



Ratapur Steel Re-Rolling Mills Ltd.

# Annual Report 2016-17

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৫ টি কারণে



সবার সেবা



- ▶ SUPERIOR BENDABILITY  
সহজে বাঁকানো যায়
- ▶ HIGH CORROSION RESISTANCE  
সহজে মরিচা ধরে না
- ▶ GREATER DUCTILITY  
সবচেয়ে বেশি ভূকম্পন সহনীয়
- ▶ IDEAL PROPERTY BALANCE  
সব উপাদানের সুষম বণ্টন
- ▶ BETTER WELDABILITY  
সহজে জোড়া লাগে



ANNUAL  
REPORT  
2016-2017

**Ratanpur Steel Re-Rolling Mills Ltd.**

# RSRM

Ratanpur Steel Re-Rolling Mills Ltd. (RSRM) was established in January 1984 to meet the growing demand for high quality M.S. deformed bars in the country. The mill is situated in the heart of the progressive Baizid Bostami Industrial Area, Chittagong.

Creating new steel from recycled steel reduces CO<sub>2</sub>. In 2003 we started to manufacture quality billets from recycled scrap under our go green initiative. In 2006 throughout the world recycled steel made up more than 496 million metric tons, this saved an estimated 894 million metric tons of CO<sub>2</sub>.



Today, RSRM is widely recognized as one of the leading steel manufacturers in the country and has embarked upon a series of initiatives aimed at increasing its production capacity of world class products.

Other necessary ancillaries like main power sub-station and emergency water supply, natural gas supply station, machine shop with CNC machine, pollution control system, well equipped quality control department, cranes of different capacities including crawler cranes for material handling etc.

RSRM rebars are supplied in size 8,10,12,16,20,25,32,40 and 50 mm diameters and also in a fixed length of 12 meters. RSRM provides bars of different size, length & grade as required by client.



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## Letter of Transmittal

Date: 28 September 2017

All Shareholders  
Bangladesh Securities and Exchange Commission  
Registrar of Joint Stock Companies & Firms  
Dhaka Stock Exchange Ltd.  
Chittangong Stock Exchange Ltd

Subject: Annual Report for the year ended 30 June 2017.

Dear Sir(S),

We are pleased to enclose a copy of the Annual Report of Ratanpur Steel Re-Rolling Mills Limited (RSRM) together with the Audited Financial Statements, Report of the Board of Directors and Auditor's Report thereon for the year ended June 30, 2017 for your information and records.

Yours sincerely

Md. Jafar Imam  
Company Secretary



## Notice Of The 32<sup>nd</sup> Annual General Meeting

It is hereby NOTICE that the 32<sup>nd</sup> Annual General Meeting ("AGM") of the Ratanpur Steel Re-Rolling Mills Ltd. will be held on 12th October, 2017 at 11.00.A.M. at "Shoronika Community Center", 13 Love Lane, Chittagong, to transact the following agenda:

### AGENDA

1. To Consideration and adoption of the Directors' Report and the Audited Financial Statements of the company for the year ended June 30, 2017;
2. To approve declared dividend for the year ended June 30, 2017 as recommended by Board of Directors;
3. Retirement/Reappointment of existing Directors; ;
4. Appointment of Auditors and fixation their remuneration;
5. Any other business with the permission of the chair.

By order of the Board

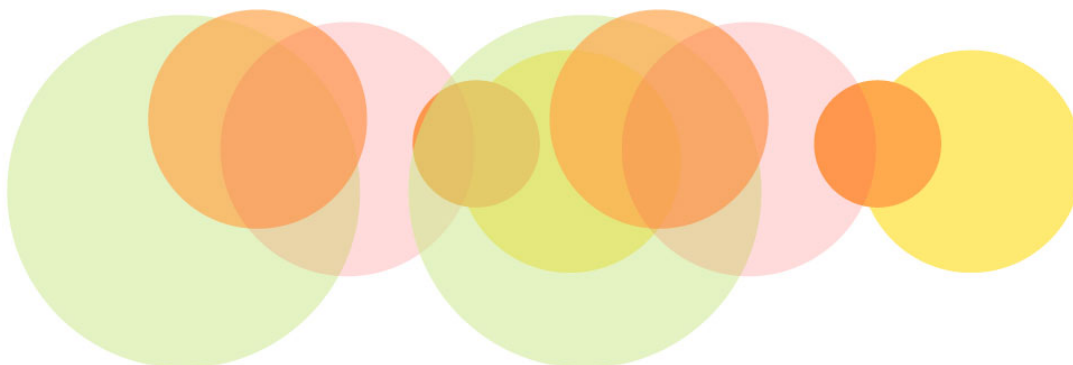
28 September 2017  
Dhaka.

**Md. Jafar Imam**  
Company Secretary

1. Members whose names appeared in the Members/Depository Registers as on "Record Date" i.e. 19 September 2017 are eligible to attend the Annual General Meeting (AGM) and receive the dividend.
2. A Member wishing to appoint a proxy must deposit the proxy form duly stamped (TK.20) must be deposited at the Company's Share Office located at 291, Fakirapool, 9th floor, (Jamidarbari) Apt # B-9, Inner-Circular Road, Arambagh, Dhaka-1000 not later than 48 hours before the time fixed for the AGM.
3. Members/Proxies are requested to register their entry in time on October 12, 2017; the registration counter will open at 9.30 am.
4. Annual Report is available in investor Relations section of the Company's website: [www.rsrmdbd.com](http://www.rsrmdbd.com).

"Admission to the meeting room will be strictly on production of attendance slip".

**Special Notes:** No benefit or gift in cash or kind shall be given to the shareholders as per Bangladesh Securities and Exchange Commission's Circular No. SEC/CMRRCD/2009-193/154 dated October 24, 2013.



## Our Mission

We are more than a company, it is a mission that understands its responsibility in contributing to a better tomorrow and a strong tomorrow. We will continue to be the first name in the region's steel industry by harnessing our assets and resources to achieve profitable growth, operational and organizational excellence and good corporate citizenship.



## Our Vision

To be the trend setter and the power force of the steel re-rolling industry with education, training and skills development.





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## Our Objectives

Our objectives are to conduct business operation based on market mechanism within the legal & social frame work with aims to attain the mission reflected by our vision with customer satisfaction, technology and cost reduction.

## Corporate Focus

Our vision, our mission and our objectives are to emphasise on the quality of product, process and services leading to augmentation of the company with corporate governance practices.

## Pride And Commitment

We believe in creating value and providing better quality of life for people across the humanity. Our mission is to create performance driven culture characterized by competence pride and commitment.

## People And Pride

We also look for sincerely at young people with their full of energy and dynamism with a vision to grow our people -our pride. Art of Steel Rolling is no doubt a team effort where the skill, competence and dedication of ever member. Whether he is the workman or the director at the Board comes to play. And it's our privilege and pride that we have a highly motivated team that has enabled us to boost productivity and quality.



## RSRM VALUES

### Quality

Providing products and services to our customers, constantly improving our processes, reducing wastage, minimizing costs, investing in systems and technology through constant technological upgrades and developing our resources for creating skilled workforce.

### Trust

Preserve the faith and goodwill of all our stakeholders - Customers, shareholders, suppliers, employees, regulatory bodies and society by adopting ethical and transparent business practices, being fair and honest in all our dealing and good governance and risk management processes.

### Business Relationship

Be the preferred business partner of our customers and suppliers by offering quality products, providing our best and timely service before, during and after the business transactions and honoring all our commitments even with challenges.

### Leadership

Be a role model, setting landmark through our products, processes and people, persistently moving ahead of competition by differentiating our products and processes, increasing our market share.

### Customer Satisfaction

It is our pleasure to all customers at every stage of our dealings by truly understanding their needs, offering best products and services.

### Business Augmentation

Improving the quality of products and services, efficiency of processes, anticipating and responding to the changing business and environmental needs using experience within the organization.

### Economic Analysis

Developing high-strength products aiming to reduce the customer's material consumption and ensuring competitive prices through superior strength, easy workability at site and reduces costs for the consumer.

### Social Care

Acknowledge our obligations towards the society and we have taken some initiatives for the betterment of the society, building capability and making facilities available to the underprivileged.



## Corporate & Contract Information

|                                                                                                                                                                                                                                                                            |                                                                                                                                                                                                                                                             |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>COMPANY NAME</b><br>Ratanpur Steel Re-Rolling Mills Limited                                                                                                                                                                                                             | <b>HEAD OFFICE</b><br>Nahar Mansion, 116 C.D.A Avenue,<br>Muradpur, Chittagong.<br>Phone: 88-031-652255-57, Fax: 88-031-650001<br>Website: www.rsrbmd.com                                                                                                   |
| <b>DATE OF INCORPORATION</b><br>April 22, 1986                                                                                                                                                                                                                             | <b>DHAKA OFFICE</b><br>Rupayan Golden Age (7th Floor), 99, Gulshan<br>Avenue, Gulshan - 2, Dhaka - 1212<br>Te: +88 02 9892936, 9890457, 8812521<br>Fax: +88 02 8828292, Website: www.rsrbmd.com                                                             |
| <b>DATE OF COMMERCIAL OPERATION</b><br>1 July 1986                                                                                                                                                                                                                         | <b>FACTORY</b><br>175-176, Baizid Bostami I/A<br>Baizid Bostami Road, Chittagong<br>Tel: +880 31 2580380 - 4, 682580,683196<br>Fax: +880 31 681474                                                                                                          |
| <b>SHARE CAPITAL</b><br>Authorized Capital BDT 100.00 Crore<br>Paid-up Capital BDT 78.62 Crore                                                                                                                                                                             | <b>SHARE DEPARTMENT</b><br>291 Fakirer Pool (Jamidar Bari), Apartment<br>No. B-9 (9th Floor), Inner-Circular Road,<br>Arambag, Dhaka-1000, Tel: +88 02 7195840, 7195841<br>Fax: +88 02 7191745,<br>e-mail: shareddept@rsrbmd.com<br>Website: www.rsrbmd.com |
| <b>BOARD OF DIRECTORS</b><br>Mrs. Shamsun Nahar Rahman, Chairman<br>Mr. Maksudur Rahman, Managing Director<br>Mr. Md. Younus Bhuiyan, Director<br>Mr. Md. Mizanur Rahman, Director<br>Mr. Marzanur Rahman, Director<br>Mr. Dr. Jamaluddin Ahmed, FCA, Independent Director | <b>AUDITOR</b><br>Ahmed Zaker & Co.<br>Chartered Accountants<br>522, SK. Mujib Road,<br>Agrabad C/A, Chittagong.                                                                                                                                            |
| <b>Audit Committee</b><br>Mr. Dr. Jamaluddin Ahmed, FCA, Chairman<br>Mr. Md. Younus Bhuiyan, Member<br>Mr. Md. Mizanur Rahman, Member<br>Mr. Marzanur Rahman, Member<br>Mr. Md. Jafar Imam, Secretary                                                                      | <b>Company Secretary</b><br>Mr. Md. Jafar Imam                                                                                                                                                                                                              |



## Products And Services

RSRM Produces 500W (TMT), 400W and 300W grade steel using most advanced and latest technology suitable for the production of Thermo - Mechanically Treated (TMT) reinforcement bar renowned worldwide for its special features of having high strength with high elongation percent and toughness which is not possible in other ordinary reinforcement bars of conventional processes.

TMT bars are made from good quality plain carbon mild steel billets and when these billets are hot rolled in automatic rolling mill, bars leaving last finishing stand are rapidly quenched and carefully controlled by optimizing the water pressure for their pearlitic core and tough surface of tempered marten site. The process involves rapid quenching of the hot bars through a series of water jets after they roll out of mill stand, the bars cooled, allowing the core and surface temperature to equalize. The bar core cools down slowly to turn into a ferrite - pearliest aggregate. Thus the bars attain the property of higher strength, ductility and toughness due to the formation to tempered marten site of outer surface with a ductile core giving following properties and benefits:

- Superior product with consistent properties.
- High strength combined with high ductility
- Better corrosion resistance.
- Better resistance to high temperature in case of fire hazards.
- Better fatigue resistance.
- Better weld ability without loss of strength of welded joints.
- Easy manufacturing of different strengths of rebar's from nearly the same steel grades.
- Significant saving in steel consumption around 15% - 20 % when using TMT rebar 's in place of CTD and saves more than 30 % consumption over the bars made from ship breaking scraps , indicating economical .
- Easy and less construction time i.e. economical.
- Lastly an less choice for seismic zones due to excellent ductility properties. This is of great importance for Bangladesh because more than 70% area of the country falls in the seismic hazard category .

We are dedicated in offering the right product package & are keen to provide the best product & services that will fulfill customer needs. We have the best sales force serving you 24/7. We have our own transport and we deliver products anywhere in Bangladesh. We always believe in making heartiest relationships not links, that's why we are very confident that our offer will fulfill requirements and our relationship with clients ensures best possible service. We ensure-

- Strick adherence to SOP standards procedures.
- Strick adherence to sampling & testing of steel Chemistry .
- Advanced products through technological upgrads.
- Detailed sampling of finished products.
- Rolling in negative tolerance
- Timly dispatches to the customers.
- Strict cost cutting in products in process to deliver value to the customers.
- Ensuring systemic working procedures and
- High team motivation to meet the company's vision.

We hope and believe our unrest service and facilities will help our clients to be with us ever more.



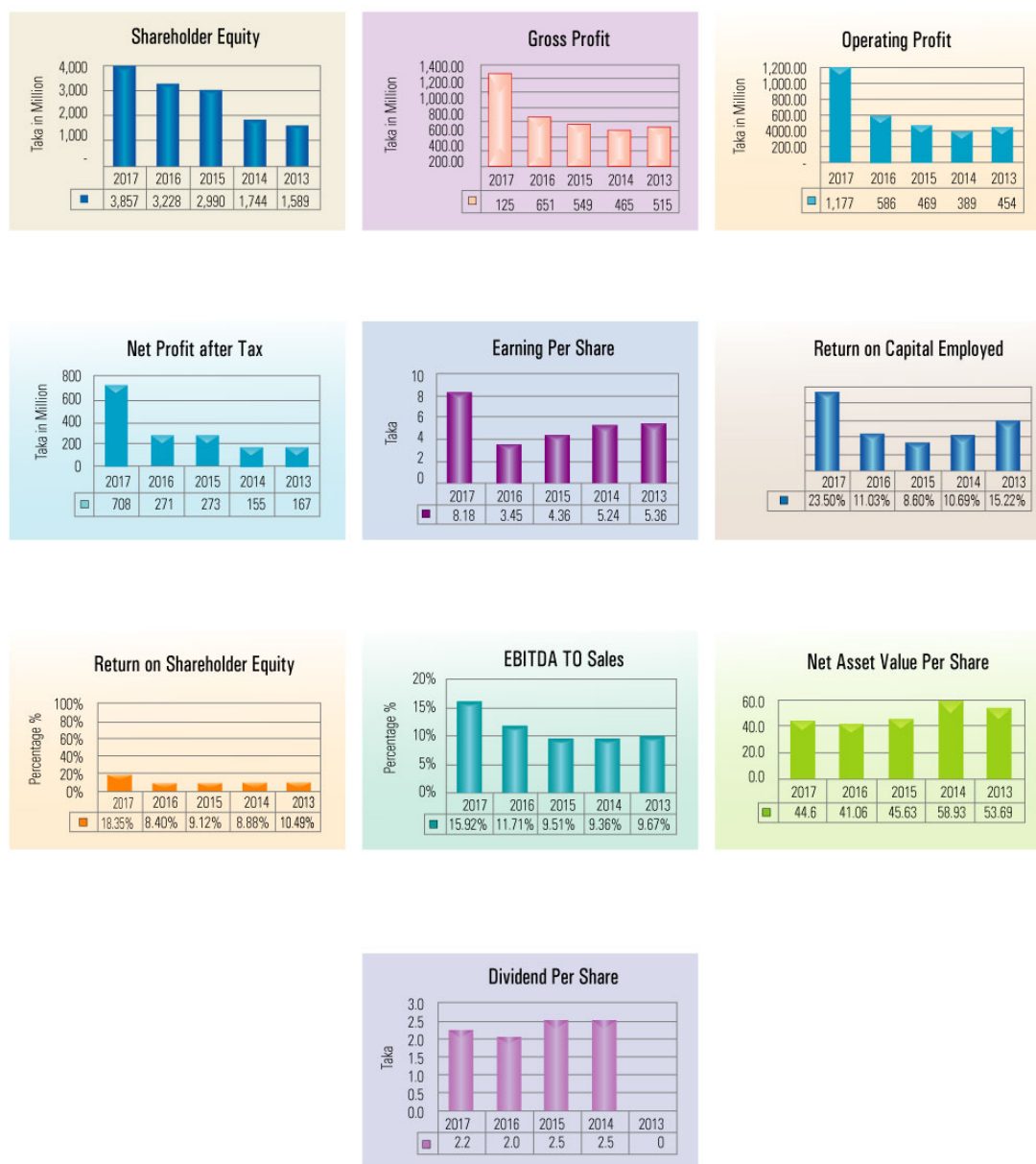
## Financial Highlights of 2016-2017

|                                                         | 2016-2017            | 2015-16              | 2014-15              | 2013-14              | 2012-13              |
|---------------------------------------------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| <b>Assets Employed</b>                                  |                      |                      |                      |                      |                      |
| Non-Current Assets                                      | 2,102,641,069        | 1,992,197,082        | 2,001,603,148        | 2,064,962,612        | 2,118,020,730        |
| Net Current Assets                                      | 1,894,596,477        | 1,376,673,928        | 1,130,959,923        | (101,492,583)        | (281,638,046)        |
| <b>Total Assets Employed</b>                            | <b>3,998,137,546</b> | <b>3,368,871,010</b> | <b>3,132,563,071</b> | <b>1,963,470,029</b> | <b>1,836,382,684</b> |
| <b>Financed By</b>                                      |                      |                      |                      |                      |                      |
| Share Capital                                           | 864,864,000          | 786,240,000          | 655,200,000          | 296,000,000          | 296,000,000          |
| Share Premium                                           | 750,000,000          | 750,000,000          | 750,000,000          | -                    | -                    |
| Revaluation Reserve                                     | 943,950,000          | 943,950,000          | 943,950,000          | 943,950,000          | 943,950,000          |
| Retained Earnings                                       | 1,298,447,553        | 747,837,693          | 640,411,262          | 504,328,182          | 349,370,327          |
| <b>Shareholders' Equity</b>                             | <b>3,857,261,553</b> | <b>3,228,027,693</b> | <b>2,989,561,262</b> | <b>1,744,278,182</b> | <b>1,589,320,327</b> |
| Long Term Portion of Lease Liabilities                  | -                    | 9,344,401            | 28,656,598           | 50,599,842           | 87,385,400           |
| Deferred Tax Liabilities                                | 140,875,994          | 131,498,915          | 114,345,211          | 168,592,005          | 159,676,930          |
| <b>Total Capital Employed</b>                           | <b>3,998,137,547</b> | <b>140,843,316</b>   | <b>143,001,809</b>   | <b>1,963,470,029</b> | <b>1,836,382,657</b> |
| <b>Operational Results</b>                              |                      |                      |                      |                      |                      |
| Revenue                                                 | 7,488,695,752        | 5,377,411,796        | 5,503,171,247        | 4,766,995,506        | 5,253,806,261        |
| Gross Profit                                            | 1,257,365,287        | 650,543,192          | 549,442,969          | 465,001,928          | 515,265,026          |
| Profit from Operations                                  | 1,177,732,537        | 586,037,341          | 469,186,852          | 389,122,952          | 453,643,321          |
| Profit before Interest, Taxes & Depreciation Allowances | 1,191,872,688        | 629,963,379          | 523,692,309          | 446,180,514          | 507,791,687          |
| Profit before Tax                                       | 939,753,450          | 371,608,018          | 269,424,868          | 209,829,235          | 279,533,824          |
| Profit after Tax                                        | 707,857,860          | 271,226,431          | 272,583,080          | 154,957,856          | 166,740,993          |

## Financial Highlights of 2016-2017

|                                          | 2016-2017 | 2015-16 | 2014-15 | 2013-14 | 2012-13 |
|------------------------------------------|-----------|---------|---------|---------|---------|
| <b>Ratios</b>                            |           |         |         |         |         |
| Gross Profit ratio - %                   | 16.79%    | 12.10%  | 9.98%   | 9.75%   | 9.81%   |
| Net Profit ratio - %                     | 9.45%     | 5.04%   | 4.95%   | 3.25%   | 3.17%   |
| EBITDA margin to Sales - %               | 15.92%    | 11.71%  | 9.51%   | 9.36%   | 9.67%   |
| Return on Shareholders' Equity - %       | 18.35%    | 8.40%   | 9.12%   | 8.88%   | 10.49%  |
| Return on Capital Employed - %           | 23.50%    | 11.03%  | 8.60%   | 10.69%  | 15.22%  |
| Current Ratio - Times                    | 2.02      | 1.85    | 1.68    | 0.96    | 0.89    |
| Quick / Acid test ratio - Times          | 1.00      | 0.85    | 0.64    | 0.34    | 0.23    |
| Inventory turnover ratio - Times         | 45.71     | 2.82    | 2.84    | 2.56    | 3.31    |
| Total Asset turnover ratio - Times       | 1.15      | 1.10    | 1.15    | 1.05    | 1.3     |
| Earnings Per Share(EPS) - Taka           | 8.18      | 3.45    | 4.36    | 5.24    | 5.36    |
| Dividend per share (DPS) - Taka          | 2.2       | 2.0     | 2.5     | 2.5     | -       |
| Dividend Payout Ratio                    | 0.28      | 0.58    | 0.57    | 0.48    | -       |
| Dividend cover ratio                     | 3.56      | 1.72    | 1.74    | 2.096   | -       |
| Net Assets Value (NAV) per share - Taka  | 44.6      | 41.06   | 45.63   | 58.93   | 53.69   |
| Net Operating Cash Flow per share - Taka | 2.08      | 1.45    | (15.17) | 2.89    | (6.54)  |
| Debt Equity ratio - Times                | 0.52      | 0.55    | 0.61    | 1.72    | 1.71    |
| Interest Coverage ratio                  | 4.90      | 1.88    | 1.44    | 1.24    | 1.75    |
| <b>Average Number of Employees</b>       | 530       | 505     | 508     | 546     | 498     |

## Financial Highlights of 2016-2017 (at a glance)



## Board Of Directors & Brief Profile



**Mrs. Shamsun Nahar Rahman**  
Chairman

Mrs. Shamsun Nahar Rahman, wife of Mr. Maksudur Rahman. She is the director of the company since inception having 34 years of business experience. She is also Director- Planning of the company



**Mr. Maksudur Rahman**  
Managing Director

Mr. Maksudur Rahman the Managing Director of the company, was born in 1950. He is a graduate and having 44 years of business experience. He is the founder of the RSRM group and the Ratanpur Steel Re-Rolling Mills Limited is one of the concerns of the RSRM group. Upon completion of his Graduation Mr. Rahman started his business in the year 1972 and established a steel Re-rolling Mills in Chittagong in the name of Ratanpur Steel Re-Rolling Mills Limited in the year 1986. After realizing the business risk diversification regarding back ward linkage Mr. Rahman planned to start scrap ship breaking in the year 1990 and till now he is one of the pioneer business man in Chittagong regarding scrap ship breaking and he owned two high-tech scrap ship breaking yard. In the mean-time he is known as one of the intelligent business entrepreneurs' in the country. Mr. Rahman retained multi-dimensional business knowledge and he knows better how to reduce the systematic risk in the business. As a result his foot print on the various back ward and forward linkage in the industry as well as business.



**Mr. Md. Younus Bhuiyan**  
Director

Mr. Md. Younus Bhuiyan was born in 1964. He is a graduate having 34 years of Business Experience. He is the younger brother of Mr. Maksudur Rahman. From the very beginning of the RSRM group he was involved with this group and one of the key management personell of this group. He is involved with the operational activities of the company .



**Mr. Md. Mizanur Rahman**  
Director

Mr. Md. Mizanur Rahman was born in 1982. He is a graduate having 9 years of business experience. He is the elder son of Mr. Maksudur Rahman. Having knowledge of cutting edge technology in the steel industry He is looking after present business operation of the RSRM group. With change management concept he is trying to create a corporate environment and ensure accountability in the business function among the business unit in the group. The concept of decentralization of work is coming from him and the RSRM group having new business logo and other communication strategy regarding brand promotion and business relationship with stake holders is developing overnight.



**Mr. Marzanur Rahman**  
Director

Mr. Marzanur Rahman was born in 1986. He is a graduate in mechanical engineering and business management from UK having 7 years of business experience. He is the younger son of Mr. Maksudur Rahman. Having knowledge of cutting edge technology in the steel industry and he is looking after present business operation of the RSRM group.



**Mr. Dr. Jamaluddin Ahmed, FCA**  
Independent Director

Dr. Jamal Uddin Ahmed is professionally a chartered Accountant and the fellow member of the Institute of chartered Accountants of Bangladesh (ICAB) since 1990. He was vice President of (ICAB) (2006, 2007) and president (2010). He was awarded PhD in Accounting from Cardiff Business School, University of Wales, under commonwealth Scholarship in 1996, and secured first class in Masters Degree and Bachelors with Honours from Accounting Department of Dhaka University. He was a partner at Hoda Vasi Chowdhury & Co. An Independent Firm of Deloitte Touche & Tohmatus. He has many years experience in the financial sector of Bangladesh and has used his expertise and experience to carryout numerous research work and publications.

He was Member, Board of Directors of Dhaka Stock Exchange Ltd. (2010), Janata Bank Ltd. (2008-2014), Janata capital Investment company Ltd. (2010 to date), Grameen phone Ltd. a subsidiary of Telenor Norway (2010 to date), Essential Drugs company Ltd. (2008 to date). Grameen IT Ltd. (2012-2013). Bangladesh Telecommunications company Ltd. (2010), Dhaka water and sewerage anther (2010-2013). And power Grid Company of Bangladesh Ltd. (2004 to date) as well as chairman, Audit committee of Dhaka water and sewerage Authority (2010-2013). Power Grid Company of Bangladesh Ltd. (2007 to date), Janata Bank Ltd. (2010-2014), Gameen phone Ltd. (2011 to date) and Essential Drugs company Ltd. (2011 to date). He was also financial Advisor to the Board audit committee (2014 to 2015), and Running / active Director of the Bangladesh Bank Board. (March 2016 to date).



## Key Management

**Mr. Zulfiker Ali Azad**

Executive Director-Marketing & Sales

**Mr. Mrinal Kanti Mondal**

Chief Financial Officer

**Mr. Md. Jafar Imam**

Company Secretary

**LT CDR M A Ahad, PSC, BNIPatd.) GM**

Production & Maintenance

**Mr. Mohammad Rashed Iqbal**

GM HR & Admin.

**Mr. Md. Serajul Islam**

Consultant (Lab) Quality Control

**Mr. Md. Dewan Mabood Ahmed**

Manager Commercial

**Mr. Mohammad Ali**

Chief Engineer Electrical

**Mr. Abdul Khaleque**

Senior Engineer Mechanical

**Mr. Md. Nizam Uddin**

Head of Information Technology



# Chairman'S Message



**Shamsun Nahar Rahman**  
Chairperson

Assalamualaikum and Good Morning to all our Shareholders

On behalf of myself and the Board of Director, I would like to welcome you all to do this 32nd Annual General Meeting of your company.

By now you have already received copies of the Annual Report 2017. I assume you have reviewed the report and consider as read.

Your company is a manufacturer and supplier of M.S Deformed Bar. The company's technology and manufacturing expertise, deliver quality products with competitive price to the customers.

Your company focuses on its quality, trust, dependability, social conscientiousness with leadership and customer satisfaction for augmentation of the company.

#### Performance of the financial year 2016-2017

The Company earned pre-tax profit of Tk.939,753,450.00 while after tax net profit stood at Tk.707,857,860.00 with EPS of Tk.8.18 for the year as against pre-tax profit and after -tax profit respectively of Tk. 371,608,018.00 and Tk. 271,226,432.00 with EPS of Tk. 3.45 for the previous year. The Net Asset Value (NAV) and the Net Operating Cash Flow Per Share (NOCFPS) for the year stood at Tk.44.60 and Tk. 2.08 respectively before consideration of dividend as against that for the previous year Tk. 41.05 and 1.45 respectively.

#### Achievement of Company year 2016-2017

It is also our privilege to let you know, this year we are did remarkable business with some reputed multinational construction & engineering companies as given below:

|                                    |                             |                                                                                                                    |
|------------------------------------|-----------------------------|--------------------------------------------------------------------------------------------------------------------|
| TAEYOUNG E&C (Korea)               | CWASA                       | Potenga Booster Pump                                                                                               |
| KOLON GLOBAL CORPORATION (Korea)   | CWASA                       | Karnaphuli Water Supply Project (Phase 2)-NASIRABAD                                                                |
|                                    |                             | Karnaphuli Water Supply Project (Phase 2)-HALISHOHOR                                                               |
|                                    |                             | Karnaphuli Water Supply Project (Phase 2)-RANGUNIA                                                                 |
| M/S Rashia & Sons-Abdus Salam (JV) | Chittagong City Corporation | City Governance Project(CGP)<br>a)Port Connecting Girder Bridge Teckpara.b)Port Connecting Girder Bridge Jalilgonj |
| Euro Petro Product Ltd             |                             | LPG Project - Mandaritole, Barobkunda, Chittagong.                                                                 |
| Royel Associate                    |                             | CSD Godown, Chittagong.                                                                                            |
| Chowdhury Builders                 | Bangladesh Fire Service     | Fire Service Station, Bandrbon.                                                                                    |
| Trade Mode International           | Chittagong University       | Chittagong University Minority Ladies Hall                                                                         |

**Steel Industry in Bangladesh**

The economy of Bangladesh is a rapidly developing market-based economy. Over the last few years the economy has grown at 6%-7% per annum a massive 10.30% growth in the industrial sector lead by construction and small-scale manufacturing efforts targeted at the domestic market. Prospects indeed look bright for the nation. However, infrastructural weaknesses remain. Proper national development is only possible through expansion of industrial capacity and infrastructural support by mean of self-sufficiency.

Steel as a Manufacturing industry will play a significant role in this journey and therefore it is very important for policy makers and the government to facilitate a robust infrastructure and development plan for strong sustainability of steel industry. RSRM is committed to engage in a constructive manner with all stockholders to evolve such a framework.

**Prospect of Steel Industry in Future**

Apart from that, we have seen that the construction sector of Bangladesh has grown at calculated average growth rate (CAGR) of 12.2% over last 10 years. This growth is expected to continue in the coming years. The real state sector has been facing a temporary slowdown of demand due to overall macroeconomic pressure and contraction policy of government. But this situation is now also getting solved. The local manufacturers believe the steel industry should continue to grow at 10% in the next few years, riding on government programs centering its vision for 2021, though government steel consumption has gone down significantly, it is planning few very big projects like padma Multipurpose Bridge and Metro Rail and Many flyovers, Tunnel (under the karnafuli river) and concrete casting of roads and highways, Dhaka water supply network, Khulna 800MW LNG based power plant, Sub regional transport facility, flood and river bank erosion risk management and many others projects going and coming up. These projects increase the demand in near future. Successful implementation of these projects will hold a very good potential for top line growth, as steel in particular feature prominently as raw materials of these projects.

**Corporate Social Responsibilities**

The company is focused not only on the execution of the plant facilities but also on the socio-economy infrastructure needs of an industrial enterprise of this scale. The company is committed to addressing the developmental needs and aspiration of the communities in the areas of safety, education and skill building of social benefits as practices of Corporate Social Responsibility (CSR) to name some projects are; "Go Green" (Tree Plantation) with joint collaboration with "Bangladesh Poribesh Forum", Earthquake Campaign to create awareness in more than 300 schools around country, Building Passengers Shade in Bus Stands and providing Safety Road Sign. Further we have continuous participation in education sector by giving scholarships to School /University Student.

Finally, I would like to thank all our shareholders and also our customers, suppliers, vendors, project contractors and lenders for their unstinted support to the company during the year. I would also like to thank all the employees for their tireless commitment to enhancing the performance and wellbeing of the company. Further I would like to give special thanks to Auditors, BSEC, RJSC, DSE, CSE and other business associates including the Government and the various authorities for their continuous supporting in our journey.

ALLAH HAFIZ

With best regards



**Shamsun Nahar Rahman**  
Chairperson

### †Pqigv̇bi weeZ

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| TAEYOUNG E&C<br>(Korea)                | CWASA                       | Potenga Booster Pump                                                                                                     |
| KOLON GLOBAL<br>CORPORATION<br>(Korea) | CWASA                       | Karnaphuli Water Supply<br>Project (Phase 2) -NASIRABAD                                                                  |
|                                        |                             | Karnaphuli Water Supply<br>Project (Phase 2) -<br>HALISHOHOR                                                             |
|                                        |                             | Karnaphuli Water Supply<br>Project (Phase 2) -RANGUNIA                                                                   |
| M/S Rashia & Sons<br>Abdus Salam (JV)  | Chittagong City Corporation | City Governance Project(CGP)<br>a)Port Connecting Girder Bridge<br>Teckpara.b)Port Connecting<br>Girder Bridge Jalilgonj |
| Euro Petro Product Ltd                 |                             | LPG Project - Mandaritole,<br>Barobkunda , Chittagong.                                                                   |
| Royel Associate                        |                             | CSD Godown, Chit tagong.                                                                                                 |
| Chowdhury Builders                     | Bangladesh Fire Service     | Fire Service Station, Bandrbon.                                                                                          |
| Trade Mode<br>International            | Chittagong University       | Chittagong University Minority<br>Ladies Hall                                                                            |

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# Form The Desk of Managing Director



**Maksudur Rahman**  
Managing Director



Assalamualaikum and Good Morning to all our Honorable Shareholders

Welcome you all to this 32nd Annual General Meeting of Ratanpur Steel Re-Rolling Mills Ltd. For the financial year 2016-2017 earned after tax profit Tk.707,857,860.00 with EPS of Tk.8.18 and Net Operating Cash Flow per Share (NOCEPS) Tk. 2.08 and NAV stood at Tk.44.60

In the financial year 2016-2017 your company utilized 73.00% production capacity and produced 136,664 MT of MS Deformed bar financial year 2015-2016 it was 57.07% utilization of capacity and produced 106,831 MT of MS Deformed bar.

The Company is focusing on brand promotional activities to reach wide range of customers from urban to rural areas of the country. In the financial year 2016-2017 the company incurred Tk. 13,252,630.00, the previous year it was Tk. 11,808,534.00 to grow our market and keep sustainability with the competitor in the market. We will get benefits from this promotion in the near future and will bring more customers and business.

Planning by the present Government of Bangladesh, some large projects include Padma Multipurpose Bridge and Metro Rail and Many Flyovers, Tunnels (under Karnaphuli River) and concrete casting of roads and highways, Dhaka water supply network, Khulna 800MW LNG based power plant, Sub regional transport facility, flood and river bank erosion risk management and many others projects going and coming up. These projects will increase the demand in near future. Successful implementation of these projects will hold a very good potential for top line growth, as steel in particular feature prominently as raw materials of these projects. These projects increase the demand in near future.

Practices of Corporate Social Responsibility (CSR) are maintained to grow with the community as required by the present society. The company is taking some initiatives such as "Go Green" (Tree Plantation), Earthquake Campaign (Creating people awareness regarding Earthquake through school student), Passenger shade (waiting shade for bus stoppage), Safety sign (road sign for warning information in-front of level crossing, road ramp and various risky areas to reduce road accident), Seminars and workshops: We used to participate in national and international seminars as a sponsor such as steel mint events, 2nd coal, steel & raw material conference which helps our universities to interact with foreign tests and enrich our academic departments. We give scholarships to students to inspire better education. We always give the best effort to contribute in education, technology and health and safety sector of the country.

We always keep our concentration and focus on our sales and distribution channel to give the best service to the customers. We are continuously exploring new market to fulfill the demand of quality product (MS Deformed Bar).

Finally, I would like to thanks all our shareholders and stakeholders for their ultimate commitment / support towards us.

ALLAH HAFEZ

With best regards

  
**Maksudur Rahman**  
Managing Director



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RSRM is committed to addressing the development needs and aspiration of the communities in the areas of safety, education and skill building of social benefits as practices of Corporate Social Responsibility (CSR) flowing are some;



#### **Tree Plantation Campaign**

Under our go green initiative we held a promotional event where over two lac trees were plants in less than one hour. We covered a significant area which stretched from Teknaf to Mirsharai. The event generated a lot of awareness regarding our environment which is at great risk.

#### **Earthquake Drill**

Our country is at great risk from earthquake as around 70% of us live in seismic hazard areas. As we live with such a great danger hanging over our heads it is only natural that we teach ourselves how to be safe around earthquakes. Thus we are conducting a campaign on earth quack safety measures; so far we have reached around 260 schools.





#### **Scholarship Programs**

There are many meritorious students in our country who require aid to pursue higher education. They have great potential and we feel it is our duty to help them out. That is why we have started a number of scholarships programs in universities like Bangladesh university of Engineering and Technology (BUET), Chittagong University of Engineering and Technology (CUET), Shahajala University of Science & Technology (SUST).



#### **Traffic jam**

In our daily day to day lives traffic jam is a constant difficulty. Government estimate a loss of around TK. 15,000 crore annually because of traffic jams. To solve this complicated problem Government has put in several restrictions regarding the rules of the road and we were happy to lend a hand. We designed prominent roads signs which clearly conveyed the new restriction and eased the flow of traffic.

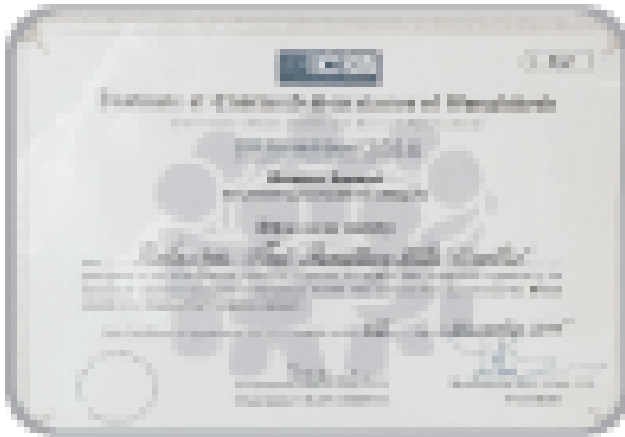
#### **Passenger shade**

Like a development country of Bangladesh lots of people are using mass transportation facilities like bus. For helping of busy pedestrian and the bus commuter from the sun and raining we have build forty passenger shades in various bus stops.





## Awards & Recongnitions



The ICSB National Award for Corporate Governance 2014 Competition Organized by the Institute of Chartered Secretaries of Bangladesh (ICSB), Our Company has been awarded the Bronze Award in the Engineering Companies Category.



RSRM has been recognized as the Best Brand of Bangladesh in 2013 by Bangladesh Brand Forum.



Corporate Awards 2012" to Ratanpur Steel Re-Rolling Mills Limited (RSRM) under Steel Category and ranked Dun & Bradstreet South Asia Middle East Limited (DNBSAME) awarded "D&B Corporate Awards 2012 as the best known brand in the steel category.

# Director's Report

## Dear Fellow Shareholders:

On behalf of the members of the board of Directors of your company and on my behalf, I welcome you all to the 32<sup>nd</sup> Annual General Meeting (AGM) of Ratanpur Steel Re-Rolling Mills Ltd. Our Members of the Board are pleased to present Directors' Report, Audited Financial Statements for the year ended 30 June 2017 and Auditors' Report thereon before you for your consideration and approval.

## Review of year 2016-17

### 1. Economic scenario:

The economy of Bangladesh is a rapidly developing market-based economy. Over the last few years the economy has grown at 6%-7% per annum a massive 10.30% growth in the industrial sector led by construction and small-scale manufacturing efforts is the largest contribution to such economic growth. However, infrastructural weaknesses still remain major challenges for future industrial development. Proper national development is only possible through expansion of industrial capacity and infrastructural support by means of self-sufficiency. Rationing of GAS and Electricity supply to the steel re-rolling mills by the Government were main challenges for us.

Steel as a foundation industry will play a significant role in this journey and therefore it is very important for policy makers and the government to facilitate a robust supply side framework as an enabler for a vibrant steel industry in the country. RSRM is committed to engage in a constructive manner with all stakeholders to evolve such a framework.

Apart from that, the construction sector of Bangladesh has grown at a calculated average growth rate (CAGR) of 12.2% over the last 10 years. This growth is expected to continue in the coming years. The real estate sector has been facing a temporary slowdown of demand due to overall macroeconomic pressure and contraction policy of government. But this situation is now also getting solved. The local manufacturers believe the steel industry should continue to grow at 10% in the next few years, riding on government programs centering its vision for 2021, though government steel consumption has gone down significantly, as planned few very big projects like Padma Multipurpose Bridge and Metro Rail and Many Flyovers, Tunnels (under the karnaphuli river) and concrete casting of roads and highways, Dhaka water supply network, Khulna 800MW LNG based power plant, Sub regional transport facility, flood and river bank erosion risk management and many others projects going and coming up. These projects will increase the demand in near future. Successful implementation of these projects holds a very good potential for top line growth, as steel in particular feature prominently as raw materials of these projects.

## 2. Operational and Financial Review

### Operational Performance:

| Particulars              | 2017    | 2016    | 2015    |
|--------------------------|---------|---------|---------|
| Production Capacity (MT) | 187,200 | 187,200 | 187,200 |
| Production (MT)          | 136,664 | 106,831 | 103,402 |
| Capacity Utilization (%) | 73.00%  | 57.07%  | 55.23%  |
| Sale Qty (MT)            | 139,380 | 105,150 | 101,142 |

The Production of the company increased by 29,833 MT in 2017 and sales is also increased by 34,230 MT.

### Financial Performance:

| Particulars                                   | 2017          | 2016          | 2015          |
|-----------------------------------------------|---------------|---------------|---------------|
| Sales                                         | 7,488,695,752 | 5,377,411,796 | 5,503,171,247 |
| Gross Profit                                  | 1,257,365,287 | 650,543,192   | 549,442,969   |
| Profit before Interest, Taxes & WPP&WF        | 1,177,732,537 | 586,037,340   | 469,186,852   |
| Less: Interest & WPP&WF                       | 237,979,080   | 214,429,324   | 199,755,984   |
| Less: Tax expenses & Provision for Income Tax | 231,895,591   | 100,381,587   | 3,158,213     |
| Net Profit                                    | 707,857,860   | 271,226,430   | 272,583,080   |

We have enumerated the details last five years financial performance of the company in Annexure-4.

### 3. Industry Outlook and Possible Future Development

The steel industry's domestic market is changing rapidly and more drastically than ever. In facing this challenge, we are working with our core corporate value of sustainable business growth. Some major competitors have also entered in to the market. Now customers are also quality conscious, to cope up with this challenges we are always positive. Moreover, now urbanization is a growing trend and people are migrating to the cities. Demand for high rise buildings, roads, bridges, flyovers, tunnels and Metrorail are increasing. Quality steel products are needed for these infrastructure constructions as people are more concerned about the safety of life, health and environment. Naturally demand for quality steel product is rising.

### 4. Market & Challenges:

Bangladesh Brand Forum has awarded RSRM the "BEST BRAND 2013 in the category of MS Rod" in Bangladesh. The domestic market for MS Deformed Bar is entering in new era of this century for the following reasons:

- Rural demand picking up.
- Investment planned by Government in the transportation sectors, especially construction of flyover, Padma Bridge, Metro Rail etc.
- Construction of power plants.
- Construction of mills and factories.
- Service oriented projects by Government like Dhaka Water Supply Network.

We are committed to meet our promise to customers and customers' satisfaction largely depended on quick delivery. We have taken number of measures for prompt delivery. Mechanized and digitalized systems have been introduced for efficient and quick delivery.

### 5. Segment-wise or Product-wise Performance

Company has one location of producing products which vary in sizes.

### 6. Risks & Concerns

Risk assessment and mitigation is the integral part of any business. The Board of directors is regularly monitoring, assessing and identifying potential risk and threats to our profitability and growth. Our Risk Management capabilities are supported by a strong management structure and information system, regular analysis of market and economic scenario and policies to face the challenges.

A summary of the significant risk and the way of managing risks adopted by our company is included in Annexure-2.

## 7. Management Discussion and Analysis

Board of Directors periodically discusses on the increase/decrease of cost of goods sold, gross and net profit and takes immediate measures on the analysis as required. A detailed report on discussion is included in Annexure-1

## 8. Credit Rating

Emerging Credit Rating Limited (ECRL) assigned rating as below:

| Long Term | Short Term |
|-----------|------------|
| A         | ST-2       |

The entities rated A are adjudged to be of strong safety and have strong credit quality. This Level of rating indicates a corporate entity with a sound credit profile. Risks are modest and may vary slightly from time because of economic conditions.

"ST-2" indicates high certainty of timely payment. Liquidity factors are strong and supported by good fundamental protection factors. Risk factors are very small.

## 9. Board of Directors

- The board of Directors is composed of 6 (six) directors including Chairman, Managing Director, 3 (three) Directors and one Independent Director.
- Board Meeting and attendance

The Board met 5 times during this year. Following table shows the attendance of Directors in the meeting.

| Name of the Directors        | Position             | No. of meeting held during the year | No. of meeting attend |
|------------------------------|----------------------|-------------------------------------|-----------------------|
| Mrs. Shamsun Nahar Rahman    | Chairman             | 5                                   | 5                     |
| Mr. Maksudur Rahman          | Managing Director    | 5                                   | 5                     |
| Mr. Md. Younus Bhuiyan       | Director             | 5                                   | 4                     |
| Mr. Md. Mizanur Rahman       | Director             | 5                                   | 5                     |
| Mr. Marzanur Rahman          | Director             | 5                                   | 5                     |
| Mr. Dr. Jamaluddin Ahmed FCA | Independent Director | 5                                   | 5                     |

### (C) Details of directors being appointed/ re-appointed

In accordance with The Articles of Association of the company one third of the total members of directors is to retire by rotation. The boards of directors have been recommended for re-appointment of Mrs. Shamsun Nahar Rahman and Mr. Md. Younus Bhuiyan as Directors in the 32<sup>nd</sup> AGM of the company upon retirement from the post of directors by rotation.

**10. Internal control system:**

The company has adopted Standard Operating Procedures (SOP) for the betterment of internal audit department to oversee the transactions and to ensure effective internal control system.

**11. Extra-Ordinary Gain or Loss:**

There is no extra-ordinary gain or loss during the year.

**12. Related Party Transactions:**

Basis of the related party transactions with the company has been elaborated in the audited financial statements in note 30 in accordance with relevant Bangladesh Accounting Standards (BAS).

**13. Utilization of IPO proceeds and Financial Result after IPO:**

IPO proceeds through 25,000,000 shares @ of Tk. 10/- each at an offer price Tk. 40/- each including premium of Tk. 30/- per share is total TK. 1000,000,000/-. Utilization of IPO proceeds of the Company for Tk 227,750,231 for working capital, Tk 750,000,000 for loan re-payment and Tk 22,249,769 for IPO expence which is total 1,000,000,000. The utilization of the fund of working capital our company increases in sales revenue and net profit growth in this financial year 2015 after IPO compare to financial year 2014.

**14. Significant Variance between Quarterly and Annual Financial Statements:**

There were some significant variance between Quarterly Performance and overall Annual Performance. Throughout the year, company was able to maintain a judicious performance both in operational and financial perspective.

**15. Remuneration of Directors Including Independent Directors:**

Directors were remunerated as per the decision of the Board and a detailed report of the directors' Remuneration is included in Annexure-3 and note 27 of Audited Financial Statements.

**16. Dividend:**

Your directors are pleased to recommend 5% Cash and 17% stock dividend on equity shares for the year ended 30 June 2017 for consideration and approval by the shareholders in the 32<sup>nd</sup> annual General meeting. The dividend on equity shares, If approved, would be paid to those members whose name appear on the register of members as on record date.

**17. Contribution of National Exchequer:**

RSRM is paying and facilitating collection of government's revenue in 2017; we paid and collected & deposited a significant amount of Income Tax, Vat & Duties. All due and applicable taxes were paid, collected and deposited in time. During the year 2017, RSRM contributed to the government exchequer along with utility a sum of about Taka 270 Million.

**18. Corporate Social Responsibilities:**

The Company is focused not only on the execution of the plant facilities but also on the socio-economic infrastructure needs of an industrial enterprise of this scale. The Company is committed to addressing the developmental needs and aspiration of the communities in the areas of safety, education and skill building of social benefits as practices of Corporate Social Responsibility (CSR) to name a few projects are: "Go Green" (Tree Plantation) with joint collaboration with "Bangladesh Poribesh Forum", Earthquake Campaign to create awareness in more than 300 schools around the country, Building Passenger Shade in Bus Stands and providing Safety Road Sign. Further we have continues participation in education sector by giving scholarships to School and University Student.



#### 19. Award & Recognition:

RSRM received

1. The ICSB National Award for Corporate Governance 2014 Competition Organized by The Institute of Chartered Secretaries of Bangladesh (ICSB), Our Company has been awarded The Bronze Award in the Engineering Sector.
2. Corporate Awards 2012" to Ratanpur Steel Re-Rolling Mills Limited (RSRM) under Steel Category and ranked Dun & Bradstreet South Asia Middle East Limited (DNBSAME) awarded "D&B Corporate Awards 2012 as the best known brand in the steel category.
3. RSRM has been recognized as the Best Brand of Bangladesh in 2013 by Bangladesh Brand Forum.

#### 20. Information Technology (IT):

Information Technology (IT) is the main tool for coping up with new technology in the globalized world. We have already one step ahead for the adopting of real time integration in our business. Now we are able to operate and manage our business and to connect our customers faster.

#### 21. Human Resource Management:

RSRM retain experienced professionals. Experience help to lead an organization like steel mills for produce demanded and supplying to the customers. RSRM arranged a recurring training for employees and other supporting staff on the job off the job.

#### 22. Code of conduct:

The Board of Directors of the Company has adopted a Code of Conduct for the Directors. All the Directors have signed an acceptance to its compliance.

#### 23. Auditor

Present auditor Ahmed Zaker & Co., Chartered Accountants, (A Correspondent members of Morison Ksi, UK.) will retire in 32<sup>nd</sup> AGM and being eligible to audit for the year 2017-18 and any eligible Chartered Accountants nominated by shareholders in the 32<sup>nd</sup> AGM conveyed their willingness to accept for appointment and reappointment.

#### 24. Reporting and Compliance of Corporate Governance

Status of compliance with the requirements/conditions of Bangladesh Securities and Exchange Commission (BSEC) Notification no.: BSEC/CMRRCD/2006-158/134/Admin/44 dated 07 August 2012 and as amended by notification No: SEC/CMRRCD/2006-158/147/Admin/48 dated July 21, 2013 on corporate governance has been included in the report in Annexure-6.

#### 25. Subsequent Events

Even after Reporting Date

Recommended Dividend for the year 2016-2017

The Board of Directors of the company in its 354<sup>th</sup> Meeting held on 24.08.2017 commencing at 5.00 P.M and closing 6.00 P.M recommended dividend for the year ended 30<sup>th</sup> June 2017 @ 17% Stock and 5% Cash and fixed Record Date 19 September 2017 for 32<sup>nd</sup> AGM.

**26. Directors' Responsibilities statements:**

Pursuant to the BSEC notification No. BSEC/CMRRCD/2006-158/134/Admin/44 dated 07 August 2012 the Directors confirm that:

- a) The financial statements prepared by the management of Ratanpur Steel Re-Rolling Mills Ltd. fairly present its state of affairs, the result of its operations, cash flows and changes in equity.
- b) Proper books of Account of the Company have been maintained.
- c) 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.
- d) International Accounting Standards (IAS)/ Bangladesh Accounting Standards (BAS)/ 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.
- e) The system of internal control is sound in design and has been effectively implemented and monitored.
- f) There are no doubts upon the Company's ability to continue as a going concern and the accounts have been prepared on going concern basis.
- g) The significant deviations from last year in the operation results of the company have been highlighted in the report and reasons thereof have been explained.
- h) The key operating and financial data for the last five years is disclosed in Annexure-4.
- i) The pattern of shareholding is disclosed in Annexure-5.
- j) A compliance status report with requirements of corporate governance as required by BSEC has been disclosed in Regulatory Compliance Report segment.
- k) Directors' profile and their directorship and business interest in other organizations have been disclosed in Board of Directors segment.

**Gratitude:**

We express our sincere thanks and appreciation to all honorable shareholders, our customers, Bangladesh Securities and Exchange Commission, Dhaka Stock Exchange Limited, Chittagong Stock Exchange Limited, National Board of Revenue, RJSC, various government authorities, trade bodies and all bankers and financial institution for their support, co-operation and guidance in our business endeavor. In this occasion we also want express our heartiest congratulations to all our staffs and management members whose perseverance and professionalism, hard works contribute to maintain our strong competitive position.

On behalf of the Board

**Shamsun Nahar Rahman**  
Chairperson  
24 August, 2017



## cwiPvjKe` i cWZe`b

Wcq tkqvi`nvi`e`,  
 tKv`u`bi cwiPvjKgUjx I Avgvi cW nZ Avcbv`i mKj`K iZbci ÷xj wi-tiWjs Wgjm Wjt Gi 32Zg ewIK  
 mvaviY mfvq WZ RvbvB|  
 cwiPvjKe` Avcbv`i tKv`u`bi 2016-2017 mv`ji cWZe`b, ewIK WbiXWZ Aw\_K cWZe`b Ges WbiXWZKi  
 cWZe`b Avcbv`i WetePbvi Rb` DcWcb Ki`Qb|

### 2017 mv`ji Kvhpg chv`jvPbv

#### 1. A\_WbZK vPÎt

evsjv`tki eabxj A\_WbZK AeV A`bKv`k evRvi e`e`vi Dci Wbfikxj| MZ K`qK ermi a`i A\_WbZK ceW  
 6% nZ 7% chS n`Q| WŠ cvkvWk Wkí`Î ceW n`q`Q 10.30%, G ARb mae n`q`Q Avevmb Wkí I tQvU  
 AvKv`ii Wkí KvLvbv WbgvY Kv`Ri Dci Wbfi K`i| GB aviv fel`Zi Rb` D`j| hv`nK AeKvWv`gVMZ `ejZv  
 GLbI i`q W`Q| h`\_vch<sup>3</sup> RvZxq Dbqb ZLbB mae hLb WbR` Drcv`b gZv I AeKvWv`gVMZ mnvqZv DcWZ  
 \_v`K| WbiW`Qb M`m I W`r mieivB ÷xj Wkí`i Rb` eo P`v`j`j`|

th`Kvb t`tki Dbq`bi Rb` W`j Wkí ,i`Zcy fWgKv iv`L| bWZ WbaviK`i AeKvWv`gVMZ Dbq`bi bWZ WbaviYi  
 gva`g GB Wkí W`qKi fWgKv iv`LZ cv`i| AviGmAviGg GB KvWv`gVMZ Dbq`b fWgKv iv`Lvi Rb` ex cWiKi|  
 GQvovI Avgiv t`LWQ MZ `k ermi hveZ evsjv`tki Wbgv Wkí`i ceW n`q`Q M`o 12.2%| Avkv Kvi AvMvgx`Z  
 Gaviv Ae`vNZ \_vK`e| mv`gíóK A\_WbZi Pv`ci Kv`Y Avevmb Wkí`i axiMvZ i`c tbq| hvi d`j W`j Wkí`i axiMvZ  
 nq| hW` I GB Ae`vi mgvavb n`Q| eZgvb miKv`ii 2021 Wfk`bi Dci Wbfi K`i t`kxq W`j c`ZKviKMY Wekvm  
 K`ib AvMvgx`Z 10% ceW GB Wkí`i Pjgvb \_vK`e| hW` I miKv`i f`v`e W`j`ji e`envi W`k`i f`v`e K`g`Q| Z\_Wc  
 miKvi tekWQK eo AvKv`ii cKí nv`Z Wb`Q` fhgb: eûgLx cûv`mZ, tg`Uv t`j`c\_, dvBl fvi, KYdix b`xi Zj`tk  
 U`v`bj Wbgvb, KsWU K`wós moK I gnvmok GB ai`bi eo AvKv`ii cKímgN A`i fel`Zi W`j`ji Pwv`v ex  
 Ki`e| D<sup>3</sup> cKí mg`n W`j`ji m`ev`P Pwv`vi mv`\_ mv`\_ e`envi Wb`ðZ n`e Wbgvb Kv`Ri carb DcW` Wn`v`e|

### Drcv`b chv`jvPbv

| WciY                   | 2017    | 2016    | 2015    |
|------------------------|---------|---------|---------|
| Drcv`b gZv (tg.Ub)     | 187,200 | 187,200 | 187,200 |
| Drcv`b (tg.Ub)         | 136,664 | 106,831 | 103,402 |
| Drcv`b gZvi e`envi (%) | 73.00%  | 57.07%  | 55.23%  |
| Wµq (tg.Ub)            | 139,380 | 105,150 | 101,142 |

PjvZ eQ`i Drcv`b ex t`c`q`Q 29,837 tg. Ub, t`mB mv`\_ WµqI ex t`c`q`Q 34,230 tg. Ub .

### Aw\_K chv`jvPbv

cwigb UvKvq

| WciY                                | 2017          | 2016          | 2015          |
|-------------------------------------|---------------|---------------|---------------|
| Wµq                                 | 7,488,695,752 | 5,377,411,796 | 5,503,171,247 |
| tgvU gbvdv                          | 1,257,365,287 | 650,543,192   | 549,442,969   |
| m`, AvqKi I kv`K Zn`ej Ab`vb ce jvf | 1,177,732,537 | 586,037,341   | 469,186,852   |
| ev`, m` I kv`K Zn`ej`j i Ab`vb      | 237,979,080   | 214,429,324   | 199,755,984   |
| ev`t AvqKi                          | 231,895,591   | 100,381,587   | 3,158,213     |
| bWU gbvdv                           | 707,857,860   | 271,226,431   | 272,583,080   |

WEMZ cvP eQ`i i ZjbvgjK W`Î Annexure-4 G eWYZ Av`Q|

**3. ॐk†i i AvDUjK I mave" fiel"Z Dbqbt**

c†ei Zjbvq B<sup>-</sup>uvZ ॐk†i i Af"Šixb evRvi "Z I e"vcKfv†e c†ieiZZ n†"Q| GB P"v†jÄ tgvKv†ejvi Rb" Avgiv Avgv†"i gjbxZ Z\_v A\_en e"emvqK ॐKvk†K ॐe†kl , iZ Av†ivc KiwQ| mv†ciZKv†j ॐKQ bZb ciZ†hvMx evRv†i c†ek K†i†Qb, GKB mv†\_†fv<sup>3</sup>viv c†Y"i gvb m†ú†K A†bK tekx m†PZb| GB me†c†v†U Avgiv me"v BiZevPK| GQovv bMivqY I gvb†li knigLx nevi ceYZvi d†j eûZj "vjvb, iv"v NvU, exR, Dovj moK, tg†Uv†ij BZ"v"i Pwin"v evo†Q| d†j Gme†f†šZ AeKvWv†gv ॐbgv†Yi Rb" gvb m†šZ B<sup>-</sup>uv†Zi Pwin"v evo†Q, KviY gvbI GLb "v", ॐbivcEv I c†i†ek ॐb†q A†bK tekx m†PZb|

**4. evRvi I P"†jÄt**

evsjv†"k evû†dvig RSRM†K Best Rod Brand 2013 c"†K f†lZ K†i†Q|

evsjv†"k B<sup>-</sup>uv†Zi e"vcK m†vebv i†q†Q| KviY-

\* MvgxY Rbc†\_ DbZgv†bi B<sup>-</sup>uvZ ॐbgvY mvgMxi Pwin"v evo†Q|

\* thvMv†hvM e"e"vq miKw"i ॐb†qvM evo†Q| ॐe†kl K†i Dovj moK, cûv†mZ, tg†Uv†ij BZ"v"i |

\* ॐe"†r†K" ॐbgZ n†"Q|

\* Kj KviLvbn ॐbgZ n†"Q|

Mvn†Ki mŠiô ॐeav†b Avgiv c†lZÁvex| "Z cY" mieiv†ni Dci Mvn†Ki mŠiô A†bKv†k ॐbfi K†i| "Z cY" mieivn Kivi Rb" Avgiv ॐKQ c"††c MnY K†i†Q| thgb DbZ ch<sup>3</sup>i gva"†g mieivn e"e"v ॐb†šZKiY|

**5. cY" v†f†EK ARb I djvdjt**

Avcbv†"i†Kv†úvbx GKwUgv† KviLvbn†\_†K ॐefb gv†ci I†M†Wi cY" Drcv"b K†i\_v†K|

**6. S†Kt**

S†K chv†jvPbv K†i Zv ॐbqšb Kiv e"emv†qiB GKwU Ask| c†iPvjKgûjx ॐbq†gZfv†e m†ve" S†K I ûg†K hv Avgv†"i gbv†v ev avivev†nK ॐKvk†K e"vnZ Ki†Z c†i, Zv chv†jvPbv K†ib| Avgv†"i "† e"e"vcbv Kvw†gv, Z" ॐeZiY, ॐbq†gZ evRvi chv†jvPbv, c†vm††K bxwZmgn Avgv†"i S†K ॐbqšb e"e"vcbv†K Avil k<sup>3</sup>vjx K†i†Q| Annexure-2 G ॐe"wiZ Av†jvPbv i†q†Q|

**7. e"e"vcbv chv†jvPbt**

c†iPvjKgûjx ॐbq†gZfv†e c†Y"i Drcv"b LiP,†gvU I bxU gbv†v ei×/Kg chv†jvPbv K†ib Ges Zv†wbK c†qvRbxq e"e"v MnY K†ib, Annexure-1 G ॐe"wiZ Av†jvPbv i†q†Q|

**8.†µwU†i†Ust**

Ggvi†Rs†µwU†i†Us†jt (ECRL) KZK gj"vqb ॐb†P†"qv n†jvt

| "xN†gqv"x | "††gqv"x |
|-----------|----------|
| A         | ST-2     |

A ej†Z tev†vq D"Pgvb, m†ev"p ॐbivcEv, D"Pg†vbi FY†"qv†i e"vc†i††Kv† eo ai†bi S†K bvB| "ST-2" ॐ†q e†vq th, mgggZ FY c†i†k†ai m†ev"p ॐbivcEv, chv†Zvi j"cevn I Kg Fb S†K|



## 9. চাপজক গুজত

K. চাপজক কলি i AvKvi:

Qq m`m`ewkó চাপজকগুজ, hvi g`a` GKRb tPqvig`vb, GKRb e`e`vcbv চাপজক, ZbRb চাপজক Ges GKRb BbWt`c`OU চাপজক।

L. cl`mfv I Dc`wZ:

Av`jvP` eQ`i 4 wU cl`mfv n`qQj h`Z AskMnb wQj wb`i/c:

| চাপজকে i bvg              | c`ex            | Ab`ôZ tgvU mfvi msL`v | mfvg Dc`wZi msL`v |
|---------------------------|-----------------|-----------------------|-------------------|
| Rbvev kvgmb bvnvi ingvb   | tPqvig`vb       | 5                     | 5                 |
| Rbve tgv: gvKQ`i ingvb    | e`e`vcbv চাপজক  | 5                     | 5                 |
| Rbve tgv: BDbm fBqv       | চাপজক           | 5                     | 4                 |
| Rbve tgv: wgrvbi ingvb    | চাপজক           | 5                     | 5                 |
| Rbve gviRvbi ingvb        | চাপজক           | 5                     | 5                 |
| Rbve Wt Rvgvj D`Ib Avn`a` | BbWt`c`OU চাপজক | 5                     | 5                 |

M. চাপজকে i wb`qM I ctb`qM:

tKv`ubx AvU`Kj G`mvm`qkb Abhvq chvq`gK fv`e tgvU চাপজক msL`vi GK-ZZ`qysk wnmv`e Rbvev kvgmb bvnvi ingvb I Rbve tgv: BDbm fBqv চাপজক 32Zg ew`IK mvavib mfvg mgv`B n`Z Aemi wb`eb| ctb`qM i thvM` weavq cbivq wbev`PZ n`Z AvMn cKvk K`i`Qb।

## 10. Af`šix wbqšY e`e`vt

Avf`šix wbqšY e`e`vq Dbq`bi Rb` tKv`ubx Standard Operating System (SOP) Pvj K`i`Q। tKv`ubx i m`u`Ei mi`v Ges h`³ msMZ mg`qi g`a` m`VK Z` I Dc`v cvevi Rb` tKv`ubx Af`šix wbix`v e`e`v Pvj K`i`Q।

## 11. e`emvq Extra-Ordinary jvf ev t`jvKmbt

2017 mv`j tKv`ubx i e`emvq Extra-Ordinary tKvb jvf ev t`jvKmbt wQj bv।

## 12. Related Part Gi mv`\_ t`jb`bt

Bangladesh Accounting Standard (BAS) Abqvq` wbix`v`Z wnmve weeibx tbvU 30, Related Party Gi mv`\_ t`jb`b m`u`K we`wiZ A`jvPbv Kiv n`q`Q।

## 13. cv`gK MYc`ve (IPO)- Gi A`\_i e`envi Ges cv`gK MYc`ve-Gi cie`Z djvdjt

tKv`ubx i MYc`vei gva`g 25,000,000 tkqvi c`ZuU Uvt 10.00 I w`gqv`g Uvt 30.00 mn c`ZuU tkqvi Uvt 40.00 `i i tgvU Uvt 1,000,000,000 msMm`Z K`i Zrg`a` Uvt 227,750,231 Kv`Kvix gjab, Uvt 750,000,000 FY c`i`kva Ges Mbc`vei LiP eve` 22,249,769 e`üZ K`i`Q। FY c`i`kva gva`g I Kv`Kvix gjab e`envi K`iqv tKv`ubx we`mq I bxU gbvdv e`x n`q`Q 2014-15 A` eQ`i।

## 14. %ÎgwmK I ew`K djvd`ji e`eavt

tKv`ubx i %ÎgwmK I ew`K djvd`ji g`a` e`eavb c`i j`Z nq`b। 2016-17 A` eQ`i tKv`ubx i Drcv`b Ges Av`K Kv`µg m`šv`RbK wQj।

#### 15. Independent Director mn cwiPvjKt`i mævbx fvZvt

cwiPvjK clt`i mævš tgvZvteK tKvævbx cwiPvjKe` tKvævbx ntZ wbgvqZ fvZv I mævbx tctq \_vKb hv GB cizte`bi mv\_ Gi Ges wbiwqZ wnmve weebxi tbvU 28 G t`qv AvtQ|

#### 16. jf`vskt

cwiPvjKgUjx 30tk Rb 2017 G mgvß eQtii Rb` 5% bM` I 17% tevbm/÷K jf`vsk c`vbi mcwik KtiQt| 32Zg ewlK mvavib mfvq tkqviñviviMb KZK Abtgv`b mvtctq tKvævbx Rb` wbaWiZ tiKW ZwiL \_vKv tkqviñviviMbi gta` GB jf`vsk weZib Kiv nte|

#### 17. ivóxq tKvIvMti Ae`vbt

miKvix ivR` AvniB AviGmAviGg cZ`q-civq fvte mnthwMzv I Ae`vb titL hv`Q| tKvævbx 2017 mvj ctvR` me aiB AvqKi, gmK I ié Av`vq Ges c`vb KtiQt| 2017 mvj AviGmAviGg ivóxq tKvIvMti cZ`q-civq fvte UvKv cvq 270 wgvqjb ivR` c`vb KtiQt|

#### 18. mvgwRK `vqe×Zv Ges Kvµgt

tKvævbx ia Drcv`b I weµq ev e`emwqK DbZi Dci gtbwteK Kti bv, cvkvwK Av\_ mvgwRK AeKvVtgv i DbZi cwiL `wó ivtL| tKvævbx wivcEv, wkqv, `qZv ew× BZ`w` mvgwRK wltqi cwiL j`q` ivtL| D³ wltqi Avgv`i iKQ cKí h\_vt evsjv`k cwiTek tdivvigi mv\_ ths`fvte MvQ jvMvBv ÓmeRvqbó, mviv`k wZbkZ cvBgviX `tji wkv`i fvgKtú i mævK mZKvKiY wkqv c`vb Kiv, hvix QvDbx wbgvY, iv`v wbt`kK Ges wekwe`vj q QvI/Qvix`i wkqvewE c`vb Kiv BZ`w`|

#### 19. ARb I`xKvZt

1. Institute of Chartered Secretaries of Bangladesh KZK Corporate Governance Compliance Gi Dci wfwE Kti BiAwbgwis tmtti carbKZ tevÄ ci@vi ARb|
  2. 2013 mvj evsjv`k evU tdivv nBtZ mtev`P ci`vi ARb|
  3. 2012 mvj wv GÜ we KtctviU ci`vi ARb|
- hvv Avgv`i tKvævbx Rb` AZ`š mævRbK|

#### 20. Z\_`chw³t

Z\_`chw³ gjgš GB AvabK wekevRvti| GB w`K t`K Avgiv GKavc Gwtq Z\_`chw³ e`envti| hvi dtj Le mntRB e`emvKv cwiPvjv I MvK tmev `Z Kiv mæ|

#### 21. gvbemæú`e`vcbt

AviGmAviGg me`v AwfÁ I tckv`vi tjuKej wbtqB AvtQ| AwfÁ tjuKej ØvivB tKej ,YMZ gvbemæú`cY` Drcv`bi gva`g MvntKi Pvn`v Abhvq mieiv Kti cwiZóvBtK tbZtZi chvtq wbtq hvIqv mæ| Kgxevnbxi `qZv exi Rb` Avgiv ctqvRbxq cikY Kvµg me`vB cwiPvjv Kti \_wK|

#### 22. tKvW Ad KÜvt

cwiPvjKgUjx Zv`i Rb` GKwU Code of Conduct Pvj KtiQtB hv cwiZw cwiPvjK KZK `vqwiZ|

#### 23. wbiKt

eZgvb weæ× wbiwqK Avtg` RvKi GÜ tKv PvUw GKvDvU`vUm (A Correspondent member firm of Morison Ksi, UK) 32Zg mvavib mfvq Aemi Mnb Kite Ges AvMvgx eQtii Rb` wbiwqvKv mæv`bi thvM` nIqvq Zviv cYivq wbtqvMi B`Qv cKvK KtiQtB weavq cYivq wbtqvM| A`ev AvBbMZfvte thvM` PvUw GKvDvU`vUm dvgtK tkqviñviviMbi gZvgtZi gva`g wbiwqK wbtqvM Abtgv`b nBte|



#### 24. KtççtU mkmb cZcvjbt

evsjv`k mKDiUUm GÜ G·PÄ Klgkbi KZK wbt`kZ KtççtU mkmbi kZ, jv Avcbv`i tKvúvbx h\_vh\_fv`e e`emvq cvjb KtiQ| evsjv`k mKDiUUm GÜ G·PÄ Klgkbi Bm`KZ Notification No. BSEC/CMRRCD/-158/134/Admin/44 dated 07 August. 2012 Ges cbivq ms`kwaZ Notification No: SEC/CMRRCD/2006-158/Admin/48 dated July 21, 2013 Gi kZmgn cZcvjbt cZte`b Gi mv` msh<sup>3</sup> Kiv ntjv| (Annexure-6 G we`wiz)

#### 25. Zcçi ZwiL cieZx NUbvt

c`weZ wwe`Wu 2016-2017 A\_eQ`ii Rb` cwiPvjK cl` 354Zg teW mfvq 5% bM` I 17% tevbm÷K jf`vsk c`v`bi mcwik KtiQ hrv 32Zg ewIK mvavib mfvq tkqvi`nv`iMbi KZK Ab`gv`b mv`c`q tKvúvbx Rb` waviZ tiKW ZwiL\_vKv tkqvi`nv`iMbi g`a` GB jf`vsk weZib Kiv nte|

#### 26. Aw\_K weebxi e`vcçi cwiPvjKgÜjxi `wqZt

evsjv`k mKDiUR GÜ G·PÄ Klgkbi No. SEC. CMRRCD/2006-158-134/Admin/44 dated 07 August 2012- Abhvqx cwiPvjKgÜjxi w`ðZ KtiQb th-

- K) tKvúvbx e`e`vcbv KZc KZK c`ZKZ Aw\_K weebxZ-Gi KgKvÜ, Kvµtgi djvdj, bM` cevn I BKBvUi cwieZb m`úK h\_vh\_`PÎ Dc`wZ ntqQ|
- L) tKvúvbx wmv`ei eB h\_vh\_`msiY Kiv ntqQ|
- M) Aw\_K weebx c`Z Kivi mgq Dch<sup>3</sup> wmv`vZ m`ZcYfv`e c`qvm Kiv ntqQ Ges wmv`ei cv`jb h<sup>3</sup>m`Z I weÁ wePvitev`ai wfi`Z Kiv ntqQ|
- N) Aw\_K weebx c`Z Kivi mgq AvSRwZK wmv`vib Ges evsjv`k MnxZ D<sup>3</sup> wmv`v gvb`Ü Abmib Kiv ntqQ Ges Zv`\_K th`Kvb e`Z`q chv`fv`e cKvK Kiv ntqQ|
- O) Af`šix wqšb c`wZ wQj ewjô Ges Zv KvKi fv`e ev`evq I Z`viwK Kiv ntqQ|
- P) Pjgib cZôvb wmv`te Kvµg Ae`vnZ ivLvq tKvúvbx mvgt`i e`vcçi tZgb tKvb w`av tbB|
- Q) tKvúvbx Kvµg djvdj i t`f`î MZ eQ`ii Zjbvq PjwZ eQ`ii thme e`Z`q i`qQ tm, jv eYbv Kiv ntqQ Ges Zvi KviY e`vL`v Kiv ntqQ|
- R) Kvµg I Aw\_K w`lq cvP erm`ii Dcv` ms`hRb Kiv ntqQ| (Annexure-4 G we`wiz)
- S) tKvúvbx tkqi aib msµvš GKvU cZte`b Annexure-5 G eYbv Kiv ntqQ|
- T) evsjv`k mKDiUR GÜ G·PÄ Klgkbi KtççtU mkmb msµvš k`Zi cZcvjb weeiY msh<sup>3</sup> Kiv ntqQ|
- U) cwiPvjv cl`i eEvš I e`emvqK `v\_Ges Ab`vb` cZôvbi mv`\_ RwoZ\_vKvi Z` cwiPvjK gÜjxi Astk weZ Kiv ntqQ|

#### KZÁZv `xKvit

Avgiv m`vbxZ tkqvi`nv`ie`, Avgv`i MvKmb, evsjv`k mKDiUR GÜ G·PÄ Klgkbi, XvKv ÷K G·PÄ wjg`UW, PUMvg ÷K G·PÄ wjg`UW, RvZxq ivR` teW, RJSC, wefb miKvix cZôvb, ewbR`K ms`vmgn Ges e`vsk I Aw\_K cZôvbmgn`K Zv`i mg\_b, mn`hwmZv I c`vgtki Rb` AvšwiKfv`e ab`ev` I KZÁZv Rvbw`Q| KgKZv I KgPvix`K AvšwiK ab`ev` RvbwB| Zv`i tckv`wiz I c`vgtki Rb` GB ARb m`e ntqQ| mevB`K Awfev`b RvbwB|

cwiPvjKgÜjxi c`q-

S *Rhoma*

kgmb b`vi ingb

tPqig`vb

AvMó 24, 2017



## Annexure - 1

## Management Discussion and Analysis

Management Discussion and Analysis are designed to provide readers with an overview of the business and an analysis on Cost of Goods Sold, Gross and Net Profit margin.

| Particulars        | 2015          | 2014          | Growth |
|--------------------|---------------|---------------|--------|
|                    | BDT           | BDT           | %      |
| Cost of Goods Sold | 7,488,695,752 | 4,726,868,604 | 58.43  |
| Gross Profit       | 1,257,365,287 | 650,543,192   | 93.28  |
| Net Profit         | 707,857,860   | 271,226,431   | 160.98 |

### Cost of goods sold (COGS)

Cost of goods sold (COGS for short) is the expense a company incurred in order to manufacture, create, or sell a product. It includes the purchase price of the raw material as well as the expenses of turning it into a product. COGS vary directly with sales and production; the more items we sell or make, the more stock or components we need to buy. Cost of Goods Sold in 2017 has been increased by 58.43% than 2016 due to increase use of raw materials and other indirect overhead.

### Gross profit margin ratio

Gross profit is the difference between sales and the cost of goods sold.  $\text{Gross Profit} = \text{Sales} - \text{Cost of Goods Sold}$ . The gross profit margin is one indicator of the financial health of a business. Larger gross profit margins are better for business - the higher the percentage, the more the business retains of each Taka of sales for other expenses and net profit.  $\text{Gross Profit Margin \%} = (\text{Gross Profit} \div \text{Sales}) \times 100$ . During the year 2017, Gross Profit Margin was increased to 93.28% due to increase in sales revenue in volume by 34,230 MT.

### Net profit margin ratio

Net Profit is calculated by subtracting expenses including Tax and WPPF from the gross profit, showing what the business has earned (or lost) in a given period of time  $\text{Net Profit} = \text{Gross Profit} - \text{Expenses with Tax \& WPP\&WF}$ . Net Profit of the company in the year 2017 has increased by Tk.436,631,420.00 compared to 2016.



## **RISK FACTORS AND CONCERNS**

### **1. Interest Rate Risk**

Interest rate risk is the risk that Company faces due to unfavorable movement in the interest rates. Changes in the government's monetary policy, along with increased demand for loans/investments tend to increase the interest rates. Ratanpur Steel Re-Rolling Mills Limited (RSRM) has taken measures to ensure that the debt repayments are met on schedule, even if the interest rates were to rise. Even equity financing from IPO will reduce interest rate risk in future.

### **2. Exchange Rate Risk**

Exchange rate risk occurs due to changes in foreign currency exchange rates. As the Company imports equipment from abroad and earns revenue in local currency, unfavorable volatility or currency fluctuation may affect the profitability of the Company. If exchange rate is decreased against local currency opportunity will be created for generating more profit. Appropriate and responsible hedging mechanisms are employed by RSRM in the past in case of significant taka devaluation in order to keep the cost minimum and same will be followed in future.

### **3. Industry Risks**

#### **I. 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. RSRM has successfully accessed the market till date and is working on offering new and better quality products at competitive terms.

#### **II. New Entrants may enhance competition**

New entrants of similar/higher scale may push the Company in a competitive scenario. Implementation of similar project generally have a lead time of 5 (five) 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 RSRM and its market reputation it will be very difficult for new comers to make inroads into the quality steels market. Hence, first-mover's advantage is big and RSRM, with its past experience and performance, will enjoy this advantage.

### **4. Market and Technology Related Risks**

Technology always plays a vital role for each and every type of business. Better technology can increase productivity and reduce costs of production. Firms are exposed to technology risks when there are better technologies available in the market than the one used by the company which may cause technological obsolescence and negative operational efficiency. RSRM is aware of technological changes and has adopted new technology according to its needs. Furthermore, routine and proper maintenance of the equipment carried out by the Company ensures longer service life for the existing equipment and facilities.

### **5. Potential or Existing Government Regulations**

The Company operates under Companies Act 1994, Customs Act 1969, and Labor Law 2006, Income Tax Ordinance 1984, Income Tax Rules 1984, Value Added Tax (VAT) Act 1991, Value Added Tax (VAT) Rules 1991 and other related regulations. Any abrupt changes of the policies made by the regulatory authorities may adversely affect the business of the company. Since the RSRM operates in Steel sector, the Government regulations are mostly investment-friendly. However, unless any policy change that may negatively and materially affect the industry as a whole, the business of the RSRM is expected not to be affected. As it is an emerging sector, it is highly expected that the Government will not frustrate the growth of the industry with adverse policy measures.

**6. Operational Risks**

Non-availability of materials/equipment/services may affect the smooth operational activities of the Company. On the other hand, the equipment may face operational and mechanical failures due to natural disasters, terrorist attacks, unforeseen events, lack of supervision and negligence, leading to severe accidents and losses. RSRM is equipped with power backup and security system, which reduce operational risk. Besides, the equipments have insurance coverage in order to get reasonable compensation for any damages. Apart from these, routine security check and proper maintenance of the equipment also reduce/eliminate the operational risk.

**7. Availability of Power and Gas**

Steel industries require huge and uninterrupted power supply. Any unfavorable change in power related regulations may affect the Company's business. The Company also requires Gas for heating billets and accordingly shortage of gas supply will affect the operation of the Company. RSRM has 16 MW power load connection through 132/33 KV substation with 132 KV National Gridline from PDB which ensures uninterrupted power supply. 4 MW/h is used by RSRM for its existing operation. Furthermore, RSRM gas connection is connected with main distribution line of Chittagong zone. So, Ratanpur Steel Re-Rolling Mills Limited is enjoying uninterrupted and sufficient electricity and gas supply.

**8. Sourcing of Raw Materials**

As steel market price is so variable, sourcing of raw material is so important. The main raw materials of RSRM are MS billets, which are supplied by Modern Steel Mills Ltd. under common directorship in existence between RSRM.

**9. Distribution Risks**

For any company, the most crucial wing is the distribution channel. Wide distribution network and control over the network is essential to make the quality product available to the consumer at right time and place. RSRM has strong presence all over the country since 1987. Sponsors'/ Directors' experience of more than two decades in this sector is considered the key of RSRM marketing and distribution network.

**10. Risk associated with labor unrest**

Smooth production is dependent on good relationship with the factory workers and their ability to provide high-quality services. In the event of disagreements with the workers, the company may experience adverse impact. Ratanpur Steel Re-Rolling Mills Limited maintains good atmosphere at the work place and provides all sort of facilities including safety to the workers as per law of the land.

## Remuneration Paid to Director in 2017

Members of the Board of director were entitle and paid as follow:

Annexure - 3

| Name                         | Position             | Attendance | Remuneration | Total paid |
|------------------------------|----------------------|------------|--------------|------------|
| Mrs. Shamsun Nahar Rahman    | Chairman             | -          | 615,000      | 615,000    |
| Mr. Maksudur Rahman          | Managing Director    | -          | 700,000      | 700,000    |
| Mr. Md. Yunus Bhuiyan        | Director             | -          | 650,000      | 650,000    |
| Mr. Md. Mizanur Rahman       | Director             | -          | -            | -          |
| Mr. Marzanur Rahman          | Director             | -          | -            | -          |
| Mr. Dr. Jamaluddin Ahmed FCA | Independent Director | 135,000    | -            | 135,000    |

Key operating and financial data of preceding 5 years

Annexure-4

|                              |    | 2017          | 2016          | 2015          | 2014          | 2013          |
|------------------------------|----|---------------|---------------|---------------|---------------|---------------|
| <b>Operations and Market</b> |    |               |               |               |               |               |
| Production (Qty)             | MT | 136,664       | 106,831       | 103,402       | 85,398        | 88,040        |
| % of Production Growth       | %  | 27.92%        | 3.32%         | 21.08%        | -3.00%        | -9.46%        |
| Sales (Qty)                  | MT | 139,380       | 105,150       | 101,142       | 80,081        | 85,040        |
| % of Sales Growth            | %  | 32.55%        | 3.92%         | 26.30%        | -5.83%        | -6.95%        |
| <b>Financial Result</b>      |    |               |               |               |               |               |
| Turnover                     | TK | 7,488,695,752 | 5,377,411,796 | 5,503,171,247 | 4,766,995,506 | 5,253,806,261 |
| Gross Profit                 | TK | 1,257,365,287 | 650,543,192   | 549,442,969   | 465,001,928   | 515,265,026   |
|                              | %  | 93.28%        | 18.40%        | 18.16%        | 9.75%         | 9.81%         |
| Earnings Before interest     | TK | 986,741,122   | 390,188,419   | 282,896,111   | 220,320,697   | 294,246,131   |
| WPP & WF and Tax             | %  | 152.88%       | 37.95%        | 28.40%        | 4.62%         | 5.60%         |
| Net Profit after Tex         | TK | 707,857,860   | 271,226,431   | 272,583,080   | 154,957,856   | 166,740,993   |
|                              | %  | 160.98%       | (0.50%)       | 75.91%        | 3.25%         | 3.17%         |
| Earnings per share           | TK | 8.18          | 3.45          | 4.36          | 5.24          | 5.63          |
| <b>Financial Position</b>    |    |               |               |               |               |               |
| Current Ratio(Times)         |    | 2.02          | 1.85          | 1.68          | 0.96          | 0.89          |
| Net Asset Value              | TK | 3,857,261,552 | 3,228,027,693 | 2,989,561,262 | 1,744,278,183 | 1,589,320,327 |
| Net Asset Value per share    | Tk | 44.60         | 41.06         | 45.63         | 58.93         | 53.69         |
| Net Operating Cash Flow      | Tk | 2.08          | 1.45          | (15.17)       | 2.89          | (6.54)        |
| Per Share                    |    |               |               |               |               |               |
| Paid -Up Capital ( In Crore) | Tk | 864,864,000   | 786,240,000   | 655,200,000   | 296,000,000   | 296,000,000   |

## THE PATTERN OF SHAREHOLDER AS ON 30 JUNE 2017

Annexure -5

### A) Parent/Subsidiary/Associaterd companies and other related parties

| Name                         | Relation  | No. of Share hold |
|------------------------------|-----------|-------------------|
| Ratanpur Ship recycling Ltd. | Institute | 1,388,400         |

### B) Directors/CEO/CS/CFO/ Head of internal Audit and Their Spouses and minor children

| Name                      | Relation                                             | No. of Share Held |
|---------------------------|------------------------------------------------------|-------------------|
| Mrs. Shamsun Nahar Rahman | Chairman<br>(Spouse of Mr. Maksudur Rahman)          | 5,882,400         |
| Mr. Maksudur Rahman       | Director and Managing Director                       | 14,921,800        |
| Mr. Md. Younus Bhuiyan    | Director<br>(Younger Brother of Mr. Maksudur Rahman) | 4,516,760         |
| Mr. Md. Mizanur Rahman    | Director<br>(Elder son of Mr. Maksudur Rahman)       | 1,776,000         |
| Mr. Marzanur Rahman       | Director<br>(Younger son of Mr. Maksudur Rahman)     | 1,776,000         |
| Dr. Jamaluddin Ahmed FCA  | Independent Director                                 | -                 |
| Mrinal Kanti Mondal       | CFO                                                  | -                 |
| Mr. Md. Jafar Imam        | CS                                                   | -                 |

### C) Shareholding status of top 5 salaried employees other than CFO, CS, & HIA

| Name                               | Relation                               | No. of Share Held |
|------------------------------------|----------------------------------------|-------------------|
| Mr. Zulfiker Ali Azad              | Executive Director-Marketing and Sales | -                 |
| Mr.LT CDR M A Ahad, PSC, BN(Retd.) | GM Production & Miantanance            | -                 |
| Mr. Md. Serajul Islam              | Consultant-Quality Control             | -                 |
| Mr. Mohammad Ali                   | Chief Electrical Engineer              | -                 |
| Mr. Abdul Khaleque                 | Senior Mechanical Engineer             | -                 |
| Mr. Mohammad Rashed Iqbal          | GM, HR and Admin                       | -                 |
| Mr. Md. Dewan Mabood Ahmed         | Manager Commercial                     | -                 |

## Report of the status of compliance of Corporate Governance

## Annexure – 6

Status of compliance with the condition imposed by the Commission Notification No. SEC/CMRRCD/2006-158/134/Admin/44 Dated August 07, 2012 and subsequently amended on July 21, 2013 issued under Section 2CC of the securities and exchange commission ordinance 1969.

| Condition No. | Title                                                                                                                             | Compliance Status<br>(Put ✓ in appropriate column) |                 | Remarks<br>(if any) |
|---------------|-----------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------|-----------------|---------------------|
|               |                                                                                                                                   | Complied                                           | Not<br>Complied |                     |
| 1.            | <b>Board of Directors</b>                                                                                                         |                                                    |                 |                     |
| 1.1           | Board's Size: The number of the board members of the company shall not be less than 5 (five) and more than 20 (Twenty).           | ✓                                                  |                 |                     |
| 1.2           | <b>Independent Directors:</b>                                                                                                     |                                                    |                 |                     |
| 1.2(i)        | Minimum number of Independent Directors.                                                                                          | ✓                                                  |                 |                     |
| 1.2(ii)a)     | Shareholding by Independent Directors                                                                                             | ✓                                                  |                 |                     |
| 1.2(ii)b)     | Relationship with Company's Sponsor                                                                                               | ✓                                                  |                 |                     |
| 1.2(ii)c)     | Does not have any other relationship, whether pecuniary or otherwise, with the company or its subsidiary/ associated companies.   | ✓                                                  |                 |                     |
| 1.2(ii)d)     | Not a member, director or officer of any stock exchange.                                                                          | ✓                                                  |                 |                     |
| 1.2(ii)e)     | Not a shareholder, director officer of any member of stock exchange or an intermediary of the capital market.                     | ✓                                                  |                 |                     |
| 1.2(ii)f)     | Not a partner or an executive or was not partner or an executive during the preceding 3(three) years of any statutory audit firm. | ✓                                                  |                 |                     |
| 1.2(ii)g)     | Not be an independent director in more than 3(three)listed companies :                                                            | ✓                                                  |                 |                     |
| 1.2(ii)h)     | Not been convicted by a court of competent jurisdiction as a defaulter in payment of any loan to a bank or a NBFI.                | ✓                                                  |                 |                     |
| 1.2(ii)i)     | Not been convicted for a criminal offence involving moral turpitude                                                               | ✓                                                  |                 |                     |
| 1.2(iii)      | Appointment of independent Director(s)                                                                                            | ✓                                                  |                 |                     |
| 1.2(iv)       | Not remain vacant for more than 90 (ninety) days.                                                                                 | ✓                                                  |                 |                     |
| 1.2(v)        | Board shall lay down a code of conduct of all Board members and annual compliance of the code to be recorded.                     | ✓                                                  |                 |                     |
| 1.2(vi)       | Tenure of office of an independent director shall be for period of 3 (three) years, which may be extended for 1(one) term only.   | ✓                                                  |                 |                     |

|            |                                                                                                                        |   |  |                         |
|------------|------------------------------------------------------------------------------------------------------------------------|---|--|-------------------------|
| 1.3        | <b>Qualification of Independent Director (ID) :</b>                                                                    |   |  |                         |
| 1.3 (i)    | Knowledge of Independent Directors                                                                                     | ✓ |  |                         |
| 1.3(ii)    | Qualification and Experience of Independent Directors                                                                  | ✓ |  |                         |
| 1.3(iii)   | Special cases for qualifications                                                                                       |   |  | N/A                     |
| 1.4        | Individual Chairman of the Board and CEO                                                                               | ✓ |  |                         |
| 1.5        | <b>The Directors' Report to shareholders:</b>                                                                          |   |  |                         |
| 1.5(i)     | Industry outlook and possible future developments in the industry                                                      | ✓ |  |                         |
| 1.5(ii)    | Segment-wise or product-wise performance                                                                               | ✓ |  |                         |
| 1.5(iii)   | Risks and concerns                                                                                                     | ✓ |  |                         |
| 1.5(iv)    | Discussion on Cost of Goods Sold Gross Profit Margin And Net Profit Margin                                             | ✓ |  |                         |
| 1.5(v)     | Discussion on continuity of any Extra Ordinary gain or loss                                                            |   |  | No such incidence arose |
| 1.5(vi)    | Basis for related party transactions                                                                                   | ✓ |  |                         |
| 1.5(vii)   | Utilization of proceeds from public Issues/Rights                                                                      | ✓ |  |                         |
| 1.5(viii)  | Explanation if the financial results deteriorate after the company goes for IPO, RPO, Rights Offer Direct Listing etc. | ✓ |  |                         |
| 1.5(ix)    | Explanation of significant variance occurs between Quarterly Financial performance and Annual Financial Statements     | ✓ |  |                         |
| 1.5(x)     | Remuneration to Directors including Independent Directors                                                              | ✓ |  |                         |
| 1.5(xi)    | Fairness of Financial Statement                                                                                        | ✓ |  |                         |
| 1.5(xii)   | Maintenance of proper books of accounts                                                                                | ✓ |  |                         |
| 1.5(xiii)  | Adoption of appropriate accounting policies and estimates                                                              | ✓ |  |                         |
| 1.5(xiv)   | Compliance with IAS, BAS, IFRS And BFRS in preparation of Financial Statements                                         | ✓ |  |                         |
| 1.5(xv)    | Soundness of Internal Control System                                                                                   | ✓ |  |                         |
| 1.5(xvi)   | Ability to continue as a going concern                                                                                 | ✓ |  |                         |
| 1.5(xvii)  | Significant deviations in Operating Results compared to last year                                                      |   |  |                         |
| 1.5(xviii) | Key operating and financial data of at least preceding 5 (five) years                                                  | ✓ |  |                         |
| 1.5(xix)   | Reasons for not declared dividend                                                                                      |   |  | N/A                     |
| 1.5(xx)    | Number of board meetings held during the year and attendance.                                                          | ✓ |  |                         |
| 1.5(xxi)   | <b>Pattern of shareholding:</b>                                                                                        |   |  |                         |

|             |                                                                                                        |   |  |  |
|-------------|--------------------------------------------------------------------------------------------------------|---|--|--|
| 1.5(xxi)a)  | Shareholding by Parent/Subsidiary/Associated companies and other related parties.                      | ✓ |  |  |
| 1.5(xxi)b)  | Shareholding by Directors.CEO, CS, CFO, HIA and their spouses and minor children.                      | ✓ |  |  |
| 1.5(xxi)c)  | Shareholding by Executives                                                                             | ✓ |  |  |
| 1.5(xxi)d)  | Shareholders holding 10% or more voting interest.                                                      | ✓ |  |  |
| 1.5(xxii)   | <b>Appointment/re-appointment of director:</b>                                                         |   |  |  |
| 1.5(xxii)a) | Resume of the directors                                                                                | ✓ |  |  |
| 1.5(xxii)b) | Expertise of Directors                                                                                 | ✓ |  |  |
| 1.5(xxii)c) | Directorship in other companies                                                                        | ✓ |  |  |
| 1.5(xxii)d) | Shareholders holding 10% or more voting interest.                                                      | ✓ |  |  |
| 2           | <b>CFO,HIA and CS:</b>                                                                                 |   |  |  |
| 2.1         | Appointment of CFO ,HIA and CS:                                                                        | ✓ |  |  |
| 2.2         | Attendances of CFO and CS at the meeting of the Board of Directors.                                    | ✓ |  |  |
| 3           | <b>Audit Committee:</b>                                                                                |   |  |  |
| 3(i)        | Audit Committee as a sub- Committee.                                                                   | ✓ |  |  |
| 3(ii)       | Function of the Audit Committee.                                                                       | ✓ |  |  |
| 3(iii)      | Reporting to the Board                                                                                 | ✓ |  |  |
| 3.1         | <b>Constitution of the Audit Committee:</b>                                                            |   |  |  |
| 3.1(i)      | Composition of Audit Committee.                                                                        | ✓ |  |  |
| 3.1(ii)     | Appointment of members of the Audit Committee.                                                         | ✓ |  |  |
| 3.1(iii)    | Qualification of Audit Committee members                                                               | ✓ |  |  |
| 3.1(iv)     | Term of service of Audit Committee                                                                     | ✓ |  |  |
| 3.1v)       | Secretary of the Audit Committee                                                                       | ✓ |  |  |
| 3.1(vi)     | Quorum of the Audit Committee meeting.                                                                 | ✓ |  |  |
| 3.2         | <b>Chairman of the Audit Committee.</b>                                                                |   |  |  |
| 3.2(i)      | Board of Directors shall select the chairman                                                           | ✓ |  |  |
| 3.2(ii)     | Chairman of the Audit committee shall remain present in the AGM.                                       | ✓ |  |  |
| 3.3         | <b>Roll of Audit Committee:</b>                                                                        | ✓ |  |  |
| 3.3(i)      | Oversee the financial reporting process.                                                               | ✓ |  |  |
| 3.3(ii)     | Monitor choice of accounting policies and principles.                                                  | ✓ |  |  |
| 3.3(iii)    | Monitor Internal Control Risk Management process.                                                      | ✓ |  |  |
| 3.3(iv)     | Oversee hiring and performance of external auditors.                                                   | ✓ |  |  |
| 3.3(v)      | Review the Annual Financial Statements                                                                 | ✓ |  |  |
| 3.3(vi)     | Review the quarterly and half yearly financial statements before submission to the board for approval. | ✓ |  |  |

|              |                                                                                                                     |   |  |                         |
|--------------|---------------------------------------------------------------------------------------------------------------------|---|--|-------------------------|
| 3.3(vii)     | Review the adequacy of Internal Audit function                                                                      | ✓ |  |                         |
| 3.3(viii)    | Review of significant related party transactions                                                                    | ✓ |  |                         |
| 3.3(ix)      | Review Management Letters/Letter of Internal Control Weakness issued by Statutory Auditors                          | ✓ |  |                         |
| 3.3(x)       | Disclosure about the uses/applications of funds raised by IPO/RPO/Right Issue                                       | ✓ |  |                         |
| <b>3.4</b>   | <b>Reporting of the Audit Committee:</b>                                                                            |   |  |                         |
| <b>3.4.1</b> | <b>Reporting of the Board of Directors:</b>                                                                         |   |  |                         |
| 3.4.1(i)     | Reporting on Activities                                                                                             | ✓ |  |                         |
| 3.4.1(ii)a)  | Report on conflicts of interests                                                                                    |   |  | No such incidence arose |
| 3.4.1(ii)b)  | Material defect in the internal control system                                                                      |   |  | No such incidence arose |
| 3.4.1(ii)c)  | Suspected infringement of laws                                                                                      |   |  | No such incidence arose |
| 3.4.1(ii)d)  | Any other matter                                                                                                    |   |  | No such incidence arose |
| 3.4.2        | Reporting to the Authorities                                                                                        |   |  | No such incidence arose |
| 3.5          | Reporting to the shareholders and General Investors                                                                 | ✓ |  |                         |
| <b>4</b>     | <b>External/Statutory Auditors</b>                                                                                  |   |  |                         |
| 4(i)         | Appraisal or valuation services or Fairness opinions                                                                | ✓ |  |                         |
| 4(ii)        | Financial information systems designed implementation                                                               | ✓ |  |                         |
| 4(iii)       | Book keeping or other services                                                                                      | ✓ |  |                         |
| 4(iv)        | Broker-dealer services                                                                                              | ✓ |  |                         |
| 4(v)         | Actuarial services                                                                                                  | ✓ |  |                         |
| 4(vi)        | Internal Audit Services                                                                                             | ✓ |  |                         |
| 4(vii)       | Any other services that the Audit Committee determines.                                                             | ✓ |  |                         |
| 4(viii)      | Posses of share by partner or employee of Audit Firm.                                                               | ✓ |  |                         |
| 4(ix)        | Audit/ Certification services on compliance of Corporate Governance as required under clause (i) of condition No. 7 | ✓ |  |                         |





|          |                                                                                                                                                         |   |  |     |
|----------|---------------------------------------------------------------------------------------------------------------------------------------------------------|---|--|-----|
| <b>5</b> | <b>Subsidiary Company</b>                                                                                                                               |   |  |     |
| 5(i)     | Composition of the Board of directors                                                                                                                   |   |  | N/A |
| 5(ii)    | At least 1(one) Independent Director to the Subsidiary company                                                                                          |   |  | N/A |
| 5(iii)   | Submission of Minutes to the holding company.                                                                                                           |   |  | N/A |
| 5(iv)    | Review of Minutes by the holding company.                                                                                                               |   |  | N/A |
| 5(v)     | Review of Financial statement by the Audit committee of holding company.                                                                                |   |  | N/A |
| <b>6</b> | <b>Duties of Chief Executive Officer and Chief Financial Officer:</b>                                                                                   |   |  |     |
| 6(i)a)   | Financial statement don't contain any untrue or misleading statement                                                                                    | ✓ |  |     |
| 6(i)b)   | Financial statements present a true and fair view of the company's affairs and are in compliance with existing Accounting Standard and applicable laws. | ✓ |  |     |
| 6(ii)    | Certification that there are no fraudulent, illegal or in violation of the company's code of conduct.                                                   | ✓ |  |     |
| <b>7</b> | <b>Reporting and compliance of corporate Governance:</b>                                                                                                |   |  |     |
| 7(i)     | Obtain certificate on compliance of corporate Governance.                                                                                               | ✓ |  |     |
| 7(ii)    | Director's statement on compliance of the above condition in the Directors Report.                                                                      | ✓ |  |     |

## REGULATORY COMPLIANCE REPORT

### Corporate Governance Report

Corporate governance refers to the structures and processes for the direction and control of companies. Sound corporate governance is a fundamental part of the culture of the company and ensures long term success. Corporate governance concerns the relationships among the management, Board of Directors, controlling shareholders, minority shareholders and other stakeholders. Good corporate governance contributes to sustainable economic development by enhancing the performance of companies. The Board of Directors of Ratanpur Steel Re-Rolling Mills Limited is firmly committed to upholding principles of sound corporate governance. Good corporate governance also means conformity to sound ethical principles and a code of conduct in business dealings.

### Board of Directors

Board of Directors is the representative and trustee of the shareholders of the company. The Board of directors of Ratanpur Steel Re-Rolling Mills Limited comprises of five members including Chairman, Managing Director and the board also has one independent director in compliance with the corporate Governance Guidelines of BSEC. Board of Directors is performing the responsibilities, among others, setting the company's strategic objectives, providing leadership, supervision and safeguarding shareholders' interest.

### Audit Committee

Ratanpur Steel Re-Rolling Mills Limited has an Audit Committee as a sub-committee of the Board of Directors. This committee is assisting the Board of Directors in ensuring that the financial statements reflect true and fair view of the state of affairs of the company and in ensuring a good monitoring system within the business. This committee is responsible to the Board of Directors and its duties and responsibilities are clearly set forth in writing. Audit Committee is reconstituted as per the guidelines of BSEC.

#### Audit Committee holds regular meetings on the following major issues:

- \* □ to review the financial statements and reporting process and monitor the choice of accounting policies and principles;
- \* □ to review the business risk management;
- \* to review the internal audit assessment;
- \* to oversight the good corporate practices; and
- \* □ to review the adequacy of internal audit function etc.

A separate report of the audit committee is included in the annual report.

### Chairman of the Board and Managing Director

Ratanpur Steel Re-Rolling Mills Limited, Chairman and Managing Director are two separate individuals selected from the Board of Directors. Both are performing defined responsibilities and focusing on the strategic value addition of the company. Managing Director is performing the role of Chief Executive.

### Directors' Report to Shareholders

Board of Directors is reporting the performance, annual achievements and status of the company's activities to the shareholders. They are also conveying the future plan and outlook of the industry and company in their report.

#### **Chief Financial Officer, Company Secretary and Head of Internal Audit**

Company has appointed a Accounts & Finance experienced as Chief Financial Officer and an experience person for Company Secretary. The Company Secretary regularly advises and assists the Board on financial strategy and compliance issues of the regulatory bodies. Chief Financial Officer and Company Secretary are also attending Board Meetings as per Corporate Governance notification of the BSEC. Company's internal audit department is also headed by a Head of Internal Audit having professional expertise and experiences in the field of internal audit.

Board of Directors clearly defined respective roles, responsibilities and duties of the CFO, Company Secretary and Head of Internal Audit.

#### **Internal Audit and Control**

Ratanpur Steel Re-Rolling Mills Ltd. established an Internal Audit Department consisting of professional and knowledgeable employees. Internal Audit Department directly reports to the Board of Directors. Internal Audit department regularly conducts their audit based on a yearly Internal Audit Plan and checks, verifies and reviews the compliance of Internal Control Procedure and other regulatory requirements.

#### **External Auditors**

External Auditors of Ratanpur Steel Re-Rolling Mills Ltd. is appointed in every Annual General Meeting (AGM) by the Shareholders of the company as per Company Act 1994. Company also conforms to the requirement of Bangladesh Securities and Exchange Commission in appointing external auditors. External Auditors are not engaged to perform any of the tasks other than external /statutory audit.

#### **Certification on the Compliance of Corporate Governance Guidelines of BSEC**

A certificate regarding compliance of conditions of Corporate Governance Guidelines of the Bangladesh Securities and Exchange Commission issued by Rahman Mustafiz & CO., Chartered Accountants is included in the annual report.



## REPORT OF THE AUDIT COMMITTEE

Ratanpur Steel Re-Rolling Mills Ltd. has an Audit Committee as a sub-committee of the Board of Directors, as recommended by Bangladesh Securities and Exchange Commission (BSEC). The Audit Committee assists the Board of Directors in ensuring that the financial statements reflect true and fair view of the state of affairs of the company and in ensuring a good monitoring system within the business. The committee is reporting to the Board of Directors on performing the clearly set forth responsibilities by the Board of Directors.

### Committee Members

The Audit Committee of the company comprises five members. The Committee is chaired by an Independent Director and is supported by the Company Secretary, who attends the Committee's meetings as the Secretary of the Committee. Meeting of the Committee were attended by the Managing Director, Head of Accounts & Finance and executive of internal audit department of the Company on invitation.

The terms of reference of the audit committee has been determined by the Board in accordance with the BSEC notification.

### Role of Audit Committee

Main activities of the audit committee are summarized below:

#### 1. Overseeing and monitoring of financial reporting process, adoption of reporting standards and control risk management process.

Audit Committee is assisting in the oversight of the financial reporting process, including monitoring the adoption of reporting standards and internal control risks management process to ensure that appropriate financial reporting process and standards used and adequate activities/measures control to high risk areas are periodically evaluated and tested.

#### 2. Review of Periodic Financial Statements

During the year, Audit Committee reviewed all periodical financial statements of the company. This review was made along with the Board of Directors. Their review ensured that the financial statements are prepared in compliance with legal and accounting standard requirements and that the financial statements were disclosed accurate, reliable and timely information of the company.

#### 3. Review of Internal Control Assessment

During the year, the committee revised and reviewed the internal control system and internal audit plan with an emphasis on minimizing of defects, losses and fraud. The committee also reviewed that the internal control was both adequate and effective.

#### 4. Review of Internal Audit Report

During the year, the committee reviewed the activities of Internal Audit Department and take necessary actions on the basis of internal audit report.

#### 5. Review the Related Party Transactions and Investment Activities of Subsidiary

The Committee also reviewed the related party's transactions submitted by management and investing activities as well as affairs of Subsidiary and it appears that all the due procedures and policies have been followed.

### Meetings and attendance

During the year under review, the Committee held four meetings. The attendance of the members at these meeting is as under:

| Name of the members          | Position  | No. of meetings held whilst a committee member | Meetings attended |
|------------------------------|-----------|------------------------------------------------|-------------------|
| Mr. Dr. Jamaluddin Ahmed FCA | Chairman  | 4                                              | 4                 |
| Mr. Md. Younus Bhuiyan       | Member    | 4                                              | 3                 |
| Mr. Md. Mizanur Rahman       | Member    | 4                                              | 4                 |
| Mr. Marzanur Rahman          | Member    | 4                                              | 4                 |
| Mr. Md. Jafar Imam           | Secretary | 4                                              | 4                 |

### Reporting of the Committee

On discharging its responsibilities, the audit committee has ensured the followings:

- ❖ Financial statements have been prepared and presented in compliance with all laws, regulations & standards as applicable.
- ❖ Adequate controls and procedures are in place to provide reasonable assurance that the Company's assets are safeguarded and that the financial position of the Company is adequately managed.

Observations, findings and suggestions of the committee were communicated to the Board of Directors and the Board of Directors had taken appropriate measures on the report.

On behalf of the Audit Committee

**Dr. Jamaluddin Ahmed FCA**

Independent Director and Chairman of the Audit Committee

24 August 2017



# Rahman Mustafiz & Co.

shareholders of Ratanpur Steel Re-Rolling Mills Limited

We have examined the compliance with Corporate Governance by Ratanpur Steel Re-rolling Mills Ltd. (the Company) for the year ended 30<sup>th</sup> June, 2017 as stipulated in Notification No: SEC/CMRRCD/2006-158/134/admin/44 dated 7<sup>th</sup> August 2012 and as amended by Notification No: SEC/CMRRCD/2006-158/147/admin/48 dated July 21, 2013 of Bangladesh Securities and Exchange Commission.

The compliance of conditions of Corporate Governance Guidelines is the responsibility of the Company's management. Our examination was limited to the procedures and implementation thereof, adopted by the Company for ensuring compliance of the conditions of Corporate Governance Guidelines. It is neither an audit nor an expression of an opinion on the financial statements of the Company

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above-mentioned notification.

We state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the company .

Dated: Dhaka  
24 August 2017

  
**Rahman Mustafiz & CO.**  
 Chartered Accountants

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Mini Plaza, Ga-93, 4th Floor, Gulshan Badda Link Road, Middle Badda, Dhaka-1212.  
 rahmanmustafiz@yahoo.com, mustafizcabd@yahoo.com, [www. rahmanmustafiz.com](http://www.rahmanmustafiz.com)



## STATEMENT OF MANAGING DIRECTOR AND CFO ON FINANCIAL STATEMENTS

The Board of Directors  
Ratanpur Steel Re-Rolling Mills Ltd.

We certify that:-

- i) We have reviewed financial statements for the year ended 30<sup>th</sup> June, 2017 and to the best of our knowledge and belief:
  - a) these financial statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - b) these financial statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards and applicable laws.
- ii) To the best of our knowledge and belief, the company did not enter into any transactions which are contrary to the laws of the land or the ethical standards which the company adheres to.

**Maksudur Rahman**  
Managing Director

**Mrinal Kanti Mondal**  
Chief Financial Officer



## Sustainable Business Growth

### **Environment, Human Resource and Information Technology**

RSRM is involved in production and supply of MS Deformed Bar. For keeping our human resources safe and sound and to keep clean environment in the factory premises, we have taken initiatives to mitigate all problems.

#### **Green Environment**

We are using Water Treatment Plant (WTP) for recycling the water for reusing and to keep the environment free from pollution

#### **Human Resource Development**

We have professional and experienced team in each department which actually enables us to maintain our quality of product, sustainable growth, efficiency in production and marketing as well as to retain our market position.

#### **Capacity building**

For capacity building we regularly arrange training for all of our staffs. Both in house and outside training is arranged for them.

#### **Safety, Health and Environment Policy**

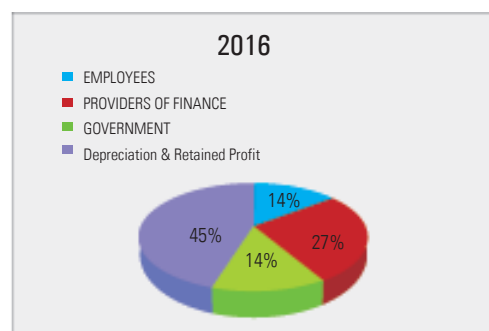
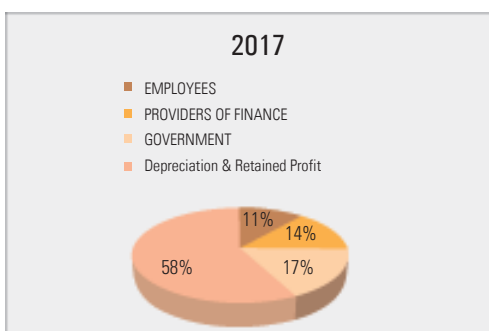
RSRM is ISO certified and obtained ISO-90001:2008 (QMS). Our company has comprehensive records for safety of all the company's data and information. As per law, all kinds of vouchers, Ledger, sales invoice and other books and records has been kept for 12 years.

#### **Information Technology**

We have professional and experienced team for cope up with information technology for ensuring security and data recovery we have reasonable due care in our systems.

## VALUE ADDED STATEMENT & EVA

|                                                      | 2017                 | %          | 2016                 |            |
|------------------------------------------------------|----------------------|------------|----------------------|------------|
|                                                      | Taka                 |            | Taka                 |            |
| <b>Value Added:</b>                                  |                      |            |                      |            |
| Revenue                                              | 7,488,695,752        |            | 5,377,411,796        |            |
| Other Income                                         | 807,818              |            | 800,650              |            |
|                                                      | 7,489,503,570        |            | 5,378,212,446        |            |
| Less : Paid to suppliers for materials and services  | <u>6,149,911,506</u> |            | <u>4,640,607,043</u> |            |
|                                                      | <u>1,339,592,064</u> | <u>100</u> | <u>737,605,403</u>   | <u>100</u> |
| <b>Distributed as follows:</b>                       |                      |            |                      |            |
| <b>EMPLOYEES</b>                                     |                      |            |                      |            |
| Wages, Salaries, bonus, and other benefits           | 147,719,375          | 11%        | 107,642,024          | 15%        |
|                                                      | 191,799,234          | 14%        | 196,649,573          | 27%        |
| <b>PROVIDERS OF FINANCE</b>                          |                      |            |                      |            |
|                                                      | <u>231,895,591</u>   | <u>17%</u> | <u>100,381,587</u>   | <u>14%</u> |
| <b>GOVERNMENT</b>                                    |                      |            |                      |            |
|                                                      | <u>571,414,200</u>   | <u>43%</u> | <u>404,673,184</u>   | <u>55%</u> |
| <b>RETAINED FOR REINVESTMENT &amp; FUTURE GROWTH</b> |                      |            |                      |            |
| Depreciation & Amortization                          | 60,320,004           | 5%         | 61,705,788           | 8%         |
| Retained Profit                                      | 707,857,860          | 53%        | 271,226,431          | 37%        |
|                                                      | <u>768,177,864</u>   | <u>57%</u> | <u>332,932,219</u>   | <u>45%</u> |
|                                                      | <u>1,339,592,064</u> | <u>100</u> | <u>737,605,403</u>   | <u>100</u> |



### ECONOMIC VALUE ADDED (EVA)

Economic value added attempts to capture the true economic profit of a company. It is also provides a measurement of a company's economic success (or failure) over a period of time.

| Calculation of EVA                     | 2015          | 2014          |
|----------------------------------------|---------------|---------------|
| Net Operating profit after Tax (NOPAT) | 707,857,860   | 271,226,431   |
| Total Capital Employed                 | 3,998,137,846 | 3,368,871,009 |
| Cost of Capital in %                   | 4.13%         | 8%            |
| Cost of Capital (COC)                  | 165,040,724   | 270,229,596   |
| EVA= NOPAT - COC                       | 542,817,136   | 996,835       |





# Auditors' Report & Financial Statements

For The Financial Year Ended 30 June 2017  
Of  
Ratanpur Steel Re-Rolling Mills Limited

 **AHMED ZAKER & CO.**  
**Chartered Accountants**  
(A Member Firm of Morison KSI)  
Green City Edge (Level-10)  
88, Kakrail Dhaka -1000, Bangladesh

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**INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS  
OF  
RATANPUR STEEL RE-ROLLING MILLS LIMITED**

We have audited the accompanying Financial Statements of **RATANPUR STEEL RE-ROLLING MILLS LIMITED**, which comprises the Statement of Financial Position as at 30 June, 2017 and Statement of Profit or Loss and Other Comprehensive Income, Statement of Changes in Equity, Statement of Cash Flows and notes to the accounts for the year ended, and a summary of significant accounting policies and other explanatory notes.

**Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Bangladesh Financial Reporting Standards (BFRS), Bangladesh Accounting Standards (BAS) as adopted by ICAB, the Companies Act 1994, the Securities and Exchange Commission Rules 1987 and other applicable laws and regulations. This responsibility includes; designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

**Auditors' Responsibility**

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

**Opinion:**

In our opinion, the Financial Position prepared in accordance with Bangladesh Financial Reporting Standards (BFRS), Bangladesh Accounting Standards (BAS) as adopted by ICAB give a true and fair view of the state of the company's affairs as at 30th June, 2017 and comply with the Companies Act 1994, the Securities Exchange Commission Rules 1987 and other applicable laws and regulations. Further to our opinion in the above paragraph, we state that:

- (i) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit and made due verification thereof;
- (ii) In our opinion, proper books of account as required by law have been kept by **RATANPUR STEEL RE-ROLLING MILLS LIMITED** so far as it appeared from our examination of those books;
- (iii) The Statement of Financial Position and Statement of Profit or Loss and Other Comprehensive Income and other notes with by the report are in agreement with the books of account and returns;
- (iv) The expenditure incurred was for the purpose of the Company's business.



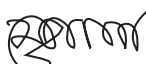
**Ahmed Zaker & Co.**  
Chartered Accountants

Dated: 24.08.2017  
Place: Chittagong

**Ratanpur Steel Re-Rolling Mills Limited**  
**Statement of Financial Position**  
**As on 30 June 2017**

|                                                   | Notes | Amount in BDT        |                      |
|---------------------------------------------------|-------|----------------------|----------------------|
|                                                   |       | 30-Jun-17            | 30-Jun-16            |
| <b>Assets</b>                                     |       |                      |                      |
| <b>Non-Current Assets:</b>                        |       | <b>2,102,641,069</b> | <b>1,992,197,082</b> |
| Property Plant & Equipment                        | 4     | 2,089,343,539        | 1,992,197,082        |
| Capital Work-In-Progress                          |       | 13,297,530           | -                    |
| <b>Current Assets:</b>                            |       | <b>3,759,680,971</b> | <b>3,003,792,077</b> |
| Advances, Deposits and Prepayments                | 5     | 72,012,576           | 69,391,255           |
| Inventories                                       | 6     | 1,886,507,482        | 1,613,896,280        |
| Accounts Receivable                               | 7     | 1,783,284,673        | 1,286,718,741        |
| Cash and Cash Equivalents                         | 8     | 17,876,240           | 33,785,801           |
| <b>Total Assets</b>                               |       | <b>5,862,322,040</b> | <b>4,995,989,159</b> |
| <b>Equity and Liabilities</b>                     |       |                      |                      |
| <b>Shareholders' Equity:</b>                      |       | <b>3,857,261,553</b> | <b>3,228,027,693</b> |
| Share Capital                                     | 9     | 864,864,000          | 786,240,000          |
| Share Premium                                     |       | 750,000,000          | 750,000,000          |
| Revaluation Surplus of Land                       | 4.01  | 943,950,000          | 943,950,000          |
| Retained Earnings                                 |       | 1,298,447,553        | 747,837,693          |
| <b>Non-Current Liabilities:</b>                   |       | <b>140,875,994</b>   | <b>140,843,317</b>   |
| Long Term Portion of Lease Liabilities            | 10    | -                    | 9,344,401            |
| Deferred Tax Liability                            | 11    | 140,875,994          | 131,498,915          |
| <b>Current Liabilities:</b>                       |       | <b>1,864,184,494</b> | <b>1,627,118,149</b> |
| Current Portion of Lease Liabilities              | 10    | 17,191,573           | 22,079,644           |
| Short term Liabilities                            | 12    | 1,453,574,424        | 1,385,504,042        |
| Creditors and Accruals                            | 13    | 123,912,313          | 117,726,179          |
| Income Tax Liability                              | 14    | 222,518,512          | 83,227,883           |
| Liability for WPPF and Welfare Fund               | 15    | 46,987,672           | 18,580,401           |
| <b>Total Liabilities</b>                          |       | <b>2,005,060,488</b> | <b>1,767,961,466</b> |
| <b>Total Liabilities and Shareholders' Equity</b> |       | <b>5,862,322,040</b> | <b>4,995,989,159</b> |
| <b>Net Asset Value Per Share (NAV)</b>            | 24    | <b>44.60</b>         | <b>41.05</b>         |

The annexed notes (1-36) the integral part of these statements.

  
 Chief Financial Officer

  
 Company Secretary

  
 Director

  
 Managing Director

  
 Chairman

Signed in terms of our separate report of even date.

  
 Ahmed Zaker & Co.  
 Chartered Accountants

Dated: 24.08.2017  
 Place: Chittagong



**Ratanpur Steel Re-Rolling Mills Limited**  
**Statement of Profit or Loss and other Comprehensive Income**  
**For the financial year ended 30 June, 2017**

|                                            | Notes | Amount in BDT        |                     |
|--------------------------------------------|-------|----------------------|---------------------|
|                                            |       | 30-Jun-17            | 30-Jun-16           |
| Revenue (Net off VAT)                      | 16    | 7,488,695,752        | 5,377,411,796       |
| Cost of Goods Sold                         | 17    | (6,231,330,465)      | (4,726,868,604)     |
| <b>Gross Profit</b>                        |       | <b>1,257,365,287</b> | <b>650,543,192</b>  |
| <b>Operating Expenses</b>                  |       | <b>(79,632,750)</b>  | <b>(64,505,851)</b> |
| Administrative and Other Expenses          | 18    | (30,319,434)         | (24,225,311)        |
| Selling and Distribution Expenses          | 19    | (49,313,316)         | (40,280,540)        |
| <b>Operating Profit</b>                    |       | <b>1,177,732,537</b> | <b>586,037,340</b>  |
| Finance Cost                               | 20    | (191,799,234)        | (196,649,573)       |
| Finance Income                             | 21    | 807,818              | 800,650             |
| <b>Profit before WPPF and Income Tax</b>   |       | <b>986,741,122</b>   | <b>390,188,418</b>  |
| Contribution to WPPF and Welfare Fund @ 5% | 15    | (46,987,672)         | (18,580,401)        |
| <b>Net Profit Before Income Tax</b>        |       | <b>939,753,450</b>   | <b>371,608,018</b>  |
| <b>Tax Expenses</b>                        |       |                      |                     |
| Current Tax                                | 14    | (222,518,512)        | (83,227,883)        |
| Deferred Tax                               | 11    | (9,377,079)          | (17,153,704)        |
| <b>Net Profit After Tax</b>                |       | <b>707,857,860</b>   | <b>271,226,432</b>  |
| <b>Earning Per Share (EPS)</b>             | 22    | <b>8.18</b>          | <b>3.45</b>         |
| <b>Restated Earning Per Share</b>          | 23    |                      | <b>3.14</b>         |

The annexed notes (1-36) the integral part of these statements.

Chief Financial Officer

Company Secretary

Director

Managing Director

Chairman

Signed in terms of our separate report of even date.

Ahmed Zaker & Co.  
Chartered Accountants

Dated: 24.08.2017  
Place: Chittagong

**Ratanpur Steel Re-Rolling Mills Limited**  
**Statement of Changes In Equity**  
**For the financial year ended 30 June, 2017**

| Particulars                 | Share Capital | Retained Earnings | Revaluation Reserve | Share Premium | Total Equity  |
|-----------------------------|---------------|-------------------|---------------------|---------------|---------------|
| Balance as on 01 July 2016  | 786,240,000   | 747,837,693       | 943,950,000         | 750,000,000   | 3,228,027,693 |
| Profit / (Loss) after tax   |               | 707,857,860       |                     |               | 707,857,860   |
| Bonus Share                 | 78,624,000    | (78,624,000)      |                     |               | -             |
| Cash Dividend               |               | (78,624,000)      |                     |               | (78,624,000)  |
| Balance as on 30 June, 2017 | 864,864,000   | 1,298,447,553     | 943,950,000         | 750,000,000   | 3,857,261,553 |

| Particulars                 | Share Capital | Retained Earnings | Revaluation Reserve | Share Premium | Total Equity  |
|-----------------------------|---------------|-------------------|---------------------|---------------|---------------|
| Balance as on 01 July 2015  | 655,200,000   | 640,411,262       | 943,950,000         | 750,000,000   | 2,989,561,262 |
| Profit / (Loss) after tax   |               | 271,226,431       |                     |               | 271,226,431   |
| Bonus Share                 | 131,040,000   | (131,040,000)     | -                   | -             | -             |
| Cash Dividend               | -             | (32,760,000)      | -                   | -             | (32,760,000)  |
| Balance as on 30 June, 2016 | 786,240,000   | 747,837,693       | 943,950,000         | 750,000,000   | 3,228,027,693 |

  
 Chief Financial Officer

  
 Company Secretary

  
 Director

  
 Managing Director

  
 Chairman

Signed in terms of our separate report of even date.

  
 Ahmed Zaker & Co.  
 Chartered Accountants

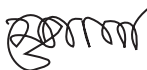
Dated: 24.08.2017  
 Place: Chittagong



**Ratanpur Steel Re-Rolling Mills Limited**  
**Statement of Cash Flows**  
**For the financial year ended 30 June, 2017**

|                                                                              | Amount in BDT        |                     |
|------------------------------------------------------------------------------|----------------------|---------------------|
|                                                                              | 30-Jun-17            | 30-Jun-16           |
| <b>A. Cash Flows from Operating Activities</b>                               |                      |                     |
| Collection from sales and other income                                       | 6,992,937,639        | 5,047,483,778       |
| Payment for cost and other expenses                                          | (6,538,270,001)      | (4,685,901,218)     |
| Cash generated from operation                                                | 454,667,638          | 361,582,560         |
| Financing Cost                                                               | (191,799,234)        | (196,649,573)       |
| Income Taxes Paid                                                            | (83,227,883)         | (51,088,581)        |
| <b>Net cash inflow /(outflow) from Operating Activities</b>                  | <b>179,640,521</b>   | <b>113,844,406</b>  |
| <b>B. Cash flows from Investing Activities</b>                               |                      |                     |
| Acquisition of property, plant & equipment                                   | (157,466,461)        | (52,299,722)        |
| Capital work in progress                                                     | (13,297,530)         |                     |
| <b>Net cash inflow /(outflow) from Investing Activities</b>                  | <b>(170,763,991)</b> | <b>(52,299,722)</b> |
| <b>C. Cash flows from Financing Activities</b>                               |                      |                     |
| Short term loan Received                                                     | 68,070,381           | -                   |
| Dividend Paid                                                                | (78,624,000)         | (32,760,000)        |
| Lease Loan Repayment                                                         | (14,232,473)         | (19,066,730)        |
| <b>Net cash inflow /(outflow) from Financing Activities</b>                  | <b>(24,786,091)</b>  | <b>(51,826,730)</b> |
| <b>D. Net increase/(Decrease) in cash &amp; cash equivalents (A + B + C)</b> | <b>(15,909,561)</b>  | <b>9,717,954</b>    |
| <b>E. Cash and cash equivalents at the beginning</b>                         | <b>33,785,801</b>    | <b>24,067,846</b>   |
| <b>F. Cash and cash equivalents at the end (D + E)</b>                       | <b>17,876,240</b>    | <b>33,785,801</b>   |
| <b>G. Net Operating Cash Flow Per Share (Note: 25.00)</b>                    | <b>2.08</b>          | <b>1.45</b>         |

The annexed notes (1-36) the integral part of these statements.

  
**Chief Financial Officer**

  
**Company Secretary**

  
**Director**

  
**Managing Director**

  
**Chairman**

Signed in terms of our separate report of even date.

  
**Ahmed Zaker & Co.**  
 Chartered Accountants

Dated: 24.08.2017  
 Place: Chittagong

**Ratanpur Steel Re-Rolling Mills Limited**  
**Notes, comprise a summary of significant accounting policies and other explanatory notes**  
**For the financial year ended June 30, 2017**

**1.00 REPORTING ENTITY**

**1.01 Background of the Company**

The company was incorporated in Bangladesh as private limited company on 22 April, 1986 as company limited by shares under the Companies Act, 1913 and converted into public limited company on 26 June 2012 under the Companies Act, 1994. The Company is engaged in the manufacturing process of producing various grades of M.S. Deformed Bar (300W/40 Grade, 400W/60 Grade and 500W/TMT) from M.S. Billet and sales/export of the products and other business related thereto. The company has set up its Re-Rolling Mills factory at 176, Baizid Bostami I/A, Baizid Bostami Road, Nasirabad, Chittagong, and commenced commercial production from 1986. The Company is listed with Dhaka Stock Exchange (DSE) and Chittagong Stock Exchange (CSE) as a publicly quoted company. Trading of the shares of the company started in two stock exchanges from 22 September 2014.

**1.02 Nature of Business**

The principal activities of the Company are to manufacture and sales of M.S. Deformed Bar of various grades (300W/40 Grade, 400W/60 Grade and 500W/TMT) from M.S. Billet. Company is engaged in the manufacturing process of producing M.S. Rod (40 Grade, 60 Grade and 500W) from M.S. Billet.

**1.03 Business with Affiliated Company**

| SI No. | Name of Related Party      | Relationship | Nature of the Business |
|--------|----------------------------|--------------|------------------------|
| 1      | Modern Steel Mills Limited | Affiliated   | Supply of Raw Material |
| 2      | Dynamic Steel Corporation  | Affiliated   | Supply of Raw Material |

**BASIS OF PREPARATION OF FINANCIAL STATEMENTS**

**2.01 Statement of Compliance**

The financial statements have been prepared in compliance with the requirements of the Companies Act 1994, the Securities & Exchange Rules 1987, the Listing Regulations of Dhaka Stock Exchange (DSE) and Chittagong Stock Exchange (CSE) and other relevant local laws as applicable and in accordance with the applicable Bangladesh Financial Reporting Standards (BFRSs) include Bangladesh Accounting Standards (BAS) adopted by the Institute of Chartered Accountants of Bangladesh (ICAB) based on International Accounting Standards (IAS) and International Financial Reporting Standards (IFRSs).

**2.02 Regulatory Compliances**

As required by the company, the management complies with the following major legal provisions in addition to the Companies Act 1994 and other applicable laws and regulations:

The Income Tax Ordinance 1984;  
 The Income Tax Rules 1984;  
 The Value Added Tax Act 1991;  
 The Value Added Tax Rules 1991;  
 The Customs Act, 1969;  
 Bangladesh Labour Law, 2006;  
 The Securities and Exchange Ordinance, 1969;  
 The Securities and Exchange Rules, 1987; and  
 Securities and Exchange Commission Act, 1993

**2.03 Components of the Financial Statements**

According to the International Accounting Standards (IAS)-1 as adopted by ICAB as BAS-1 "Presentation of Financial Statements" the complete set of financial statements includes the following components.

- i. Statement of financial position as at 30 June 2017;
- ii. Statement of profit or loss and other comprehensive income for the year ended 30 June 2017;
- iii. Statement of cash flows for the year ended 30 June 2017;
- iv. Statement of changes in equity for the year ended 30 June 2017;
- v. Notes comprise a summary of significant Accounting policies and other explanatory notes for the year ended 30 June 2017.

**2.04 Measurement Bases used in preparing the Financial Statements**

The financial statements have been prepared on the historical cost basis, and therefore, do not take into consideration the effect of inflation. The accounting policies, unless otherwise stated, have been consistently applied by the company and are consistent with those of the previous year.

**2.05 Reporting Currency and Level of Precision**

The financial statements are presented in Bangladeshi currency (Taka), which is the Company's functional currency. All financial information presented in Taka have been rounded off to the nearest Taka.

**2.06 Preparation and Presentation of Financial Statements of the Company**

The Board of Directors of the company is responsible for the preparation and presentation of financial statements of Ratanpur Steel Re-Rolling Mills Limited.

**2.07 Use of Estimates and Judgments**

The preparation of these financial statements, in conformity with BASs/BFRSs, required 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 amounts may differ from these estimates.

Estimates and underlying assumptions are reviewed on an on going basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

In particular, information about significant areas of estimation on uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements are included in the following notes:

- Note: 4 Property, Plant and Equipment
- Note: 5 Advances, Deposits and Pre-payments
- Note: 6 Inventories
- Note: 7 Accounts Receivables
- Note: 11 Deferred Tax Liability
- Note: 13 Creditors & Accruals
- Note: 14 Income Tax Liability

**2.08 Reporting Period Date of Authorization:**

The financial year of the companies covers one year from 1 July 2016 to 30 June 2017 and is followed consistently.



## 2.09 Statement of Cash Flows:

Statement of cash flows is prepared in accordance with "BAS 7: Cash Flow Statement" and the cash flows from operating activities have been presented under Direct Method as required by the Securities and Exchange Rules 1987 and considering the provisions that "Enterprises are Encouraged to Report Cash Flow from Operating Activities using the Direct Method".

## 2.10 Compliance with the Requirements of Notification of the Securities and Exchange Commission dated 04.06.2008 under ref. # SEC/CMMRPC/2008-181/53/Adm/03/28

a) Notes to the financial statements marked from 3.00 to 3.20 setting out the policies are unambiguous with respect to the reporting framework on which the accounting policies are based.

b) The accounting policies on all material areas have been stated clearly in the notes marked from 3.00 to 3.20.

c) The accounting standards that underpin the policies adopted by the company can be found in the following places of the notes to the financial statements:

| Sl. No. | Name of the BAS                                               | BAS's no. |
|---------|---------------------------------------------------------------|-----------|
| 1       | Presentation of Financial Statements                          | 1         |
| 2       | Inventories                                                   | 2         |
| 3       | Cash Flow Statements                                          | 7         |
| 4       | Accounting policies, Changes in accounting Estimates & Errors | 8         |
| 5       | Events after the Reporting Period                             | 10        |
| 6       | Construction Contracts                                        | 11        |
| 7       | Income Taxes                                                  | 12        |
| 8       | Segment Reporting                                             | 14        |
| 9       | Property, Plant and Equipment                                 | 16        |
| 10      | Leases                                                        | 17        |
| 11      | Revenue                                                       | 18        |
| 12      | Employees Benefits                                            | 19        |
| 13      | The Effects of Changes in Foreign Exchange Rates              | 21        |
| 14      | Borrowing Costs                                               | 23        |
| 15      | Related Party Disclosures                                     | 24        |
| 16      | Accounting and Reporting by Retirement Benefit Plans          | 26        |
| 17      | Consolidated and Separate Financial Statements                | 27        |
| 18      | Investment in Associates                                      | 28        |
| 19      | Interest in Joint Ventures                                    | 31        |
| 20      | Financial Instruments: Presentation                           | 32        |
| 21      | Earning Per Share                                             | 33        |
| 22      | Interim Financial Reporting                                   | 34        |
| 23      | Impairment of Assets                                          | 36        |
| 24      | Provision, Contingent Liabilities and Contingent Assets       | 37        |
| 25      | Intangible Assets                                             | 38        |
| 26      | Financial Instruments: Recognition & Measurement              | 39        |
| 27      | Investment Property                                           | 40        |
| 28      | Agriculture                                                   | 41        |

| SL. No. | Name of the BFRS/IFRS                                            | BFRS/ IFRS No |
|---------|------------------------------------------------------------------|---------------|
| 1       | First -time Adoption of Bangladesh Financial Reporting Standards | 1             |
| 2       | Share based payment                                              | 2             |
| 3       | Bus iness Combinations                                           | 3             |
| 4       | Insurance Contracts                                              | 4             |
| 5       | Non -Current Assets held for sale and discontinued operations    | 5             |
| 6       | Exploration for and evaluation of mineral resources              | 6             |
| 7       | Financial Instruments: Disclosures                               | 7             |
| 8       | Operating Segments                                               | 8             |
| 9       | Financial Instruments                                            | 9             |
| 10      | Consolidated Financial Statements                                | 10            |
| 11      | Joint Arrangements                                               | 11            |
| 12      | Disclosure of Interests in Other Entities                        | 12            |
| 13      | Fair Value Measurement                                           | 13            |

d) The financial statements are in compliance with the Bangladesh Financial Reporting Standards (BFRS) which are adopted from the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB).

#### 2.11 Standards, amendments or interpretations which became effective during the year

During the year certain amendments to Standards and new interpretations became effective however they did not have any material effect on the financial statements of the Company.

#### 2.12 New/revised accounting standards, amendments to published accounting standards, and Interpretations that are not yet effective

The following new standards, amendments and interpretations of approved accounting standards are only effective for annual periods beginning from the dates specified below and have not been early adopted by the company.

- Amendments to IAS 12: income tax, deferred tax on investment property (effective for annual periods beginning on after 1 January 2012). The 2010 amendment provides an exception to the measurement principle in respect of investment property measured using the fair value model in accordance with IAS 40 Investment property. The measurement of deferred tax assets and liabilities, in this limited circumstance, is based on a rebuttable presumption that the carrying amount of the investment property will be recovered entirely through sale. The presumption can be rebutted only if the investment property is depreciable and held within a business model whose objective is to consume substantially all of the asset's economic benefits over the life of the asset. The amendment has no impact on financial statements of the Company.
- IAS 19: (Amendment) regarding defined benefit plans (effective for periods beginning on or after July 1, 2014) amendments that require actuarial gains and losses to be recognized immediately in other comprehensive income; this change will remove the corridor method and eliminate the ability for entities to recognize all changes in the defined benefit obligation and in plan assets in profit or loss, which currently is allowed under IAS 19: and that the expected return on plan assets recognized in profit or loss is calculated based on the rate used to discount the defined benefit obligation. The Company is yet to assets the full impact of the amendment.
- Presentation of items of Other Comprehensive income {Amendments to IAS-1} (effective for annual periods beginning on or after 1 July 2012). The amendments require that an entity present separately the items of other comprehensive income that would be reclassified to profit or loss in the future it certain conditions are met from those that would never be reclassified to profit or loss. The amendments do not address which items are presented in other comprehensive income or which items need to be reclassified. The requirements of other IFRS's continue to apply in this regard. The amendments have no impact on financial statements of the Company.

- Offsetting Financial Assets and Financial Liabilities Amendments to IAS 32: Financial Instruments-Presentation (effective for annual periods beginning on or after 1 January 2014). The amendments address inconsistencies in current practice when applying the offsetting criteria in IAS 32 Financial Instruments: Presentation. The amendments clarify the meaning of 'currently has a legally enforceable right of set-off'; and that some gross settlement systems may be considered equivalent to net settlement.
- Offsetting Financial Assets and Financial Liabilities Amendments to IFRS 7: Financial Instruments-Disclosures (effective for annual periods beginning on or after 1 January 2013). The amendments to IFRS 7 contain new disclosure requirements for financial assets and liabilities that are offset in the statement of financial position or subject to master netting agreement or similar arrangement.
- Annual Improvements 2009-2011 (effective for annual periods beginning on or after 1 January 2013). The new cycle of improvements contains amendments to the following three standards, with consequential amendments to other standards and interpretations.
- IAS 1: Presentation of Financial Statements is amended to clarify that only one comparative period -which is the preceding period -is required for a complete set of financial statements. If an entity presents additional comparative information, then that additional information need not be in the form of a complete set of financial statements. However, such information should be accompanied by related notes and should be in accordance with IFRS. Furthermore, it clarifies that the 'third statement of financial position', when required, is only required if the effect of restatement immaterial to statement of financial position.
- IAS 16: Property, Plant and Equipment is amended to clarify the accounting of spare parts, stand-by equipment and servicing equipment. The definition of 'property. Plant and equipment in IAS 16 is now considered in determining whether these items should be accounted for under that standard. If these items do not meet the definition, then they are accounted for using IAS 2 Inventories.
- IAS 32: Financial Instruments: Presentation - is amended to clarify that IAS 12- Income Taxes applies to the accounting for income taxes relating to distributions to holders of an equity instrument and transaction costs of an equity transaction. The amendment removes a perceived inconsistency between IAS 32 and IAS 12.

### 3.00 SIGNIFICANT ACCOUNTING POLICIES

The specific accounting policies have been selected and applied for significant transactions and events that have a material effect within the framework for the preparation and presentation of financial statements.

#### 3.01 Property, Plant & Equipment

##### 3.1.1 Recognition and Measurement

Property, plant & Equipment are accounted for according to BAS 16 "Property, Plant and Equipment" at Historical cost less cumulative depreciation except land and land development which consider at revalued and includes expenditures that are directly attributable to the acquisition of the assets. The cost of self constructed/installed assets includes the cost of materials, direct labor and any other costs directly attributable to bringing the assets to the working condition for its intended use and the cost of dismantling and removing the items and restoring the site on which they are located.

##### 3.1.2 Depreciation

Depreciation is recognized in statement of profit or loss and other comprehensive income on diminishing balance method over the estimated useful lives of fixed assets. Depreciation is charged on addition from the month of acquisition /addition and no depreciation is charged in the month of disposal. Depreciation is provided on a diminishing balance method at the rate(s) shown below:

| Category                              | Rate |
|---------------------------------------|------|
| Land and Land Development             | 0%   |
| Factory Building & Civil Construction | 4%   |
| Plant & Machinery                     | 7%   |
| Machinery Under Capital Lease         | 7%   |
| Logistics Equipments                  | 7%   |
| Office Equipment                      | 10%  |
| Furniture & Fixture                   | 10%  |
| Motor Vehicle                         | 20%  |

### 3.1.3 Revaluation of Fixed Assets

Since inception, the company revalued its Land & Land Development for the 1st time in the FY 2011-2012 by Emerging Resources Limited. Reserve is created by the sum of revaluation surplus and no depreciation is charged on revalued land and land Development.

## 3.2 Inventories

### 3.2.1 Valuation of Inventories

Inventories are measured at lower of cost and ex-factory net realizable value in compliance with "BAS 2: Inventories". The cost of inventories is based on weighted average principle and includes expenditure for acquiring the inventories and bringing them to their existing location and condition. Net realizable value is estimated upon selling price in the ordinary course of business less estimated cost of completion. When the inventories are used, the carrying amounts of those inventories are recognized as expense in the year in which the related revenue is recognized. According to the requirement of BAS-2, Inventories are valued at the lower of cost or net realizable value.

| Category       | Valuation                                                                     |
|----------------|-------------------------------------------------------------------------------|
| Finished goods | Finished goods are valued at cost or net realizable value whichever is lower. |
| Raw materials  | Raw materials are valued at cost or net realizable value whichever is lower.  |
| Spares Parts   | Based on weighted average method.                                             |

### 3.3 Capital Work-In-Progress

Property, Plant and Equipment under construction/acquisition is accounted for as capital work-in-progress until construction/acquisition is completed and measured at cost.

### 3.4 Leased assets

The leased liability is considered as a capital lease. So the interest expense on Lease liability is charge to income statement under finance cost.

### 3.5 Revenue Recognition

Revenue from net sales of the company represents invoiced value of sale of MS Deformed Bar, Cut Piece Rod, Misroll, Scrap and Rubbish which are recognized after considering the conditions, set in paragraph 14 of BAS 18: "Revenue". Revenue from the sale of goods is recognized when all the following conditions are satisfied:

- the company has transferred to the buyer the significant risks and rewards of ownership of the goods;
- the company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the economic benefits associated with the transaction will flow to the company; and
- the cost incurred or to be incurred in respect of the transaction can be measured reliably.

### 3.6 Foreign Currency Transaction/Translation

Foreign currency transactions are translated into Bangladeshi Taka at the exchange rates ruling at the transaction dates according to BAS 21: The effect of changes in Foreign Exchange Rates". Monetary assets and liabilities denominated in the foreign currencies are translated at prevailing rates on the balance sheet (financial position) date. Non monetary assets and liabilities denominated in foreign currencies, which are related at historical cost, are translated into Bangladesh Taka at the exchange rate ruling at the date of transactions. Foreign exchange fluctuation gain/losses are charged to Statement of profit or loss and other Comprehensive Income for the respective period.

### 3.7 Financial Expenses

Financial costs comprise of interest expense on short term loan. The costs are charged to revenue except those are capitalized in accordance with BAS 23: Borrowing Costs.

### 3.8 Financial Instruments

Non-derivative financial instruments comprise trade receivables, trade payables, cash and cash equivalents and share capital.

#### Trade Receivables

Trade receivables are recognized initially at invoice value and subsequently measured at the remaining amount less allowance for doubtful receivable at the year end, if any. Receivables from foreign currency transactions are recognized in Bangladeshi Taka using exchange rates prevailing on the date of transaction.

#### Trade Payables

Liabilities are recorded at the amount payable for settlement in respect of goods and services received by the company, whether or not billed by the suppliers

#### Cash and Cash Equivalents

Cash and cash equivalents consist of cash in hand and with banks on current and deposit accounts and short term investments which are held and available for use by the company without any restriction. There is insignificant risk of change in value of the same.

#### Share Capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares are recognized as a deduction from equity, net of any tax effect.

### 3.9 Taxation

#### 3.9.1 Current Tax

Current tax is the expected tax payable on the taxable income for the financial year, using tax rates enacted or subsequently enacted after the reporting date and any adjustment to tax payable in respect of previous years. Provision for taxation is calculated on the basis of applicable current tax rate and incompliance with Finance Act. 2017.

#### 3.9.2 Deferred Tax

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 statement of financial position date.

**3.10 Provisions**

As per "BAS 37: Provisions, Contingent Liabilities and Contingent Assets" a provision recognized on the date of statement of financial position if, as a result of past even Company has a present obligation that can be estimated reliably, and it is probable the outflow of economic benefits will be required to settle the obligation.

A provision is recognized 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.

**3.11 Contingencies**

Contingencies arising from claim, litigation assessment, fines, penalties etc are recorded it is probable that a liability has been incurred and the amount can be measured reliably accordance with "BAS 37: Provisions, Contingent Liabilities and Contingent Assets".

**3.12 Earning Per Share (EPS)**

The company calculates Earning Per Share (EPS) in accordance with BAS 33 "Earning Per Share" which has been shown on the face of statement of profit or loss and other Comprehensive Income and the computation of EPS is stated in Note - 22 of the financial statements.

**Basic Earnings**

This represents earnings for the period attributable to the ordinary shareholders. As there is no preference dividend, minority interest or extra ordinary items, the net profit for the year has been considered as fully attributable to ordinary shareholders. Basic earnings per share has been calculated by dividing the net profit or loss by the number of ordinary share outstanding during the year.

**Diluted Earnings Per Share (DEPS)**

Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and weighted average number of ordinary shares outstanding, for the effect of all dilutive potential ordinary shares. However, dilution of EPS is not applicable for these financial statements as there were no potential ordinary shares during the relevant period.

**3.13 Contingent Liabilities and Assets**

Contingent liabilities are current or possible obligations, arising from past events and whose existence is due to the occurrence or non- occurrence of one or more uncertain future events, which are not within the control of the company. In accordance with BAS 37 provisions, contingent liabilities and contingent assets are disclose in note 31 of the financial statements.

**3.14 Worker's profit participation & welfare funds**

The company contributed 5% of net profit before charging the amount to the aforementioned fund in accordance with the requirement of section 234 of labour Act. 2006.

**3.15 Segment Reporting**

No segmental reporting is applicable for the company as required by "BAS 14: Segment Reporting" as the company operates in a single industry segment and within as geographical segment.

**3.16 Event after Statement of Financial Position Date**

In compliance with the requirements of "BAS-10: Event After the reporting period" that provide additional information about the company's position at the date of the financial position are reflected in the financial statements.

**3.17 Going Concern**

The company has adequate resources to continue its operations for foreseeable future. For this reason the directors continue to adopt the going concern basis in preparing the accounts. The resources of the company are sufficient to meet the present obligation of its existing businesses and operations.

### 3.18 Related Party Disclosures

The company carried out a number of transactions with related parties in the normal course of business and on arms' length basis. The information as required by BAS 24: Related Party Disclosures has been disclosed in a separate note (note no: 30) to the accounts.

### 3.19 Financial Risk Management Policies

The company is exposed to normal business risks from changes in market interest rates and currency exchange rates and from non-performance of contractual obligations by counterparties. The company does not hold or issue derivative financial instruments for speculative or trading purposes.

#### Interest Rate Risk

The company has no significant risk of fluctuations in interest rates.

#### Foreign Currency Risk

The company is exposed to foreign currency risk relating to purchases which are denominated in foreign currencies.

#### Credit Risk

Credit risk is the potential financial loss resulting from the failure of a customer or counterparty to settle its financial and contractual obligations to the company as and when they fall due.

Management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis. Credit evaluations are performed on all customers requiring credit over a certain amount. At the reporting date there were no significant concentrations of credit risk. The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the statement of financial position. However, due to the large number of parties comprising the group's customer base, Management does not anticipate material losses from its debt collection.

#### Liquidity Risk

The company monitors its liquidity risk and maintains a level of cash and cash equivalents deemed adequate by management to finance the company operations and to mitigate the effects of fluctuations in cash flows.

#### Fair Values

The fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

The fair value of trade and other short-term receivables are taken to approximate their carrying value. The fair value of financial assets and liabilities approximate their carrying value.

### 3.20 General

i) Comparative figures have been re-arranged where 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.

ii) Figures for the previous year have been rearranged wherever considered necessary to ensure comparability with the current year.

#### 4.00 Property Plant & Equipment

##### At cost

|                                       |
|---------------------------------------|
| Land and land Development             |
| Factory Building & Civil Construction |
| Plant & Machinery                     |
| Logistics Equipment                   |
| Furniture & Fixture                   |
| Motor Vehicles                        |
| Office Equipment                      |
| Machinery under capital lease         |

##### Accumulated Depreciation:

|                                       |
|---------------------------------------|
| Land and land Development             |
| Factory Building & Civil Construction |
| Plant & Machinery                     |
| Logistics Equipment                   |
| Furniture & Fixture                   |
| Motor Vehicles                        |
| Office Equipment                      |
| Machinery under capital lease         |

##### Written down value

Details shown in Annexure-1.

| Amount in BDT        |                      |
|----------------------|----------------------|
| 30-Jun-17            | 30-Jun-16            |
| <b>2,508,700,319</b> | <b>2,351,233,858</b> |
| 1,048,750,000        | 1,048,750,000        |
| 402,531,158          | 367,704,568          |
| 793,428,390          | 670,788,519          |
| 77,810,979           | 77,810,979           |
| 2,962,460            | 2,962,460            |
| 39,806,505           | 39,806,505           |
| 13,510,827           | 13,510,827           |
| 129,900,000          | 129,900,000          |
| <b>419,356,780</b>   | <b>359,036,776</b>   |
| -                    | -                    |
| 84,166,977           | 72,352,911           |
| 232,927,379          | 199,970,089          |
| 27,894,728           | 24,137,591           |
| 1,530,924            | 1,371,864            |
| 22,370,054           | 18,010,941           |
| 5,767,325            | 4,906,936            |
| 44,699,393           | 38,286,444           |
| <b>2,089,343,539</b> | <b>1,992,197,082</b> |

#### 4.01 Revaluation Surplus of Land

The company revalued its land & land development on 12 April 2012 by Emerging Resources Ltd. following the resolution of the Board of Directors on 30 April 2012 to make a reflection of the present value of those assets in the financial statements as on 30 June 2012. The Company did not revalue its other assets as because the difference of present value and book value of such asset is insignificant. Details of the revaluation of the assets are given below:

| Particulars             | Net Book value Taka<br>(30.06.2011) | Revalued Amount<br>(Taka) | Value Increase due<br>to Revaluation<br>(Taka) |
|-------------------------|-------------------------------------|---------------------------|------------------------------------------------|
| Land & Land development | 104,800,000                         | 1,048,750,000             | 943,950,000                                    |

#### 5.00 Advances, Deposits and Prepayments

Advances (Note:5.1)

Deposits (Note: 5.2)

##### 5.01 Advance

|                                  |
|----------------------------------|
| Factory Staff                    |
| Advance Income Tax (Note- 5.1.1) |
| Advance to Advertisement Party   |
| Advance to Supplier Party        |
| Value Added Tax-Current Account  |

##### 5.1.1 Advance Income tax

|                               |
|-------------------------------|
| Opening                       |
| Adjustment during the year    |
| Source Tax on Interest Income |
| Payment During the year       |

|                   |                   |
|-------------------|-------------------|
| 62,639,398        | 61,763,786        |
| 9,373,178         | 7,627,469         |
| <b>72,012,576</b> | <b>69,391,255</b> |
| 3,865,184         | 4,699,124         |
| 58,479,655        | 44,739,457        |
| -                 | 6,000,000         |
| -                 | 5,844,972         |
| 294,559           | 480,233           |
| <b>62,639,398</b> | <b>61,763,786</b> |
| 44,739,457        | 31,870,537        |
| (44,739,457)      | (31,870,537)      |
| 85,632            | 102,394           |
| 58,394,023        | 44,637,063        |
| <b>58,479,655</b> | <b>44,739,457</b> |





|                                                                              |  | Amount in BDT        |                      |
|------------------------------------------------------------------------------|--|----------------------|----------------------|
|                                                                              |  | 30-Jun-17            | 30-Jun-16            |
| <b>5.02 Deposits:</b>                                                        |  |                      |                      |
| Bangladesh Power Development Board                                           |  | 1,140,000            | 1,140,000            |
| FDR (Karnaphuli Gas Distribution Co. Ltd.)                                   |  | 6,310,048            | 4,564,339            |
| BTCL                                                                         |  | 12,000               | 12,000               |
| Lease Deposit                                                                |  | 1,911,130            | 1,911,130            |
|                                                                              |  | <b>9,373,178</b>     | <b>7,627,469</b>     |
| <b>6.00 Inventories</b>                                                      |  |                      |                      |
| Finished Goods                                                               |  | 869,071,392          | 946,362,692          |
| Raw Materials                                                                |  | 980,179,200          | 635,477,378          |
| Spares Parts                                                                 |  | 37,256,890           | 32,056,210           |
|                                                                              |  | <b>1,886,507,482</b> | <b>1,613,896,280</b> |
| <b>7.00 Accounts Receivable</b>                                              |  |                      |                      |
| Opening                                                                      |  | 1,286,718,741        | 913,387,690          |
| Sales During the year                                                        |  | 7,488,695,752        | 5,377,411,796        |
| Collection during the year                                                   |  | (6,992,129,820)      | (5,004,080,746)      |
|                                                                              |  | <b>1,783,284,673</b> | <b>1,286,718,741</b> |
| The management believe that above receivables are good and fully realisable. |  |                      |                      |
| <b>7.01 Ageing of Accounts Receivables are as follows:</b>                   |  |                      |                      |
| Less than 30 days                                                            |  | 624,149,636          | 248,133,333          |
| Over 30 days but less than 60 days                                           |  | 410,155,475          | 138,889,752          |
| Over 60 days but less than 90 days                                           |  | 463,654,015          | 555,205,113          |
| Over 90 days                                                                 |  | 285,325,548          | 344,593,809          |
|                                                                              |  | <b>1,783,284,673</b> | <b>1,286,822,007</b> |
| <b>8.00 Cash and cash equivalents</b>                                        |  |                      |                      |
| Cash in Hand                                                                 |  | 3,223,443            | 8,588,703            |
| Cash at Banks(Note-8.01)                                                     |  | 14,652,797           | 25,197,098           |
|                                                                              |  | <b>17,876,240</b>    | <b>33,785,801</b>    |
| <b>8.01 Cash at Banks</b>                                                    |  |                      |                      |
| AB Bank Limited # 4000                                                       |  | 22,067               | 27,834               |
| AB Bank Limited # 4430                                                       |  | 930,407              | 584,752              |
| Agrani Bank Ltd # 9069                                                       |  | 155,864              | 60,884               |
| Al Arafa Islami Bank Limited # 3027(1331)                                    |  | 333,237              | 173,768              |
| Bank Asia # 240                                                              |  | 36,195               | 53,622               |
| City Bank Limited # 6001                                                     |  | 257,161              | 209,750              |
| Dutch-Bangla Bank Limited # 0963                                             |  | 1,501,155            | 1,656,517            |
| Exim Bank Limited # 2676                                                     |  | 138,855              | 294,892              |
| First Security Islami Bank Limited # 2598                                    |  | 118,430              | 444,587              |
| HSBC # 004-111092-011                                                        |  | 56,406               | 56,981               |
| ICB Islami Bank Limited # 3098                                               |  | 1,785                | 2,360                |
| Islami Bank Bangladesh Limited # 3718                                        |  | 248,412              | 37,782               |
| Janata Bank Limited # 2788                                                   |  | 47,053               | 46,407               |
| Janata Bank Limited # 293                                                    |  | 16,556               | 6,654                |
| Meghna Bank Limited # 0007                                                   |  | 31,631               | 1,746,269            |

|                                                          |                   |                   |
|----------------------------------------------------------|-------------------|-------------------|
| Meghna Bank Limited # 0131                               | 24,686            | 49,647            |
| Mercantile Bank Limited # 588                            | 100,136           | 118,951           |
| National Bank Limited # 1876                             | 499,979           | 407,642           |
| National Credit and Commerce Bank Limited # 804          | 170,338           | 1,175,345         |
| One Bank Limited # 275                                   | 683,983           | 559,946           |
| Premier Bank Limited # 1729                              | 303,277           | 1,170,641         |
| Pubali Bank Limited # 0724                               | 542,905           | 745,512           |
| Sonali Bank Limited # 17497                              | 1,344,650         | 925,532           |
| South Bangla Agriculture & Commerce Bank Limited # 45119 | 2,721,818         | 1,764,518         |
| South Bangla Agriculture & Commerce Bank Limited # 0778  | 104,125           | 39,270            |
| Southeast Bank Limited # 02091                           | 3,501             | 23,839            |
| Southeast Bank Limited # 45907                           | 11,610            | 12,760            |
| Southeast Bank Limited # 998                             | 109,735           | 1,753,227         |
| Standard Bank Limited # 217                              | 234,780           | 427,863           |
| Trust Bank Limited # 1020                                | 3,070,730         | 3,032,442         |
| Trust Bank Limited # 277                                 | 87,413            | 4,161,532         |
| Trust Bank Limited # 835                                 | -                 | 975               |
| Trust Bank Limited # 015 (IPO A/C)                       | 326,540           | 330,268           |
| United Commercial Bank Limited # 238                     | 341,500           | 3,034,562         |
| United Commercial Bank Limited # 601(New 168)            | 64,446            | 43,473            |
| United Commercial Bank Limited # 6785(new-158)           | 11,436            | 16,093            |
|                                                          | <b>14,652,797</b> | <b>25,197,098</b> |

## 9.00 Share Capital

### Authorised Share Capital

10,000,0000 Ordinary Shares of BDT 10 each

|                      |                      |
|----------------------|----------------------|
| <b>1,000,000,000</b> | <b>1,000,000,000</b> |
|                      |                      |
| 296,000,000          | 296,000,000          |
| 359,200,000          | 359,200,000          |
| 131,040,000          | 131,040,000          |
| 78,624,000           | -                    |
| <b>864,864,000</b>   | <b>786,240,000</b>   |

### Issued, Subscribed and Paid-up capital

29,600,000 Ordinary Shares of Tk. 10 each (For the year 2014)

35,920,000 Ordinary Share as at Tk. 10 each (For the year 2015)

13,104,000 Ordinary Shares as at Tk. 10 each (For the year 2016)

7,862,400 Ordinary Shares as at Tk. 10 each (For the year 2017)

**86,486,400 Ordinary Shares of BDT 10 each**

(7,862,400 Bonus Share at Tk. 10 each has been issued for the year 2016)

## 9.01 Classification of shares by holding class by number of shares

| Class by Number of Shares | Number of Holders | Number of Shares | Holding (%) |
|---------------------------|-------------------|------------------|-------------|
| Less than 500             | 4,644             | 910,124          | 1.052       |
| From 500 to 5,000         | 2,580             | 4,634,305        | 5.358       |
| From 5,001 to 10,000      | 400               | 3,001,156        | 3.470       |
| From 10,001 to 20,000     | 215               | 3,125,883        | 3.614       |
| From 20,001 to 30,000     | 87                | 2,177,847        | 2.518       |
| From 30,001 to 40,000     | 44                | 1,549,348        | 1.791       |
| From 40,001 to 50,000     | 24                | 1,138,843        | 1.317       |
| From 50,001 to 100,000    | 37                | 2,572,379        | 2.974       |
| From 100,001 to 1,000,000 | 39                | 9,796,650        | 11.327      |
| Above 1,000,000           | 12                | 57,579,865       | 66.577      |
| Total                     | 8,082             | 86,486,400       | 100.00      |

| Amount in BDT |           |
|---------------|-----------|
| 30-Jun-17     | 30-Jun-16 |

9.02 Compositon of Shareholders at 30 June, 2017

| Name of Shareholders | Number of Shares  | Holding (%)   |
|----------------------|-------------------|---------------|
| Sponsor Shareholders | 28,872,960        | 33.38         |
| Institutes           | 28,708,308        | 33.19         |
| Other Shareholders   | 28,905,132        | 33.42         |
| <b>Total</b>         | <b>86,486,400</b> | <b>100.00</b> |

10.00 Lease Liabilities

|                                                 |                   |                   |
|-------------------------------------------------|-------------------|-------------------|
| IDLC Finance Lease Liability-1001 (Note: 10.01) | 16,395,683        | 29,435,920        |
| IDLC Finance Lease Liability-1002 (Note: 10.02) | 795,891           | 1,988,126         |
|                                                 | <b>17,191,573</b> | <b>31,424,046</b> |

10.01 IDLC Finance Lease Liability-1001

|                     |                   |                   |
|---------------------|-------------------|-------------------|
| Due Within one Year | 16,395,683        | 20,887,409        |
| Due After one year  | -                 | 8,548,511         |
|                     | <b>16,395,683</b> | <b>29,435,920</b> |

10.02 IDLC Finance Lease Liability-1002

|                     |                |                  |
|---------------------|----------------|------------------|
| Due Within one Year | 795,891        | 1,192,235        |
| Due After one year  | -              | 795,891          |
|                     | <b>795,891</b> | <b>1,988,126</b> |

The details Terms of Leased Loan (IDLC) is as under:

**Lender:**IDLC Finance Limited

**Total Lease Facilities:** The lease loan amount was Eight crore and eighty lac on which 7.74 crore enjoyed by the company.

**Interest Rate:** Initial interest rate is 16.70% per annum for the one year from the date of disbursement. Thereafter the rate of interest shall be reviewed at annual intervals.

**Revised Interest Rate:** The rate of interest was changed at rate of 15% from March 12,2014.

**Loan Term:** 5 years

**Monthly Installment:** Monthly Installment Revised at BDT 1,878,730 which effective from 12.03.2014.

**Disbursement:** Disbursement was made on 7th January 2013 and 14th Novemver, 2012.

**Repayment:**The both Loan facility of IDLC finance will be repayable in 60 equal monthly installment.

**Purpose:** The purpose of the loan is for the procurement of the capital machinery.

**Security:** Personal Guarantee from all Directors of the Company.

| Amount in BDT |           |
|---------------|-----------|
| 30-Jun-17     | 30-Jun-16 |

#### 11.00 Deferred tax Liability

Deferred tax liability has been calculated below at the applicable tax rate on the difference between the carrying value of property, plant and equipment as per financial statements and tax written down value and financial position's liability method for gratuity obligation.

|                                                       |                    |                    |
|-------------------------------------------------------|--------------------|--------------------|
| Opening balance                                       | 131,498,915        | 114,345,211        |
| Deferred tax liability /(assets) as on 30 June.       | 9,377,079          | 17,153,704         |
| <b>Increase /(decrease) of deferred tax liability</b> | <b>140,875,994</b> | <b>131,498,915</b> |

\*\*\* Deferred tax liabilities/(assets) recognized in accordance with the provision of BAS's-12.

Details Shown in Annexure-2.

#### 12.00 Short Term Liabilities:

|                          |                      |                      |
|--------------------------|----------------------|----------------------|
| Sonali Bank: Pledge # 08 | 357,020,071          | 372,521,900          |
| Sonali Bank: Hypo # 22   | 593,641,577          | 570,062,823          |
| Sonali Bank # LTR        | 502,912,776          | 442,919,320          |
|                          | <b>1,453,574,424</b> | <b>1,385,504,042</b> |

**The details Terms of CC loan (Sonali Bank) is as under:**

**Lender:** Sonali Bank Limited

**Total loan:** Total loan amount Limit is Tk. 75 crore which consist of Tk. 45 crore of Hypothecation and Tk. 30 crore of pledge loan.

**Interest Rate:** Annually Hypo-13% and pledge-13% compound interest on three month installment basis. Thereafter the rate of interest shall be reviewed at annual intervals.

**Margin:** 20% margin on both Hypo and Pledge Facility.

**Re-Payment:** From sale of finished goods on Daily, weekly or lumpsum payment before the specified date of repayment.

**Security:**

**Hypo & Pledge**

a) Raw-materials, work in progress, finished goods, machineries, spare parts etc. stored in the Factory and warehouse.

b) Industrial Plot no. 175 & 176 contained 100 Decimal Land situated Baizid Bostami Industrial Area, Chittagong.

**Purpose:** To meet the working capital requirements.

**Mataturity:** 31 August, 2016

Terms of LTR Loan ( Sonali Bank)

**Lender:** Sonali Bank Limited

**Total Loan Facility:**

Tk. 50 Crore LTR Facility for 90 days Period.

**Interest Rate Applied:**

Annually 13% Interest Rate.

**Security**

a) Personal Guarantee of all the Directors of Ratanpur Steel Re-rolling Mills Limited.

b) Post Dated Cheque

c) Industrial Plot no. 175 & 176 contained 100 Decimal Land situated Baizid Bostami Industrial Area, Chittagong.

**Mataturity Date:** Apprx. 90 days from disposal



| Amount in BDT                                                    |                      |                      |
|------------------------------------------------------------------|----------------------|----------------------|
|                                                                  | 30-Jun-17            | 30-Jun-16            |
| <b>13.00 Creditors and Accruals</b>                              |                      |                      |
| Accounts payable                                                 | 580,520              | 384,013              |
| Advance Against Sales                                            | 91,210,925           | 67,151,906           |
| For Revenue Expenses (Note: 13.01)                               | 26,001,780           | 45,393,300           |
| Other Finance (Note: 13.02)                                      | 6,119,088            | 4,796,960            |
|                                                                  | <b>123,912,313</b>   | <b>117,726,179</b>   |
| <b>13.01 For Revenue Expenses</b>                                |                      |                      |
| Accrued for Salary & wages                                       | 6,713,087            | 6,094,273            |
| Accrued for Electricity Bill                                     | 15,176,200           | 34,255,671           |
| Accrued for Gas Bill                                             | 3,670,598            | 4,648,861            |
| Accrued for Wasa Bill                                            | 86,510               | 7,176                |
| Accrued for Telephone Bill                                       | 5,386                | 21,569               |
| Audit Fees                                                       | 350,000              | 365,750              |
|                                                                  | <b>26,001,780</b>    | <b>45,393,300</b>    |
| <b>13.02 Other Finance</b>                                       |                      |                      |
| Unclaimed Refund Warrant                                         | 3,397,270            | 3,032,442            |
| Unclaimed Dividend                                               | 2,721,818            | 1,764,518            |
|                                                                  | <b>6,119,088</b>     | <b>4,796,960</b>     |
| <b>14.00 Income Tax Liability</b>                                |                      |                      |
| Accrued during the year                                          | 222,518,512          | 83,227,883           |
|                                                                  | <b>222,518,512</b>   | <b>83,227,883</b>    |
| Details shown in Annexure-3.                                     |                      |                      |
| <b>15.00 Workers' Profit Participation Fund and Welfare Fund</b> |                      |                      |
| Opening Balance                                                  | 18,580,401           | 13,471,243           |
| Add: Addition during the year @ 5%                               | 46,987,672           | 18,580,401           |
|                                                                  | 65,568,073           | 32,051,644           |
| Less: Paid during the year                                       | (18,580,401)         | 13,471,243           |
| Closing Balance                                                  | <b>46,987,672</b>    | <b>18,580,401</b>    |
| <b>16.00 Revenue</b>                                             |                      |                      |
|                                                                  | <b>7,541,531,226</b> | <b>5,419,982,091</b> |
| Sale of MS Rod                                                   | 7,168,458,635        | 5,226,572,959        |
| Misroll & Others                                                 | 373,072,592          | 193,409,132          |
|                                                                  |                      |                      |
| Gross Revenue                                                    | 7,541,531,226        | 5,419,982,091        |
| Value Added Tax (VAT)                                            | (52,835,474)         | (42,570,295)         |
|                                                                  | <b>7,488,695,752</b> | <b>5,377,411,796</b> |

Quantity as per sales is shown in Note: 26.01



#### 17.00 Cost of Goods Sold

Raw Materials Used(Note: 17.01)

Direct Labor

Electricity Bill

Wasa Bill

Spare Parts Used(Note : 17.02)

Loading &amp; Unloading Bill

Gas Bill

Carriage Inward

**Prime Cost (A)**
**Indirect Expenses associated with production (B)**

Repair &amp; Maintenance

Medical Exp.

Depreciation

**Cost of Production (A + B)**

Opening Finished Goods

**Cost of Goods Available for Sale**

Closing Finished Goods

**Cost of Goods Sold**

#### 17.01 Raw Materials Used

Opening Stock of Raw Materials

Purchases of Raw Materials

**Cost of Raw Materials available for use**

Closing Raw Materials

**Cost of Raw Materials used**

#### 17.02 Spare Parts used

Opening Stock of Spare Parts

Purchase during the year

**Spare Parts available for use**

Closing Stock of Spare Parts

**Spare Parts used during the year**

| Amount in BDT        |                      |
|----------------------|----------------------|
| 30-Jun-17            | 30-Jun-16            |
| 5,837,484,778        | 4,326,935,819        |
| 69,033,233           | 62,757,485           |
| 106,533,171          | 98,594,735           |
| 100,007              | 84,290               |
| 43,752,940           | 36,224,429           |
| 12,369,896           | 11,245,360           |
| 26,381,000           | 26,234,494           |
| -                    | 105,000              |
| <b>6,095,655,025</b> | <b>4,562,181,611</b> |
| <b>58,384,140</b>    | <b>72,612,951</b>    |
| 627,457              | 13,530,484           |
| 452,679              | 461,969              |
| 57,304,004           | 58,620,499           |
| <b>6,154,039,165</b> | <b>4,634,794,562</b> |
| 946,362,692          | 1,038,436,734        |
| <b>7,100,401,857</b> | <b>5,673,231,296</b> |
| (869,071,392)        | (946,362,692)        |
| <b>6,231,330,465</b> | <b>4,726,868,604</b> |
| 635,477,378          | 672,147,197          |
| 6,182,186,600        | 4,290,266,000        |
| <b>6,817,663,978</b> | <b>4,962,413,197</b> |
| (980,179,200)        | (635,477,378)        |
| <b>5,837,484,778</b> | <b>4,326,935,819</b> |
| 32,056,210           | 29,258,630           |
| 48,953,620           | 39,022,009           |
| <b>81,009,830</b>    | <b>68,280,639</b>    |
| (37,256,890)         | (32,056,210)         |
| <b>43,752,940</b>    | <b>36,224,429</b>    |

|       |                                          | Amount in BDT |            |
|-------|------------------------------------------|---------------|------------|
|       |                                          | 30-Jun-17     | 30-Jun-16  |
| 18.00 | <b>Administrative and Other Expenses</b> |               |            |
|       | Director's remuneration (Note-27)        | 1,965,000     | 1,965,000  |
|       | Salary & Allowance                       | 6,307,840     | 5,632,000  |
|       | Entertainment                            | 1,611,435     | 1,568,492  |
|       | Travelling Expenses                      | 2,167,175     | 1,888,089  |
|       | Legal Expenses                           | 196,500       | 538,500    |
|       | Stationary                               | 286,327       | 265,603    |
|       | Paper & Periodicals                      | 8,332         | 15,831     |
|       | Postage & Stamp                          | 244,755       | 94,635     |
|       | Mobile Bill                              | 1,305,346     | 1,067,695  |
|       | Electricity Expenses                     | 1,127,146     | 1,079,455  |
|       | Audit Fees                               | 350,000       | 365,750    |
|       | Telephone Bill                           | 35,250        | 112,492    |
|       | Internet Bill                            | 990,322       | 850,230    |
|       | Fire License Expenses                    | 3,000         | 3,000      |
|       | Office Expenses                          | 725,647       | 388,909    |
|       | Sundry Expenses                          | 796,026       | 143,280    |
|       | Office rent                              | 240,000       | 240,000    |
|       | ISO related Expenses                     | 279,059       | 187,450    |
|       | Insurance                                | 714,120       | 885,868    |
|       | Conveyanance                             | 607,461       | 567,102    |
|       | Land Revenue                             | 68,682        | 33,300     |
|       | Depreciation                             | 3,016,000     | 3,085,289  |
|       | Certificate and Membership Expenses      | 1,252,814     | 1,467,011  |
|       | Donation and Subscriptions               | -             | 100,000    |
|       | Guest house Expenses                     | 184,302       | 291,300    |
|       | Repairs and maintenance                  | 3,992,230     | 326,900    |
|       | Medical Expenses                         | 23,881        | 24,314     |
|       | Seminar & Workshop                       | -             | 240,000    |
|       | Vehicle Expenses                         | 594,157       | -          |
|       | AGM Related Expense                      | 1,210,327     | 761,066    |
|       | Trade License                            | 16,300        | 36,750     |
|       |                                          | 30,319,434    | 24,225,311 |
| 19.00 | <b>Selling and Distribution Expenses</b> |               |            |
|       | Carriage Outwards                        | 23,425,630    | 18,707,138 |
|       | Salary & Allowance                       | 5,215,969     | 4,741,790  |
|       | TA & DA of Sales Representative          | 3,926,530     | 2,886,892  |
|       | Sales Commission                         | 2,000,000     | 1,000,000  |
|       | Travelling Expenses                      | 928,789       | 809,181    |
|       | Rod testing Expenses                     | 563,768       | 327,005    |
|       | Advertisement Expenses                   | 13,252,630    | 11,808,534 |
|       |                                          | 49,313,316    | 40,280,540 |


**20.00 Finance Cost:**
**Interest on Lease Loan:**

IIDFC Lease Liability-13480

IDLC Lease Liability-1001 &amp; 1002

**Interest on CC-Hypo:**

Sonal Bank Limited: Hypo # 1027

**Interest on CC-Pledge:**

Sonal Bank Limited: Pledge # 1084

**Interest on Sonali Bank # LTR**
**Bank Charges**
**Foreign Exchange Loss**
**21.00 Finance Income**

AB Bank Limited # 4430

Al-Arafah Islami Bank Limited # 1331

Agrani Bank Ltd # 9069

Bank Asia # 240

City Bank Limited # 6001

Dutch Bangla Bank Limited # 0963

Exim Bank Limited # 2676

First Security Islami Bank Limited # 2598

Janata Bank Limited # 293

Meghna Bank Limited # 0007

Marcentile Bank Limited# 588

National Credit and Commerce Bank Limited # 804

One Bank Limited # 275

Premier Bank Limited # 1729

Pubali Bank Limited # 0724

South Bangla Agriculture & Commerce Bank Limited  
# 45119

South Bangla Agriculture & Commerce Bank Limited  
# 100778

Southeast Bank Limited # 998

Southeast Bank Limited# 2091

Standard Bank Limited # 217

Trust Bank # 1020-Interest Income (IPO Fund)

Mercantile Bank Ltd #217 (FDR)

Trust Bank Limited # 277

United Commercial Bank Limited # 238

United Commercial Bank Limited # 601

United Commercial Bank Limited # 6785

| Amount in BDT |             |
|---------------|-------------|
| 30-Jun-17     | 30-Jun-16   |
| 3,028,291     | 5,401,064   |
| -             | 178,384     |
| 3,028,291     | 5,222,680   |
| 75,413,754    | 74,973,686  |
| 75,413,754    | 74,973,686  |
| 47,683,171    | 48,048,416  |
| 47,683,171    | 48,048,416  |
| 65,248,956    | 67,592,065  |
| 425,062       | 634,342     |
| -             | -           |
| 191,799,234   | 196,649,573 |
| 68,432        | 21,123      |
| 13,576        | 12,317      |
| 16,718        | 6,539       |
| 21,694        | 17,320      |
| 16,619        | 14,486      |
| 55,736        | 94,601      |
| 7,239         | 11,831      |
| 28,903        | 21,513      |
| 258           | 66          |
| 11,479        | 6,110       |
| 16,112        | 28,421      |
| 25,764        | 26,630      |
| 24,362        | 18,609      |
| 7,318         | 8,046       |
| 40,403        | 51,429      |
| 118,179       | 67,052      |
| 21,726        | 3,246       |
| 127,164       | 140,495     |
| 347           | 79,658      |
| 12,298        | 10,685      |
| 45,487        | 75,115      |
| 53,340        | -           |
| 20,856        | 28,392      |
| 46,569        | 44,739      |
| 2,122         | 2,069       |
| 5,121         | 10,158      |
| 807,818       | 800,650     |



|                                                                                                                                                                                                                                                                                                                                                                                               |  | Amount in BDT |               |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--|---------------|---------------|
|                                                                                                                                                                                                                                                                                                                                                                                               |  | 30-Jun-17     | 30-Jun-16     |
| <b>22.00 Earnings per share (EPS)</b>                                                                                                                                                                                                                                                                                                                                                         |  |               |               |
| Net profit attributable to the shareholders for the year                                                                                                                                                                                                                                                                                                                                      |  | 707,857,860   | 271,226,431   |
| Number of Ordinary Shares at year end                                                                                                                                                                                                                                                                                                                                                         |  | 86,486,400    | 78,624,000    |
| Basic EPS                                                                                                                                                                                                                                                                                                                                                                                     |  | 8.18          | 3.45          |
| <b>23.00 Restated EPS</b>                                                                                                                                                                                                                                                                                                                                                                     |  |               |               |
| Net profit attributable to the shareholders for the year                                                                                                                                                                                                                                                                                                                                      |  |               | 271,226,432   |
| Number of Ordinary Shares at year end                                                                                                                                                                                                                                                                                                                                                         |  |               | 86,486,400    |
| Restated EPS                                                                                                                                                                                                                                                                                                                                                                                  |  |               | 3.14          |
| <p><b>Restated EPS</b></p> <p>Earning per share (EPS) has been computed by dividing the net profit after tax (NPAT) by the weighted average number of ordinary shares outstanding as on 30 June, 2017 as per BAS-33 and EPS for the year 1 July 2016 to 30 June, 2017 has been restated based on the new weighted average number of ordinary shares in accordance with para 64 of BAS 33.</p> |  |               |               |
| <b>24.00 Net Asset Value per share (NAV)</b>                                                                                                                                                                                                                                                                                                                                                  |  |               |               |
| Total Assets                                                                                                                                                                                                                                                                                                                                                                                  |  | 5,862,322,040 | 4,995,989,159 |
| Total Liabilities                                                                                                                                                                                                                                                                                                                                                                             |  | 2,005,060,488 | 1,767,961,466 |
| Shareholders' Equity                                                                                                                                                                                                                                                                                                                                                                          |  | 3,857,261,552 | 3,228,027,693 |
| Number of Ordinary Shares at the year end                                                                                                                                                                                                                                                                                                                                                     |  | 86,486,400    | 78,624,000    |
| Net Asset Value per share (NAV)                                                                                                                                                                                                                                                                                                                                                               |  | 44.60         | 41.06         |
| <b>25.00 Net Operating Cash Flow per share (NOCFPS)</b>                                                                                                                                                                                                                                                                                                                                       |  |               |               |
| Net cash inflow /(outflow) from Operating Activities                                                                                                                                                                                                                                                                                                                                          |  | 179,640,521   | 113,844,406   |
| Number of Ordinary Shares at the year end                                                                                                                                                                                                                                                                                                                                                     |  | 86,486,400    | 78,624,000    |
| Net Operating Cash Flow per share (NOCFPS)                                                                                                                                                                                                                                                                                                                                                    |  | 2.08          | 1.45          |



## 26.00 Quantitative movement of Inventories

### Raw Materials

Opening stock

Purchase during the year

### Total

Consumed during the year

Closing stock

### Finished Goods

Opening stock

Production during the period

### Total

Sales during the period (Note: 26.01)

Closing Stock

| Amount in BDT |           |
|---------------|-----------|
| 30-Jun-17     | 30-Jun-16 |

| Raw Materials<br>(M. Tons) | Raw Materials<br>(M. Tons) |
|----------------------------|----------------------------|
| 15,860                     | 14,960                     |
| 147,970                    | 108,890                    |
| <b>163,830</b>             | <b>123,850</b>             |
| (139,078)                  | (107,990)                  |
| <b>24,752</b>              | <b>15,860</b>              |
| 21,052                     | 19,371                     |
| 136,664                    | 106,831                    |
| <b>157,716</b>             | <b>126,202</b>             |
| (139,380)                  | (105,150)                  |
| <b>18,336</b>              | <b>21,052</b>              |
|                            |                            |
| 139,380                    | 101,397                    |
| -                          | 3,753                      |
| <b>139,380</b>             | <b>105,150</b>             |

## 26.01 Sales During the Period

MS Rod

Misroll & Others

## 27.00 Payment information to Directors as Per requirement of schedule XI, part II, Para 4 of the Company Act- 1994

| Name                                   | Gross Remuneration | Income tax deducted | Net paid         |
|----------------------------------------|--------------------|---------------------|------------------|
| Mr.Maksudur Rahman (Managing Director) | 700,000            | 26,147              | 673,853          |
| Mrs.Shamsun Nahar Rahman (Director)    | 615,000            | 26,147              | 588,853          |
| Md. Younus Bhuiyan (Director)          | 650,000            | 26,147              | 623,853          |
| <b>Total</b>                           | <b>1,965,000</b>   | <b>78,441</b>       | <b>1,886,559</b> |

## 28.00 Production capacity & Actual production

Production capacity

Actual Production

Excess/(Shortfall)

Capacity Utilised

| M. Tons  | M. Tons  |
|----------|----------|
| 187,200  | 187,200  |
| 136,664  | 106,831  |
| (50,536) | (80,369) |
| 73.00%   | 57.07%   |

## 29.00 Depreciation to be charge

Manufacturing

Administrative

|                   |                   |
|-------------------|-------------------|
| 57,304,004        | 60,419,869        |
| 3,016,000         | 2,939,596         |
| <b>60,320,004</b> | <b>63,359,465</b> |

\*\*\* Manufacturing overhead include depreciation on Factory Building & civil construction, plant & machinery, machinery under capital lease and Administrative overhead include depreciation on furniture & fixture, Motor Vehicles, office equipment. ( See Annexure-1)

### 30.00 Related party transaction

During the period the Company carried out a number of transactions with related parties in the normal course of business on an arms' length basis. Names of those related parties, nature of those transactions and their total value have been set out in accordance with the provisions of BAS-24: Related Party Disclosures.

| Particulars                   | Relationship        | Nature of Transactions  | Transactions during the year |
|-------------------------------|---------------------|-------------------------|------------------------------|
| Modern Steel Mills Ltd        | Common Directorship | Supply of Raw Materials | 4,288,512,750                |
| M/S Dynamic Steel Corporation | Common Ownership    | Supply of Raw Materials | 1,893,673,850                |
|                               |                     |                         | <b>6,182,186,600</b>         |

Details shown in Annexure-13.

### 31.00 Bank Gurantee

The company have no Bank gurantee on the reporting date

### 32.00 Employee Position of Ratanpur Steel Re- Rolling Mills Limited as per requirement of schedule XI, Part II, Para-3

| Salary Range (Monthly)          | Total | Officer & Worker |         |
|---------------------------------|-------|------------------|---------|
|                                 |       | Head Office      | Factory |
| For the year ended 30 June 2016 | 505   | 115              | 390     |
| Below 5,999                     | -     | -                | -       |
| Above 5,999                     | 530   | 120              | 410     |
| For the year ended 30 June 2017 | 530   | 120              | 410     |

### 33.00 Advances, Deposits & Prepayment (Note: 5) as per Schedule XI, Part-1 of the Companies Act 1994.

|                                                                              |            |
|------------------------------------------------------------------------------|------------|
| Advance, Deposits and pre-payments exceeding 6 Months                        | 9,373,178  |
| Not exceeding 6 Months                                                       | 62,639,398 |
| Total                                                                        | 72,012,576 |
| Advance, deposits and pre-payments considered Good and Secured:              |            |
| Advance, deposits and pre-payments                                           |            |
| Other Officers (against salary)                                              | 3,865,184  |
| Advance, Deposits and pre-payments due from companies under same management: | -          |
| Maximum Advance, deposits and pre-payments Officers at any time              | 3,865,184  |

| Amount in BDT |           |
|---------------|-----------|
| 30-Jun-17     | 30-Jun-16 |

#### 34.00 Cash Flow From Operating Activities (Indirect Method)

|                                                        |                    |                    |
|--------------------------------------------------------|--------------------|--------------------|
| Net Profit After Tax                                   | 707,857,860        | 271,226,431        |
| Depreciation as Non Cash Expenses                      | 60,320,004         | 61,705,788         |
| (Increase)/Decrease of Account Receivables             | (496,565,932)      | (373,331,051)      |
| (Increase)/Decrease of Inventories                     | (272,611,202)      | 125,946,281        |
| (Increase)/Decrease of Advance, Deposits & Prepayments | (2,621,321)        | 54,886,231         |
| Increase/(Decrease) of Creditors and Accruals          | 6,186,134          | (83,556,405)       |
| Increase/(Decrease) of Provision for Income Tax        | 139,290,629        | 32,139,302         |
| Increase/(Decrease) of Deferred Tax Liability          | 9,377,079          | 17,153,704         |
| Increase/(Decrease) of Provision for WPPF              | 28,407,271         | 5,109,158          |
| Increase/(Decrease) of Accrued Finance Cost            | -                  | 2,564,968          |
| <b>Net Cash Flow From Operating Activities</b>         | <b>179,640,521</b> | <b>113,844,406</b> |

#### 35.00 Event After Reporting Date.

(i) The company has entered in the capital market with the consent of Bangladesh Securities and Exchange Commission; Ref No: BSEC/CI/IPO-210/2012/342; by public offer of 25,000,000 ordinary shares of TK 10/- each at an issue price of TK 40/- each including a premium of TK 30/- per share, totaling to TK 1,000,000,000/-. A detail breakdown of this amount is as follows:

| CDBL fees & Deposit on dematerialization of eligible security                                                |
|--------------------------------------------------------------------------------------------------------------|
| Dematerialization fo 26,600,000 Sponsors shares × Tk 10/- issue price × Tk 0.000175 CDBL fee rate            |
| Distribution of 25,000,000 IPO Ordinary shares × Tk 40/- issue price (Tk 30 Premium + Tk 10 Face value) × Tk |
| Documentation Fee                                                                                            |
| Depository connection fee for the year from the date of allotment @ Tk 500/- per month                       |
| Fixed Annual Fee for the year from the date of allotment                                                     |
| Issuer Refundable Security Deposit                                                                           |
| <b>Total</b>                                                                                                 |

(ii) Composition of Post IPO Share Holding of The Company is as follows:

| Name of Shareholders       | No. of Shares     | Number of Shares  | Holding (%) |  |
|----------------------------|-------------------|-------------------|-------------|--|
| Sponsor Shareholders       | 29,600,000        | 28,869,160        | 33.38       |  |
| Institutional Shareholders | 2,489,760         | 28,713,485        | 33.20       |  |
| Other Shareholders         | 22,510,240        | 28,903,755        | 33.42       |  |
| <b>Total</b>               | <b>54,600,000</b> | <b>86,486,400</b> | <b>100</b>  |  |

(iii) Utilization of 100 Crore of IPO Proceeds as on 30 September 2014

| Particulars                                                          | Allotment as per IPO (Taka) |  |  |  |
|----------------------------------------------------------------------|-----------------------------|--|--|--|
| Working Capital                                                      | 230,000,000                 |  |  |  |
| Loan Repayment (Sonali Bank Limited, Laldighi Corporate Branch, Ctg) | 750,000,000                 |  |  |  |
| IPO Expenses                                                         | 20,000,000                  |  |  |  |
| <b>Total</b>                                                         | <b>1,000,000,000</b>        |  |  |  |

(i) Recommended Dividend for the year 2016-2017

The Board of Directors of the company in its 354th Meeting held on 24/08/2017 commencing at 4.30 P. M. and closing at 6.00 P.M recommended dividend for the year ended 30th July 2017 @ 17% stock and @ 5% cash.

**36.00 Financial risk management**

Bangladesh Financial Reporting Standard BFRS 7- Financial instruments: Disclosures-requires disclosure of The management has overall responsibility for the establishment and oversight of the company's risk management

|                |         |
|----------------|---------|
|                | Note(s) |
| a) Credit risk | 36.01   |

**36.01 Credit risk**

Credit risk is the risk of a financial loss to the company if a customer or counterparty to a financial instrument fails Management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis. In monitoring credit risk, debtors are grouped according to their risk profile, i.e. their legal status, financial condition, ageing profile etc. Accounts receivable are related to sale of steel (MS rod and allied products). The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the statement of financial position.

**a) 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:

|                                  |                      |                      |
|----------------------------------|----------------------|----------------------|
| Account receivable               | 1,783,284,673        | 1,286,718,741        |
| Advance, deposit and prepayments | 72,012,576           | 69,391,255           |
| Cash and bank balance            | 17,876,240           | 33,785,801           |
|                                  | <b>1,873,173,489</b> | <b>1,389,895,797</b> |


**b) Ageing of receivable**

Less than 30 days  
Over 30 days but less than 60 days  
Over 60 days but less than 90 days  
Over 90 days

| Amount in BDT        |                      |
|----------------------|----------------------|
| 30-Jun-17            | 30-Jun-16            |
| 624,149,636          | 248,133,333          |
| 410,155,475          | 138,889,752          |
| 463,654,015          | 555,205,113          |
| 285,325,548          | 344,593,809          |
| <b>1,783,284,673</b> | <b>1,286,822,007</b> |

**c) Credit exposure by credit rating**

Account receivable  
Advance, deposit and prepayments  
Cash and bank balances (note: C.01)

| As on 30 June, 2017                              |                      |                  |
|--------------------------------------------------|----------------------|------------------|
| Credit rating                                    | Amount               | %                |
| NR                                               | 1,783,284,673        | 95.20%           |
| NR                                               | 72,012,576           | 3.84%            |
|                                                  | 17,876,240           | 0.95%            |
|                                                  | <b>1,873,173,489</b> | <b>100%</b>      |
| <b>C.01) Cash and bank balances:</b>             |                      |                  |
| Cash in hand                                     | NR                   | 3,223,443 0.17%  |
| Cash at bank (note: C.01.01)                     |                      | 14,652,797 0.78% |
|                                                  | <b>17,876,240</b>    | <b>0.95%</b>     |
| <b>C.01.01) Cash at bank:</b>                    |                      |                  |
| AB Bank Limited                                  | A1                   | 952,474 0.05%    |
| Agrani Bank Ltd                                  | AA                   | 155,864 0.01%    |
| Al Arafa Islami Bank Limited                     | AA                   | 333,237 0.02%    |
| Bank Asia                                        | AA2                  | 36,195 0.00%     |
| City Bank Limited                                | AA3                  | 257,161 0.01%    |
| Dutch-Bangla Bank Limited                        | AA+                  | 1,501,155 0.08%  |
| Exim Bank Limited                                | AA-                  | 138,855 0.01%    |
| First Security Islami Bank Limited               | A+                   | 118,430 0.01%    |
| HSBC                                             | AAA                  | 56,406 0.00%     |
| ICB Islami Bank Limited                          | NR                   | 1,785 0.00%      |
| Islami Bank Bangladesh Limited                   | AA+                  | 248,412 0.01%    |
| Janata Bank Limited                              | A+                   | 63,609 0.00%     |
| Meghna Bank Limited                              | A                    | 56,317 0.00%     |
| Mercantile Bank Limited                          | AA                   | 100,136 0.01%    |
| National Bank Limited                            | AA                   | 499,979 0.03%    |
| National Credit and Commerce Bank Limited        | AA                   | 170,338 0.01%    |
| One Bank Limited                                 | AA-                  | 683,983 0.04%    |
| Premier Bank Limited                             | AA+                  | 303,277 0.02%    |
| Pubali Bank Limited                              | AA                   | 542,905 0.03%    |
| Sonali Bank Limited                              | AAA                  | 1,344,650 0.07%  |
| South Bangla Agriculture & Commerce Bank Limited | A3                   | 2,825,942 0.15%  |
| Southeast Bank Limited                           | AA                   | 124,846 0.01%    |
| Standard Bank Limited                            | AA                   | 234,780 0.01%    |
| Trust Bank Limited                               | AA2                  | 3,484,683 0.19%  |
| United Commercial Bank Limited                   | AA                   | 417,381 0.02%    |
|                                                  | <b>14,652,797</b>    | <b>0.78%</b>     |

Annexure-01

Ratanpur Steel Re-Rolling Mills Limited  
Property Plant & Equipment  
For The Financial Year Ended 30 June, 2017

| SL NO. | Particulars                           | Cost                             |                          |                          |                                  | Rate | Depreciation                     |                     |                                  | Written down value as on 30.06.2017 |
|--------|---------------------------------------|----------------------------------|--------------------------|--------------------------|----------------------------------|------|----------------------------------|---------------------|----------------------------------|-------------------------------------|
|        |                                       | Opening Balance as on 01.07.2016 | Addition during the year | Disposal During the year | Closing Balance as on 30.06.2017 |      | Opening Balance as on 01.07.2016 | Charge for the year | Closing Balance as on 30.06.2017 |                                     |
| 1      | Land and land Development             | 1,048,750,000                    |                          | -                        | 1,048,750,000                    |      | -                                | -                   | -                                | 1,048,750,000                       |
| 2      | Factory Building & Civil Construction | 367,704,568                      | 34,826,590               | -                        | 402,531,158                      | 4%   | 72,352,911                       | 11,814,066          | 84,166,977                       | 318,364,181                         |
| 3      | Plant & Machinery                     | 670,788,519                      | 122,639,871              | -                        | 793,428,390                      | 7%   | 199,970,089                      | 32,957,290          | 232,927,379                      | 560,501,011                         |
| 4      | Logistics Equipment                   | 77,810,979                       | -                        | -                        | 77,810,979                       | 7%   | 24,137,591                       | 3,757,137           | 27,894,728                       | 49,916,251                          |
| 5      | Furniture & Fixture                   | 2,962,460                        | -                        | -                        | 2,962,460                        | 10%  | 1,371,864                        | 159,060             | 1,530,924                        | 1,431,536                           |
| 6      | Motor Vehicles                        | 39,806,505                       | -                        | -                        | 39,806,505                       | 20%  | 18,010,941                       | 4,359,113           | 22,370,054                       | 17,436,451                          |
| 7      | Office Equipment                      | 13,510,827                       | -                        | -                        | 13,510,827                       | 10%  | 4,906,936                        | 860,389             | 5,767,325                        | 7,743,502                           |
| 8      | Machinery under capital lease         | 129,900,000                      | -                        | -                        | 129,900,000                      | 7%   | 38,286,444                       | 6,412,949           | 44,699,393                       | 85,200,607                          |
| A.     | Total                                 | 2,351,233,858                    | 157,466,461              |                          | 2,508,700,319                    |      | 359,036,776                      | 60,320,004          | 419,356,780                      | 2,089,343,539                       |

Amount in BDT

C. Depreciation allocated to:

| Note  | Rate of Allocation | 30th June, 2017 BDT |
|-------|--------------------|---------------------|
| 18.00 | 95%                | 57,304,004          |
| 19.00 | 5%                 | 3,016,000           |
|       | 100%               | 60,320,004          |

Manufacturing  
Administrative

## Annexure-2.

Ratanpur Steel Re-Rolling Mills Limited  
Deferred Tax Liabilities

For the financial year ended on 30 June, 2017

Depreciation allowance as per 3rd Schedule of ITO 1984  
Income Year 2016-2017

| Sl No. | Particulars                           | Opening Balance<br>01.07.2016 | Addition<br>during the year | Total              | Rate | Initial rate | Depreciation       | Closing Balance<br>30.06.2017 |
|--------|---------------------------------------|-------------------------------|-----------------------------|--------------------|------|--------------|--------------------|-------------------------------|
| 1      | Factory Building & Civil Construction | 95,959,951                    | 34,826,590                  | 130,786,541        | 20%  | 10%          | 29,639,967         | 101,146,574                   |
| 2      | Plant & Machinery                     | 156,030,270                   | 122,639,871                 | 278,670,141        | 20%  | 25%          | 86,393,996         | 192,276,145                   |
| 3      | Logistic Equipments                   | 43,713,903                    |                             | 43,713,903         | 10%  | 0%           | 4,371,390          | 39,342,513                    |
| 4      | Furniture & Fixture                   | 1,532,860                     |                             | 1,532,860          | 10%  | 0%           | 153,286            | 1,379,574                     |
| 5      | Motor Vehicles                        | 13,919,939                    |                             | 13,919,939         | 20%  | 25%          | 2,783,988          | 11,135,951                    |
| 6      | Office Equipment                      | 8,271,629                     |                             | 8,271,629          | 10%  | 0%           | 827,163            | 7,444,466                     |
|        | <b>Total</b>                          | <b>319,428,553</b>            | <b>157,466,461</b>          | <b>476,895,014</b> |      |              | <b>124,169,790</b> | <b>352,725,224</b>            |

## Fixed Assets Schedule (As Per Accounting value)

| Sl No. | Particulars                           | Cost                                |                             |                                     | Rate | Depreciation                           |                        | Written down<br>value as on<br>30.06.2017 |
|--------|---------------------------------------|-------------------------------------|-----------------------------|-------------------------------------|------|----------------------------------------|------------------------|-------------------------------------------|
|        |                                       | Opening Balance<br>as on 01.07.2016 | Addition<br>during the year | Closing Balance<br>as on 30.06.2017 |      | Opening<br>Balance as on<br>01.07.2017 | Charge for the<br>year |                                           |
| 1      | Factory Building & Civil Construction | 367,704,568                         | 34,826,590                  | 402,531,158                         | 4%   | 72,352,911                             | 11,814,066             | 318,364,181                               |
| 2      | Plant & Machinery                     | 670,788,519                         | 122,639,871                 | 793,428,390                         | 7%   | 199,970,089                            | 32,957,290             | 560,501,011                               |
| 3      | Logistic Equipments                   | 77,810,979                          |                             | 77,810,979                          | 7%   | 24,137,591                             | 3,757,137              | 49,916,251                                |
| 4      | Furniture & Fixture                   | 2,962,460                           |                             | 2,962,460                           | 10%  | 1,371,864                              | 159,060                | 1,431,536                                 |
| 5      | Motor Vehicles                        | 39,806,505                          |                             | 39,806,505                          | 20%  | 18,010,941                             | 4,359,113              | 17,436,451                                |
| 6      | Office Equipment                      | 13,510,827                          |                             | 13,510,827                          | 10%  | 4,906,936                              | 860,389                | 7,743,502                                 |
|        | <b>Total</b>                          | <b>1,172,583,858</b>                | <b>157,466,461</b>          | <b>1,330,050,319</b>                |      | <b>320,750,332</b>                     | <b>53,907,055</b>      | <b>955,392,932</b>                        |



Reconciliation of deferred tax liabilities/ (assets)

| Particulars                                     | Carrying amount | Tax base    | Taxable/<br>(Deductible)<br>temporary<br>difference | Tax<br>rate | Deferred tax<br>liabilities/ (assets) |
|-------------------------------------------------|-----------------|-------------|-----------------------------------------------------|-------------|---------------------------------------|
| Property, plant &<br>equipment (except<br>land) | 955,392,932     | 352,725,224 | 602,667,708                                         | 25%         | 150,666,927                           |
| Lease Assets                                    | 7,823,940       | -           | 7,823,940                                           | 25%         | 1,955,985                             |
| WPPF and Welfare<br>Fund                        | (46,987,672)    | -           | (46,987,672.47)                                     | 25%         | (11,746,918)                          |
| Net Deferred Tax Liability-2017                 |                 |             |                                                     |             | 140,875,994                           |



## Annexure-3

**Ratanpur Steel Re-Rolling Mills Limited**  
**Income Tax Liabilities**  
**For the financial year ended on 30 June, 2017**

| Particulars                                                | Amount in BDT        |
|------------------------------------------------------------|----------------------|
| <b>Computation of total income</b>                         |                      |
| AY: 2017-2018                                              |                      |
| IY: 2016-2017                                              |                      |
| Accounting profit before tax                               | 939,753,450          |
| <b>Add: Other Inadmissible allowances</b>                  | 110,335,967          |
| Add: Accounting depreciation                               | 60,320,004           |
| Add: Interest on leased assets                             | 3,028,291            |
| Add: Provision for WPPF                                    | 46,987,672           |
| <b>Total</b>                                               | <b>1,050,089,418</b> |
| <b>Less: Items for separate consideration</b>              | (160,823,190)        |
| Depreciation as per 3rd schedule                           | (124,169,790)        |
| Payment for WPPF ( Previous)                               | (18,580,401)         |
| Lease payment (principal plus interest)                    | (17,265,180)         |
| Interest Income                                            | (807,818)            |
| <b>Total income/(Loss) from Operation</b>                  | 889,266,228          |
| Add : Income from Other Sources (U/S- 33 of the ITO, 1984) | 807,818              |
| <b>Total Taxable Income</b>                                | <b>890,074,047</b>   |
| Rate                                                       | 25%                  |
| <b>Income tax</b>                                          | <b>222,518,512</b>   |

## Events



29<sup>th</sup> AGM



30<sup>th</sup> AGM



...

## Events



Aktharuzzaman Flyover Project signing ceremony



International Forum on Strategic Technology Conference (Cox's Bazar)



RSRM Golf Tournament



Organized training program for REHAB



Campaign for Environment



RSRM Festival







## Ratanpur Steel Re-Rolling Mills Limited

**Register Office** : Nahar Mansion , 116 C . D . A Avenue, Muradpur, Chittagong. Phone: 88-031-652255-57  
Fax: 88-031-650001, Website: www.rsrmdbd.com

**Share Dept** : 291 Fakirepool (Jamindar Bari), Apt. B-9 (9th Floor), Inner Circular Road Arambagh, Motijheel, Dhaka-1000.  
Phone +88 02 7195840, +88 02 7195841, Fax +88 02 7191745, E-mail : shareddept@rsrmdbd.com

### PROXY FORM

I/We ..... (Name) of  
..... (Address being a  
Shareholder of Ratanpur Steel Re-Rolling Mills Ltd. ("the Company") hereby appoint,

Mr. /Ms. .... (Name) of  
..... (Address)

as may/our proxy, to attend on my/our behalf at the 32nd Annual General Meeting (AGM) of the Company to be held on 12 October, 2017 at 11.00 A.M at Shoronika Community Center, 13 Love Lane, Chittagong, and at any adjournment thereof or any poll that may be taken in consequence thereof and to vote on my/our behalf as he/she thinks appropriate on all resolutions.

Dated this ..... day of ..... 2017.

-----  
Sign ature of the Shareholder

Folio /BO ID No:

Dated -----

-----  
Sign ature of the witness

**Note:** The Proxy Form, dully filed in and stamped, must be deposited at the Register Office & Share Office of the Company not later than 48 hours before the time fixed for the holding of the meeting.

-----  
Sign ature of the Proxy

Folio/BD ID No :

Dated -----

**Signature Verified**

-----  
Authorized Signature  
Ratanpur Steel Re-Rolling Mills Limited



## Ratanpur Steel Re-Rolling Mills Limited

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### ATTENDANCE SLIP

I hereby record my presence at the 32nd Annual General Meeting of Ratanpur Steel Re-Rolling Mills Ltd. on 12nd October 2017.  
Name.....

BO ID 

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
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**Signature Verified**

-----  
Signature

-----  
Authorized Signature  
Ratanpur Steel Re-Rolling Mills Limited

Note: Please complete this Attendance Slip and deposit at the registration counter on the day of the meeting.







আমাদের প্রয়োজনে প্রকৃতি অবলম্বন হয়েছে বারবার  
প্রকৃতির প্রয়োজনে তাই এগিয়ে আসতে হবে আমাদেরও

**RSRM**-এর উৎপাদনের বিভিন্ন ধাপে অনুসরণ করা হয় প্রবাহিত  
পানির পুনর্ব্যবহার ও কৃষ্টির পানি জমিয়ে রাখার মতো  
পরিবেশ-বান্ধব বিভিন্ন পদ্ধতি, যাতে পরিবেশের প্রয়োজনে এগিয়ে  
আসতে পারি আমরাও।





**Ratanpur Steel Re-Rolling Mills**

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**Head Office:**

Nahar Mansion, 116 C.D.A Avenue, Muradpur, Chittagong

Phone: +880 31 652255-7, Fax : +880 31 650001

**Dhaka Office :**

Rupayan Golden Age (7th floor), 99 Gulshan Avenue, Gulshan-2, Dhaka-1212

Phone- +88 02 9892936, 9890457, 8812521, Fax : +88 02 8828292

**Share Department :**

291 Fakirapul.(Jamindar Bari). Apt. #B-9(9th Floor)

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[www.rsrmdbd.com](http://www.rsrmdbd.com)