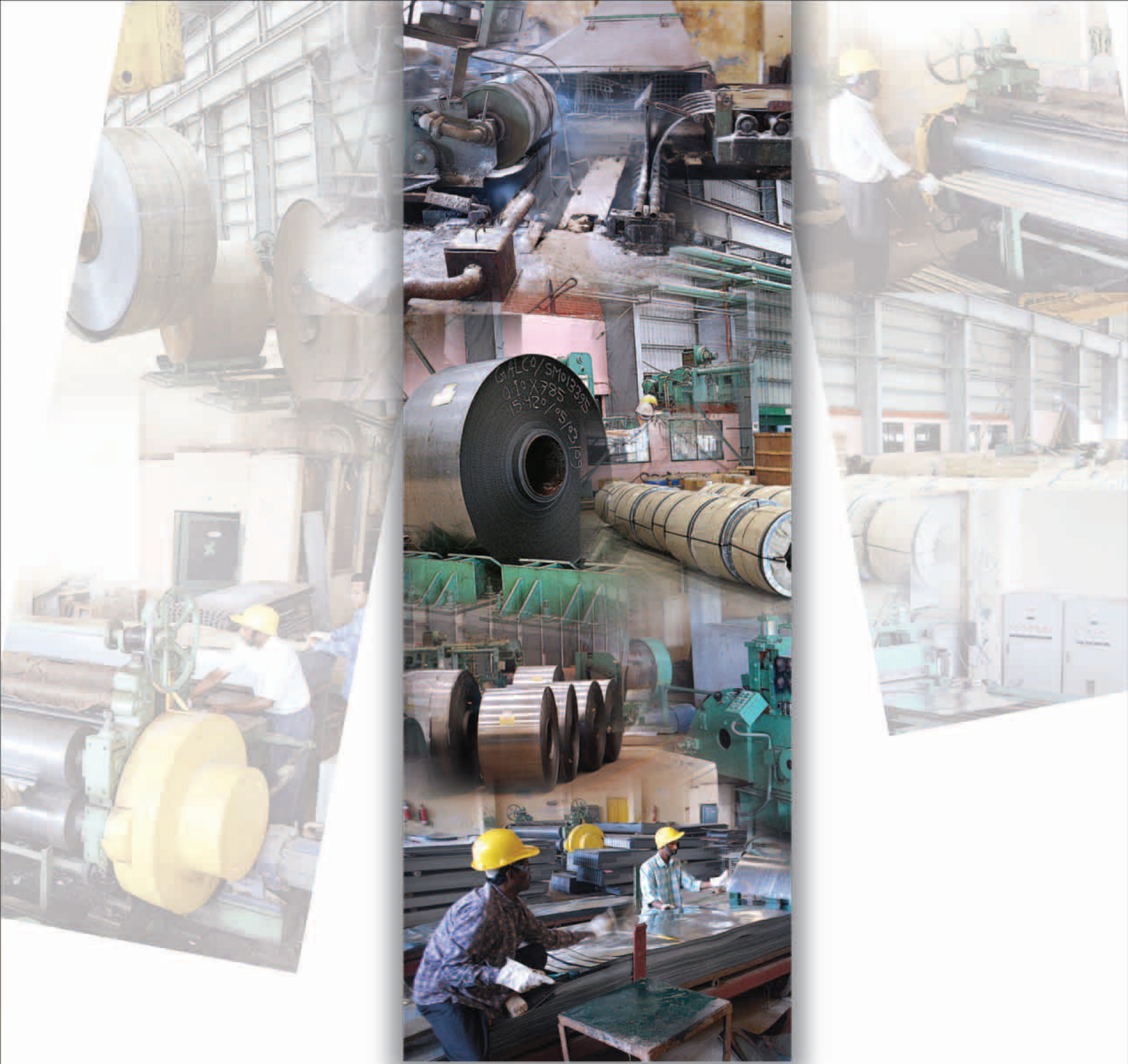




ANNUAL REPORT 2009



S. ALAM COLD ROLLED STEELS LIMITED



S. ALAM COLD ROLLED STEELS LIMITED





th

ANNUAL GENERAL MEETING

On **20 March 2010**



ANNUAL *REPORT*

2009



S. ALAM COLD ROLLED STEELS LIMITED





S. ALAM COLD ROLLED STEELS LIMITED



<i>Company Profile</i>	<i>04</i>
<i>Corporate Management</i>	<i>05</i>
<i>Transmittal Letter</i>	<i>06</i>
<i>Notice of the 9th Annual General Meeting</i>	<i>07-08</i>
<i>A Message from the Chairman</i>	<i>09</i>
<i>From the Desk of the Managing Director</i>	<i>10</i>
<i>Report of the Directors' to the Shareholders</i>	<i>11-19</i>
<i>Report of the Audit Committee</i>	<i>20</i>
<i>Auditors' Report & Financial Statement</i>	<i>22-44</i>
<i>Meetings of the Board of Directors'</i>	<i>45-46</i>
<i>Proxy Form & Members Attendance Slip</i>	<i>47</i>



Company Profile

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

Year of Incorporation	: 2000
Commencement of Commercial Production	: 2004
Legal Status	: A Public company limited by Share.
Location of Factory	: Kalarpol, Shikalbaha Patiya, Chittagong.
Corporate & Registered Office	: S. Alam Bhaban 2119, Asadgonj, Chittagong. Phone : 031-636649, 636997, 611426 611195, 638258, Fax : 031-618187 E-mail : salamgrp@globalctg.net gmuhammed@s.alamgroupbd.com Website : www.s.alamgroupbd.com
Liasion office	: Sharif Mansion (6th Floor) 56/57 Motijheel C/A, Dhaka- 1000. Phone : 02-9560631, 9560617 Fax : 02-9567483
Share are Listed with	: Dhaka Stock Exchange Ltd. & Chittagong Stock Exchange Ltd.
Authorized Capital	: Taka 350.00 Crore
Issued, Subscribed & Paid up Capital	: Taka 53.34 Crore.
Products Variety	: C.R. Coils, Baby coils, C.R. cut piece, off gauge, trimming etc.
Capacity	: 120,000 M. Ton





CORPORATE MANAGEMENT

Board of Director :

Alhaj Abdus Samad	:	Chairman
Alhaj Md. Saiful Alam	:	Managing Director
Alhaj Md. Osman Gani	:	Director

Audit Committee :

Alhaj Md Osman Gani	:	Chairman
Alhaj Md. Saiful Alam	:	Member
Alhaj Abdus Samad	:	Member

Senior Corporate Official :

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

Auditor :

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

Principal Banker :

Rupali Bank Ltd
Islami Bank (Bangladesh) Ltd.

Insurer :

Northern General Insurance Co. Ltd.



S. ALAM
COLD ROLLED STEELS LIMITED

Transmittal *Letter*

Date : 10-02-2010

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

Subject : Annual Report for the year ended September 30, 2009

Dear Sir(s):

We are pleased to enclose a copy of the Annual Report together with Audited Financial Statements for the year ended September 30, 2009 along with notes thereon and Directors' Report for your record/necessary measures.

Sincerely yours

Company Secretary



S. ALAM COLD ROLLED STEELS LIMITED

Registered Office: S. Alam Bhaban, 2119, Asadgonj, Chittagong.
E-mail: salamgrp@globalctg.net gmuhammed@s.alamgroupbd.com
Web: www.s.alamgroupbd.com

10th February 2010.

Notice of the 9th ANNUAL GENERAL MEETING.

NOTICE is hereby given that the 9th Annual General Meeting of the Company will be held on Saturday, the 20th March 2010 at 11.00 A. M at the "Ichamati Hall" of Hotel Agrabad, Chittagong to transact the following business and to pass and adopt necessary resolutions in that behalf:

A G E N D A :

1. To receive, consider and adopt the Audited Financial Statements of the company for the year ended 30th September 2009 along with the Directors' Report and the Auditors' Report thereon.
2. To consider and declare dividend on the basis of the recommendation of the Directors.
3. To elect Director retiring by rotation from Sponsors' Group.
4. To elect a Director from Institutional Investors' Group.
5. To elect a Director from General Investors' Group.
6. To appoint Auditors to hold office until the next Annual General Meeting of the Company and to fix up their remuneration.
7. To transact any other business with permission of the Chair.

By order of the Board,

Alhaj Md. Saiful Alam
Managing Director.

Notes

- a) The Record Date is 17.02.2010. Holder(s) of the Ordinary shares of the company, whose name will appear in the Depository Register as shareholder of the company at the close of business on the Record Date, will be eligible to attend and vote at the AGM.
- b) The Hon'ble shareholders are requested to submit to the Company's registered office, in due course, **their written option to pay off the dividend**, if declared and approved in the AGM, **EITHER** (a) through transfer of cash dividend to the bank of the shareholder for depositing into the shareholder's account provided the shareholder will bear the applicable service charge, if any, of the shareholder's banker **OR** (b) through issuance of cash dividend warrant in the name and address of the shareholder concerned as provided in the BO account set up.
- c) A member entitled to attend and vote at the Meeting may appoint a Proxy in his stead. The Proxy Form, duly filled in, signed and stamped with a revenue stamp of Tk.10.00 affixed thereon must be deposited at the Registered Office of the Company not later than 48 hours before the Meeting.
- d) The Notice together with the Annual Report, Attendance Slip, and Proxy Form is being sent to all Shareholders through Courier Service. Admission to the Meeting room will strictly be on production of the Attendance Slip sent with the Notice as well as verification of signature of Member(s) that the CDBL would furnish for the purpose. Shareholders may therefore collect Proxy Form and Attendance Slip, if so required, from the Registered Office of the company on or before 17th March 2010. No Attendance slip shall however be issued on the date of the AGM.
- e) Two Directors, one from the 'Institutional Investors Group' and the other from the 'General Investors Group', shall be elected in the 9th AGM. Nomination paper in prescribed form (available at the Registered Office) must be submitted at the Registered Office of the Company during office hours within 09th March 2010 and the withdrawal, if any, thereof may be made by 10th March 2010. The nomination form so submitted shall be scrutinized at 11.00 A. M. on 11th March 2010 and the list of valid candidates shall be displayed on Notice Board of the Share Department at the Registered Office of the company at 12.30 P. M the same day.
- f) A Corporate member of the company may authorize, by a resolution of its Board of Directors or other Governing body of such Body corporate, such person as it think fit, to act as its representative at the AGM.
- g) For the sake of convenience, shareholders are requested to submit queries, if any, on the Directors' Report and the Audited Accounts for the year ended 30th September 2009 at the Registered Office of the Company at least 3 working days before the date of the AGM.
- h) Any friend or children accompanying with honourable shareholder or proxy will not be allowed admission to the Meeting.
- i) In terms of the SEC's Notification # SEC/SRMI/2000-953/1950 dated 24/10/2000 read with DSE Memos # DSE-161/2008/5561 of 13/10/2008 and # DSE-161/2008/6055 of 30/10/2008, no benefit in cash or in kind by way of gift or otherwise, other than in the form of cash dividend or stock dividend, shall be paid to the holders of equity shares in the capital of the company. Neither any TA/DA nor any kind of gift shall therefore be admissible/allowable to any shareholder for attending the AGM.
- j) Members are requested to notify change of address, if any, through their respective Depository Participants well in time.



A Message
the *from*
Chairman

Dear Shareholders,
Assala-mu-alaikum

We, as members of S. Alam Cold Rolled Steels Limited are here to meet in the highest forum of the Company and it is really a great honor for me to welcome you to the 9th Annual General Meeting of the company.

In spite of several adverse circumstances including electricity outages that also continued unabated affecting production during the year under consideration, and despite the provision for current Income tax that had to be made in the accounts upon expiry on 31-01-2009 of the 5-year Tax Holiday period enjoyed by the company, we are to celebrate the result of another year because the earning of Tk. 169,070,189.00 as post-tax profit for the year is really commendable, Al-Hamdulillah. I on behalf of the members of the Board of Directors as well as on my own behalf, express our sincere thanks and gratitude for your continued active support and co-operation without which it would not be possible for the company to achieve success in its business operations.

There is no rationale for contentment and we assure that your Directors are always vigilant in observing the developments in the domestic and global economy to adopt such strategies timely to tackle such situations in such a way to derive sustainable growth there from in the larger interest of the stakeholders.

No event affecting the values in the financial statements materially occurred after the balance sheet date except:

(a) that the Directors recommended 15% cash dividend subject to approval thereof in the 9th Annual General Meeting,

(b) that the SEC vide its letter # SEC/CI/RI-27/09/272 dated 15-12-2009 finally consented to the proposed issue of right shares at 1:2 (One share for every two existing shares) at face value. Accordingly, your company declared its Record Date as well as the subscription period thereof. The proceeds thus available would be used for financing 70% of the equity of S. Alam Power Generation Limited, a private company limited by shares incorporated in Bangladesh with objects, among others, to procure, install and run captive power plant to produce electricity to ensure regular and uninterrupted power supply to the company, and to sell the excess of your company's requirements, to the Rural Electricity Board (REB) and others as may be approved by the regulatory authorities. The said company shall however be a subsidiary of your company., and

(c) that the company in its 7th EGM approved the proposal of the Directors to issue up to 53,34,480 Fully Convertible, 6% Dividend, Preference Shares of Taka 100/- each on certain terms and conditions to finance for procurement and installation of one complete Non-Oxide Furnace (NOF) type Continuous Galvanizing Line (CGL) in expansion of the company for production of GP/CI Sheets with most modern and economic technology consuming the C. R. Coils produced by the company, to meet the local demand of the product and if possible to export the same. With approval of the SEC to raise capital through private placement of the said Preference Shares to the existing Shareholders and to others, your company received subscriptions and we are pleased to report the Preference shares so offered to the public has fully been subscribed.

(d) That as a leap forward for attainment of its objects at the earliest without loss of time, your directors have in the meantime established Letter of Credit for procurement and installation of the said CGL Plant.

We are passionate about our Company, our customers and our stakeholders and relying fully upon Allah, the Almighty, and with your continuous support and co-operation we hope we shall be able to overcome all problems and create our future a success.

May Allah shower upon us His unending blessings at all times,

Alhaj Abdus Samad
Chairman.



From the Desk of the Managing Director

Bismillah-ir-Rahman-ir-Raheem

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

Alhamdu-lillah, your company has been able to keep continue its growth for another year. In spite of various adverse factors, it has been possible primarily owing to the blessings of Allah and then for the effective supervision through rational policy decision of the Directors coupled with the untiring efforts of the efficient management as well as of the employees. We also appreciate your support, value your patronage and grateful to the stakeholders for their whole-hearted and continuous support and co-operation.

In keeping with the need of the hour to improve our operations to attain larger growth, we have already initiated steps with consent of the SEC to receive subscriptions through Right Issue for investment of 70% equity in the S. Alam Power Generation Limited, a private company formed with objects among others to set up and run a power generating plant to ensure regular uninterrupted power supply to our project and to sell excess if there be any, to national grid, REB and/or others as the regulatory authorities may approve.

We produce C. R. Coils from which GP and CI Sheets are produced. Most of the GP/CI Sheet producers of our country based their production on conventional method, which not only poses environmental threat but also being very costly, could not compete in the market with the environment-friendly and cost effective GP/CI Sheets produced by the NOF Type CGL Plant. In such a given context and with a view to keep the our production of C. R. Coils unaffected by putting our company on the right tract for long term growth and improved profitability, we adopted a strategy for domestic sector led growth with potential to adopt export led strategy if circumstances so permit, your company has proposed for installation of a Non-Oxide Furnace (NOF) type Continuous Galvanizing Line (CGL) with Cut-To-Length (CTL) Plant which would consume the C. R. Coils produced by our company for its production of GP/CI Sheets with most modern, environment friendly and economic technology to meet the local demand of the product and if possible to export the same. The production capacity of the proposed plant is around 280 M. Ton per day and the estimated annual turnover will be Tk. 500.00 crore at rated capacity. In order to finance cost of the project, the company in its 7th EGM approved the proposed issue up to 53,34,480 Fully Convertible, 6% Dividend, Preference Shares of Taka 100/- each on certain terms and conditions. With due approval of the SEC, the aforesaid Preference Shares have fully been subscribed and, in the meantime, we have established Letter of Credit for procurement and installation of the said CGL Plant so that the Project is implemented without loss of time.

Upon implementation of both the power generation plant and the CGL plant, we are hopeful that by following a pragmatic and sustainable strategy, our company's revenue income and profitability will, by the grace of Allah, increase tremendously and thus we shall be able to safeguard and promote stakeholders' interest to a larger extent. And in order to attain our objectives, we shall always be seeking unending blessings of Allah, the Almighty to let and keep the graph of our prosperity continue to move upward.

Alhaj Md. Saiful Alam
Managing Director.

Report of the
Directors
to the
Shareholders



S. Alam Cold Rolled Steels Limited



Report of the

Directors to the Shareholders

Bismillahir Rahmanir Rahim

Dear Shareholders,

It is a privilege for me to present before you the 9th Annual Report and the audited financial statements for the year ended 30th September 2009 together with the Auditors' Report thereon and brief description on affairs of the company.

Business activities:

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

Net sales of the company during the year under consideration were Tk. 1,737,943,129.00 as against Tk.1,508,149,013.00, Tk.1,339,096,004.00 and Tk.1,765,081,625.00 of the previous three years ended respectively on 30.09.2008, 30.09.2007 and 30.09.2006.

Financial Results:

The financial results of the company for the year ended 30th September 2009 and recommend appropriations are as under:

(Figures in Tk. '000)

	Financial Year ended on			
	30.09.2009	30.09.2008	30.09.2007	30.09.2006
Profit before taxation	194,892	157,986	114,486	85,010
Less: Provision for taxation (Deferred)	(39,541)	(36,027)	(42,917)	(27,087)
Less: Provision for Current Tax	(38,806)	Tax Holiday	Tax Holiday	Tax Holiday
Net Profit after Tax	116,545	121,959	71,569	57,922
Add: Un-appropriated profit b/f from previous year	52,525	21,252	29,700	51,794
Amount available for appropriation	169,070	143,211	101,269	109,717
Less: Proposed Dividend	15% (80,017)	17% (90,686)	15% (80,017)	15% (80,017)
Retained Earnings carried to Balance Sheet	89,053	52,525	21,252	29,700
Earning Per Share (EPS)	21.85	22.87	13.42	13.26

It is notable here that upon expiry of the company's five years' tax holiday period on 31-01-2009, the company had to make provision for the current Income Tax for the non-tax-holiday period, in consequence whereof the after tax EPS for the year stood at Tk.21.85 although before provision of such tax the EPS for the year stood at Tk.36.53.

Dividend:

Considering the profit of the year and keeping consistency in recommendation of its dividend, the Directors recommend for declaration of 15% cash dividend for the year ended 30th September 2009 subject to the approval thereof by the shareholders in the forthcoming Annual General Meeting. The shareholders whose names would appear as the holder of Ordinary Shares of the Company in the Depository Register of Members in the CDBL system at the close of business on the record date shall qualify for the said Dividend.

Going Concern:

There is no significant doubt upon Company's ability to continue as a going concern; therefore the going concern basis has been adopted in preparing these financial statements.

Subsequent events:

Since end of the financial year under review nothing happened affecting financial position of the company save and except that the Directors recommend for declaration of 15% cash dividend for the year ended 30th September 2009 subject to the approval thereof by the shareholders in the forthcoming Annual General Meeting.

It may be recalled here that the SEC formally conveyed its consent to the proposed Right Issue vide its letter # SEC/CI/RI-27/09/272 dated 15th December 2009 and with due compliance of regulatory requirements, 07-01-2010 has been fixed as the Record Date for determination of Entitlement to the said Right Shares while from 01-02-2010 to 28-02-2010 has been fixed as subscription period. The proceeds of the aforesaid Right Shares would be used for financing of the said S. Alam Power Generation Limited, a private company, with 70% of its equity held by your company, incorporated with primary object to set up a medium size Power Generation Plant at Chittagong to ensure uninterrupted power supply to our project.

In addition to the above, your directors in their 95th Meeting held on 07-11-2009 decided to set up one complete Non-Oxide Furnace (NOF) type Continuous Galvanizing Line (CGL) with Cut-To-Length (CTL) and auxiliaries having production capacity of 280 M. Ton per day with most modern and economic technology for production of GP/CI Sheets to meet locally increasing demand thereof and if possible to export the same. For production of GP/CI Sheets the said CGL plant will use the C. R. Coils produced by the company as its prime raw material. The project cost thereof had been estimated to be around Tk.70.00 (Taka seventy crore) approximately and the estimated turnover there from will be around Tk.500.00 (Taka five hundred crore) at its rated capacity. In order to finance cost of project thereof, your Directors proposed to issue up to 53,34,480 fully Convertible, 6% Dividend, Preference Shares of Taka 100/- each on certain terms and conditions which was approved by the shareholders as on the Record Date of 15-11-2009 in their EGM convened on 12-12-2009 with the Record Date of 15-11-2009. The SEC has been pleased to accord its approval to such proposed issue of Preference Shares through private placement to the existing shareholders as on the Record Date of 15.11.2009 and to others on the following terms and conditions:

1. The Preference Shares shall be converted into Ordinary Shares in two stages:
 - (a) One-half (50%) i.e. Tk.50/- of each preference share will be converted into ordinary shares on 2nd May 2010 at 30% discount to the weighted average price of the Dhaka Stock Exchange during the period from the record date for the issuance of preference shares ending on 30th April 2010, and
 - (b) The remaining one-half (50%) i.e. Tk..50/- of each preference share will be converted into ordinary shares on 1st August 2010 at 30% discount to the weighted average price of the Dhaka Stock Exchange during the period from the record date for the issuance of preference shares ending 31st July 2010.
2. There will be a one-year lock-in on the converted Ordinary Shares from the date of issue of the Preference Shares.
3. Once Preference Shares are converted into Ordinary Shares; and lock-in period thereof expires, such ordinary shares shall be listed like other ordinary shares of the company in the stock exchanges and tradable thereat.
4. An interim dividend at 3% will be paid on 2nd May 2010 and 1st August 2010 against the preference shares. Record date for interim dividend on Preference Shares shall be 30th April 2010 and 31st July 2010.
5. Shareholders on Record date of 15th November 2009 will have the prerogative to subscribe for 40% i. e 21,33,792 Preference Shares as above on a 10:4 basis, i.e., shareholders holding 10 existing Ordinary Shares will have the prerogative to subscribe for 4(four) Preference Share within 10th January 2010.
6. The un-subscribed Preference Shares out of the Preference Shares referred to in paragraph 5 above; and remaining 60% i. e. 32,00,688 Preference Shares will be privately placed.
7. Preference Shares will be issued approximately on 31st January 2010 provided SEC's consent to the aforesaid Preference Share Issue is obtained prior to that date.
8. The Preference Shares will not be listed and/or publicly placed and these will not be transferable like any other shares.
9. The funds so raised will be used to finance for procurement and installation of one complete Non-Oxide Furnace (NOF) type Continuous Galvanizing Line (CGL) in expansion of the company.
10. An Information Memoranda will be used to facilitate investment in the aforesaid Preference Share Issue.



Your company has accordingly received subscriptions from the existing shareholders for the said Preference Shares from 20.01.2010 to 26.01.2010 and the subscriptions through private placement are in full progress. We are pleased to report that that by opening in the meantime of LC your company has initiated its steps for procurement, installation and commissioning at the earliest possibility of the proposed NOF type CGL Plant.

Directors:

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

Name of the Directors	Representing	At 01.10.2008	At 30.09.2009
1. Alhaj Md. Saiful Alam	Self (Sponsor)	1,33,362 shares	1,33,362 shares
2. Alhaj Abdus Samad	Self (Sponsor)	80,017 shares	80,017 shares
3. Alhaj Md. Osman Gani	Self (Sponsor)	53,345 shares	53,345 shares
4. Alhaj Md. Shahidul Alam	S. Alam Vegetable Oil Ltd (Sponsor)	1,33,362 shares	1,33,362 shares
5. Mr. M. A. Motalib Chowdhury	ICB and the Institutional Investors.	58,050 shares	1,05,550 shares
6. Mr. A. K. M. Ali Johar	General Investors.	25,000 shares	25,000 shares
7. Mr. Md. Aminul Hoque	Independent Non-shareholder Director	Not required	Not required
8. Mr. Atiqur Rahman	Rupali Bank Ltd- Financiers.	Not required	Not required

Alhaj Abdus Samad continued as the Chairman of the Board of Directors while Alhaj Md. Saiful Alam continued to be the Managing Director and Chief Executive Officer of the company. In total 5 Meetings of the Board of Directors were held during the year under consideration with attendance of the directors as follows:

Name of the Directors	Meetings attended
1. Alhaj Md. Saiful Alam	3
2. Alhaj Abdus Samad	4
3. Alhaj Md. Osman Gani	4
4. Alhaj Md. Shahidul Alam	5
5. Mr. M. A. Motalib Chowdhury	5
6. Mr. A. K. M. Ali Johar	5
7. Mr. Md. Aminul Hoque, Independent Director	5
8. Mr. Atiqur Rahman, Representing Rupali Bank Ltd	Nil.

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

Alhaj Abdus Samad is the director from Sponsor Group retiring by rotation in the 9th Annual General Meeting, and being eligible, he offers himself for re-election.

Alhaj Md. Shahidul Alam, a Director from the Sponsor Group representing S. Alam Vegetable Oil Limited, a corporate sponsor, resigned from the Board of Directors on 31-10-2009 for his personal reason while Mr. M. A. Motaleb Chowdhury, a Director representing Institutional Investors' Group as nominee of ICB, Mr. A. K. M. Ali Johar, a Director representing General Investors' Group and Mr. S. M. Atiqur Rahman, a Director on nomination of Rupali Bank Limited retire from the Board of Directors of the Company on 25-11-2009 also for their respective personal reasons.

Your Directors place on record their heartfelt appreciations for the valuable advices as well as the sincere and dedicated services those Directors during the tenure of their offices offered and rendered in the best interest of the company.

Vacancy of one director from the Institutional Investors' Group and one from the General Investors' Group are to be filled up in the 9th Annual General Meeting from valid nominee/contestant from each of the said Groups.

Pattern of Shareholding:

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

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

Sl.No.	Names	Number of shares	Percentage
a)	S. Alam Steels Limited	10,66,896 shares	20%
b)	S. Alam Cement Limited	5,33,448 shares	10%
c)	S. Alam Hatchery Limited	5,33,448 shares	10%
d)	S. Alam Vegetable Oil Limited	1,33,362 shares	2.5%
e)	S. Alam Luxury Chair Coach Services Ltd.	1,33,362 shares	2.5%

ii) The Directors:

Sl. No.	Names	Number of shares	Percentage
a)	Alhaj Md. Saiful Alam	1,33,362 shares	2.5%
b)	Alhaj Abdus Samad	80,017 shares	1.499996%
c)	Alhaj Md. Osman Gani	53,345 shares	1.000004%
d)	Mr. A. K. M. Ali Johar, ACMA	25,000 shares	0.468649%

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

The number of shareholders of the company as classified by their holding-shares at 30th September 2009 is as follows:

No. of holders	Holding	Total Holdings	%
4,181	Less than 500 shares	580,788	10.88
497	501 to 5,000 shares	694,350	13.02
22	5,001 to 10,000 shares	156,300	2.93
18	10,001 to 20,000 shares	262,250	4.92
7	20,001 to 30,000 shares	194,200	3.64
2	30,001 to 40,000 shares	60,150	1.13
2	40,001 to 50,000 shares	92,900	1.74
8	50,001 to 1,00,000 shares	534,814	10.02
7	1,00,001 to 10,00,000 shares	1,691,832	31.72
1	Over 10,00,000 shares	1,066,896	20.00
4,745	Total:	53,34,480	100%

Audit Committee:

Consequent upon resignation of Alhaj Md. Shahidul Alam on 31-10-2009 and that of Mr. A. K. M. Ali Johar and Mr. Md. Aminul Hoque on 25/11/2009 from the Board of Directors of the Company, the positions held respectively by them in the Audit Committee stood vacated. The AUDIT COMMITTEE has therefore been re-constituted on 25/11/2009 ON ADHOC BASIS comprising of the following persons to function as such till such time the vacancies so created in the Board of Directors are formally filled in:

1. Alhaj Md. Osman Gani, Sponsor Director	Chairman
2. Alhaj Md. Saiful Alam, Sponsor Director	Member
3. Alhaj Abdus Samad, Sponsor Director	Member



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

Name of the Committee Members	Position	Meetings attended
1. Mr. A. K. Ali Johar, ACMA	Chairman	4
2. Alhaj Md. Shahidul Alam	Member	4
3. Alhaj Md. Osman Gani	Member	4
4. Mr. Md. Aminul Hoque, Independent Non-Shareholder Director	Member	2

Additional Statements:

Your Directors are pleased to report that:

- (a) the financial statements prepared by the management present fairly the company's affairs, the result of its operations, cash flows and changes in the equity;
- (b) proper books of account have been maintained;
- (c) company's accounting policies have consistently been applied in preparation of the financial statements and that the accounting estimates are based on reasonable and prudent concept of accounting;
- (d) all of the related Bangladesh Accounting Standard and Bangladesh Financial Reporting Standard have been followed in preparation of financial statements;
- (e) the system of internal control in assessment of risk is sound in design and has been effectively implemented and monitored;
- (f) there is no significant doubts upon the company's ability to continue as going concern;
- (g) the Audit Committee had no findings reportable to the Board of Directors during the year ended 30.09.2009; and
- (h) there is no significant deviation in the operating result from that of the previous year.
- (i) none from its directors nor its any member who hold 10% or more shares, excluding those held by mutual funds, portfolio managers and stock brokers, has borrowing through pledge of shares to lenders at the time of borrowing.

Corporate Governance:

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

Auditors:

The current Auditors of the company - M/s. Hoda Vasi Chowdhury & Co., Chartered Accountants, retire at the ensuing Annual General Meeting. Having their satisfactory completion of audit for a consecutive period of three years the company may continue with them, subject to clearance of the SEC, if it recommends at least 10% dividend on the paid-up capital for the year immediately preceding the year for which the statutory auditor is appointed. On the fact that your directors recommended 15% cash dividend for the relevant year therefore being eligible under SEC Order # SEC/CMRRCD/2006-159/Admin/02/09 of 30-05-2006, offer themselves for re-appointment for the next term. Subject to clearance from SEC, a resolution to re-appoint them as Auditors for the next term and to fix up their remuneration will therefore be proposed at the Annual General Meeting.



Human Resource Management:

We are really proud of the extra-ordinary team work of our officials, employees and workers, and place on record our high appreciation for their hard work which helped the company to respond successfully to many challenges and for their high level of faithfulness, commitments and values which enabled the company to achieve and uphold quality of its products. Industrial relationship was also harmonious and excellent during the year under review.

Appreciation:

Finally, I on behalf of the Board of Directors as well as on my own behalf, do hereby express our sincere gratitude and profound thanks to the Government of the People's Republic of Bangladesh and its other agencies, the regulatory authorities including Securities and Exchange Commission, Dhaka Stock Exchange Ltd., Chittagong Stock Exchange Ltd., and the Registrar of Joint Stock Companies & Firms for the cordial help, assistance, guidance and advices which they extended from time to time to the company.

We at the same time extend our heartiest thanks and appreciation to the sponsors, valued shareholders, bankers, insurance companies, utility providers, Auditors, customers, patrons and well wishers for their continuous support and co-operation as well as for the confidence they reposed in the company.

We also record our appreciation to the management, members of staff and all employees as a whole for their loyal, devoted and unrelenting services for the development of the company.

for and on behalf of Board of Directors,

S. Alam Cold Rolled Steels Ltd

Alhaj Abdus Samad

Chairman.

Dated: 30th January 2010.

ANNEXURE-1

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

Condition No.	Title:	Compliance Status: (Put ✓ in the appropriate column)		Explanation for non-compliance with the condition:
		Complied	Not complied	
1.1	Board's size	✓		
1.2(i)	No. of Independent Director	✓		The position of Independent Director had fallen vacant on 25.11.2009 upon resignation of Mr. Md. Aminul Hoque on his personal ground.
1.2(ii)	Appointment of Independent Director	✓		The filling up of the position fallen vacant on 25.11.2009 is under process.
1.3	Chairman of the Board & Chief Executive	✓		
1.4	The Directors' Report on:			
1.4(a)	Fairness of Financial Statement	✓		
1.4(b)	Maintenane of proper books of accounts.	✓		
1.4(c)	Adoption of appropriate Accounting policies and estimates.	✓		
1.4(d)	Compliance with IAS.	✓		
1.4(e)	Soundness of Internal control system	✓		
1.4(f)	Ability to continue as a going concern.	✓		
1.4(g)	Significant deviation from previous year.	✓		
1.4(h)	Presentation of last 3 years' data.	✓		
1.4(i)	Declaration of Dividend.	✓		
1.4(j)	Details of Board Meeting.	✓		
1.4(k)	Shareholding Pattern	✓		
2.1	Appointment of CFO, Head of Internal Audit and Company Secretary.	✓		
2.2	Attendance of CFO and CS at Board Meetings.	✓		
3.00	Audit Committee.	✓		
3.1(i)	Composition of Audit Committee.	✓		
3.1(ii)	Appointment of Audit Committee.	✓		
3.1(iii)	Service & Tenure of Audit Committee.	✓		

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



Report of the *Audit Committee*

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

The Audit Committee is the means through which the Board of Directors carry on a supervisory role on internal audit so that a sound financial reporting system is in place to ensure proper and adequate internal financial control, and at the same time it supervises performance of the management on the financial reporting. To ensure compliance and regularization, it reports from time to time to Board of Directors the result of financial operations including mistakes, fraud, forgeries and other irregularities as well as on the findings of the internal audit findings. The Committee examines the financial and management operational procedure and system to assess risks and to suggest modifications in the set up or policies so as to avoid such risks. The Committee has to review the financial statements prepared for statutory purposes.

We examined the system of internal control as well as the financial records on the basis of the internal audit findings and, we believe that our such examinations provided a reasonable basis for our opinion that proper and sufficient care had been taken for maintenance of adequate accounting records for safeguarding the company's interest and for preventing and detecting frauds and other irregularities.

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

The Committee through its four Meetings held during the year under review reviewed the financial statements at 30th September 2008 as audited by Hoda Vasi Chowdhury & Co., Chartered Accountants, the Annual Report 2008 and the half-yearly financial statements as at 31st March 2009 prepared for statutory purposes.



Alhaj Md. Osman Gani
Chairman
Audit Committee of the Board.

30th January 2010.

Financials



Auditor's Report
&
Financial Statements



Hoda Vasi Chowdhury & Co

Chartered Accountants

Independent Correspondent Firm to Deloitte Touche Tohmatsu

Auditors' Report

to the Shareholders

We have audited the accompanying Balance Sheet of the S. Alam Cold Rolled Steels Limited as of 30 September 2009 and the related Profit and Loss Account, Statement of Cash Flow and Statement of Changes in Equity for the year then ended together with the notes numbering 1 to 35 annexed thereto. The preparation of these Financial Statements are the responsibility of the Company's management. Our responsibility is to express an independent opinion on these Financial Statements based on our audit.

Scope:

We conducted our audit in accordance with Bangladesh Standards on Auditing (BSA). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

Opinion:

In our opinion, the Financial Statements, prepared in accordance with Bangladesh Accounting Standards (BAS), give a true and fair view of the state of the Company's Affairs as of 30 September 2009 and of the results of its operations and its cash flow for the year then ended and comply with the Companies Act 1994, the Securities and Exchange Rules 1987 and other applicable laws and regulations.

We also report that:

- (a) 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;
- (b) in our opinion, proper books of account as required by law have been kept by the Company so far as it appeared from our examination of those books;
- (c) the Company's balance sheet and profit and loss account and its cash flow dealt with by this report are in agreement with the books of account and returns; and
- (d) the expenditure incurred was for the purposes of the Company's business.

Chittagong, 04 February 2010

Hoda Vasi Chowdhury

CHARTERED ACCOUNTANTS

Hoda

National Office :

BTMC Bhaban (8th Floor), 7-9 Karwan Bazar Commercial Area, Dhaka-1215, Bangladesh

Motijheel Office :

Ispahani Building (3rd Floor), 14-15 Motijheel Commercial Area, Dhaka-1000, Bangladesh

Chittagong Office :

Delwar Bhaban (4th Floor), 104 Agrabad Commercial Area, Chittagong-4100, Bangladesh



S. ALAM COLD ROLLED STEELS LIMITED
BALANCE SHEET
AS AT 30 SEPTEMBER 2009

	Notes	2009 Taka	2008 Taka
APPLICATION OF FUNDS			
TANGIBLE FIXED ASSETS	3	1,324,926,700	1,381,374,994
PRELIMINARY EXPENSES	4	-	149,020
SHARE ISSUE EXPENSES	5	2,173,180	4,227,665
CURRENT ASSETS			
Stocks	6	3,149,557,029	2,935,437,852
Book Debts	7	826,940,279	882,989,812
Investment	8	1,400,000	-
Loan to S. Alam Power Generation Limited	2.15	1,311,757	-
Advances, Deposits and Prepayments	9	82,818,550	162,545,451
Cash and Bank Balances	10	33,857,003	65,842,362
		4,095,884,618	4,046,815,477
CURRENT LIABILITIES AND PROVISIONS			
Creditors and Accruals	11	(645,113,924)	(681,874,676)
Advance against sales	12	(8,622,963)	(18,504,975)
Short Term Bank Loans	13	(2,614,957,683)	(2,816,010,992)
Provision for Workers' Profit Participation Fund	14	(10,377,356)	(8,434,157)
Income Tax payable	2.06 & 15	(38,806,130)	-
Unclaimed Dividend	17	(7,367,964)	(27,558,842)
Current portion of Term Loan	19	(360,531,000)	(142,398,600)
Proposed Dividend		(80,017,200)	(90,686,160)
		(3,765,794,220)	(3,785,468,402)
NET CURRENT ASSETS		330,090,398	261,347,075
TOTAL ASSETS LESS CURRENT LIABILITIES		1,657,190,278	1,647,098,754
DEFERRED LIABILITIES			
Deferred Income Tax	2.06 & 16	(145,572,452)	(106,031,941)
NET ASSETS	Taka	1,511,617,826	1,541,066,813
SOURCE OF FUNDS			
Share Capital	18	533,448,000	533,448,000
Retained Earnings		89,052,989	52,524,749
SHAREHOLDERS' FUNDS		622,500,989	585,972,749
Term Loan (Secured)	19	755,937,191	800,100,094
Loan from Associated Companies (Unsecured)	21	133,179,646	154,993,970
TOTAL FUNDS	Taka	1,511,617,826	1,541,066,813
CONTINGENT LIABILITIES AND COMMITMENTS			
	27		

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

AUDITORS' REPORT TO THE SHAREHOLDERS

See Annexed Report


COMPANY SECRETARY


DIRECTOR

Shahid

MANAGING DIRECTOR

S. ALAM COLD ROLLED STEELS LIMITED
PROFIT AND LOSS ACCOUNT
 FOR THE YEAR ENDED 30 SEPTEMBER 2009



	Notes	Tax Holiday 01.10.08 - 31.01.09	Taxable 01.02.09 - 30.09.09	2009 Taka	2008 Taka
Net Turnover	22	289,731,656	1,448,211,473	1,737,943,129	1,508,149,013
Cost of Goods Sold	23	(212,912,512)	(1,045,287,604)	(1,258,200,116)	(1,051,126,090)
Gross Profit		76,819,144	402,923,869	479,743,013	457,022,923
Operating Expenses					
Administration, Selling & Distribution Expenses	24	(6,939,980)	(24,358,388)	(31,298,368)	(30,462,743)
Trading Profit		69,879,164	378,565,481	448,444,645	426,560,180
Financial Expenses	25	(50,298,798)	(192,280,082)	(242,578,880)	(257,877,034)
Gross Operating Profit		19,580,366	186,285,399	205,865,765	168,683,146
Other Income - non-operating					
Revenue profit on disposal of fixed assets		-	1,681,362	1,681,362	-
		19,580,366	187,966,761	207,547,127	168,683,146
Contribution @ 5% of Operating profit to Workers' Profit Participation & Welfare Funds	14	(979,018)	(9,398,338)	(10,377,356)	(8,434,157)
Profit before amortisation of intangible assets		18,601,348	178,568,423	197,169,771	160,248,989
Amortisation of Preliminary Expenses	4	(49,673)	(99,347)	(149,020)	(149,020)
Amortisation of Share Issue Expenses	5	(704,611)	(1,424,059)	(2,128,670)	(2,113,833)
Net Operating Profit before Income Tax		17,847,064	177,045,017	194,892,081	157,986,136
Provision for Income Tax					
Current	2.06 & 15	-	(38,806,130)	(38,806,130)	-
Deferred	2.06 & 16	-	(39,540,511)	(39,540,511)	(36,027,362)
		-	(78,346,641)	(78,346,641)	(36,027,362)
Profit after Income Tax		17,847,064	98,698,376	116,545,440	121,958,774
Unappropriated Profit, brought forward		52,524,749	70,371,813	52,524,749	21,252,135
Profit available for Appropriation	Taka	70,371,813	169,070,189	169,070,189	143,210,909
Appropriations:					
Final Dividend proposed @ 15% (2008@ 17%)		-	80,017,200	80,017,200	90,686,160
Transferred to General Reserve		-	-	-	-
Transferred to Dividend Equalisation Fund		-	-	-	-
		-	80,017,200	80,017,200	90,686,160
Unappropriated Profit, carried forward		70,371,813	89,052,989	89,052,989	52,524,749
Taka	Taka	70,371,813	169,070,189	169,070,189	143,210,909
Earning Per Share (Basic)	31	3.35	18.50	21.85	22.87

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

AUDITORS' REPORT TO THE SHAREHOLDERS

See Annexed Report

Handwritten signature


 COMPANY SECRETARY


 DIRECTOR


 MANAGING DIRECTOR



S. ALAM COLD ROLLED STEELS LIMITED
CASH FLOW STATEMENT
FOR THE YEAR ENDED 30 SEPTEMBER 2009

	<u>Notes</u>	2009 Taka	2008 Taka
CASH FLOW FROM OPERATING ACTIVITIES			
Cash received from customers & others	7, 12, 22	1,784,110,651	1,485,181,726
Cash paid to suppliers & employees	6,9,11,14,23,23.1,24	(1,408,940,222)	(1,572,754,040)
Cash received / (payment) from short term bank loan	13	(201,053,309)	472,869,965
Financial Expenses	25	(242,578,880)	(257,877,034)
Cash Inflow / (Outflow) from Operating Activities		(68,461,760)	127,420,617
CASH FLOW FROM INVESTING ACTIVITIES			
Purchase of Fixed Assets	3	(4,865,792)	(83,200)
Sale of Fixed Assets	3	2,850,000	-
Investment	8	(1,400,000)	-
Cash Inflow / (Outflow) from Investing Activities		(3,415,792)	(83,200)
CASH FLOW FROM FINANCING ACTIVITIES			
Share Issue Expenses	7	(74,185)	-
Loan to S. Alam Power Generation Limited	2.15	(1,311,757)	-
(Repayment) / Receipt of Term Loan	19	173,969,497	46,960,473
(Repayment) / Receipt of Lease Finance	20	-	(11,829,052)
Loan (repayment) / receipt from Associated companies	21	(21,814,324)	(61,646,548)
Dividend paid		(110,877,038)	(56,431,858)
Cash Inflow / (Outflow) from Financing Activities		39,892,193	(82,946,985)
Net Increase/ (Decrease) in Cash & Cash Equivalents	Taka	(31,985,359)	44,390,432
Cash and Cash Equivalents at the beginning of the year		65,842,362	21,451,930
Cash and Cash Equivalents at the end of the year	Taka	33,857,003	65,842,362

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

AUDITORS' REPORT TO THE SHAREHOLDERS

See Annexed Report

Shales


COMPANY SECRETARY


DIRECTOR


MANAGING DIRECTOR

S. ALAM COLD ROLLED STEELS LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 SEPTEMBER 2009



Amount in Taka

Particulars	Share Capital	Capital Reserve	General Reserve	Dividend Equalisation Fund	Unappropriated Profit	Total Equity
Balance at the beginning of the year	533,448,000	-	-	-	52,524,749	585,972,749
Net Profit (after tax) transferred from Profit & Loss Account	-	-	-	-	116,545,440	116,545,440
Proposed Final Dividend	-	-	-	-	(80,017,200)	(80,017,200)
Balance at the end of the year	533,448,000	-	-	-	89,052,989	622,500,989

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

Shahed

COMPANY SECRETARY

DIRECTOR

MANAGING DIRECTOR



S. ALAM COLD ROLLED STEELS LIMITED
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 30 SEPTEMBER 2009

1.00 THE COMPANY & ITS OPERATIONS

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

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

2.00 ACCOUNTING POLICIES

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

2.02 Revenue recognition

Revenue is recognized as and when goods are delivered.

2.03 Fixed assets - note 3.1

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

Rates of depreciation on various categories of fixed assets are as follows:

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

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

Particulars	Capacity utilization
Factory Building (including Leased Assets)	47%
Capital Machinery	47%
Factory equipment	47%
Generator	47%
Work Roll	47%
Luffing Crane and Jetty construction	47%
Coil Cart	47%

2.04 Intangible Assets - note 4 & 5

Preliminary expenses and share issue expenses are amortized at 20% per annum.

2.05 Stocks- note 6

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

2.06 Income Tax

(i) Current - note 15

The Company was allowed tax holiday for periods of five years from the date of commencement of commercial production i.e. 01 February 2004 vide National Board of Revenue's Order ref. 11(398) Anu - 1/2004/7364(2) dated 24.07.2004. The period of tax holiday of the Company expired in 31 January 2009. The revenue account of the Company has been prepared in columnar form to show Tax holiday and outside tax holiday performance. During non tax holiday period the Company earned a net profit of Tk 177,045,017 and necessary provision for income tax has been made as per ITO/ITR 1984.

Handwritten signature

(ii) Deferred - note 16

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

2.07 Borrowing costs

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

2.08 Employee benefits

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

2.09 Earnings Per Shares (EPS)

Basic Earnings:

This represents earnings for the year attributable to ordinary shareholders. As there is no preference dividend, minority interest or extra ordinary items, the net profit after tax for the year has been considered fully attributable to the ordinary shareholders (refer to note-28 to the Accounts)

Diluted Earnings per share:

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

2.10 Related party transactions

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

2.11 Workers' profit participation fund - note 14

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

2.12 Provisions

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

2.13 Foreign Currency Translation

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

2.14 Investment

The Company acquired 14,000 shares of S. Alam Power Generation Limited. In order to invest 70% equity of S. Alam Power Generation Limited the Securities & Exchange Commission approved issuance of right share to the existing share holders in the ratio of 1:2 (one right share for every 2 existing shares). The Company did not commence commercial operation.

2.15 Loan to S. Alam Power Generation Limited

The Company financed S. Alam Power Generation Limited's, preliminary and formation expenses.

Shahid

3 TANGIBLE FIXED ASSETS

3.1 Operating Fixed Assets - at Cost Less Accumulated Depreciation - note 2.03

Particulars	Cost (Amount in Taka)			Depreciation Rate (%)	Depreciation (Amount in Taka)			Written Down Value as on 30.09.2009(Taka)
	Opening Balance as on 01.10.2008	Addition During the Year	Deletion During the Year		Opening Balance as on 01.10.2008	Charge During the Year	Deletion During the Year	
Land and Land Development:								
Free Hold Land (14.56 Acres)	62,042,890	-	-	-	-	-	-	62,042,890
Land Development	25,942,017	-	-	-	-	-	-	25,942,017
Internal Road and Drainage	3,506,580	-	-	10%	240,495	-	1,342,125	2,164,455
Embankment	42,507,074	-	-	20%	3,250,561	-	29,504,831	13,002,243
	133,998,561	-	-		3,491,056	-	30,846,956	103,151,605
Building:								
Factory Building (Including Leased Asset)	303,888,860	-	-	5%	6,179,862	-	47,095,892	256,792,968
General Building	33,321,203	-	-	5%	1,329,489	-	8,060,922	25,260,282
	337,210,063	-	-		7,509,350	-	55,156,813	282,053,250
Machinery:								
Capital Machinery	1,233,517,738	-	-	10%	42,895,317	-	363,746,731	869,771,007
Equipment & Appliance:								
Factory Equipment	7,060,080	-	-	10%	272,282	-	1,539,125	5,520,955
Office Equipment	469,175	578,935	-	10%	88,828	-	248,655	799,455
Guest House Equipment	1,413,095	-	-	10%	86,983	-	630,253	782,843
Computer	1,486,958	49,000	-	10%	104,712	-	593,555	942,404
Air Conditioners	1,774,166	130,000	-	10%	129,684	-	737,009	1,167,157
Generator	1,240,000	-	-	10%	43,062	-	366,849	873,151
Electric Line Installation	1,786,095	-	-	10%	128,623	-	628,491	1,157,604
Gas Line Installation	3,731,904	-	-	10%	236,693	-	1,601,663	2,130,241
Fire Extinguisher	58,100	-	-	10%	3,648	-	25,264	32,836
Telephone Line Installation	398,527	-	-	10%	25,461	-	169,383	229,145
Grinding Wheel	134,666	-	-	10%	8,305	-	59,925	74,741
Water Tank	113,500	-	-	10%	6,983	-	50,655	62,845
Work Roll	1,593,025	-	-	10%	55,322	-	471,291	1,121,734
Radio Link & Networking (Factory)	168,880	-	-	10%	12,338	-	57,842	111,038
Tools & Tackles	121,238	-	-	10%	7,459	-	54,109	67,129
Coil Ware House	5,467,518	-	-	10%	372,737	-	2,112,884	3,354,634
	27,016,927	757,935	-		1,583,118	-	9,346,951	18,427,911
Furniture & Fixtures	2,517,683	-	-	10%	175,554	-	937,702	1,579,982
Luffing Crain & Jetty Construction	54,948,213	-	-	15%	2,524,530	-	21,663,811	33,284,402
Coil Cart	8,024,021	-	-	10%	278,754	-	2,371,844	5,652,177
Motor Vehicles	21,765,711	1,447,661	(4,554,000)	20%	1,165,816	(3,385,362)	10,610,746	8,048,626
Interior Decoration	1,509,900	2,660,196	-	15%	521,954	-	1,212,356	2,957,740
2009 Taka	1,820,508,817	4,865,792	(4,554,000)		60,145,448	(3,385,362)	495,893,909	1,324,926,700
2008 Taka	1,820,425,617	83,200	-		55,822,324	-	439,133,823	1,381,374,994

3.2 Depreciation Allocated to:

	2009 Taka	2008 Taka	Basis
Manufacturing Expenses - note 23.1	45,109,086	41,866,743	75%
Administrative and Selling Expenses - note 24	15,036,362	13,955,581	25%
	60,145,448	55,822,324	100%

Shalew



	2009 Taka	2008 Taka
4 PRELIMINARY EXPENSES - note 2.04		
Opening Balance	149,020	298,040
Amortised during the year	(149,020)	(149,020)
Taka	<u><u>-</u></u>	<u><u>149,020</u></u>
5 SHARE ISSUE EXPENSES - note 2.04		
Opening Balance	4,227,665	6,341,498
Addition during the year	74,185	-
	<u>4,301,850</u>	<u>6,341,498</u>
Amortised during the year	(2,128,670)	(2,113,833)
Taka	<u><u>2,173,180</u></u>	<u><u>4,227,665</u></u>
6 STOCKS - note 2.05		
Stores & Spares - note 6.1	209,452,841	200,129,815
Stock - in - trade - note 6.2	2,893,936,553	2,089,962,479
Stock - in - transit - note 6.3	46,167,635	645,345,558
Taka	<u><u>3,149,557,029</u></u>	<u><u>2,935,437,852</u></u>
6.1 Stores & Spares		
Stores & Spares	209,452,841	200,129,815
Tk	<u><u>209,452,841</u></u>	<u><u>200,129,815</u></u>
6.2 Stock - in - trade - note 23		
Raw Materials	2,717,861,958	1,953,599,398
Work -in -Process	58,384,335	46,490,761
Finished Goods	117,690,260	89,872,320
Tk	<u><u>2,893,936,553</u></u>	<u><u>2,089,962,479</u></u>
6.3 Stock - in - transit		
Raw Materials	41,075,124	641,790,832
Spares	5,092,511	3,554,726
Tk	<u><u>46,167,635</u></u>	<u><u>645,345,558</u></u>
7 BOOK DEBTS		
Chemon Ispat Limited	826,940,279	790,688,272
Galco Steel Limited	-	92,301,540
Taka	<u><u>826,940,279</u></u>	<u><u>882,989,812</u></u>
8 INVESTMENT - note 2.14		
S. Alam Power Generation Limited	1,400,000	-
Taka	<u><u>1,400,000</u></u>	<u><u>-</u></u>

The Company was incorporated on 9 April 2009 vide Certificate of Incorporation no. CH - 6951 (297) of 2009 and the Company did not commence commercial operation.

Shaleo



	2009 Taka	2008 Taka
9 ADVANCES, DEPOSITS & PREPAYMENTS		
Advances - note 9.1	70,521,648	150,139,344
Deposits - note 9.2	12,296,902	12,406,107
Taka	<u>82,818,550</u>	<u>162,545,451</u>
9.1 Advances - note 9		
Expenses	10,642,158	7,325,304
Capital Expenditure	-	622,080
Bank Guarantee Margin	15,829,427	13,598,476
Income Tax on Imports	42,638,389	38,080,279
VAT Current A/C	200,000	89,412,531
Supplementary Tax Current A/C	164,674	164,674
House & Office Rent	300,000	426,000
Others	747,000	510,000
Tk	<u>70,521,648</u>	<u>150,139,344</u>
9.2 Deposits - note 9		
Chittagong City Corporation	4,096,232	4,096,232
Chittagong Palli Bidyut Samity	7,038,000	7,038,000
Bakhrabad Gas Systems Limited	564,239	564,239
Bangladesh Telecommunications Limited (BTCL)	6,600	6,600
AKTEL (for mobile)	-	3,105
Grameen Phone (Bd.) Limited (for mobile)	20,000	20,000
Ansar, VDP	32,331	32,331
Securex Pvt. Limited	34,000	-
Central Depository Bangladesh Limited	500,000	500,000
Others	5,500	145,600
Tk	<u>12,296,902</u>	<u>12,406,107</u>

Arkes



	2009 Taka	2008 Taka
10 CASH & BANK BALANCES		
Cash in hand	29,532	24,006
Cash at Bank - note 10.1	33,827,471	65,818,356
Taka	33,857,003	65,842,362
10.1 Balances With Schedule Banks		
Rupali Bank Ltd. Anderkilla, Laldighi East, Chittagong.	13,986	25,435
Islami Bank Bangladesh Ltd., Khatungonj, Chittagong.	668,396	5,998
Dutch Bangla Bank Ltd. -Motijheel Foreign Exchange Branch, Dhaka.	25,179	42,672
Agrani Bank, Agrabad C/A, Chittagong.	179	294
Islami Bank Bangladesh Ltd., Khatungonj, Chittagong.	19,201,107	17,928,730
First Security Bank Ltd., Khatungonj Branch, Chittagong.	22,700	69,076
Jamuna Bank Ltd., Jubilee Road Branch, Chittagong.	5,789	4,860
Jamuna Bank Ltd., Jubilee Road Branch, Chittagong.	6,274,354	-
Rupali Bank Ltd. Anderkilla, Laldighi East, Chittagong.	7,376,392	27,624,954
First Security Bank Ltd., Jubilee Road Branch, Chittagong.	-	20,000,000
Southeast Bank Ltd.Principle office Branch, Dhaka.	239,114	83,706
Bangladesh Commerce Bank Ltd, Khatungonj Branch, Ctg.	275	32,631
Tk	33,827,471	65,818,356
11 CREDITORS AND ACCRUALS		
For other finance - note 11.1	7,902,935	-
For Supplies & Revenue expenses - note 11.2	6,844,185	2,501,693
Provisions for payments against Imports	630,366,804	679,372,983
Taka	645,113,924	681,874,676
11.1 For other finance - note 11		
Sundry creditors	7,902,935	-
Tk	7,902,935	-
11.2 For Supplies & Revenue expenses - note 11		
Audit & Other professional fees payable	475,000	325,000
Electricity bill	3,272,268	1,242,408
Gas bill	311,036	271,322
Salary & wages	2,720,233	622,757
Telephone & Mobile charges payable	28,333	25,206
Office rent payable	37,315	15,000
Tk	6,844,185	2,501,693

Shaloo



12 ADVANCE AGAINST SALES

Other different parties

	2009 Taka	2008 Taka
	8,622,963	18,504,975
Taka	<u>8,622,963</u>	<u>18,504,975</u>

13 SHORT TERM BANK LOANS

Rupali Bank Ltd, Anderkilla Branch, Chittagong. (CC Hypo)	206,421,436	206,800,149
Rupali Bank Ltd, Anderkilla Branch, Chittagong. against (CC Pledge)	321,262,521	288,244,058
Rupali Bank Ltd, Anderkilla Branch, Chittagong. (LIM)	697,920,190	620,644,348
Rupali Bank Ltd, Anderkilla Branch, Chittagong. (LTR)	261,837,202	233,920,145
Islami Bank Bangladesh Ltd, Khatungonj Branch, Chittagong. (MPI) against imported Raw Materials with share of profit margin	535,644,654	838,996,170
Southeast Bank Ltd, Principal Branch, Dhaka. (LTR)	408,645,306	345,314,303
Southeast Bank Ltd, Principal Branch, Dhaka. (Time Loan)	183,226,374	236,090,926
Bangladesh Commerce Bank Ltd, Agrabad Branch, Chittagong. (LTR)	-	46,000,893

Taka **2,614,957,683** **2,816,010,992**

Handwritten signature



	2009 Taka	2008 Taka
14 PROVISION FOR WORKERS' PROFIT PARTICIPATION FUND - note 2.11		
Opening balance	8,434,157	6,144,665
Provided @ 5% on net profit before charging WPPF	10,377,356	8,434,157
	<u>18,811,513</u>	<u>14,578,822</u>
Paid during the year	(8,434,157)	(6,144,665)
Taka	<u>10,377,356</u>	<u>8,434,157</u>
15 INCOME TAX PAYABLE - note 2.06		
Opening balance	-	-
Provision made during the year	38,806,130	-
	<u>38,806,130</u>	<u>-</u>
Paid during the year	-	-
Taka	<u>38,806,130</u>	<u>-</u>
16 DEFERRED INCOME TAX - note 2.06		
Opening balance	106,031,941	70,004,579
Provision made the year	39,540,511	36,027,362
	<u>145,572,452</u>	<u>106,031,941</u>
Provision released during the year	-	-
Taka	<u>145,572,452</u>	<u>106,031,941</u>
17 UNCLAIMED DIVIDEND		
Remaining unclaimed on account of:		
For the year ended 30 September 2006	793,463	3,835,688
For the year ended 30 September 2007	3,134,903	23,723,154
For the year ended 30 September 2008	3,439,598	-
Taka	<u>7,367,964</u>	<u>27,558,842</u>

Handwritten signature



S. ALAM COLD ROLLED STEELS LIMITED

18 SHARE CAPITAL

18.1 Authorised Number

	2009 Taka	2008 Taka
<u>35,000,000</u> Ordinary shares of Tk 100 each	<u>3,500,000,000</u>	<u>3,500,000,000</u>

18.2 Issued, subscribed and paid-up

	2009 Taka	2008 Taka
5,334,480 Ordinary shares of Tk 100 each fully paid-up in cash	533,448,000	533,448,000
<u>5,334,480</u>	<u>533,448,000</u>	<u>533,448,000</u>

18.3 Position of share holdings

	2009		2008	
	No. of Shares	Percentage (%) of share holding	No. of Shares	Percentage (%) share holding
Alhaj Md. Saiful Alam	133,362	2.50	133,362	2.50
Alhaj Abdus Samad	80,017	1.50	80,017	1.50
Alhaj Md. Osman Gani	53,345	1.00	53,345	1.00
S.Alam Steels Limited	1,066,896	20.00	1,066,896	20.00
S.Alam Cement Limited	533,448	10.00	533,448	10.00
S.Alam Hatchery Limited	533,448	10.00	533,448	10.00
S.Alam Luxury Chair Coach Services Ltd.	133,362	2.50	133,362	2.50
S.Alam Vegetable Oil Limited	133,362	2.50	133,362	2.50
Union Capital Limited	28,700	0.54	11,050	0.21
Alhaj Md. Mosaddek ,	-	-	33,600	0.63
AB Bank Limited	57,602	1.08	177,152	3.32
South Asia Capital Limited	-	-	500	0.01
Prime Bank Ltd. 1/A-1	69,200	1.30	160,350	3.01
ICB Unit Fund	89,700	1.68	3,300	0.06
ICB	105,550	1.98	58,050	1.09
IDLC, Portfolio A/c	75,450	1.41	110,500	2.07
Others	2,241,038	42.01	2,112,738	39.61
	<u>5,334,480</u>	<u>100</u>	<u>5,334,480</u>	<u>100</u>

18.4 Classification of Shareholders by holding

Holdings	No. of Holders	No. of Shares	Total Holdings (%)
Less than 500 shares	4,181	636,538	11.93252
501 to 5,000 shares	497	676,750	12.68633
5,001 to 10,000 shares	22	208,600	3.91041
10,001 to 20,000 shares	18	140,900	2.64131
20,001 to 30,000 shares	7	157,150	2.94593
30,001 to 40,000 shares	2	98,250	1.84179
40,001 to 50,000 shares	2	48,000	0.89981
50,001 to 100,000 shares	8	594,714	11.14849
100,001 to 1,000,000 shares	7	1,706,682	31.99341
Over 1,000,000 shares	1	1,066,896	20.00000
	<u>4,745</u>	<u>5,334,480</u>	<u>100.00000</u>

Alhaj

	2009 Taka	2008 Taka
19 TERM LOAN (SECURED)		
From Banks:		
Due within one year	360,531,000	142,398,600
Due after more than one year	755,937,191	800,100,094
Taka	<u>1,116,468,191</u>	<u>942,498,694</u>
a) From Rupali Bank Limited, Laldighi, Chittagong:		
Due within one year	237,331,000	142,398,600
Due after more than one year	503,782,676	653,488,803
	<u>741,113,676</u>	<u>795,887,403</u>
b) From Islami Bank Bangladesh Limited Khatungonj, Chittagong. Hire purchase Shirkatul Meelk (HPSM) A/c No. 20501064300003306	137,674,048	146,611,291
	<u>137,674,048</u>	<u>146,611,291</u>
c) From Southeast Bank Limited, Principal Branch, Dhaka		
Due within one year	123,200,000	-
Due after more than one year	114,480,467	-
	<u>237,680,467</u>	-
	<u>1,116,468,191</u>	<u>942,498,694</u>

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

100% registered mortgage of 10.70 Acres factory land and building, hypothecation of Plant and Machinery, furniture and fixture including inventories and personal guarantees of all the directors of the company jointly and individually.

Re-payment Schedule:

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

Rate of Interest:

At the rate of 10%

Shales

(ii) Islami Bank Bangladesh Limited

Security (Second Charge):

Registered mortgage of factory land and building, hypothecation of Plant and Machinery including inventories on PARI PASSU basis with Rupali Bank Limited.

Re-payment Schedule:

Although no repayment schedule was given by the Bank, repayment will be channeled through Rupali Bank (vide its sanction letter RBPC/MISC/2004/98 dated 20.03.04) but the company initiated repayment from 10th May, 2004. During the year, the company made direct payment to the bank.

Rate of Profit:

At the rate of 15%

(iii) Southeast Bank Limited

Security:

Usual charge documents, Hypothecation of goods to be imported, Creation of PARI PASSU charges on the fixed and floating assets of the company along with other existing lenders, Letter of Trust receipt & Personal guarantee of all the directors of the company

Re-payment Schedule:

Re-payment stipulated to be made by 36 monthly installments of Tk 8,800,000 each plus accrued interest, commencing from 15 August 2009. The Company management communicated with the bank vide their letter ref: SACRSL/Accts/0463/2009, dated 20 August 2009 to pay the installment on quarterly basis instead of monthly basis. No payments were made during the year. Subsequently the Company paid 4 installments within December 2009

Rate of Profit:

At the rate of 13%

Shales



S. ALAM COLD ROLLED STEELS LIMITED

	2009 Taka	2008 Taka
20 LEASE FINANCE (SECURED)		
IIDFC		
a) Principal amount on 01.10.08	-	11,829,052
Interest charged up to 30.09.09	-	2,237,542
	-	<u>14,066,594</u>
Paid during the year:		
Principal	-	(11,829,052)
Interest	-	(2,237,542)
	-	<u>(14,066,594)</u>
Closing Balance	Taka <u>-</u>	<u>-</u>
b) Repayment of the balance amount is classified as under:		
Due within one year	-	-
Due after more than one years	-	-
	Tk <u>-</u>	<u>-</u>

Lessor:

Industrial and Infrastructure Development Finance Company Ltd.(IIDFC), Chamber Building, 6th floor, 122-124 Motijheel C/A, Dhaka.

Security

Lease agreement no. 03/L/2199/902137/72/761034/14 dt. 26.04.03 was executed for importation of pre-fabricated steel structure from Saudi Arabia for Factory Building of the company and the loan was secured against personal Guarantees of the promoter directors of the company for the entire facility, principal and interest, guarantee of S.Alam Steels Limited and deposit of post dated cheques for the rental payments.

Repayment schedule

The repayment commenced from 25.05.03 and was completed on 09.06. 2008.

Rate of Interest:

14.5% p.a. from the month of August 2005

21 LOAN FROM ASSOCIATED COMPANIES - (UNSECURED)

S.Alam Steels Ltd.	48,900,100	55,473,209
S.Alam Super Edible Oil Ltd.	19,501,845	19,648,629
S.Alam Vegetable Oil Ltd.	36,281,370	36,999,984
S.Alam Cement Ltd.	24,465,191	38,863,008
S.Alam Luxury Chair Coach Services Ltd.	4,031,140	4,009,140
	Taka <u>133,179,646</u>	<u>154,993,970</u>

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

S. Alam

S. ALAM COLD ROLLED STEELS LIMITED



	Tax Holiday 01.10.08 - 31.01.09	Taxable 01.02.09 - 30.09.09	2009 Taka	2008 Taka
22 NET TURNOVER				
Sales net of VAT	289,731,656	1,448,211,473	1,737,943,129	1,508,149,013
Taka	289,731,656	1,448,211,473	1,737,943,129	1,508,149,013
23 COST OF GOODS SOLD				
Opening stock of Raw Materials				
HR Coil	1,938,540,822	2,203,238,021	1,938,540,822	1,489,238,689
Hydrochloric Acid	15,058,576	15,070,293	15,058,576	13,433,960
	1,953,599,398	2,218,308,314	1,953,599,398	1,502,672,649
Raw materials received (Purchased)				
HR Coil	461,420,245	1,447,224,017	1,908,644,262	1,391,554,457
Hydrochloric Acid	555,639	4,036,709	4,592,348	4,255,039
	461,975,884	1,451,260,726	1,913,236,610	1,395,809,496
Materials available for consumption	2,415,575,282	3,669,569,040	3,866,836,008	2,898,482,145
Closing stock of Raw Materials - note 6				
HR Coil	(2,203,238,021)	(2,701,548,150)	(2,701,548,150)	(1,938,540,822)
Hydrochloric Acid	(15,070,293)	(16,313,808)	(16,313,808)	(15,058,576)
	(2,218,308,314)	(2,717,861,958)	(2,717,861,958)	(1,953,599,398)
Raw Materials Consumption	197,266,968	951,707,082	1,148,974,050	944,882,747
Production Overhead - note 23.1	34,322,926	114,614,654	148,937,580	129,932,488
Cost of Production	231,589,894	1,066,321,736	1,297,911,630	1,074,815,235
Opening Stock of W.I.P	46,490,761	53,765,231	46,490,761	32,580,527
Opening Stock of Finished Goods	89,872,320	101,275,232	89,872,320	80,093,409
	136,363,081	155,040,463	136,363,081	112,673,936
	367,952,975	1,221,362,199	1,434,274,711	1,187,489,171
Closing Stock of W.I.P - note 6	(53,765,231)	(58,384,335)	(58,384,335)	(46,490,761)
Closing Stock of Finished Goods - note 6	(101,275,232)	(117,690,260)	(117,690,260)	(89,872,320)
	(155,040,463)	(176,074,595)	(176,074,595)	(136,363,081)
Taka	212,912,512	1,045,287,604	1,258,200,116	1,051,126,090
23.1 PRODUCTION OVERHEAD				
Stores and spares	4,674,327	20,904,311	25,578,638	22,236,646
Packing materials	78,550	1,600,915	1,679,465	1,404,470
Other chemicals	-	186,825	186,825	180,190
Salaries and Wages (including overtime)	8,398,716	16,662,963	25,061,679	24,019,463
Electricity charges	7,283,590	30,141,716	37,425,306	27,652,851
Gas bill	1,121,704	2,279,538	3,401,242	3,315,632
Fuel and lubricant-Factory (Generator)	312,600	422,570	735,170	502,060
Insurance premium	300,000	1,500,000	1,800,000	1,532,000
Depreciation (Note-3.2)	10,330,969	34,778,117	45,109,086	41,866,743
Medical and welfare	5,155	22,936	28,091	36,121
Labour charges	9,345	33,735	43,080	39,985
Repair and maintenance	531,277	4,050,815	4,582,092	4,490,767
Carrying charges	130,260	191,313	321,573	536,397
Uniform and liveries	-	1,250	1,250	6,886
Transportation	885,337	1,262,148	2,147,485	1,169,007
Stationery	12,288	141,945	154,233	106,402
Canteen expenses - Factory	216,944	345,466	562,410	515,362
Telephone charges	31,864	88,091	119,955	88,226
Lease rent expenses	-	-	-	233,280
Taka	34,322,926	114,614,654	148,937,580	129,932,488

Shales



S. ALAM COLD ROLLED STEELS LIMITED

Tax Holiday 01.10.08 - 31.01.09	Taxable 01.02.09 - 30.09.09	2009 Taka	2008 Taka
------------------------------------	--------------------------------	--------------	--------------

24 ADMINISTRATIVE, SELLING & DISTRIBUTION EXPENSES

Salaries and wages and benefits	843,212	3,051,030	3,894,242	2,984,646
Advertisement and publicat	239,998	87,725	327,723	193,380
Depreciation (Note- 3.2)	3,443,656	11,592,706	15,036,362	13,955,581
Bank charges	32,056	40,879	72,935	139,039
Donations	-	361,780	361,780	357,301
Canteen expenses - office	58,216	491,010	549,226	893,226
Fees and fines	2,600	318,875	321,475	747,548
Guest house expenses	20,849	105,038	125,887	100,640
Legal and professional charges	270,625	340,925	611,550	225,150
Liasion office ex	25,970	27,212	53,182	119,311
Office maintenance	26,035	416,466	442,501	202,469
Liasion Office rent	149,260	210,740	360,000	327,780
Newspaper and periodicals	-	-	-	850
Office decoration	19,000	38,000	57,000	69,850
Stationery	76,211	345,705	421,916	441,985
Postage and courier	1,278	69,055	70,333	44,426
Registration & renewal	187,225	475,525	662,750	273,680
Rent, rates and taxes	164,400	481,930	646,330	884,537
Telephone charges	56,603	163,678	220,281	203,006
Bank guarantee commission	138,179	3,298,034	3,436,213	5,269,606
Travelling and conveyance	184,081	244,943	429,024	637,270
Vehicle maintenance including fuel and lubricants	188,618	324,575	513,193	423,136
Washing and cleaning	-	-	-	1,070
Management meeting & Conference	23,140	1,170,671	1,193,811	967,575
Electric bill-Head office	142,268	78,968	221,236	16,724
Miscellaneous expences	546,500	147,918	694,418	657,957
Audit fee	100,000	475,000	575,000	325,000
Taka	6,939,980	24,358,388	31,298,368	30,462,743

25 FINANCIAL EXPENSES

Interest on C.C (Hypo)	4,606,118	22,125,372	26,731,490	26,511,451
Interest on C.C(Pledge)	6,207,794	32,770,669	38,978,463	33,896,605
Interest on Lease Finance	-	-	-	2,237,542
Interest on Term Loan	21,837,730	59,765,453	81,603,183	85,436,334
Profit on HPSM	3,648,557	9,782,362	13,430,919	14,547,245
Interest on LIM	6,526,151	8,521,173	15,047,324	25,877,253
Interest on LTR	7,472,448	59,315,053	66,787,501	69,370,604
Taka	50,298,798	192,280,082	242,578,880	257,877,034

Shalew



26 BANK FACILITIES

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

Banker	Facilities	2009 Limit Taka	2008 Limit Taka
Rupali Bank Limited	Term Loan	113.48 Crore	113.48 Crore
	Cash Credit (Hypothecation)	20 Crore	20 Crore
	Cash Credit (Pladge)	25 Crore	25 Crore
	PAD / LIM	57 Crore	57 Crore
	Trust Receipt (LTR)	20 Crore	20 Crore
Islami Bank Bangladesh Ltd.	HPSM	25 Crore	25 Crore
	Working Capital (LC/MPI/Murabaha)	200 Crore	200 Crore

27 CONTINGENT LIABILITIES AND COMMITMENTS

(a) Contingencies

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

Rupali Bank Limited

Guarantee against cash margin Tk 95,499,528

Islami Bank Bangladesh Limited

Guarantee against cash margin Tk 165,817,808

(b) Commitments

Capital Expenditure

Authorized but not contracted Nil

Contracted but not executed Nil

28 Net Assets Value per Share

	2009 Taka	2008 Taka
Net Assets Value per Share	116.69	109.85

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

(a) Net Assets Value during the year Tk. 622,500,989 (2008: Tk.585,972,749)

(b) Number of Ordinary Shares at the close of business 5,334,480 (2008: 5,334,480)

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

	2009 Taka	2008 Taka
Operating cash inflow/(outflow) per share	(12.83)	23.89

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

(a) Operating Cash Inflow/Outflow during the year Tk. (68,461,760) (2008: Tk.127,420,617)

(b) Number of Ordinary Shares at the close of business 5,334,480 (2008: 5,334,480)



30 RELATED PARTY TRANSACTIONS

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

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

Name of the related parties	Nature of relationship	Types of transactions	Volume of transactions	Outstanding on 30.09.09	Pricing policies
S.Alam Steels Limited	Shareholder, Common Shareholding, Common Directorship.	Temporary loan repaid Sales (Gross)	6,573,109 572,359,904	48,900,100 -	Interest free Market price
S. Alam Cement Limited	Shareholder, Common Shareholding, Common Directorship.	Temporary loan repaid	14,397,817	24,465,191	Interest free
S. Alam Vegetable Oil Limited	Shareholder, Common Shareholding.	Temporary loan repaid	718,614	36,281,370	Interest free
S. Alam Luxury Coach Services Ltd.	Shareholder, Common Shareholding, Common Directorship.	Temporary loan taken	22,000	4,031,140	Interest free
S. Alam Super Edible Oil Limited	Common Shareholding.	Temporary loan repaid	146,784	19,501,845	Interest free

31 BASIC EARNINGS PER SHARE (EPS)

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

Earning per share

	2009 Taka	2008 Taka
Earning per share	21.85	22.87

- a Earning attributed during the year to the ordinary shareholders **Tk.116,545,440** (2008: Tk.121,958,774)
- b Number of ordinary shares at the close of business **5,334,480 nos** (2008: 5,334,480 nos)

Handwritten signature



32 POST BALANCE SHEET EVENTS

No material events had occurred from the Balance Sheet date to the date of issue of this Balance Sheet which could materially affect the values stated in the Balance Sheet. In order to invest 70% equity of S.Alam Power Generation Limited the Securities & Exchange Commission approved issuance of right share to the existing share holders in the ratio of 1:2 (one right share for every 2 existing shares) and subscription date of right issue shall be during 01 February 2010 to 28 February 2010.

To finance the NOF project, the Securities & Exchange Commission approved issuance of 5,334,480 nos. 6% convertible Preference Shares of Tk 100 each. 40% of such shares shall be offered to the existing share holders in the ratio of 4:10 (4 Preference shares for every 10 existing Ordinary shares). Balance 60% shall however be offered under private placement.

33 EMPLOYEES

	Number of Employee (2009)	Number of Employee (2008)
Number of employees whose salary below Tk 3,000 per month	-	1
Number of employees whose salary above Tk 3,000 per month	206	179
Total	206	180

34 CAPACITY UTILIZATION

Installed Capacity	120,000 M. Ton
Actual Equivalent production (0.090mm to 0.420mm)	56,304 M. Ton
Capacity Utilizes	47%

35 GENERAL

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

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

Shales

COMPANY SECRETARY

DIRECTOR

MANAGING DIRECTOR

Album

Meetings of the Board of Directors!



Album

Meetings of the Board of Directors!





S. Alam Cold Rolled Steels Ltd.

S.ALAM BHABAN, 2119 ASADGONJ, CHITTAGONG

PROXY FORM

Affix
Revenue
Stamp of
Tk.10.00

I/We _____

of _____

being a member of S. Alam Cold Rolled Steels Ltd. do hereby appoint

Mr/Mrs/Miss _____

of _____

as my / our proxy to attend and vote for me/us on my/our behalf at the 9th Annual General Meeting of the Company to be held on Saturday, the 20th March 2010 at 11.00 a.m at the **Ichamati Hall of Hotel Agrabad**, Chittagong and at any adjournment thereof.

As witness my hand this _____ day of _____ 2010

Signature of the Proxy

Signature of the Shareholder

Dated

BO ID No. :

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

Dated

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

Signature Verified

Authorized Signatory
S. Alam Cold Rolled Steels Ltd.



S. Alam Cold Rolled Steels Ltd.

S.ALAM BHABAN, 2119 ASADGONJ, CHITTAGONG

Member's Attendance Slip

I hereby record my attendance at the 9th Annual General Meeting of the Company to be held on Saturday, the 20th March 2010 at 11.00 a.m at the **Ichamati Hall of Hotel Agrabad**, Chittagong.

BO ID Number :

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

Name of the Member / Proxy : _____

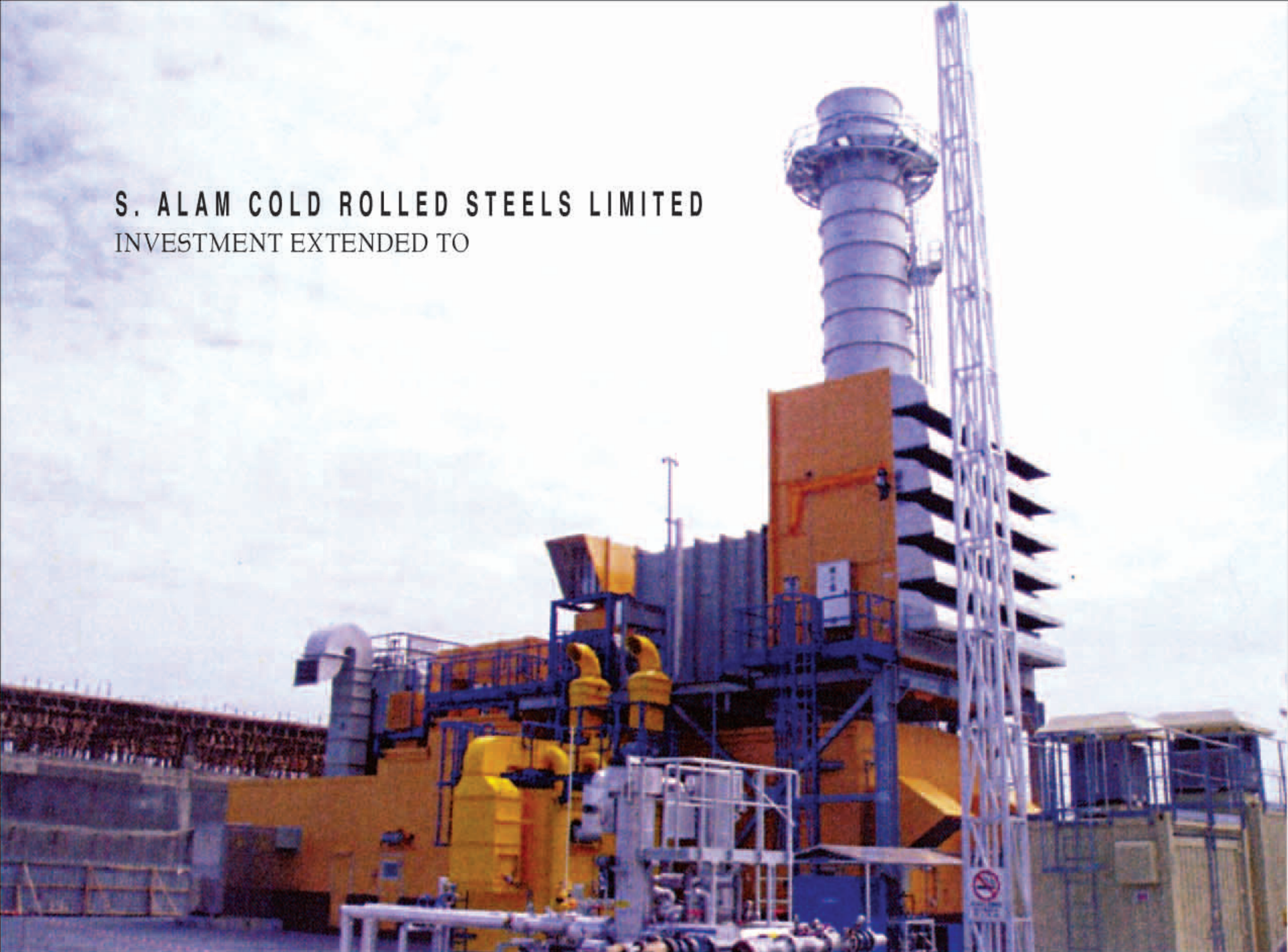
No. of Shares held _____

Signature _____

Date :

Note : Please Present this slip at the Reception Desk.

S. ALAM COLD ROLLED STEELS LIMITED
INVESTMENT EXTENDED TO



S. ALAM POWER GENERATION LTD.



NON OXIDE FURNACE (NOF) PLANT



S. ALAM COLD ROLLED STEELS LIMITED

(A Member of S. Alam Group)

CORPORATE OFFICE :

S. Alam Bhaban, 2119, Asadgonj, Chittagong, Bangladesh.

Phone : 636649, 636997, 611426, 611195, 638258

Fax : +88-031-618187

E-mail : salamgrp@globalctg.net

www.s.alamgroupbd.com