প্রতিনিধিপত্র (PROXY FORM)

শেয়ার সংখ্যা

ফোলিও / বিও নং

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আমি / আমরা _____ এস. আলম কোল্ড রোল্ড স্টিলস্ লিমিটেড-এর সদস্য এবং আমি / আমরা জনাব _____ কে আমার / আমাদের প্রতিনিধি হিসেবে আমার / আমাদের অনুপস্থিতিতে ৭ জানুয়ারি, ২০২৩ তারিখে হাইব্রিড সিস্টেমের মাধ্যমে (শারীরিক উপস্থিতি ও ডিজিটাল প্ল্যাটফরম) <https://sacrsl.virtualagmbd.com> লিংক এর মাধ্যমে চিটাগাং ক্লাব, এস. এস. খালেদ রোড, চট্টগ্রামে সকাল ১০:৩০ ঘটিকায় অনুষ্ঠিতব্য কোম্পানির ২২তম 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 : _____

শেয়ারহোল্ডারের স্বাক্ষর

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)

৭ জানুয়ারি, ২০২৩ তারিখে হাইব্রিড সিস্টেমের মাধ্যমে (শারীরিক উপস্থিতি ও ডিজিটাল প্ল্যাটফরম) <https://sacrsl.virtualagmbd.com> লিংক এর মাধ্যমে অনুষ্ঠিত এস. আলম কোল্ড রোল্ড স্টিলস্ লিমিটেড এর ২২তম বার্ষিক সাধারণ সভায় আমার উপস্থিতি লিপিবদ্ধ করলাম।

শেয়ারহোল্ডারের নাম : _____

শেয়ার সংখ্যা

ফোলিও / বিও নং

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প্রতিনিধির নাম : _____

শেয়ারহোল্ডারের / প্রতিনিধির স্বাক্ষর _____

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



S. ALAM COLD ROLLED STEELS LIMITED

(A member of **S. ALAM GROUP**)

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