

MIRA INFORM REPORT

Report No. :	518099
Report Date :	06.07.2018

IDENTIFICATION DETAILS

Name :	BSRM STEELS LIMITED
Registered Office :	Ali Mansion, 1207/1099, Sadarghat Road, Chittagong-4100
Country :	Bangladesh
Financials (as on) :	30.09.2017
Date of Incorporation :	20.07.2002
Com. Reg. No.:	CH-4392
Legal Form :	Public Listed Company
Line of Business :	Manufacturer, Distributor, Importer of Deformed Bars of Reinforced Steel.
No. of Employees :	300

RATING & COMMENTS

(Mira Inform has adopted New Rating mechanism w.e.f. 23rd January 2017)

MIRA's Rating :	A+
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Credit Rating	Explanation	Rating Comments
A+	Low Risk	Business dealings permissible with low risk of default

Status :	Good
Payment Behaviour :	Regular
Litigation :	Clear

NOTES :

Any query related to this report can be made on e-mail : infodept@mirainform.com while quoting report number, name and date.

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ECGC Country Risk Classification List

Country Name	Previous Rating (31.12.2017)	Current Rating (01.04.2018)
Bangladesh	A2	A2

Risk Category	ECGC Classification
Insignificant	A1
Low Risk	A2
Moderately Low Risk	B1
Moderate Risk	B2
Moderately High Risk	C1
High Risk	C2
Very High Risk	D

BANGLADESH - ECONOMIC OVERVIEW

Bangladesh's economy has grown roughly 6% per year since 2005 despite prolonged periods of political instability, poor infrastructure, endemic corruption, insufficient power supplies, and slow implementation of economic reforms. Although more than half of GDP is generated through the services sector, almost half of Bangladeshis are employed in the agriculture sector, with rice as the single-most-important product.

Garment exports, the backbone of Bangladesh's industrial sector, accounted for more than 80% of total exports and surpassed \$28 billion in FY 2016-17. The sector continues to grow despite the need for improvements in factory safety conditions and workers' rights to avert further high-profile accidents that killed more than 1,000 workers in 2012 and 2013. In FY 2016-17, steady export growth in the garment sector, combined with \$13 billion in remittances from overseas Bangladeshis, contributed to Bangladesh's rising foreign exchange reserves.

The recent influx of over 700,000 additional refugees from Burma will place pressure on the Bangladeshi government's budget and the country's rice supplies, which declined in 2017 in part because of record flooding. Recent improvements to energy infrastructure, including the start of liquefied natural gas imports in 2018, represent a major step forward in resolving a key growth bottleneck.

Source : CIA

COMPANY NAME

BSRM STEELS LIMITED

EXECUTIVE SUMMARY

IDENTIFICATION DETAILS

Correct company Name : **BSRM Steels Limited**
Head Office : Ali Mansion, 1207/1099, Sadarghat Road, Chittagong-4100, Bangladesh.
Tel No : 88-031-2854901-10, 635382, 613282, 616402
Fax No : 88-031-610101
E-mail : mail@bsrm.com, bsrmsteels@bsrm.com
Website : www.bsrm.com
Date/ Year of : 20.07.2002
Incorporation
Incorporation No. : CH-4392
Legal Form (General) : Public Listed Co Public (but not listed) Private Co State-owned Co
 Sole Proprietorships Partnership Not Registered
 others (please specify) _____
Legal form (Specific) : LTD CORP INC CO
 others (please specify) _____
Issuing Authority : Registrar of Joint Stock Companies & Firms City Corporation
 Municipal Administration Union Council
 Cantonment Board Chief Controller of Import & Export (CCIE)

FINANCIALS- SUMMARY

Year	Turnover/ Sales	Assets	Income
30 th June'2017	BDT 7105888154 (July-Sep 2017)	BDT 37607775141	BDT 762625478 (July-Sep 2017)
30 th Sep'2017	BDT 9602524809 (July-Sep 2017)	BDT 42422624453	BDT 364081032 (July-Sep 2017)

FULLCHECK REPORT DETAILS

Information Parted By

Name : Mr. Shekhar Ranjan Kar
Designation : Group CFO & Company Secretary
Contract No : N/A

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Locations Details

Operating Address : Ali Mansion, 1207/1099, Sadarghat Road, Chittagong-4100, Bangladesh.
Tel No : 88-031-2854901-10, 635382, 613282, 616402
E-mail : 88-031-610101
Fax No : mail@bsrm.com, bsrmsteels@bsrm.com
Website : www.bsrm.com

Location : Owned Rented Leased Area Sq. ft.

Type of Office : Commercial Area. Semi-commercial office Bldg.
 Retail shop Industrial Park
 Business Center Home Office
 Residential Bldg.

Factory Address:

Address : Plot# 4(P), Fouzderhat Industrial Estate, Chittagong-4217, Bangladesh.
Tel No : 88-031-2770192, 2770193
Fax No : 88-031-751452

Location : Owned Rented Leased Area Acres

Branch Address-1:

Address : Mahbub Castle (2nd & 4th Floor), 35, Purana Paltan Line, Inner Circular Road (VIP Road), Dhaka-1000, Bangladesh.
Tel : 88-02-8311994, 8313135
Fax : 88-02-8312905

Branch Address-2:

Address : Atlanta Trade Center Plot# 1 (Level-6), Road# 1/A, Sector# 4, Uttara Model Town, Dhaka-1212, Bangladesh
Tel : 88-02-8957027, 8958029
Fax : 88-02-8956496

Employee:

No. of Employees In Office : 20 In Factory : 280
 In Branch : N/A **Total** : 300

Details:

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OWNERSHIP/SHAREHOLDERS

Names of Shareholders	No. of Share	Country
Mr. Alihussain Akberali FCA	34987995	Bangladesh.
Mr. Aameir Alihussain	6835500	Bangladesh.
Mr. Zohair Taherali	8932980	Bangladesh.
Mrs. Tehseen Zohair Taherali	6835500	Bangladesh.
Mrs. Sabeen Aameir	7245	Bangladesh.
Mrs. Bilkis Alihussain	1168272	Bangladesh.
Mr. Shekhar Ranjan Kar	27279	Bangladesh.
General public	282980229	Bangladesh.

DIRECTORS

1.

Name : Mr. Alihussain Akberali
Designation : Chairman
Nationality : Bangladeshi.
Email address : N/A
Other details : N/A

2.

Name : Mr. Aameir Alihussain
Designation : Managing Director
Nationality : Bangladeshi.
Email address : N/A
Other details : N/A

3.

Name : Mr. Zohair Taherali
Designation : Director
Nationality : Bangladeshi.
Email address : N/A
Other details : N/A

4.

Name : Mrs. Tehseen Zohair Taherali
Designation : Director
Nationality : Bangladeshi.
Email address : N/A

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Other details : N/A

5.

Name : Mrs. Sabeen Aameir
Designation : Director
Nationality : Bangladeshi.
Email address : N/A
Other details : N/A

6.

Name : Mr. Mono Ranjan Dey
Designation : Independent Director
Nationality : Bangladeshi.
Email address : N/A
Other details : N/A

MANAGEMENT

Name : Mr. Aameir Alihussain
Job Description : Managing Director
Nationality : Bangladeshi
Email address : N/A
Other details : N/A

Name : Mr. Tapan Sengupta
Job Description : Executive Director
Nationality : Bangladeshi
Email address : N/A
Other details : N/A

Name : Mr. Kazi Anwar Ahmed
Job Description : Head of Corporate Affairs
Nationality : Bangladeshi
Email address : N/A
Other details : N/A

Name : Mr. M. Firoze
Job Description : Head of Marketing (Product Development)
Nationality : Bangladeshi
Email address : N/A
Other details : N/A

Name : Mr. Jamil Ahmed
Job Description : Head of HR
Nationality : Bangladeshi

Email address : N/A
Other details : N/A

Name : Mr. Shekhar Ranjan Kar
Job Description : Group CFO & Company Secretary
Nationality : Bangladeshi
Email address : N/A
Other details : N/A

BUSINESS OPERATIONS

Nature of Activity : Manufacturer Trader Dealer Distributor

Exporter Importer Services Others

Range of Products:

Products : Deformed Bars Of Reinforced Steel.
Production Capacity : 600000 Metric Ton Per Year.
Last Year Production : 5,80,148 MT

Trading Terms:

Purchasing Terms: L/C Cash Others
Credit : 30 days 60 days 90 days _____ days

Selling Terms : L/C Cash Others
Credit : 30 days 60 days 90 days _____ days

DETAILED DATA

Trade : Overseas Clients : N/A
Reference & Local Clients : N/A
Related Parties : Overseas Suppliers : N/A
Local Suppliers : N/A
Trade Markets : Exports(Country) : N/A
Imports(Country) : India, China

Brand Name : N/A
Certified : N/A
Name of Auditors : Rahman Rahman Huq
Chartered Accountants

MM Trade Center (13th Floor), 78, Agrabad C/A, Chittagong-4217, Bangladesh

Operation Status : Active

CAPITAL STRUCTURE

Authorized Capital	: BDT 5000 Million
Paid-up Capital	: BDT 3417750000
No. of Shares	: 341775000
Share Value	: BDT 10.00 Each
Main Assets	: BDT 42422624453

FINANCIAL STATEMENT- DETAILED

Balance Sheet :

Financial Highlights	Currency	BDT
	Denomination	: 1
	Financial Year Ending	: 30 th Sep'2017
	30 th Sep'2017	30 th June'2017
Assets		
Non-Current Assets		
Property, Plant & Equipment At Cost	14209732149	12412290595
Accumulated Depreciation	(3142412487)	(2556163994)
	11067319662	10747146750
Intangible Assets	30854700	31927564
Investment	1316044794	1325036459
Total Non-Current Assets	12414219156	12104110773
Current Assets		
Short Term Investment	505729127	496529288
Inventories	11335165898	8980713498
Trade & Other Receivables	6108035730	4351600097
Current Account With Related Companies	9490477980	9648559106
Advances, Deposit & Pre-Payments	2541075551	1945407207
Cash And Cash Equivalents	27921011	77855172
Total Current Assets	30008405297	25503664368
Total Assets	42422624453	37607775141
Equity And Liabilities:		
Share Capital	3417750000	3417750000
Retained Earnings	5872089015	5503470464
Revaluation Reserve	2598408052	2601996609
Equity Attributable To Owners Of The	11888247067	11523217073

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Company		
Non-Controlling Interest	107328832	107081608
Total Equity	11995575899	11630298681
Liabilities		
Non-Current Liabilities		
Long Term Borrowings- Non-Current Portion	1327701900	1117900968
Retirement Benefit Obligations - Gratuity	105843043	98761816
Deferred Tax Liability	1199634598	1211086834
Total Non-Current Liabilities	2633179541	2427749618
Current Liabilities		
Trade Payable	1079908728	103026404
Short Term Borrowings	22803710849	21346253998
Current Account With Related Companies	1408222981	59622907
Liabilities For Expenses	383543916	314217165
Current Tax Liabilities	1217459646	1074981753
Provision For WPPF & Welfare Fund	162718776	136181349
Other Liabilities	738304118	515443266
Total Current Liabilities	27793869015	23549726842
Total Liabilities	30427048556	25977476460
Total Equity And Liabilities	42422624453	37607775141

Income Statement :

	Currency Denomination	:BDT
	Financial Year Ending	: 1
Financial Highlights	July-Sep 2017	: 30th Sep'2017
	July-Sep 2016	
Revenue	9602524809	7105888154
Cost Of Sales	(8608008074)	(5709205911)
Gross Profit	994516735	1396682243
Selling And Distribution Costs	(187259085)	(89709810)
Administrative Costs	(97247544)	(76056349)
	(284506629)	(165766159)
	710010106	1230916084
Other Income	7665778	4840430
Results From Operating Activities	717675884	1235756515
Finance Costs	(165919089)	(114479224)
Finance Income	(19924828)	12112331
	(185843917)	(102366893)
Profit Before WPPF And Welfare Fund	531831967	1133389622
Contribution To WPPF And Welfare Fund	(26537427)	(56669481)
	505294540	1076720141
Share Of Profit/(Loss) Of Associate	(8991665)	(20101655)
Profit Before Income Tax	496302875	1056618486
Provision For Income Tax		
Current	(142477893)	(228160154)
Deferred	10256050	(65832854)
	(132221843)	(293993008)

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BSRM STEELS LIMITED - 518099

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Net Profit After Tax For The Period	364081032	762625478
Other Comprehensive Income	-	-
Total Comprehensive Income For The Period	364081032	762625478
Net Profit After Tax Attributable To:		
Owners Of The Company	363833808	756580415
Non-Controlling I Interest	247224	6045063
	364081032	762625478
Total Comprehensive Income Attributable To:		
Owners Of The Company	363833808	756580415
Non-Controlling Interest	247224	6045063
	364081032	762625478
Earnings Per Share		
Basic Earnings Per Share	1.06	2.21

Cash Flows :

Currency : BDT
Denomination : 1
Financial Year Ending : 30th Sep'2017

Financial Highlights	July-Sep 2017	July-Sep 2016
Cash Flows From Operating Activities		
Cash Receipts From Customers	7,756,516,608	6,826,725,207
Cash Payments To Suppliers And Employees	(10,394,185,055)	(10,361,226,361)
Income Tax/ Advance Income Tax Paid	-	(555,934,809)
Interest Paid	(137451374)	(102366893)
Net Cash From Operating Activities	(2775119821)	(4192802856)
Cash Flows From Investing Activities		
Acquisition Of Property, Plant And Equipment	(77295813)	(59263919)
Addition To Cwip	(371249339)	(38087792)
Disposal Of Property, Plant And Equipment	-	-
Decrease/ Increase) In Investments	(208174)	18803655
Net Cash Used In Investing Activities	(448753326)	(78548056)
Cash Flows From Financing Activities		
(Repayment) / Receipt Of Long Term Loans	326060566	54501684
Dividend Paid	-	-
(Repayment) / Receipt Of Short Term Borrowings	1334546058	4934088781
Loan To/From Related Companies	1506681200	(731370795)
Net Cash From Financing Activities	3167287824	4257219670
Net (Decrease) / Increase In Cash And Cash Equivalents	(56585323)	(14131242)
Opening Cash And Cash Equivalent	84506331	295559386
Closing Cash And Cash Equivalent	27921011	281428144

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ASSOCIATES/SUBSIDIARIES/ RELATED PARTIES

Name of The Group	: BSRM Group of Companies
Subsidiary	: BSRM Iron & Steel Co. Ltd
Sister Concerns	: KEW Ltd. BSRM Wires Ltd. Burhani Estates Ltd BSRM Ispat Limited BSRM Wear Limited BSRM Recycling Ltd. H.Akbar Ali & Co. Ltd. BSRM Metals Limited BSRM Logistics Limited BSRM Steel Mills Limited BSRM Real Estate Limited South Asia Securities Limited Megna Engineering Works Ltd Meghna Engineering Works Ltd. Chittagong Power Company Ltd. Karnafully Engineering Works Ltd. BSRM Recycling Industries Limited Bangladesh Steel Re-Rolling Mills Ltd. East Bengal Trading & Industrial Corporation Limited

BANKING

Bank Name	: AB Bank Ltd. One Bank Ltd. Bank Asia Ltd. IFIC Bank Ltd. NCC Bank Ltd. Basic Bank Ltd Prime Bank Ltd. Uttara Bank Ltd. Sonali Bank Ltd. Dhaka Bank Ltd. BRAC Bank Ltd. Agrani Bank Ltd. Jamuna Bank Ltd Eastern Bank Ltd. Premier Bank Ltd. Bank Al Falah Ltd. National Bank Ltd. State Bank of India The Trust Bank Ltd.
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Southeast Bank Ltd.
Mercantile Bank Ltd.
Social Islami Bank Ltd.
Dutch Bangla Bank Ltd
Standard Chartered Bank
Al Arafa Islami Bank Ltd.
Shahjalal Islami Bank Ltd.
Islami Bank Bangladesh Ltd.
Commercial Bank of Ceylon
United Commercial Bank Ltd.
Hong Kong Shanghai Banking Corporation

ADVERSE DATA MONITORING

Dishonored Checks : No Record Found
Debt : No Record Found
Litigation : Clear
Performance Defaults : No Record Found
Adverse Coverage/ History : No Record Found
Local Adverse : No Record Found
Media Filling : No Record Found

SITE VISIT COMMENTARY

Our representative visited the subject company Head Office which is situated at Ali Mansion, 1207/1099, Sadarghat Road, Chittagong, Bangladesh. It is situated at a Commercial Area.

GENERAL COMMENTS

SC has been in its line of business for about 16 years. As well as its financial condition

FOREIGN EXCHANGE RATES

Currency	Unit	Indian Rupees
US Dollar	1	INR 68.75
UK Pound	1	INR 91.07
Euro	1	INR 80.48
BDT	1	INR 0.82

Note : Above are approximate rates obtained from sources believed to be correct

INFORMATION DETAILS

Analysis Done by :	VAR
Report Prepared by :	SYL

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RATING EXPLANATIONS

Credit Rating	Explanation	Rating Comments
A++	Minimum Risk	Business dealings permissible with minimum risk of default
A+	Low Risk	Business dealings permissible with low risk of default
A	Acceptable Risk	Business dealings permissible with moderate risk of default
B	Medium Risk	Business dealings permissible on a regular monitoring basis
C	Medium High Risk	Business dealings permissible preferably on secured basis
D	High Risk	Business dealing not recommended or on secured terms only
NB	New Business	No recommendation can be done due to business in infancy stage
NT	No Trace	No recommendation can be done as the business is not traceable

NB is stated where there is insufficient information to facilitate rating. However, it is not to be considered as unfavourable.

This score serves as a reference to assess SC's credit risk and to set the amount of credit to be extended. It is calculated from a composite of weighted scores obtained from each of the major sections of this report. The assessed factors are as follows:

- Financial condition covering various ratios
- Company background and operations size
- Promoters / Management background
- Payment record
- Litigation against the subject
- Industry scenario / competitor analysis
- Supplier / Customer / Banker review (wherever available)