



ANNUAL REPORT

2018-2019

S. S. STEEL LIMITED



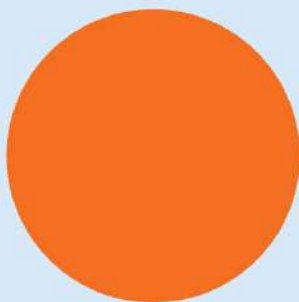
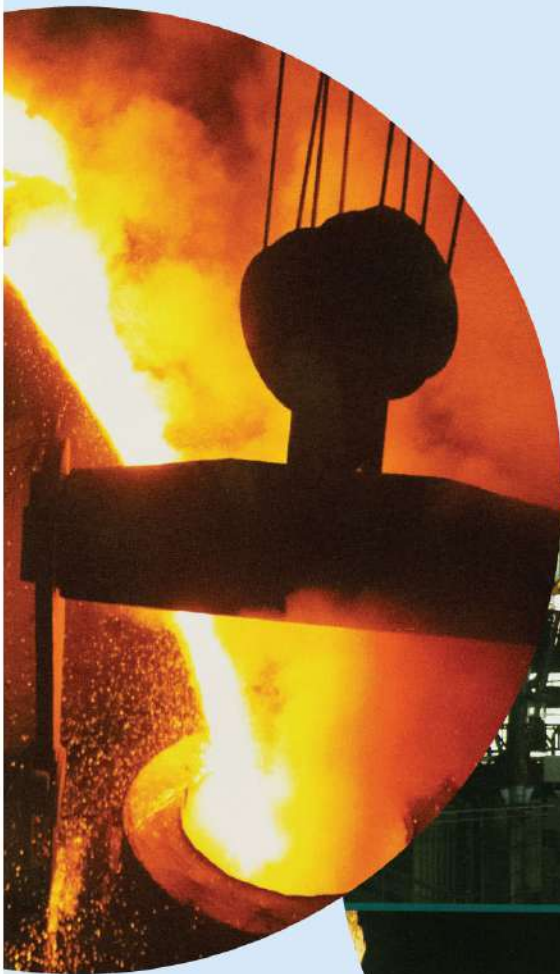


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NOTICE OF ANNUAL GENERAL MEETING

NOTICE OF THE 18TH ANNUAL GENERAL MEETING

Notice is hereby given that the 18th Annual General Meeting of the Members of S. S. Steel Limited is scheduled to be held on Tuesday, 31 December, 2019 at 09:00 am. at "Spectra Convention Centre" House # 19, Road # 07, Gulshan -01, Dhaka -1212 to transact the following business:

AGENDA:

1. **To increase authorized:**
To increase authorized capital by 50.00 crore;
2. **Report and Accounts:**
To receive, consider and adopt the Directors' Report and the Audited Financial Statements of the Company for the year ended June 30, 2019 and Auditors' Report thereon.
3. **Dividends:**
To declare Dividend for the year ended June 30, 2019 as recommended by the Board of Directors.
4. **Election/Re-Election of Directors:**
To elect Directors in accordance with the provisions of Articles of Association of the Company.
5. **Appointment of Managing Director:**
To confirm the appointment of Managing Director of the Company.
6. **Appointment of External Auditor:**
To appoint External Auditors for the FY-2019-2020 and fixed their remuneration.
7. **Appointment of Compliance Auditor:**
To appoint Compliance Auditors for the FY-2019-2020 and fixed their remuneration.

Date: 15th December, 2019

Place: Dhaka

By the Order of the Board



Md. Mostafizur Rahman
Company Secretary

NOTES:

- i. Shareholders, whose names appear on the members/Depository Register on the Record Date i.e. on 21st November, 2019 shall be eligible to attend the 18th Annual General Meeting of the Company and to receive the Dividend;
- ii. A Member form eligible to attend and vote at the Annual General Meeting may appoint a proxy to his/her instead. The proxy form attached with Annual Report 2019, duly filed in, signed and stamped, must be submitted at the Corporate Office of the Company not later than 48 hours before the fixed time of the meeting;
- iii. Only shareholders or their validly appointed proxies will be allowed to have access to registration process to attend the meeting;
- iv. Admission into the venue will be allowed strictly on submission of the attendance slip sent with the notice;
- v. Shareholders are requested to submit their queries on the Director's Report and the Financial Statements for the year ended June 30, 2019 at the Corporate Office of the Company at least 03 (three) working days before the day of Annual General Meeting;
- vi. The Annual Report for the year ended June 30, 2019 is available in the Company's website at www.sssteel.biz;
- vii. No gift/benefit in cash or kind shall be paid to the holders or equity securities in terms of Clause (C) of the Notification No.SEC/SRMI/2009-193/154 dated 24th October, 2013 for attending 18th Annual General Meeting of the Company;

LETTER OF TRANSMITTAL

To

All Shareholders of S. S. Steel Limited (SSSTEEL)
Bangladesh Securities and Exchange Commission (BSEC)
Registrar of Joint Stock Companies and Firms (RJSC)
Dhaka Stock Exchange Limited (DSE)
Chittagong Stock Exchange Limited (CSE)

Dear Sir (s),

We are pleased to enclose a copy of Annual Report of S. S. Steel Limited together with the audited financial statements as on 30 June 2019, statement of financial position, statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year ended 30 June 2019 along with notes thereto of SSSTEEL for your kind information and record.

General review of this, unless explained otherwise, is based on the financials of the 'SSSTEEL'.

Best Regards

Your Sincerely,



Md. Mostafizur Rahman
Company Secretary

Dated: 15th December, 2019
Place: Dhaka.

PERFORMANCE AT A GLANCE 2018-2019

Net Revenue [Tk. Million]	4,150.57
Net Profit after income tax	519.16
Provision for income tax	35.33
Capacity Utilization	67%
(NAVPS) without revaluation	15.40
(NAVPS) with revaluation	18.33
Earnings Per Share (EPS)	2.21



COMPETITIVE FINANCIAL HIGHLIGHTS FOR LAST FIVE YEARS

Operating Performance

Particular	2018-2019	2017-2018	2016-2017	2015-2016	2014-2015
Revenue	4,150,567,726	3,586,579,981	3,003,309,524	1,818,864,918	2,143,818,211
Gross Profit	1,007,425,204	918,738,148	680,613,815	401,316,894	452,074,511
Income from Operating	796,510,078	702,886,167	479,984,387	297,087,710	366,043,163
Profit Before Interest, Tax & Dep.	923,329,293	815,814,575	551,073,960	334,047,906	411,655,986
Net profit after Tax	519,163,389	305,933,060	265,018,608	95,480,097	11,583,791

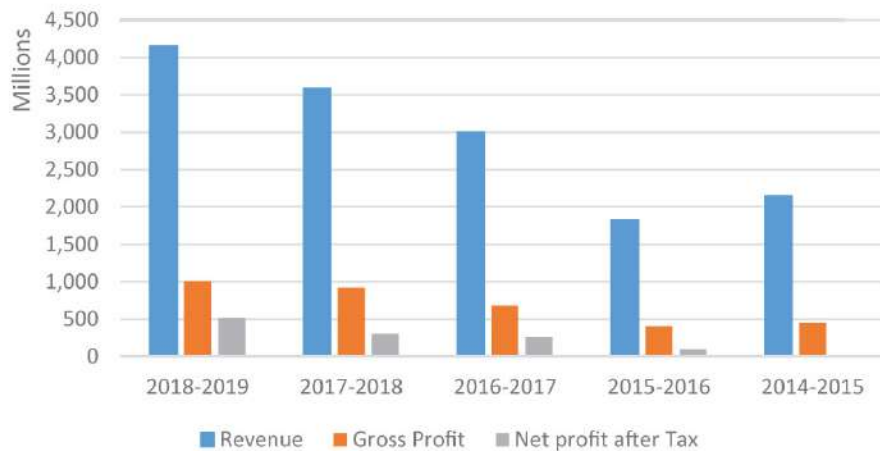
Operating Performance

Particular	2018-2019	2017-2018	2016-2017	2015-2016	2014-2015
Paid-Up-Capital	2,450,000,000	2,200,000,000	2,200,000,000	2,200,000,000	99,500,000
Shareholder's Equity	4,489,676,373	3,720,512,985	3,414,579,925	3,149,561,318	610,368,125
Total Assets	7,678,275,050	6,720,620,579	6,096,070,054	5,022,005,100	2,985,385,427
Total Liabilities	3,188,598,677	3,000,107,593	2,681,490,128	1,872,443,782	2,375,017,302
Capital Employed	5,097,954,030	4,503,920,057	4,107,669,831	3,910,207,370	1,621,093,234

Financial Ratio

Particular	2018-2019	2017-2018	2016-2017	2015-2016	2014-2015
Current Asset to Current Liabilities	1.84	1.71	1.66	2.32	1.23
EBIT to Net Interest Cover (Times)	3.38	3.24	3.12	2.16	1.82
Debt to Equity	.48	.52	.54	.41	1.95
Gross Profit Margin	24.27%	25.62%	22.66%	22.06%	21.09%
Operating Profit Margin	19.19%	19.60%	15.98%	16.33%	17.07%
Net profit Margin	12.51%	8.53%	8.82%	5.25%	.54%

REVENUE, GP AND NP GRAPHICALLY



OVERVIEW ON S. S. STEEL LIMITED



Steel industry is an established and growing industry in Bangladesh. Predominantly based in the port city of Chittagong, the industry has emerged as a major contributor to the national economy. According to the experts, the growth of steel industry in Bangladesh is mainly induced by the rapid expansion of the country's shipbuilding and real estate sector, as well as the major investments in various infrastructure projects throughout the country.

In Bangladesh Steel industry is emerging as one of the major industrial sectors of the country. It consists of small and up to the largest scale of steel melting and re-rolling factories across the country that mostly produce deformed bar rod of different grade (40, 60, 500), angel, channel and coil for the construction industry. Though the history of Steel Industry is not old one but it has glorious future. Before 1971 Bangladesh did not have any steel mill and even after the liberation there were only a few steel factories in the country. In 1990s the actual development began in this sector through a revolution. During that period the building constructing agencies or developer companies came forward to build modern infrastructure. Then with the increasing demand, new investors started investing in steel or rod production. In 2012 we have almost 400 mills across the country including Dhaka, Chittagong. However, only 30 mills are automated and the remaining steel plants are still run normally.

Bangladesh currently consumes around 8 million tons of steel a year, which is expected to reach 18 million tons by 2030 if the port's existing problems i.e. lack of infrastructure, power crisis and tariff barriers are addressed on time. Bangladesh's steel market would be able to produce up to 18 million tons of steel a year within a decade a country now produces well qualified engineers whom when trained can handle any age or technically advanced steel plants. The demand for steel shall keep on increasing with need for maintain housing, roads, hospital etc. for a growing population increasing development and construction activities in the densely populated cities, this country of many rivers would also need rivers would also need many bridges for more connectivity in the coming years, for which more steel will be needed.

BRIEF OVERVIEW ON S. S. STEEL LIMITED

Particulars	Description
Name of the Issuer	S. S. Steel Limited
Certificate of Incorporation	44670(1198)/2001 dated December 22, 2001.
Company Logo	
Date of Incorporation	22-Dec-01
Commercial Operation	22-Dec-01
Converted Private to Public Limited Company	15-Dec-16
Authorized Capital	Tk. 2,500,000,000 divided 250,000,000 Ordinary Shares of Tk. 10 each
Paid-Up Capital	Tk. 2,450,000,000 divided 245,000,000 Ordinary Shares of Tk. 10 each
Board of Directors	5 Directors
Registered Office	The Pearl Trade Center, Cha - 90/3, Pragati Sarani North Badda, Dhaka-1212, Bangladesh.
Factory Office	Plot-04, Block-B, Tongi Industrial Area, Gazipur, Bangladesh.
Telephone Number	02 9856988, Ext.-105
Fax Number	02 9815968
Contact Person	Md. Mostafizur Rahman, Company Secretary
Website Address	www.sssteel.biz
E-mail Address	info@sssteel.biz

CORPORATE INFORMATION



Official Name of the Company

: S. S. Steel Limited

Legal Status

: Public Limited Company

Trade Code

: SSSTEEL

Nature of Business

:The principal activities of the company are manufacturing of 500W MS-Deformed Rod, MS-Ingot, Billet, steel for the reinforcement of concrete (Ribbed Bar).

BOARD OF DIRECTORS

Mr. Javed Opgenhaffen
Mrs. Hasna Opgenhaffen
Mr. Sayeed Rezaraj Ahmmad
Mr. Sadad Rahman
Mr. Md. Abu Zafer

- Chairman
- Managing Director
- Nominated Director
- Independent Director
- Independent Director

COMPANY SECRETARY

Mr. Md. Mostafizur Rahman

HEAD OF THE ACCOUNTS

Mr. Md. Samiul Haque

BOARD AUDIT COMMITTEE

Mr. Sadad Rahman, Independent Director
Mr. Md. Mostafizur Rahman, Company Secretary
Mr. Md. Samiul Haque, Head of the Accounts
Mr. Poritos Chandra Roy, Head of Internal Audit

- Chairman
- Member Secretary
- Member
- Member

BOARD NOMINATION & REMUNERATION COMMITTEE

Mr. Md. Abu Zafer, Independent Director	- Chairman
Mr. Md. Mostafizur Rahman, Company Secretary	- Member Secretary
Mr. Md. Samiul Haque, Head of the Accounts	- Member
Mr. Mahboob Alam, Director HR & Admin	- Member

BOARD CSR COMMITTEE

Mr. Sadad Rahman, Independent Director	- Chairman
Mrs. Hasna Opgenhaffen, Managing Director	- Member
Mr. Sayeed Rezaraj Ahmmad, Nominated Director	- Member
Mr. Md. Mostafizur Rahman, Company Secretary	- Member Secretary
Mr. Md. Samiul Haque, Head of the Accounts	- Member
Mr. Mahboob Alam, Director HR & Admin	- Member

EXECUTIVE COMMITTEE

Mrs. Hasna Opgenhaffen	- Managing Director
Mr. Sayeed Rezaraj Ahmmad	- Nominated Director
Mr. Md. Mostafizur Rahman	- Company Secretary
Mr. Md. Samiul Haque	- Head of the Accounts
Mr. Mahboob Alam	- Director HR & Admin
Mr. Poritos Chandra Roy	- Head of Internal Audit

RISK MANAGEMENT COMMITTEE

Mrs. Hasna Opgenhaffen	- Managing Director
Mr. Md. Mostafizur Rahman	- Company Secretary
Mr. Md. Samiul Haque	- Head of the Accounts
Mr. Mahboob Alam	- Director HR & Admin
Mr. Poritos Chandra Roy	- Head of Internal Audit

HEAD OF INTERNAL AUDIT

Mr. Poritos Chandra Roy

STATUTORY AUDITORS

MABS & J Partners
Chartered Accounts

GOVERNANCE COMPLIANCE AUDITOR

Atik Khaled Chowdhury & Co.

BANKERS

Bank Asia Limited
National Bank Limited
Trust Bank Limited

NBFIS'

IDLC Finance Limited
Hajj Finance Company Limited
Industrial and Infrastructure Development Finance Company Limited

REGISTERED & CORPORATE OFFICE

The Pearl Trade Center, Cha - 90/3,
Pragati Sarani North Badda, Dhaka-1212,
Bangladesh.

ESSENCE & VALUES

MISSION & VISION

Product quality is ensured throughout the manufacturing processes in both Steelmaking and the Rod/Bar mill through strict adherence to process control requirements.

Every employee of SS STEEL is devoted to quality: quality processes, quality products, and quality service. Each individual is focused on his or her responsibility within the process from hauling scrap to in-the-field customer service and understands how the power of synergy and the value of each facet of the process results in an exceptional outcome. Because SS STEEL rod and bars and finished products meet the customer's need, individual focus within a team environment creates an exceptional end product.

The knowledgeable and experienced personnel of SS STEEL are committed to customer service through the development, manufacturing, delivery and installation processes. We know our success is dependent upon your satisfaction.

S. S. Steel Limited is a ISO 9001:2015 Certified Company.

STRATEGIC FOCUS AREAS

The foundations upon which our strategy is built have been in place for many years but we continue to focus our activities in the following areas and consistently review our ways of operating business. The details are:

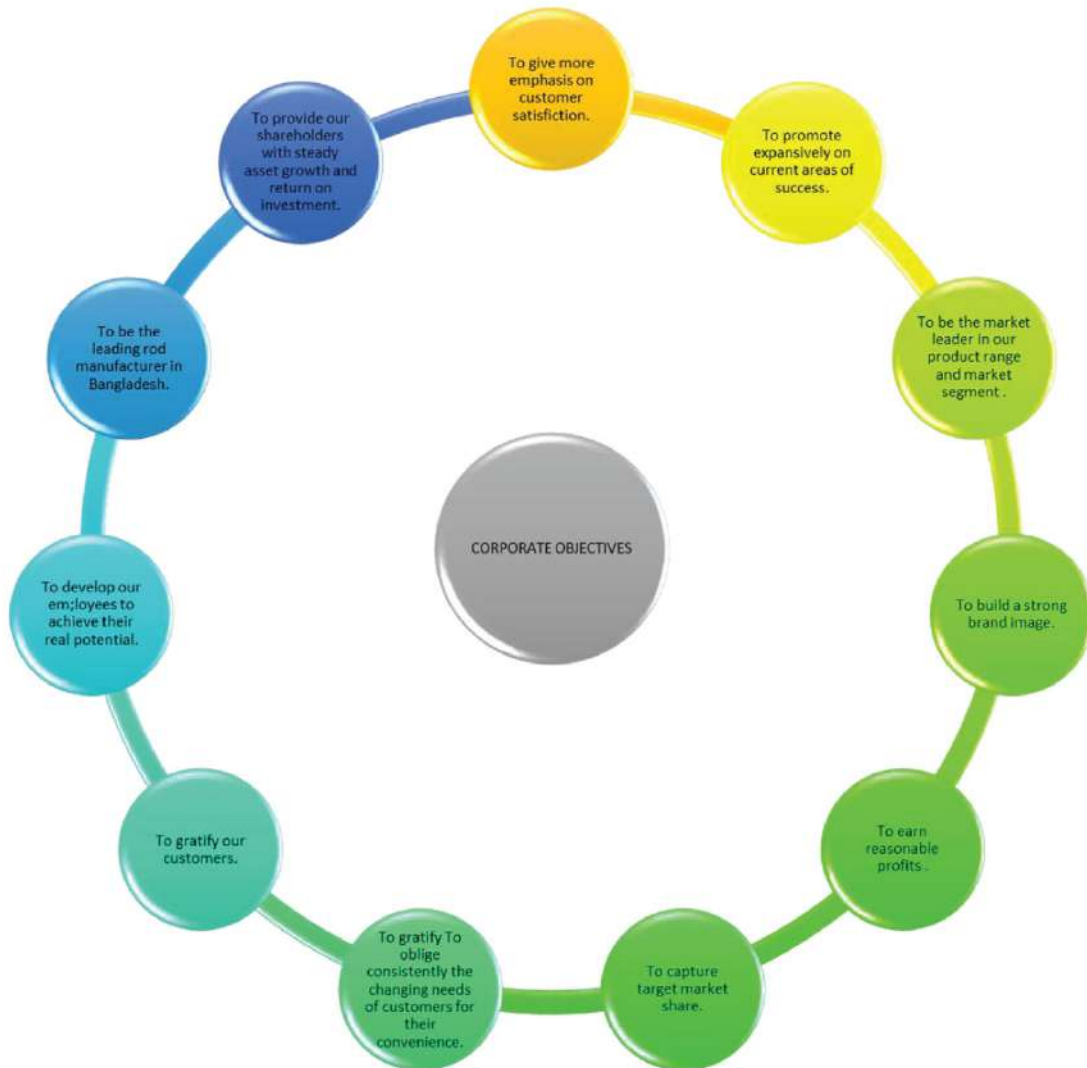
- **Customer Delight:** A promise to fulfill customer expectations;
- **Growth:** Developing brands, innovations and modern technologies for products to meet consumers evolving needs;
- **Pursuit of Excellence:** A promise to continue improvement of our teams, services and products as well to become the best;
- **Productivity:** Effectively developing resources to increase profits and generate funds for new expansion projects;
- **Integrity and Transparency:** A promise to be ethical, sincere, honest and transparent. Ensuring a sustainable business that meets stakeholder's expectation.
- **Leadership by Example:** Ensuring we have great people, great teams and great place to work. A promise to create standards in our business and transactions through mutual trust.

QUALITY POLICY

Quality and strength are the attributes of our products. In maintaining the quality of the products, S. S. Steel Limited follow the zero tolerance rules. We at S. S. Steel Limited constantly strive to meet and exceed customer expectations in our on-going quest for excellence. S. S. Steel Limited has enriched laboratory where the quality of the products checked in every steps of the production.



CORPORATE OBJECTIVE:



MAJOR TYPES OF PRODUCTS

SL. No.	Product Name	Size	SL. No.	Product Name	Size
1	SS TIGER B400DWR/60G	08mm	9	SS TIGER B500CWR/TMT	08mm
2	SS TIGER B400DWR/60G	10mm	10	SS TIGER B500CWR/TMT	10mm
3	SS TIGER B400DWR/60G	12mm	11	SS TIGER B500CWR/TMT	12mm
4	SS TIGER B400DWR/60G	16mm	12	SS TIGER B500CWR/TMT	16mm
5	SS TIGER B400DWR/60G	20mm	13	SS TIGER B500CWR/TMT	20mm
6	SS TIGER B400DWR/60G	25mm	14	SS TIGER B500CWR/TMT	25mm
7	SS TIGER B400DWR/60G	28mm	15	SS TIGER B500CWR/TMT	28mm
8	SS TIGER B400DWR/60G	32mm	16	SS TIGER B500CWR/TMT	32mm



CHAIRMAN'S MESSAGE

Dear Stakeholders,

I am immensely pleased to welcome you all on this auspicious occasion of the 18th Annual General Meeting of S. S. Steel Limited which is, on the other hand, the first annual general meeting after the listing of SS STEEL in the capital market of our country.

On this special occasion I would like to convey my heartfelt gratitude and sincere thanks for extending huge support and confidence on us by our investors, members, and stakeholders during the process of listing of SS STEEL in both the bourses which made all of us in this company encouraged.

We, all of in SS STEEL, have been committed to discharge our duties and responsibilities to add values to all our customers, members and stakeholders and safe guard their interest. When our investors, stakeholders and customers choose SS STEEL, they know they are placing their trust on a quality MS ROD products manufacturer having over two decades of experience and a proven track-record of excellence. Keeping this in mind, everything that we envision, plan, execute and deliver is all aligned to this strategy. For the longer term, we are pursuing a strategic approach of further diversification of our business portfolio and expanding our geographical reach, product and service offerings as well as cementing stronger business partnerships, to solidify our position in the market.

We have engaged our concentrated efforts to generate new ideas and options for the customers and users giving special preference for their satisfaction and to ensure further growth and have put attention to the aspects as to keep up our image high.

This year SS STEEL is celebrating its 18th Anniversary. Every business has competitions and only the fittest survive. Our journey in this very competitive business environment have engaged all our efforts as to attain positive result. With single-mindedness and unwavering passion, we have made our vision a reality.

I would like to take the opportunity to thank all our customers and request to continue their support by which we will continue to strive towards building a more sustainable business and enhancing shareholders' value in the near and long term. In our future endeavors I hope and believe that we would get full support and cooperation from all of our members, patrons and wide range of consumers and come out successful.

May Allah bless us all.



Javed Ogenhaffen
Chairman

MANAGING DIRECTOR MESSAGE

Dear Stakeholders,

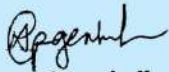
It's my pleasure to welcome you all on the occasion of the 18th Annual General Meeting of S. S. Steel Limited.

We are committed and determined to continue with our dedication of improving where possible production and services and thus maintain trust placed on us by our investor's shareholders and all wishers.

On behalf of the company I would like to thank all our customers for having faith in our product and wish the same to continue in the future.

We are committed and determined to continue with us.

May Allah bless us all.



Hasna Opgenhaffen
Managing Director

DIRECTORS' REPORT FOR THE YEAR ENDED 30 JUNE 2019**DEAR SHAREHOLDERS, ASSALAMUALIKUM:**

On behalf of the Board of Directors and on my own behalf I take the privilege to welcome you all at the 18th Annual General Meeting of S. S. Steel Limited and present before you a summarized performance of the Company together with the Audited Accounts and Financial Statements for the year ended 30 June 2019 and Auditor's thereon.

COMPANY'S PERFORMANCE AND FINANCIAL RESULT:

This reporting year was a good year for the Company as all performance indicators show up-ward trend. The company has posted a net profit before tax amounting to Tk. 554,488,916.00 [fifty-five crores forty-four lac eighty-eight thousand nine hundred sixteen] in year ended 30 June 2019 which has increased around 17.81% compared to immediate preceding year's net profit before tax amounting to Tk. 470,666,246.00 [forty-seven crores six lac sixty-six thousand two hundred forty-six]. One reason for this is, production increased by around 8.68% compared to immediate last year's production and revenue increased by around 15.72% compared to immediate last year's revenue.

FINANCIAL RESULTS AND PROPOSED APPROPRIATION:

<u>Particulars</u>	<u>2019</u>	<u>2018</u>
Net Profit for the year before Tax & WPPF	592,318,738	514,008,894
Add: Retained earnings up to last year	794,355,847	468,613,452
	1,386,674,585	982,622,346
Less: Contribution to WPPF	27,724,446	23,533,312
Profit available for appropriation taka	1,358,950,139	959,089,034
Proposed Appropriation:		
Provision for Income Tax	35,325,528	164,733,186
Stock Dividend	245,000,000	-
Retained Earnings	1,078,624,611	794,355,848
	1,358,950,139	959,089,034
Cash Dividend	122,500,000	-

DIVIDEND:

As mentioned in the earlier paragraph, the Company has posted a net profit before tax amounting to Tk. 554,488,916.00 [fifty-five crores forty-four lac eighty-eight thousand nine hundred sixteen] in year ended 30 June 2019 which has increased around 17.81% compared to immediate preceding year's net profit before tax amounting to Tk. 470,666,246.00 [forty-seven crores six lac sixty-six thousand two hundred forty-six].

Considering the above factors, the Board has opted recommending @10% stock dividend [one (01) bonus share for every ten (10) shares held] and @5% cash dividend for the Year 2018-2019 to all the shareholders to be distributed subject to approval of the shareholders at the 18th Annual General Meeting.

RETIRE, ELECT AND RATIFICATION OF THE APPOINTMENT OF DIRECTORS:

As per article 126 of the Articles of Association Mr. Javed Opgenhaffen, Chairman, Mr. Sadad Rahman and Mr. Md. Abu Zafer, Independent Directors, will be retiring from the Board at the 23rd Annual General Meeting and being eligible offered themselves for re-election subject to approval of the shareholders at the 18th Annual General Meeting.

APPOINTMENT OF AUDITORS:

The Board of Directors in its meeting held on 26th October, 2019 recommended to appoint BSEC's panel auditor MABS & J Partners, Chartered Accountants, Corporate Office - SMC Tower (7th Floor), 33 Banani C/A, Road #17, Dhaka 1213, Bangladesh as statutory auditor of the Company for the year 2019-2020 subject to approval of the shareholders at the 18th Annual General Meeting.

The Board also recommended to appoint Atik Khaled Chowdhury, Chartered Accountants, Hasan Court (1st floor), 23/1, Motijheel C/A, Dhaka-1000 as compliance auditor of the company for the year 2019-2020 subject to approval of the shareholders at the 18th Annual General Meeting.

CREDIT RATING OF THE COMPANY

The Company has engaged Emerging Credit Rating Limited for rating the Company. Accordingly, CRAB has awarded Long Term rating of A- which will remain valid up to 24th February 2020.

REPORTING AND COMPLIANCE OF CORPORATE GOVERNANCE:

Pursuance to the provisions of BSEC Notification No.BSEC/CMRRD/2006-158/207/Admin/80, Dated: 03 June 2018, the Board of Directors has appointed Atik Khaled Chowdhury, Chartered Accountants regarding compliance of conditions of Corporate Governance Guidelines of BSEC for the financial year 2019-2020. The Corporate Governance Compliance Audit Report is annexed herewith as Annexure-B. The report does not contain any qualification, reservation or adverse remark.

APPRECIATION:

I would like to thank all our valued shareholders, patrons, well-wishers and all employees for their continued support and sincere efforts towards the growth of the Company.

On behalf of the Board



Javed Opgenhaffen
Chairman

STATEMENT OF CORPORATE GOVERNANCE

As per requirement of the Securities and Exchange Commission, the following information are incorporated in this report:

- i) S. S. Steel Limited (Company) is one of the steel Industry in Bangladesh. The Company was incorporated on 22nd December, 2001 as a private Company limited by shares and converted into a public limited Company in 15th December, 2016. The Company is now a public limited Company local shareholders and listed in DSE & CSE. Deploying advanced technologies, the company is producing quality steel of European standard with affordable price for Bangladeshi consumers for comfortable. Because of its excellent quality the Company has achieved the ISO 200:2015 Certification in 2019. Thus the Company created a revolution in respect of Steel market and among the users in Bangladesh. However, we are implementing different measures so that the Company can improve turnover significantly.
- ii) The Company was engaged producing and marketing of MS-Reformed Bar [ROD] only. So there is no segment-wise product performed by the Company.
- iii) Risks and concerns:

As with all investments, investors should be aware that there are risks associated with an investment in the Company. These risks could result in loss of income or capital investment. Investors are encouraged to seek independent financial advice in this regard.

1) Industry Risk:

Entry of new competitors may increase market competition and may adversely affect the profitability of the Company.

Management Perception:

Steel business is an Intensive Business. The Company distributor their products all over the Country. It is not so easy for a new company to establish such a wide distribution network in a short period of time. Therefore, it is difficult and time consuming for a new entrant to quickly establish itself in the market and grab market share from us.

Moreover, steel business is brand-dependent business. Company's steel is asked by the consumers by its brand name. The company is continuously concentrating on a 'pull' strategy instead of 'push'. To this end, the Company spends significant amount for promotion and advertisement to further enhance and strengthen its brand name.

2) Interest rate Risk:

Interest rate risk is concerned with borrowed funds having short term and long term maturity. Volatility of money market increased demand for loans/investments, current liquidity position, raised the rate of interest in recent time.

Management Perception:

The management of the Company is always aware of interest rate. If the interest rate increases the cost of fund will increase. On the other hand, if the interest rate decreases the Company will go for the alternative investment such as investment in shares and debentures instead of investing in FDR & NIB.

3) Exchange Rate Risk:

Exchange rate fluctuation may affect the profitability of the Company because of its foreign trade commitments from various sources of foreign exchange we export proceeds for import of raw materials.

Management Perception:

Presently, the Company's no export to foreign markets is in limited, as a result the Company is relatively immune to this risk also improved exchange rate between Bangladesh with other currencies. But cost of imported raw material has increased due to

escalation of price. Competitors may also compete to increase their price if the raw material prices increase.

4) Market and Technology related Risk:

In the global market of 21st century, developed technology obsoletes the old service/product strategy. So the existing technology may not be efficient enough to cope up with the future trend and needs.

Management Perception:

The Company continuously upgrading its machines and technology. So the risk of obsolete technology is mitigated as the Company continuously upgrades its technology every 6-7 years. Our proposed expansion program takes care of this risk through acquiring modern and sophisticated machineries and technologies.

5) Changes in Economic & Political Condition:

Changing economic conditions may affect the demand for the product offered by the Company, which may affect the turnover and eventual erosion of profitability. In this situation the whole steel sector will be affected.

Management Perception:

Social unrest due to political reasons may cause downturn in the economic activities which will have impact on demands of steel. But as the elected Government is in place, we can expect that political rivalry within democratic environment will not badly affect the construction sector.

6) Energy costs may rise:

Due to the adverse power situation in the country, production may be hampered due to interruption of power supply which may result in higher production wastage.

Management Perception:

The Company is self-sufficient in generating power by its own generators. However, in case of gas shortfall and subsequent rationing if any, then the productivity will be reduced. In that scenario, the overall sector will be affected.

7) History of non-operation, if any:

Interruption in normal operation condition of SSSTEEL may affect both in market and financial results.

Management Perception:

S. S. Steel Limited was incorporated on 22nd December, 2001. Already it has completed 18 years of successful operation. It has no operation failure history yet and chance of non-operative in future is minimum.

8) Industrial Relation:

Any political and social unrest/unstable situation may result in labor/worker unrest affecting smooth operation of the business resulting in drastic fall productivity eventual loss in financial results.

Management Perception:

Likelihood of political and social unrest/unstable situation affecting our labor/worker unrest is very low. In case of such situation, if any can be overcome by increased production in subsequent period.

- iv) During the year the company's revenue increased by 15.72%, Cost of Goods Sold increased by 17.82%, net profit before tax increased by 17.81% compared to last year's net profit. The details are as follows:

Particulars	30 June, 2019	30 June, 2018	Increase / (Decrease)	
			Amount	Percentage
Revenue	4,150,567,726	3,586,579,981	563,987,745	15.72%
Cost of Goods Sold	3,143,142,522	2,667,841,833	475,300,689	17.82%
Gross Profit	1,007,425,204	918,738,148	88,687,055	9.65%
Net Profit before Tax	554,488,916	470,666,246	83,822,670	17.81%
Net Profit after Tax	519,163,389	305,933,060	213,230,328	69.70%
Gross Profit Margin (%)	24.27%	25.62%		
Net Profit Margin (%)	12.51%	8.53%		

- v) Not applicable.
- vi) The Company has no transactions with any related parties in the year 2018-2019.
- vii) The Company has not issued right shares during the year 2018-2019.
- viii) During this year the Company has not issued any Initial Public Offering (IPO), Repeat Public Offering (RPO), Rights Offer, etc.
- ix) Not applicable.
- x) Remuneration to directors including independent directors (1 July 2018 to 30 June 2019) have been shown in Note no. 21 in the notes to the financial statements.
- xi) The Financial Statements prepared by the Management present fairly the company's state of affairs, result of operations, cash flows and changes in equity.
- xii) Proper books of account of the Company have been maintained.
- xiii) Appropriate accounting policies have been consistently applied in the preparation of financial statements and the accounting estimates are based on reasonable and prudent judgment.
- xiv) The International Accounting Standards, as applicable in Bangladesh, have been followed in the preparation of Financial Statements.
- xv) The sound internal control system, effective implementation and monitoring process thereof are under continuous improvements.
- xvi) Company follow the rules mention in companies Act to protect the interest of the minority shareholders at every stage.
- xvii) There is no significant doubt upon the company's ability to continue as a going concern.
- xviii) There is no significant deviation from last year in operating results of the Company.
- xix) The key operating and financial data for the last five years may be seen at page 5.
- xx) Not applicable.
- xxi) Company never issued no bonus share or stock dividend has been or shall be declared as interim dividend.
- xxii) During the year ended 30 June 2019, the Board of Directors held fourteen (14) meetings and attendance of the Directors in those meetings are as follows:

Sl No.	Name of the Directors	Position	Meeting held	Meeting Attended	Meeting Attended
1	Javed Opgenhaffen	Chairman	11	11	11
2	Hasna Opgenhaffen	Managing Director	11	11	11
3	NJ Holdings Ltd. Represented Sayeed RezarajAhmmad	Nominee Director	11	11	11
4	Md. Abu Zafer	Independent Director	11	11	11
5	Mr. Sadad Rahman	Independent Director	11	11	11

i) At 30 June 2019 the pattern of shareholding (name wise) are given below:

Name of the Shareholders	Nature of Shareholding	Nationality	Percentage (%)	No of shares
Javed Opgenhaffen	Individual	Bangladesh i	28.24	69,200,000
Mohammad Shirajul Islam	"	"	2.04	5,005,000
NJ Holdings Ltd	Institutional	"	2.04	5,000,000
Others	"	"	67.67	165,795,000
Total			100	245,000,000

ii)

- **A brief Resume of the Directors who seek appointment/re-appointment in the ensuing AGM.**

Mr. Javed Opgenhaffen

Mr. Javed Opgenhaffen, son of Tauhidul Islam Chaudhury appointed as Chairman. He is a Bachelor of Science (Management) from Queen Mary, University of London. Previously he was the Managing Director and Chief Executive Officer (CEO) of Generation Next Fashion Ltd. (GNFL).

Mr. Sadad Rahman

Mr. Sadad Rahman, son of Late Dr. A Q B Raham appointed as Independent. He is MBA from City College, University of London, UK. He was Chief Operating Officer of Samah Razor Blades Industry Limited.

Mr. Md. Abu Zafer

Mr. Md. Abu Zafer, son of Late Md. Abdul Aziz appointed as Independent Director in the Board meeting held on 23 March, 2019. He is a member of Advocate of the Supreme Court of Bangladesh and the Honorable Society of Gray's Inn. London.

- **Noted against each Individual Director, as above**
- **The above three Directors do not hold any directorship in any company.**



26 October, 2019

Board of Directors
S. S. Steel Limited
The Pearl Trade Center,
Cha-90/3, Pragati Sarani,
North Badda, Dhaka: 1212
Bangladesh

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

Dear Sirs,

We the undersigned certify that:

1. We have reviewed the financial statements of the Company for the year ended 30 June, 2019 and that to the best of our knowledge and belief:
 - a. These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - b. These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards and applicable laws;
2. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal and violation of the Company's code of conduct.

Managing Director
Hasna Opgenhaffen

Head of Accounts
Md. Samiul Haque

AUDIT COMMITTEE REPORT For the year 2018-2019

The Audit Committee on behalf of the Board strives to ensure effective implementation of the processes set out in the business plans and policies. Its aim is to ensure that high standards of corporate reporting, control and compliance are achieved through which business effectiveness enhances in these areas and reduces the risks of the business.

Composition of Audit Committee:

Mr. Sadad Rahman, Independent Director	- Chairman
Mr. Md. Mostafizur Rahman, Company Secretary	- Member Secretary
Mr. Md. SamiulHaque, Head of the Accounts	- Member
Mr. Poritos Chandra Roy, Head of Internal Audit	- Member

Major responsibility of the Audit Committee:

- To review the quarterly, half yearly and Annual Financial Statements of the Company and determined whether they are complete and consistent with accounting standards set by the regulatory authority;
- To recommend the statutory annual audited financial statements to the Board of Directors for approval;
- To review the efficiency and effectiveness of internal audit function;
- To review the existing risk management procedures for ensuring an effective internal check and control system;
- To review the performance of the external auditors and make recommendations to the Board regarding their appointment and fees;
- To review the findings of the internal and external auditors;
- To review the work of the internal Audit Department and made suggestions for improvement.

Activities during the year:

- The financial statements of the year ended 30 June 2019 were reviewed by the committee and subsequently recommended to the Board for consideration and approval;
- The committee reviewed the internal audit report findings and made suggestions for improvement;
- The Committee reviewed the financial reporting process, the system of internal control, management of financial and operational risks and suggestions made to improve operational system and procedures and their implementation.

On behalf of the Audit Committee



Sadad Rahman
Chairman of the Audit Committee

Date: 10th October, 2019

BANGLADESH ASSOCIATION OF PUBLICLY LISTED COMPANIES

Ref. No: CM-2019/278



Date of issue : December 9, 2019

Certificate of Membership

This is to certify that

S. S. STEEL LIMITED

is an Ordinary Member of Bangladesh Association of Publicly Listed Companies and is entitled to all the rights and privileges appertaining thereto.

This certificate remains current until 31st December 2019.



[Signature]
Secretary-General



ATIK KHALED CHOWDHURY
Chartered Accountants

Hasan Court (1st Floor)
23/1 Motijheel C/A
Dhaka-1000, Bangladesh
Tel: 95533407, 9564972
Fax: +88-02-7124940
e-mail: atik.khaled@gmail.com
website: www.atikkhaled.com

Report to the Shareholders of S. S. STEEL LIMITED on Compliance on the Corporate Governance Code

We have examined the compliance status to the Corporate Governance Code by **S. S. STEEL LIMITED** for the year ended on 30 June 2019. This Code relates to the Notification No. BSEC/CMRRD/2006-158/207/Admin/80, dated; 03 June 2018 of the Bangladesh Securities and Exchange Commission.

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

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

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

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

Dated: Dhaka

05 November 2019

Atik Khaled Chowdhury
Atik Khaled Chowdhury
Chartered Accountants



CORPORATE GOVERNANCE COMPLIANCE REPORT

Status of Compliance with the conditions imposed by the Bangladesh Securities and Exchange Commission, pursuant to the Notification No. BSEC/CMRRD/2006-158/207/Admin/80, dated; 03 June 2018 issued under section 2CC of the Bangladesh Securities and Exchange Ordinance, 1969:

(Report under condition no. 9)

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
1	Board of Directors			
1 (1)	The total number of members of Board of Directors shall not be less than 5 (five) and more than 20 (twenty).	✓		
1 (2)	Independent Directors			
1 (2)	(a) At least one fifth (1/5) of the total number of directors in the company's board shall be Independent Directors.	✓		
1 (2)	(b) (i) The independent director does not hold any share in the company or holds less than one percent (1%) shares of the total paid-up shares of the company.	✓		
1 (2)	(b) (ii) The independent director is not a sponsor of the company and is not connected with the company's any sponsor or director or shareholder who holds one percent (1%) or more shares of the total paid-up shares of the company on the basis of family relationship. His/her family members also should not hold above mentioned shares in the company;	✓		
1 (2)	(b) (iii) Who has not been an executive of the company in immediately preceding 2 (two) financial years;	✓		
1 (2)	(b) (iv) The independent director does not have any other relationship, whether pecuniary or otherwise, with the company or its subsidiary or associated companies;	✓		
1 (2)	(b) (v) Who is not a member or TREC (Trading Right Entitlement Certificate) holder, director or officer of any stock exchange;	✓		
1 (2)	(b) (vi) The independent director is not a shareholder, director or officer of any member or TREC holder of stock exchange or any intermediary of the capital market;	✓		
1 (2)	(b) (vii) The independent director is not a partner or an executive or was not a partner or an executive during the preceding 3 (three) years of the concerned company's statutory audit firm or audit firm engaged in internal audit services or audit firm conducting special audit or professional certifying compliance of this Code;	✓		
1 (2)	(b) (viii) The independent director shall not be an independent director in more than 5 (five) listed companies;	✓		
1 (2)	(b) (ix) The independent director has not been convicted by a court of competent jurisdiction as a defaulter in payment of any loan to a bank or a Non-Bank Financial Institution (NBFI);	✓		
1 (2)	(b) (x) The independent director has not been convicted for a criminal offence involving moral turpitude.	✓		
1 (2)	(c) The independent director(s) shall be appointed by the board of directors and approved by the shareholders in the Annual General Meeting (AGM).	✓		
1 (2)	(d) The post of independent director(s) cannot remain vacant for more than 90 (ninety) days.	✓		
1 (2)	(e) The tenure of office of an independent director shall be for a period of 3 (three) years, which may be extended for 1 (one) tenure only.	✓		



1 (3) Qualification of Independent Director				
1 (3)	(a)	Independent Director shall be a knowledgeable individual with integrity who is able to ensure compliance with financial, regulatory and corporate laws and can make meaningful contribution to business.	✓	
1 (3)	(b)	Independent Director shall have following qualifications:		
1 (3)	(b) (i)	Business Leader who is or was a promoter of director of an unlisted company having minimum paid-up capital of Tk. 100.00 million or any listed company or a member of any national or international chamber of commerce or business association; or	✓	
1 (3)	(b) (ii)	Corporate Leader who is or was a top level executive not lower than Chief Executive Officer or Managing Director or Deputy Managing Director or Chief Financial Officer or Head of Finance or Accounts or Company Secretary or Head of Internal Audit and Compliance or Head of Legal Service or a candidate with equivalent position of an unlisted company having minimum paid-up capital of Tk. 100.00 million or of a listed company; or	✓	
1 (3)	(b) (iii)	Former official of government or statutory or autonomous or regulatory body in the position not below 5 th Grade of the national pay scale, who has at least educational background of bachelor degree in economics or commerce or business or Law; or		N/A

1 (3)	(b)	(iv)	University Teacher who has educational background in Economics or commerce or Business Studies or Law; or			N/A
1 (3)	(b)	(v)	Professional who is or was an advocate practicing at least in the High Court Division of Bangladesh Supreme Court or a Chartered Accountant or Cost and Management Accountant or Chartered Financial Analyst or Chartered Certified Accountant or Certified Public Accountant or Chartered Management Accountant or Chartered Secretary or equivalent qualification;	✓		
1 (3)	(c)		The independent director shall have at least 10 (ten) years of experiences in any field mentioned in clause (b);	✓		
1 (3)	(d)		In special cases the above qualifications may be relaxed subject to prior approval of the Commission.			N/A

1 (4) Duality of Chairperson of the Board of Directors and Managing Director or Chief Executive Officer						
1 (4)	(a)		The positions of the Chairperson of the Board and the Managing Director (MD) and/or Chief Executive Officer (CEO) of the company shall be filled by different individuals;	✓		
1 (4)	(b)		The Managing Director (MD) and/or Chief Executive Officer (CEO) of a listed company shall not hold the same position in another listed company;	✓		
1 (4)	(c)		The Chairperson of the Board shall be elected from among the non-executive directors of the company;	✓		
1 (4)	(d)		The Board shall clearly define respective roles and responsibilities of the Chairperson and the Managing Director and/or Chief Executive Officer;	✓		
1 (4)	(e)		In the absence of the Chairperson of the Board, the remaining members may elect on of themselves from, non-executive directors as Chairperson for that particular Board's meeting; the reason of absence of the regular Chairperson shall be duly recorded in the minutes.			No such Incident

1 (5) The Directors' Report to the Shareholders						
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 including internal and external risk factors, threat to sustainability and negative impact on environment, if any;	✓		
1 (5)	(iv)		A discussion on Cost of Goods sold. Gross Profit Margin and Net Profit Margin, where applicable;	✓		
1 (5)	(v)		Discussion on continuity of any Extra-Ordinary activities and their implications (gain or loss);	✓		

1 (5)	(vi)	A detailed discussion on related party transactions along with a statement showing amount, nature of related party, nature of transactions and basis of transactions of all related party transactions;	✓		
1 (5)	(vii)	A statement of Utilization of proceeds from public issues, rights issues and/or through any others instruments;			N/A
1 (5)	(viii)	An explanation if the financial results deteriorate after the company goes for Initial Public Offering (IPO), Repeat Public Offering (RPO), Rights Share Offer, Direct Listing, etc.;			N/A
1 (5)	(ix)	An explanation on any significant variance that occurs between Quarterly Financial performances and Annual Financial Statements;	✓		
1 (5)	(x)	A statement of remuneration paid to the directors including independent directors;	✓		
1 (5)	(xi)	A statement that the financial statements prepared by the management of the issuer company present fairly its state of affairs, the result of its operations, cash flows and changes in equity;	✓		
1 (5)	(xii)	A statement that proper books of account of the issuer company have been maintained;	✓		
1 (5)	(xiii)	A statement that appropriate accounting policies have been consistently applied in preparation of the financial statements and that the accounting estimates are based on reasonable and prudent judgment;	✓		
1 (5)	(xiv)	A statement that International Accounting Standards (IAS) or International Financial Reporting (IFRS), as applicable in Bangladesh, have been followed in preparation of the financial statements and any departure there from has been adequately disclosed;	✓		
1 (5)	(xv)	A statement that the system of internal control is sound in design and has been effectively implemented and monitored;	✓		
1 (5)	(xvi)	A statement that minority shareholders have been protected from abusive actions by, or in the interest of, controlling shareholders acting either directly or indirectly and have effective means of redress;	✓		
1 (5)	(xvii)	A statement that there is no significant doubt upon the issuer company's ability to continue as a going concern, if the issuer company is not considered to be a going concern, the fact along with reasons there of shall be disclosed;	✓		
1 (5)	(xviii)	An explanation that significant deviations from the last year's operating results of the issuer company shall be highlighted and the reasons thereof shall be explained;	✓		
1 (5)	(xix)	A statement where key operating and financial data of at least preceding 5 (five) years shall be summarized;	✓		
1 (5)	(xx)	An explanation on the reasons if the issuer company has not declared dividend (cash or stock) for the year;			N/A
1 (5)	(xxi)	Board's statement to the effect that no bonus share or stock dividend has been or shall be declared as interim dividend;	✓		
1 (5)	(xxii)	The total number of Board meetings held during the year and attendance by each director;	✓		
1 (5)	(xxiii)	A report on the pattern of shareholding:			
1 (5)	(xxiii) a)	Parent or Subsidiary or Associated Companies and other related parties (name wise details);	✓		
1 (5)	(xxiii) b)	Directors, Chief Executive Officer, Company Secretary, Chief Financial Officer, Head of Internal Audit and their spouses and minor children (name wise details);	✓		
1 (5)	(xxiii) c)	Executives; and	✓		
1 (5)	(xxiii) d)	Shareholders holding ten percent (10%) or more voting interest in the company (name wise details);	✓		
1 (5)	(xxiv)	Disclosure on Appointment/Re-appointment of Director:			
1 (5)	(xxiv) a)	A brief resume of the director;	✓		



1 (5)	(xxiv)	b)	Nature of his or her expertise in specific functional areas; and	✓		
1 (5)	(xxiv)	c)	Names of companies in which the person also holds the directorship and the membership of committees of the Board;	✓		
1 (5)	(xxv)	A Management's Discussion and Analysis signed by CEO or MD presenting detailed analysis of the company's position and operations along with a brief discussion of changes in the financial statements, among others, focusing on:				
1 (5)	(xxv)	a)	Accounting policies and estimation for preparation of financial statements;	✓		
1 (5)	(xxv)	b)	Changes in accounting policies and estimation, if any, clearly describing the effect on financial performance or results and financial position as well as cash flows in absolute figure for such changes;	✓		
1 (5)	(xxv)	c)	Comparative analysis (including effects of inflation) of financial performance or results and financial position as well as cash flows for current financial year with immediate preceding five years explaining reasons thereof;	✓		
1 (5)	(xxv)	d)	Compare such financial performance or results and financial position as well as cash flows with the peer industry scenario;	✓		
1 (5)	(xxv)	e)	Briefly explain the financial and economic scenario of the country and the globe;	✓		
1 (5)	(xxv)	f)	Risks and concerns issues related to the financial statements, explaining such risk and concerns mitigation plan of the company; and	✓		
1 (5)	(xxv)	g)	Future plan or projection or forecast for company's operation, performance and financial position, with justification thereof, i.e., actual position shall be explained to the shareholders in the next AGM;	✓		
1 (5)	(xxvi)	Declaration or certification by the CEO and the CFO to the Board as required under condition No. 3(3) shall be disclosed as per Annexure-A ; and		✓		
1 (5)	(xxvii)	The report as well as certificate regarding compliance of conditions of this Code as required under condition No.9 shall be disclosed as per Annexure-B and Annexure-C .		✓		
1 (6)	Meetings of the Board of Directors					
	The company shall conduct its Board meetings and record the minutes of the meetings as well as keep required books and records in line with the provisions of the relevant Bangladesh Secretarial Standards (BSS) as adopted by the Institute of Chartered Secretaries of Bangladesh (ICSB) in so far as those standards are not inconsistent with any condition of this Code.			✓		
1 (7)	Code of Conduct for the Chairperson, other Board members and Chief Executive Officer					
1 (7)	(a)	The Board shall lay down a code of conduct, based on the recommendation of the Nomination and Remuneration Committee (NRC) at condition No. 6, for the Chairperson of the Board, other board members and Chief Executive Officer of the company;		✓		
1 (7)	(b)	The code of conduct as determined by the NRC shall be posted on the website of the company including, among others, prudent conduct and behavior; confidentiality; conflict of interest; compliance with laws, rules and regulations; prohibition of insider trading relationship with environment, employees, customers and suppliers; and independency.		✓		
2	Governance of Board of Directors of Subsidiary Company:					
2	(a)	Provisions relating to the composition of the Board of the holding company shall be made applicable to the composition of the Board of the subsidiary company;		✓		
2	(b)	At least 1 (one) independent director on the Board of the holding company shall be a director on the Board of the subsidiary company;		✓		
2	(c)	The minutes of the Board meeting of the subsidiary company shall be placed for review at the following Board meeting of the holding company;		✓		
2	(d)	The minutes of the respective Board meeting of the holding company shall state that they have reviewed the affairs of the subsidiary company also;		✓		
2	(e)	The Audit Committee of the holding company shall also review the financial statements, in particular the investments made by the subsidiary company.		✓		

2	(e)	The Audit Committee of the holding company shall also review the financial statements, in particular the investments made by the subsidiary company.	✓		
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3	Managing Director (MD) or Chief Executive Officer (CEO), Chief Financial Officer (CFO), Head of Internal Audit and Compliance (HIAC) and Company Secretary (CS):				
3 (1)	Appointment				
3 (1) (a)		The Board shall appoint a Managing Director (MD) or Chief Executive Officer (CEO), a Company Secretary (CS), a Chief Financial Officer (CFO) and a Head of Internal Audit and Compliance (HIAC);	✓		
3 (1) (b)		The positions of the Managing Director (MD) or Chief Executive Officer (CEO), Company Secretary (CS), Chief Financial Officer (CFO) and Head of Internal Audit and Compliance (HIAC) shall be filled by different individuals;	✓		
3 (1) (c)		The MD or CEO, CS, CFO and HIAC of a listed company shall not hold any executive position in any other company at the same time;	✓		
3 (1) (d)		The Board shall clearly define respective roles, responsibilities and duties of the CFO, the HIAC and the CS;	✓		
3 (1) (e)		The MD or CEO, CS, CFO and HIAC shall not be removed from their position without approval of the board as well as immediate dissemination to the Commission and stock exchange(s).	✓		
3 (2)	Requirement to attend Board of Directors' Meetings				
		The MD or CEO, CS, CFO and HIAC of the company shall attend the meetings of the Board: Provided that the CS, CFO and/or the HIAC shall not attend such part of a meeting of the Board which involves consideration of an agenda item relating to their personal matters.	✓		
3 (3)	Duties of Managing Director (MD) or Chief Executive Officer (CEO) and Chief Financial Officer (CFO)				
3 (3) (a)		The MD or CEO and CFO shall certify to the Board that they have reviewed financial statements for the year and that to the best of their knowledge and belief:	✓		
3 (3) (a) (i)		these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading; and	✓		
3 (3) (a) (ii)		these statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards and applicable laws;	✓		
3 (3) (b)		The MD or CEO and CFO shall also certify that there are, to the best of knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or in violation of the code of conduct for the company's Board or its members;	✓		
3 (3) (c)		The certification of the MD or CEO and CFO shall be disclosed in the Annual Report.	✓		
4	Board of Directors' Committee				
		For ensuring good governance in the company, the Board shall have at least following sub-committees:			
4 (i)		Audit Committee; and	✓		
4 (ii)		Nomination and Remuneration Committee.	✓		
5	Audit Committee				
5 (1)	Responsibility to the Board of Directors				
5 (1) (a)		The company shall have an Audit Committee as a sub-committee of the Board;	✓		
5 (1) (b)		The Audit Committee shall assist the Board in ensuring that the financial statements reflect true and fair view of the state of affairs of the company and in ensuring a good monitoring system within the business;	✓		



5 (1)	(c)	The Audit Committee shall be responsible to the Board; the duties of the Audit Committee shall be clearly set forth in writing.	✓		
5 (2)	Constitution of the Audit Committee				
5 (2)	(a)	The Audit Committee shall be composed of at least 3 (three) members;	✓		
5 (2)	(b)	The Board shall appoint members of the Audit Committee who shall be non-executive directors of the company excepting Chairperson of the Board and shall include at least 1 (one) independent director;	✓		
5 (2)	(c)	All members of the audit committee should be 'financially literate' and at least 1 (one) member shall have accounting or related financial management background and 10 (ten) years of such experience;	✓		
5 (2)	(d)	When the term of service of any Committee member expires or there is any circumstance causing any committee members to be unable to hold office before expiration of the term of service, thus making the number of the Committee members to be lower than the prescribed number of 3 (three) persons, the Board shall appoint the new Committee member to fill up the vacancy immediately or not later than 1 (one) month from the date of vacancy in the committee to ensure continuity of the performance of work of the Audit Committee;	✓		
5 (2)	(e)	The company secretary shall act as the secretary of the Committee;	✓		
5 (2)	(f)	The quorum of the Audit Committee meeting shall not constitute without at least 1 (one) independent director.	✓		
5 (3)	Chairperson of the Audit Committee				
5 (3)	(a)	The Board shall select 1 (one) member of the Audit Committee to be Chairperson of the Audit Committee, who shall be an independent director;	✓		
5 (3)	(b)	In the absence of the Chairperson of the Audit Committee, the remaining members may elect one of themselves as Chairperson for that particular meeting, in that case there shall be no problem of constituting a quorum as required under condition No. 5(4)(b) and the reason of absence of the regular Chairperson shall be duly recorded in the minutes;	✓		
5 (3)	(c)	Chairperson of the Audit Committee shall remain present in the Annual General Meeting (AGM).	✓		
5 (4)	Meeting of the Audit Committee				
5 (4)	(a)	The Audit Committee shall conduct at least its four meetings in a financial year;	✓		
5 (4)	(b)	The quorum of the meeting of the Audit Committee shall be constituted in presence of either two members or two-third of the members of the Audit Committee, whichever is higher, where presence of an independent director is a must.	✓		
5 (5)	Role of Audit Committee				
		The Audit Committee shall:			
5 (5)	(a)	Oversee the financial reporting process;	✓		
5 (5)	(b)	Monitor choice of accounting policies and principles;	✓		
5 (5)	(c)	Monitor Internal Audit and Compliance process to ensure that it is adequately resourced, including approval of the Internal Audit and Compliance Plan and review of the Internal Audit and Compliance Report;	✓		
5 (5)	(d)	Oversee hiring and performance of external auditors;	✓		
5 (5)	(e)	Hold meeting with the external or statutory auditors for review of the annual financial statements before submission to the Board for approval or adoption;	✓		
5 (5)	(f)	Review along with the management, annual financial statements before submission to the Board for approval;	✓		

5 (5)	(g)	Review along with the management, the quarterly and half yearly financial statements before submission to the Board for approval;	✓		
5 (5)	(h)	Review the adequacy of internal audit function;	✓		
5 (5)	(i)	Review the Management's Discussion and Analysis before disclosing in the Annual Report;	✓		
5 (5)	(j)	Review statement of all related party transactions submitted by the management;	✓		
5 (5)	(k)	Review Management Letters or Letter of Internal Control weakness issued by statutory auditors;	✓		
5 (5)	(l)	Oversee the determination of audit fees based on scope and magnitude, level of expertise deployed and time required for effective audit and evaluate the performance of external auditors; and	✓		
5 (5)	(m)	Oversee whether the proceeds raised through Initial Public Offering (IPO) or Repeat Public Offering (RPO) or Rights Share Offer have been utilized as per the purposes stated in relevant offer document or prospectus approved by the Commission.			N/A
5 (6)	Reporting of the Audit Committee				
5 (6)	(a)	Reporting to the Board of Directors			
5 (6)	(a)	(i)	The Audit Committee shall report on its activities to the Board.	✓	
5 (6)	(a)	(ii)	The Audit Committee shall immediately report to the Board on the following findings, if any:		No such Incident
5 (6)	(a)	(ii)	(a) report on conflicts of interests;		N/A
5 (6)	(a)	(ii)	(b) suspected or presumed fraud or irregularity material defect identified in the internal audit and compliance process or in the financial statements;		N/A
5 (6)	(a)	(ii)	(c) suspected infringement of laws, regulatory compliances including securities related laws, rules and regulations; and		No such Incident
5 (6)	(a)	(ii)	(d) any other matter which the Audit Committee deems necessary shall be disclosed to the Board immediately;		No such Incident
5 (6)	(b)	Reporting to the Authorities			
			If the Audit Committee has reported to the Board about anything which has material impact on the financial condition and results of operation and has discussed with the Board and the management that any rectification is necessary and if the Audit Committee finds that such rectification has been unreasonably ignored, the Audit Committee shall report such finding to the Commission, upon reporting of such matters to the Board for three times or completion of a period of 6 (six) months from the date of first reporting to the Board, whichever is earlier.		No such Incident
5 (7)	Reporting to the Shareholders and General Investors				
			Report on activities carried out by the Audit Committee, including any report made to the Board under condition No. 5(6)(a)(ii) above during the year, shall be signed by the Chairperson of the Audit Committee and disclosed in the annual report of the issuer company.	✓	
6	Nomination and Remuneration Committee (NRC)				
6 (1)	Responsibility to the Board of Directors				
6 (1)	(a)	The company shall have a Nomination and Remuneration Committee (NRC) as sub-committee of the Board;		✓	
6 (1)	(b)	The NRC shall assist the Board in formulation of the nomination criteria or policy for determining qualifications, positive attributes, experiences and independence of directors and top level executive as well as a policy for formal process of considering remuneration of directors, top level executive;		✓	
6 (1)	(c)	The Terms of Reference (ToR) of the NRC shall be clearly set forth in writing covering the areas stated at the condition No. 6(5)(b).		✓	



6 (1)	(c)	The Terms of Reference (ToR) of the NRC shall be clearly set forth in writing covering the areas stated at the condition No. 6(5)(b).	✓		
6 (2)	Constitution of the NRC				
6 (2)	(a)	The Committee shall comprise of at least three members including an independent director;	✓		
6 (2)	(b)	All members of the Committee shall be non-executive directors;	✓		
6 (2)	(c)	Members of the Committee shall be nominated and appointed by the Board;	✓		
6 (2)	(d)	The Board shall have authority to remove and appoint any member of the Committee;	✓		
6 (2)	(e)	In case of death, resignation, disqualification, or removal of any member of the Committee or in any other cases of vacancies, the Board shall fill the vacancy within 180 (one hundred eighty) days of occurring such vacancy in the Committee;			N/A
6 (2)	(f)	The Chairperson of the Committee may appoint or co-opt any external expert and/or member(s) of staff to the Committee as advisor who shall be non-voting member, if the Chairperson feels that advice or suggestion from such external expert and/or member(s) of staff shall be required or valuable for the Committee;			N/A
6 (2)	(g)	The company secretary shall act as the secretary of the Committee;	✓		
6 (2)	(h)	The quorum of the NRC meeting shall not constitute without attendance of at least an independent director;	✓		
6 (2)	(i)	No member of the NRC shall receive, either directly or indirectly, any remuneration for any advisory or consultancy role or otherwise, other than Director's fees or honorarium from the company.			N/A
6 (3)	Chairperson of the NRC				
6 (3)	(a)	The Board shall select 1 (one) member of the NRC to be Chairperson of the Committee, who shall be an independent director;	✓		
6 (3)	(b)	In the absence of the Chairperson of the NRC, the remaining members may elect one of themselves as Chairperson for that particular meeting, the reason of absence of the regular Chairperson shall be duly recorded in the minutes;			No such Incident
6 (3)	(c)	The Chairperson of the NRC shall attend the annual general meeting (AGM) to answer the queries of the Shareholders.	✓		
6 (4)	Meeting of the NRC				
6 (4)	(a)	The NRC shall conduct at least one meeting in a financial year;	✓		
6 (4)	(b)	The Chairperson of the NRC may convene any emergency meeting upon request by any member of the NRC;			N/A
6 (4)	(c)	The quorum of the meeting of the NRC shall be constituted in presence of either two members or two third of the members of the Committee, whichever is higher, where presence of an independent director is must as required under condition No. 6(2)(h);	✓		
6 (4)	(d)	The proceedings of each meeting of the NRC shall duly be recorded in the minutes and such minutes shall be confirmed in the next meeting of the NRC.	✓		
6 (5)	Role of the NRC				
6 (5)	(a)	NRC shall be independent and responsible or accountable to the Board and to the shareholders;	✓		
6 (5)	(b)	NRC shall oversee, among others, the following matters and make report with recommendation to the Board:	✓		
6 (5)	(b)	(i) formulation the criteria for determining qualifications, positive attributes and independence of a director and recommend a policy to the Board, relating to the remuneration of the directors top level executive, considering the following:	✓		
6 (5)	(b)	(i) (a) the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate suitable directors to run the company successfully;	✓		

6 (5)	(b)	(i)	(a)	the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate suitable directors to run the company successfully;	✓		
6 (5)	(b)	(i)	(b)	the relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and	✓		
6 (5)	(b)	(i)	(c)	remuneration to directors, top level executive involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals;	✓		
6 (5)	(b)	(ii)		devising a policy on Board's diversity taking into consideration age, gender, experience, ethnicity, educational background and nationality;	✓		
6 (5)	(b)	(iii)		identifying persons who are qualified to become directors and who may be appointed in top level executive position in accordance with the criteria laid down, and recommend their appointment and removal to the Board;	✓		
6 (5)	(b)	(iv)		formulating the criteria for evaluation of performance of independent directors and the Board;	✓		
6 (5)	(b)	(v)		identifying the company's needs for employees at different levels and determine their selection, transfer or replacement and promotion criteria; and	✓		
6 (5)	(b)	(vi)		developing, recommending and reviewing annually the company's human resources and training policies;	✓		
6 (5)	(c)			The company shall disclose the nomination and remuneration policy and the evaluation criteria and activities of NRC during the year at a glance in its annual report.	✓		
7 External or Statutory Auditors							
7 (1)	The issuer company shall not engage its external or statutory auditors to perform the following services of the company, namely:-						
7 (1)	(i)			appraisal or valuation services or fairness opinions;	✓		
7 (1)	(ii)			financial information systems design and implementation;	✓		
7 (1)	(iii)			book-keeping or other services related to the accounting records or financial statements;	✓		
7 (1)	(iv)			broker-dealer services;	✓		
7 (1)	(v)			actuarial services;	✓		
7 (1)	(vi)			internal audit services or special audit services;	✓		
7 (1)	(vii)			any service that the Audit Committee determines;	✓		
7 (1)	(viii)			audit or certification services on compliance of corporate governance as required under condition No. 9(1); and	✓		
7 (1)	(ix)			any other service that creates conflict of interest.	✓		
7 (2)				No partner or employees of the external audit firms shall possess any share of the company they audit at least during the tenure of their audit assignment of that company; his or her family members also shall not hold any shares in the said company.	✓		
7 (3)				Representative of external or statutory auditors shall remain present in the Shareholders' Meeting (Annual General Meeting or Extraordinary General Meeting) to answer the queries of the shareholders.	✓		
8 Maintaining a website by the Company							
8 (1)				The company shall have an official website linked with the website of the stock exchange.	✓		
8 (2)				The company shall keep the website functional from the date of listing.	✓		
8 (3)				The company shall make available the detailed disclosures on its website as required under the listing regulations of the concerned stock exchange(s).	✓		
9 Reporting and Compliance of Corporate Governance							



9 (1)	The company shall obtain a certificate from a practicing Professional Accountant or Secretary (Chartered Accountant or cost and Management Accountant or Chartered Secretary) other than its statutory auditors or audit firm on yearly basis regarding compliance of conditions of Corporate Governance Code of the Commission and shall such certificate shall be disclosed in the Annual Report.	✓		
9 (2)	The professional who will provide the certificate on compliance of this Corporate Governance Code shall be appointed by the shareholders in the annual general meeting.	✓		
9 (3)	The directors of the company shall state, in accordance with the Annexure-C attached, in the directors' report whether the company has complied with these conditions or not.	✓		



Independent Auditor's Report To the Shareholders of **S.S. STEEL LIMITED**

Report on the Audit of the Financial Statements

Qualified Opinion

We have audited the financial statements of **S. S. STEEL LIMITED**, which comprise the statement of financial position as at 30 June 2019, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at 30 June 2019, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs), the Companies Act 1994, the securities and exchange rules 1987 and other applicable laws and regulations.

Basis for Qualified Opinion

- i) In Note-18, "Provision for Workers Profit Participation Fund (WPPF) and welfare fund" no payment have been made out of WPPF to the beneficiaries during the year, a non-compliance of section 242 of the Bangladesh Labor Act as per which, two-thirds of the total amount deposited in the participation fund in every year shall be distributed in equal proportion to all (beneficiaries) in cash, moreover interest is given on loan taken from WPPF and Welfare fund at 8.5% which is much lower than the required rate of 2.5% above the bank rate or 75% of the rate at which dividend is declared on its ordinary shares, which is higher as per section 240(3) of the Bangladesh Labor Act, a non-compliance of the aforementioned action of the concerned Act.

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

Key Audit Matters

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

Risk	Our response to the risk
<p>Revenue recognition</p> <p>At yearendGrosssales revenue ofBDT. 4,150,567,726 with a net sales revenue of BDT. 4,138,661,079 after deduction of discount and commissions amounting BDT. 11,906,647.</p> <p>Revenue is measured net of discounts, commission and rebates earned by customers on the sales. Within a number of the markets, the estimation of discounts, commission and rebates recognized based on sales made during the year is material and considered to be complex and judgmental. Therefore, there is a risk of revenue being misstated as a result of faulty estimations over discounts, incentives andrebates.</p> <p>There is also a risk that revenue may be overstated due to fraud through manipulation of the discounts, incentives and rebates recognized resulting from the pressure local management may feel to achieve performance targets.</p>	<p>We have tested the design and operating effectiveness of key controls focusing on the following:</p> <ul style="list-style-type: none"> • Calculation of discounts, incentives andrebates; • Segregation of duties in invoice creation and modification;and • Timing of revenuerecognition. <p>Our substantive procedures in relation to the revenue recognition comprises the following:</p> <ul style="list-style-type: none"> • Obtaining supporting documentation for sales transactions recorded either side of year end as well as credit notes issued after the year end date to determine whether revenue was recognized in the correct period; • Within a number of the Company's markets, comparing current year rebate accruals to the prior year and, where relevant, completing further inquiries andtesting. • Agreeing a sample of claims and rebate accruals to supporting documentation; • Critically assessing manual journals posted to revenue to identify unusual or irregular items;and • Finally assessed the appropriateness and presentation of disclosures against relevant accountingstandards.
See note no 20.00 to the financial statements	
<p>Valuation of Inventory</p> <p>The inventory of Tk. 1,351,673,216 at 30 June 2019, held in warehouses and across multiple product lines.</p> <p>Inventories are carried at the lower of cost and net realizable value. As a result, the directors apply judgement in determining the appropriate values for slow-moving or obsolete items.</p>	<p>We challenged the appropriateness of management's assumptions applied in calculating the value of the inventory provisionsby:</p> <ul style="list-style-type: none"> • evaluating the design and implementation of key inventory controls operating across the Company, including those at a sample of warehouses;

	<ul style="list-style-type: none"> • comparing the net realizable value, obtained through a detailed review of sales subsequent to the year-end, to the cost price of a sample of inventories and comparison to the associated provision to assess whether inventory provisions are complete; • reviewing the historical accuracy of inventory provisioning, and the level of inventory write-offs during the year; and • challenging the completeness of inventory provisions through assessing actual and forecast sales of inventory lines to assess whether provisions for slow- moving/obsolete stock are valid and complete.
See note no 6.00 to the financial statements	
Measurement of deferred tax Liabilities	
Net deferred tax liabilities Tk. 282,825,171 as at 30 June 2019.	We obtained an understanding, evaluated the design and tested the operational effectiveness of the Company's key controls over the recognition and measurement of deferred tax liabilities.
Significant judgment is required in relation to deferred tax liabilities as their recoverability is dependent on forecasts of future profitability over a number of years.	<p>We also assessed the completeness and accuracy of the data used for the estimations of future taxable expense.</p> <p>We involved tax specialists to assess key assumptions, controls, recognition and measurement of deferred tax liabilities.</p> <p>We also assessed the appropriateness of presentation of disclosures against IAS 12 Income Tax.</p>
See note no 13.00 to the financial statements	
Valuation of defined benefits	
The Company operates a number of defined benefit schemes which in total are significant in the context of the overall financial position. At year end the Company reported a net defined benefits of WPPF liability of Tk. 70,562,914	<p>We tested the design and operating effectiveness of key controls over the completeness and accuracy of data extracted of employee benefits</p> <p>We concluded that the key controls were designed, implemented and operated efficiently.</p> <p>Employee data used in calculating obligation is also tested and appropriateness and presentation of disclosures against IAS 19: Employee Benefits were assessed.</p>
See note no 18.00 to the financial statements	

Other Information

Management is responsible for the other information. The other information comprises the 'Annual Report' but does not include the financial statements and our auditor's report thereon. Our opinion on the financial statement does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information, and in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If based on the work we have performed, we conclude that, we have nothing to report in this regard or a statement that describes any material misstatement of the other information.

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

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with IFRSs, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or

business activities within the financial statements. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit.

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

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

Report on Other Legal and Regulatory Requirements

In accordance with the Companies Act 1994, we also report the following:

- a) we have obtained all the information and explanation which to the best of our knowledge and belief were necessary for the purpose of our audit and made due verification thereof;
- b) in our opinion, proper books of account as required by law have been kept by the Company so far as it appeared from our examination of those books; and
- c) the statement of financial position and statement of profit or loss and other comprehensive income dealt with by the report are in agreement with the books of account.
- d) the expenditure incurred was for the purposes of the Company's business.

Dated: 28 October 2019
Dhaka


MABS & J Partners
Chartered Accountants

S. S. STEEL LIMITED
Statement of Financial Position
As at 30 June 2019

Particulars	Notes	Amount in Taka	
		30-Jun-2019	30-Jun-2018
Assets:			
Non-current assets		2,921,086,855	2,921,978,428
Property, plant & equipment's	4.00	2,844,693,138	2,842,425,204
Capital work-in-progress	5.00	76,393,717	79,553,224
Current assets		4,757,188,195	3,798,642,150
Inventories	6.00	1,351,673,216	1,276,774,422
Trade and other receivables	7.00	1,918,692,709	1,572,050,385
Advances, deposits and prepayments	8.00	968,555,765	777,849,148
Cash and cash equivalents	9.00	518,266,505	171,968,195
Total Assets		7,678,275,050	6,720,620,578
Shareholders' Equity & Liabilities:			
Shareholders' Equity		4,489,676,373	3,720,512,985
Share capital	10.02	2,450,000,000	2,200,000,000
Retained earnings	11.00	1,323,624,611	794,355,847
Revaluation surplus	12.00	716,051,762	726,157,138
Non current liabilities		608,277,657	783,407,071
Deferred tax liabilities	13.00	282,825,171	361,538,454
Non current portion of term loan	14.00	325,452,486	421,868,617
Current liabilities		2,580,321,020	2,216,700,522
Current portion of term loan	14.00	99,327,133	97,074,843
Trade and other payables	15.00	374,188,226	455,061,713
Accrued expenses	16.00	32,832,525	61,006,125
Short term loan	17.00	1,728,535,981	1,400,776,582
Provision for WPPF and welfare fund	18.00	70,606,076	39,522,240
Provision for income tax	19.00	274,831,079	163,259,019
Total Equity and Liabilities		7,678,275,050	6,720,620,578
Net assets value per share (NAVPS) without revaluation	26.02	15.40	13.61
Net assets value per share (NAVPS) with revaluation	26.03	18.33	16.91


 Independent Director


 Managing Director


 Chairman


 Head of Accounts


 Company Secretary

These Statement of Financial Position are to be read in conjunction with notes 1.00 to 27.00 attached.

Place: Dhaka

Dated: 28 October 2019


MABS & J Partners
 Chartered Accountants


S. S. STEEL LIMITED
Statement of Profit or Loss and Other Comprehensive Income
For the year ended 30 June 2019


Particulars	Notes	Amount in Taka	
		2018-2019	2017-2018
Revenue	20.00	4,150,567,726	3,586,579,981
Cost of goods sold	21.00	(3,143,142,522)	(2,667,841,833)
Gross profit		1,007,425,204	918,738,148
Administrative expenses	22.00	(102,601,342)	(130,747,895)
Selling and distribution expenses	23.00	(108,313,784)	(85,104,086)
Operating profit before financial expenses		796,510,078	702,886,167
Financial expenses	24.00	(235,574,704)	(216,713,483)
Profit before other income		560,935,374	486,172,684
Other income	25.00	21,277,988	8,026,875
Profit before WPPF and provision for income tax		582,213,362	494,199,559
Contribution to WPPF and welfare fund		(27,724,446)	(23,533,312)
Profit before income tax		554,488,916	470,666,246
Provision for income tax		(35,325,528)	(164,733,186)
Current tax		(114,038,811)	(98,867,136)
Deferred tax		78,713,283	(65,866,050)
Profit after income tax		519,163,389	305,933,060
Earning Per Share (EPS)	26.01	2.21	1.39
Earning Per Share (EPS)-Adjusted		2.21	1.30


 Independent Director


 Head of Accounts


 Managing Director


 Chairman


 Company Secretary

These Statement of Profit or Loss and Other Comprehensive Income are to be read in conjunction with notes 1.00 to 27.00 attached.

Place: Dhaka

Dated: 28 October 2019


MABS & J Partners
 Chartered Accountants

S. S. STEEL LIMITED
Statement of Cash Flows
For the year ended 30 June 2019

Particulars	Amount in Taka	
	2018-2019	2017-2018
Cash flows from operating activities		
Cash received from customers	3,855,981,087	3,120,308,265
Payment for Cost and Expenses	(3,603,381,837)	(2,650,867,492)
Income tax payment	(25,307,085)	(55,179,783)
Net cash inflow/(outflow) from operating activities (A)	227,292,166	414,260,990
Cash flows from investing activities		
Acquisition of property, plant and equipment	(55,980,382)	(170,558,113)
Capital work in progress	(76,393,717)	(79,553,224)
Share capital Received from public offering	250,000,000	-
Net cash inflow/(outflow) from investing activities (B)	117,625,901	(250,111,337)
Cash flows from financing activities		
Long term loan paid	(94,163,842)	26,663,617
Short term loan	327,759,399	62,765,529
Financial expenses	(232,215,314)	(213,834,712)
Net cash inflow/(outflow) from financing activities (C)	1,380,244	(124,405,566)
Net increase of cash and cash equivalents for the year (A+B+C)	346,298,311	39,744,086
Cash and cash equivalents at the beginning of the year	171,968,195	132,224,109
Cash and cash equivalents at the end of the period	518,266,505	171,968,195
Net operating cash flow per share-NOCFPS (Note: 26.04)	0.93	1.88


 Independent Director


 Managing Director


 Chairman


 Head of Accounts


 Company Secretary

These Statement of Cash Flows are to be read in conjunction with notes 1.00 to 27.00 attached.

Place: Dhaka

Dated: 28 October 2019


MABS & J Partners
 Chartered Accountants

S. S. STEEL LIMITED
Statement of Changes in Equity
For the year ended 30 June 2019


Particulars	Amount in Taka				
	Share Capital	Revaluation Reserve	Tax Holiday Reserve	Retained Earnings	Total Equity
Balance at the beginning on 01 July 2018	2,200,000,000	726,157,138	-	794,355,847	3,720,512,985
Net profit (after tax) transferred from statement of comprehensive income	-	-	-	519,163,389	519,163,389
Excess depreciation transfer to retained earnings	-	(10,105,376)	-	10,105,376	-
Share capital Received from public offering	250,000,000	-	-	-	250,000,000
Balance as at 30 June 2019	2,450,000,000	716,051,762	-	1,323,624,611	4,489,676,373

For the year ended 30 June 2018


Particulars	Amount in Taka				
	Share Capital	Revaluation Reserve	Tax Holiday Reserve	Retained Earnings	Total Equity
Balance at the beginning on 01 July 2017	2,200,000,000	736,849,102	9,117,371	468,613,452	3,414,579,925
Net profit (after tax) transferred from statement of comprehensive income	-	-	-	305,933,060	305,933,060
Excess depreciation transfer to retained earnings	-	(10,691,964)	-	10,691,964	-
Tax Holiday Reserve Adjustment- Transfer to Retained Earnings	-	-	(9,117,371)	9,117,371	-
Balance as at 30 June 2018	2,200,000,000	726,157,138	-	794,355,847	3,720,512,985


Independent Director


Managing Director


Chairman


Head of Accounts


Company Secretary

These Statement of Cash Flows are to be read in conjunction with notes 1.00 to 27.00 attached.

Place: Dhaka

Dated: 28 October 2019


MABS & Partners
 Chartered Accountants

S. S. STEEL LIMITED
Notes to the Financial Statements
As at and For the year ended 30 June 2019

1.00 The Company & It's Operations**1.01 Legal form of the Company**

S. S. Steel Limited (hereinafter referred to as "the Company") was incorporated as private company limited by shares on 22 December 2001 under the Companies Act, 1994. Subsequently, S. S. Steel Limited company was converted from private limited company to public limited company on 15 December 2016. Also the company changed his name S. S. Steel Limited from S.S. Steel (Pvt.) Limited dated on 10th May 2018. The Company is listed with Dhaka Stock Exchange on 9 October 2018 as a publicly traded company. Trading of the shares of the company started from 17 January 2019.

1.02 Address of the Registered & Corporate Office

The registered office of the company is located at Pearl Trade Center, Cha - 90/3 PragatiSarani North Badda, Dhaka-1212, Bangladesh and the factory is located at Plot-4, Block-B, Tongi Industrial Area, Tongi, Gazipur.

1.03 Nature of Business Activities

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 and Ingot. The Company produce M.S. Billets from scrap.

2.00 Summary of Significant Accounting & Valuation Principles**2.01 Statement of Compliance**

The financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRS), the Companies Act 1994, the Securities and Exchange Rules 1987 and other applicable laws and regulations in Bangladesh. Cash flows from operating activities are prepared under direction method as prescribed by the Securities and Exchange Rules 1987.

On 14 December 2017, the Institute of Chartered Accountants of Bangladesh (ICAB) has adopted International Financial Reporting Standards issued by the International Accounting Standards Board as IFRSs. As the ICAB previously adopted such standards a Bangladesh Financial Reporting Standards without any modification, this recent adoption will not have any impact on the financial statements of the Company going forward.

A number of new standards and amendments to standards are effective for annual periods beginning on or after 01 January 2018 and earlier application is permitted.

2.02 Other Regulatory Compliances

The company is also required to comply with the following major laws and regulations along with the Companies Act 1994;

- A. The Income Tax Ordinance, 1984
- B. The Income Tax Rules, 1984
- C. The Value Added Tax Act, 1991
- D. The Value Added Tax Rules, 1991
- E. The Securities and Exchange Ordinance, 1969
- F. The Securities and Exchange Rules, 1987
- G. Securities and Exchange Commission Act, 1993
- H. The Customs Act, 1969
- I. Bangladesh Labour Law, 2006 .

2.03 Basis of Accounting

The financial statements of the company under reporting have been prepared under historical cost convention in a going concern concept and on accrual basis in accordance and the disclosures of information made in accordance with the requirements of the companies Act, 1994 and IAS and IFRS adopted by the Institute of Chartered Accountants of Bangladesh (ICAB), The Financial Position and Statement of Profit or Loss and other Comprehensive Income have been prepared according to IAS-1 "Presentation of Financial Statements" based on accrual basis of accounting following going concern assumption under generally accepted accounting principles (GAAP) and practices in Bangladesh other applicable laws regulation and cash flow statement according to IAS-7 "Statement of Cash Flows"

2.04 Accounting Convention and Assumption:

The financial statements are prepared under the historical cost convention.

2.05 Accounting Records

The entity has been maintaining all the required books of accounts are necessary for the accounts.

2.06 Reporting year

The financial statements of the company cover one year from 01 July 2018 to 30 June 2019.

2.07 Principal Accounting Policies

The specific accounting policies have been selected and applied by the company's management for significant transactions and events that have a material effect within the Framework for preparation and presentation of financial statements. Financial statement have been prepared and presented in compliance with IAS-1 "Presentation of Financial Statement ". The previous period's figures were formulated accounting to the same accounting principles. Compared to the previous period, there were no significant changes in the accounting and valuation policies affecting the financial position and performance of the Company. However, Changes made to the presentation are explained in the note for each respective item.

2.08 Functional and presentation currency

The financial statements are expressed in Bangladeshi Taka which is both functional currency and reporting currency of the Company. The figures of financial statements have been rounded off to the nearest taka.

2.09 Use of estimates and judgments

The preparation of the financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates and underlying assumptions, which are reviewed on an ongoing basis. Revision to accounting estimates is recognized in the year in which the estimates are revised and in any future years affected.

2.10 Going concern

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

2.11 Comparative information

Comparative figures and account titles in the financial statements have been rearranged/reclassified and restated where necessary to conform with changes in presentation in the current year.

3.00 Significant Accounting Policies

3.01 Application of Standards

The financial statements have been prepared in compliance with requirement of IASs (International Accounting Standards) and requirement of IFRSs (International Financial Reporting Standards) as adopted by The Institute of Chartered Accountants of Bangladesh (ICAB) as applicable in Bangladesh.

3.02 Property, plant and equipment

i) Recognition and Measurement

In compliance with IAS-16 (Property, Plant & Equipment) items of Property, Plant & Equipment (PPE), excluding land are initially measured at cost less accumulated depreciation and accumulated impairment losses, if any. Land is measured at cost. The cost of an item of PPE comprises its purchase price, import duties and non-refundable taxes after deducting trade discount rebates and any costs directly attributable to bringing the assets to the location and condition necessary for it to be capable of operating in the intended manner.

ii) Capitalization of Borrowing Cost

Finance costs that are directly attributable to the construction of plants are included in the cost of those plants in compliance with IAS-23: Borrowing Cost, allowed alternative treatment.

iii) Subsequent Costs

The cost of replacing part of an item of property, plant and equipment is recognized in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company and its cost can be measured reliably. The costs of the day to day maintaining cost on PPE are recognized and Statement of Profit or Loss and Other Comprehensive Income as incurred.

iv) Depreciation

No depreciation is charged on land and land development. Consistently, depreciation is provided on reducing balance method based on written down value at which the assets is carried in the books of account. Depreciation continues to be provided until such time as the written down value is reduced to Taka one. Each item of PPE is depreciated when it is available for use i.e. when it is in the location and condition necessary for it to be capable of operating in the manner intended by management. Depreciation of an assets ceases at the earlier of the date that the asset is classified as held for sale (or included in a disposal group that is classified as held for sale) in accordance with IFRS 5 and the date that the asset is derecognized.

The depreciation/amortization rate(s) are as follows:

Category of Fixed Assets	Rate%
Land & Land Development	-
Factory Buildings	5%
Plant & Machinery	6%
Electric Equipment	10%
Generator	6%
Office Equipment	10%
Furniture & Fixtures	10%
Motor Vehicle	10%
Computer Software	25%

v) Revaluation of fixed assets

An asset is derecognized on disposal or when no future economic benefits are expected from its use and subsequent disposal. Gains or losses arising from the retirement or disposal of an asset is determined as the difference between the net disposal proceeds and the carrying amount of the assets and is recognized as gain or loss from disposal of asset under other income in the Statement of Profit or Loss and Other Comprehensive Income.

vi) Impairment of assets

All assets have been reviewed according to IAS-36 and it was confirmed that no such assets have been impaired during the year and for this reason no provision has been made for impairment of assets.

3.03 Capital-Work-in-Progress

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

3.04 Inventories and consumables

Inventories are assets held for sale in the ordinary course of business, in the process of production for such sale or in the form of materials or supplies to be consumed in the production process. Inventories are stated at the lower of cost or net realizable value in compliance to the requirements of Para 25 and 28 of IAS-2. Cost including an appropriate portion of fixed and variable overhead expenses is assigned inventories by the method most appropriate to the particular class of inventory. Net realizable value represents the estimated selling price for the inventories less all estimated cost of completion and cost necessary to make the sale. Item wise valuation is as follows:

- | | |
|-----------------------|--|
| i) Raw materials | at weighted average cost |
| ii) Finished goods | at cost or net realizable value whichever is lower |
| iii) Work-in-progress | at material cost plus conversion cost |
| iv) Stores & Spares | at weighted average cost |

3.05 Cash & Cash Equivalents

Cash & Cash Equivalents include cash in hand, cash at bank, term deposits which are available for use by the company without any restrictions. There is an insignificant risk of change in value of the same.

3.06 Trade receivable

Receivables are carried at original invoice amount. This is considered good for collection and therefore, no amount was written off as bad debt and no debt was considered doubtful to provide for.

3.07 Creditors & Accrued Expenses**3.7.1 Trade & Other payables**

Liabilities are recorded at the amount payable for settlement in respect of goods and services received by the company.

3.7.2 Provision

The preparation of Financial statements in conformity with International Accounting Standards IAS-37 Provisions, Contingent liabilities and Contingent Assets requires management to make estimates and assumptions that affect the reported amounts revenues and expenditures, assets and liabilities, and the disclosure requirements for contingent assets and liabilities during and at the date of financial statements.

3.08 Revenue recognition

In compliance with the requirements of IAS 18 "Revenue", revenue is recognized only when:

- The products are invoiced and dispatched to the customers;
- Interest income is accrued on a time basis by reference to the principal outstanding at the effective interest applicable.

3.09 Taxation

Provision is made at the ruling rate, considering tax, applied on 'estimated' taxable profit as a "Public Limited Company".

i) Current income tax

Provision for taxation has been made as per rates prescribed in the Finance Act, 2019 and the Income Tax Ordinance, 1984 on profit made by the company. As per IAS-12 Income Tax Provision has been made during the year as the company earned taxable income.

ii) Deferred tax

Deferred Tax is recognized on difference between the carrying amount of assets and a liability in the financial statements and the corresponding tax based used in the computation of taxable profit and is accounted for using balance sheet liability method. Deferred tax liability are generally recognized for all taxable temporary difference and deferred tax assets are recognized to the extent that it is probable that the profit will be available against which deductible temporary difference, unused tax losses or unused tax credits can be utilized. Considering the practices generally followed in Bangladesh the company has been recognized deferred tax liability in accordance with IAS-12 "Income Taxes."

3.10 Loans and borrowings

Principal amount of the loans and borrowings are stated at their outstanding amount. Borrowings repayable within twelve months from the reporting date are classified as current liabilities whereas borrowings repayable after twelve months from the Statement of Financial Position date are classified as non-current liabilities. Accrued interest and other charges are classified as current liabilities.

3.11 Foreign currency transaction / translation

Transactions in foreign currencies are translated into Bangladesh Taka at the Exchange rate prevailing on the date of transactions in accordance with IAS - 21 "The Effects of Changes in Foreign Exchange Rate." Monetary assets and liabilities in foreign currencies at the Statement of Financial Position date are translated into Bangladesh Taka at the rate of exchange prevailing at the Statement of Financial Position date. All exchange differences are recognized in the Statement of Comprehensive Income.

3.12 Contingent liabilities and assets

Contingent liabilities and assets are current or possible obligations or assets, 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 IAS-37 Provisions, Contingent Liabilities and Contingent Assets are disclosed in the Notes to the financial statements.

3.13 Statement of cash flows

Statement of Cash Flows is prepared principally in accordance with IAS 7 "Statement of Cash Flows" and the cash flow from the operating activities have been presented under direct method as prescribed by Securities and Exchange Rules, 1987.

3.14 Statement of Changes in Equity

The Statement of Changes in Equity reflects information about the increase or decrease in net assets or wealth.

3.15 Events after the reporting year

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

3.16 Segment reporting

As there is a single business and geographic segment within which the company operates, as such, no segment reporting is felt necessary.

3.17 Borrowing cost

The company capitalizes borrowing cost for new project such as interest on term loan and other related fees/charges for the year till to commencement of commercial operation and charges the cost to revenue account as financial expenses after commencement of commercial operation.

3.18 Advertisement and promotional expenses

All cost associated with advertising and promotional activities are charged out in the year incurred.

3.18.1 Earnings Per Share (EPS)

Earnings Per Share (EPS) is calculated in accordance with the International Accounting Standards IAS-33 "Earnings Per Share".

3.18.2 Basic Earning

The presents earning for the period attributable to the ordinary shareholders. As there was no preference dividend, minority interest or extra ordinary items, the net profit after tax for the period has been considered as fully attributable to the ordinary shareholders.

3.18.3 Basic Earnings Per Share

Basic earnings per share is calculated by dividing the net profit or loss for the year attributable to ordinary shareholders by the total number of ordinary shares outstanding during the year.

3.18.4 Diluted Earning per Share

No diluted EPS is required to be calculated for the period, as there was no scope for dilution during the period under review.

3.19 Components of the Financial Statements

According to the International Accounting Standards (IAS)-1 "Presentation of Financial Statement" the complete set of Financial Statements includes the following components:

- . Statement of Financial Position as at 30 June 2019
- . Statement of Comprehensive Income for the period ended 30 June 2019
- . Statement of Changes in Equity for the period ended 30 June 2019
- . Statement of Cash Flows for the period ended 30 June 2019
- . Notes to the Financial Statements

3.20 Related party transactions

The objective of IAS 24 'Related Party Disclosures' is to ensure that an entity's financial statements contain the disclosures necessary to draw attention to the possibility that its financial position and profit or loss may have been affected by the existence of related parties and by transactions and outstanding balances with such parties.

Parties are considered to be related if one party has the ability to control the other party or to exercise significant influence or joint control over the other party in making financial and operating decisions.

A party is related to an entity if: [IAS 24] directly or indirectly through one or more intermediaries, controls is controlled by or is under common control with the entity has an interest in the entity that gives it significant influence over the entity that has joint control over the entity, the party is a member of the key management personnel of the entity or its parent, the party is a close member of the family of any individual, the party is an entity that is controlled jointly or significantly influenced by or for which significant voting power in such entity resides with directly or indirectly, any individual and the party is a post-employment benefit plan for the benefit of employees of the entity.

The Company transacts with related parties and recognize as per IAS 24 'Related Party Disclosures'. Related party transactions have been disclosed.

3.21 Financial expenses

Financial expenses comprise the interest on external borrowings and bank charges and are recognized as they accrue.

3.22 Operating Expenses

Operating expenses refers to the expenses incurred for the day-to-day operation of the company.

3.23 Employee benefits**a. Festival Bonus**

The Company gives 02 festival bonus to its permanent employees in a year.

b. WPPF and welfare fund

This represents 5% of the net profit after charging such contribution but before tax contribution by the Company as per provisions of Bangladesh Labour (Amendments), 2013 and is payable to the workers as define in the said Law.

3.24 General

Wherever considered necessary, previous period's figures have been rearranged for the purpose of comparison. Figures appearing in Financial Statement have been rounded off to the nearest Taka.

3.25 Authorization date for issuing Financial Statements

The Financial Statements were authorized by the Board of Directors on 28.10.2019 for issue after completion of review.

4.00 Property, plant & equipment's Cost

Opening balance

Addition during the year

Total Cost

Accumulated depreciation

Opening balance

Depreciation for the period/year

Total depreciation

Written down value (WDV)

**Detail of fixed assets and depreciation are shown in the "Annexure - A"*

Amount in Taka	
30-Jun-2019	30-Jun-2018

3,400,183,474	2,955,375,361
135,533,606	444,808,113
3,535,717,080	3,400,183,474
557,758,269	429,323,423
133,265,672	128,434,846
691,023,941	557,758,269
2,844,693,138	2,842,425,204

4.01 Revaluation

The company revalued its Land, Plant & machineries, Office building and Factory building on 13 October 2011 by Axis Resources Limited following the resolution of the Board of Directors on 12 December 2011 to make a reflection of the present value of those assets in the financial statements. The Company did not revalue its other assets as because the difference of present value and book value of such asset is insignificant. The company has revalued further of its land & building on 29 June 2016. Details of the revaluation of the assets are given below:

Amount in Taka				
Particulars	Net Book Value as on 30 June 2016	Revalued Amount	(Impairment)	Revaluation Surplus
Land & land development	454,361,954	742,500,000	-	288,138,046
Factory & civil construction	145,824,528	261,466,595	-	115,642,067
	600,186,482	1,003,966,595	-	403,780,113

5.00 Capital work-in-progress

Opening balance

Addition during the year

Adjustment during the year

Closing balance

Amount in Taka	
30-Jun-2019	30-Jun-2018

79,553,224	-
76,393,717	79,553,224
155,946,941	79,553,224
(79,553,224)	-
76,393,717	79,553,224

6.00 Inventories

Stores & spares

Raw materials-scrap

Raw materials -chemicals

Work- in -process

Finished goods

Total

98,821,318	87,383,468
798,679,382	700,783,999
14,667,745	9,550,602
178,138,295	187,313,848
261,366,476	291,742,505
1,351,673,216	1,276,774,422

7.00 Trade and other receivables

Opening balance

Additions during the year

Realized during the year

Closing balance

1,572,050,385	1,058,198,012
4,190,807,963	3,613,023,606
5,762,858,349	4,671,221,618
(3,844,165,640)	(3,099,171,233)
1,918,692,709	1,572,050,385

Trade receivables have been stated at their nominal value. Trade receivables are accrued in the ordinary course of business. These are carried at invoice amount. All receivables have been considered as good and realizable. Therefore, no amount was written off as bad debt and no debt was considered as doubtful to provide for.

Disclosure as per schedule-XI, Part-I, of The Companies Act, 1994

Debts below 3 Months

Debts below 6 Months

8.00 Advances, deposits and prepayments

Advances (Note 8.01)

Deposits (Note 8.02)

Amount in Taka	
30-Jun-2019	30-Jun-2018

926,735,771	796,908,742
982,494,398	775,141,643

942,137,939	754,286,435
26,417,826	23,562,714
968,555,765	777,849,149

8.01 Advances

L/C margin

Advance income tax(Note 8.01.1)

VAT current account

Godown rent advance

Advance against salary

IPO related expense

Advance against purchase

112,650,112	59,232,196
117,064,962	94,224,629
2,652,103	4,529,179
6,796,902	7,055,074
291,000	812,000
-	732,107
702,682,859	587,701,251
942,137,939	754,286,435

8.01.1 Advance income tax

Opening Balance
Addition during the year

Adjustment during the year

Closing balance

94,224,628	73,605,016
22,840,334	53,679,783
117,064,962	127,284,800
-	(33,060,171)
117,064,962	94,224,629

8.02 Deposits

Bangladesh Oxygen Company Ltd
Dhaka Electric Supply Company Ltd
Titas Gas Transmission & Distribution Ltd
Grameen Phone Ltd.

10,451	10,451
2,411,242	2,411,242
23,989,633	21,134,521
6,500	6,500
26,417,826	23,562,714

9.00 Cash and cash equivalents

Cash in hand
Cash at bank (Note 9.01)
Fixed Deposit Receipt (FDR)(Note 9.02)

2,781,874	9,670,967
26,427,569	35,732,058
489,057,062	126,565,170
518,266,505	171,968,195

Cash balance was physically verified by the management and Bank balances are reconciled and found in order.

Amount in Taka	
30-Jun-2019	30-Jun-2018

9.01 Cash at bank

Bank Name	Branch	A/C No.	Amount in Taka	
Mercantile Bank Ltd.	Motijeel	011913100000158	36,364	1,430,119
Southeast Bank Ltd.	Banani	0011100005538	1,508,050	563,690
Southeast Bank Ltd.	New Elephant Road	0011100011066	1,522,300	-
Eastern Bank Ltd.	Gulshan	1041070005302	1,735,801	43,374
Jamuna Bank Ltd.	Gulshan	0100210006945	473,030	1,147,238
Bank Asia Ltd.	Principal Office	0000333007355	5,591,256	84,855
Brac Bank Ltd.	Graphics Building	1513203842315001	5,958,098	-
Brac Bank Ltd.	Gulshan	1501203842315001	19,878	-
Exim Bank Ltd.	Uttara	01511100008217	24,721	679,694
Islami bank Bangladesh Ltd.	Tongi	20502160100337413	2,388,835	409,025
Dhaka Bank Ltd.	Uttara	2041000013173	3,468,418	4,031,605
One bank Ltd.	Principal	0010016432008	49,506	75,874
City Bank Ltd.	Gulshan Avenue	1101795924001	25,744	615,099
City Bank Ltd.	Gulshan	1101098282001	8,667	108,157
Dutch Bangla Bank Ltd.	Tongi	1791100011457	671,495	1,321,940
Pubali Bank Ltd.	Tongi	0080901056170	10,296	4,903,317
ShahajalalIslami Bank Ltd.	Gulshan South Avenue	403011100000952	53,850	-
Social Islami Bank Ltd.	Tongi	0741330001663	13,947	91,607
AB Bank Ltd.	Uttara	4020763216000	63,774	811,194
Agrani Bank Ltd.	Banani Corporate	0200012665818	7,885	-
Al ArafalIslami Bank Ltd.	Tongi	1311020001728	55,594	-
Al ArafalIslami Bank Ltd.	PragatiSarani	0451220001354	54,619	473,414
NCC Bank Ltd.	Motijeel	0020210023819	41,524	991,313
NCC Bank Ltd.	Tongi	0800210000063	22,977	359,501
National Bank Ltd.	Uttara	1068001635950	1,226	546,164
National Bank Ltd.	Banani	1106001971487	804,645	634,985
NRB Commercial Bank Ltd.	Gulshan	010236000000052	30,312	-
NRB Commercial Bank Ltd.	Uttara	010836000000037	65,673	14,478,982
United Commercial Bank Ltd.	Uttara	0832101000005604	10,323	620,245
Mutual Trust Bank Ltd.	Uttara Model Town	0070320000532	13,009	354,416

Southeast Bank Ltd.	Banani	0013100001396	242,507	238,646
Trust Bank Ltd.	Millenium Corporate	70220212001135	177,417	-
Trust Bank Ltd.	Tongi	00420210001817	8,538	86,987
Prime Bank Ltd.	Garib-e-Newaz Ave.	2170119003010	1,267,290	630,617
Total			26,427,569	35,732,057

9.02 Fixed Deposit Receipt (FDR)

Bank Name	Branch Name	FDR A/C	Amount in Taka	
Bank Asia Ltd.	Principle	355019718	34,042,513	32,169,181
Bank Asia Ltd.	Principle	355019784	22,364,980	21,138,248
Bank Asia Ltd.	Principle	355019931	55,049,982	51,968,560
Bank Asia Ltd.	Principle	355020434	30,000,000	-
Bank Asia Ltd.	Principle	355020436	10,000,000	-
Bank Asia Ltd.	Principle	355020437	15,000,000	-
Bank Asia Ltd.	Principle	355020438	10,000,000	-
Bank Asia Ltd.	Principle	355020439	10,000,000	-
Bank Asia Ltd.	Principle	355020440	10,000,000	-
Bank Asia Ltd.	Principle	355020445	20,000,000	-
Bank Asia Ltd.	Principle	355020477	50,000,000	-
National Bank Ltd.	Banani	6002236568	22,599,587	21,289,181
NRB Commercial Bank Ltd.	Gulshan	1200000269	25,000,000	-
NRB Commercial Bank Ltd.	Gulshan	1200000269	25,000,000	-
Trust Bank Limited.	Gulshan Corporate	330669659	30,000,000	-
Trust Bank Limited.	Gulshan Corporate	330669659	30,000,000	-
Trust Bank Limited.	Gulshan Corporate	330669659	30,000,000	-
Trust Bank Limited.	Gulshan Corporate	330669659	30,000,000	-
Trust Bank Limited.	Gulshan Corporate	330669659	30,000,000	-
Total			489,057,062	126,565,170

Amount in Taka	
30-Jun-2019	30-Jun-2018

10.00 Share capital**10.01 Authorized capital**

250,000,000 Ordinary Shares of Tk 10 each

2,500,000,000 **2,500,000,000****10.02 Issued, subscribed and paid-up capital**

245,000,000 Ordinary Shares of Tk 10 each

2,450,000,000 **2,200,000,000****2,450,000,000** **2,200,000,000**

10.02.01 Details of Issued, subscribed and paid-up capital

SL. No.	Particulars	Date	No. of Share	Amount in Taka	Amount in Taka
1	Subscription to the Memorandum & Articles of Association at the time of incorporation	22.12.2001	2,000,000	20,000,000	20,000,000
2	Share issued	29.09.2013	4,700,000	47,000,000	47,000,000
3	Bonuse share issued	04.04.2014	3,250,000	32,500,000	32,500,000
4	Share issued	23.02.2016	1,000	10,000	10,000
5	Share issued	28.06.2016	210,049,000	2,100,490,000	2,100,490,000
6	IPO allotment	29.11.2018	25,000,000	250,000,000	-
Total			245,000,000	2,450,000,000	2,200,000,000

10.03 Position of shares holding as at 30 June 2019

Name of the Shareholders	Nature of Shareholding	Nationality	Percentage (%)	Taka	Taka
Javed Opgenhaffen	Individual	Bangladeshi	28.24	692,000,000	692,000,000
Mohammad Shirajul Islam	"	"	2.04	50,050,000	50,050,000
NJ Holdings Ltd	Institutional	"	2.04	50,000,000	50,000,000
Others	"	"	67.67	1,657,950,000	1,407,950,000
Total			100	2,450,000,000	2,200,000,000

Distribution schedule of the shares as at 30 June 2019 is given below:

Slabs by number of shares	Shareholders		No of Shares	No of Shares
	30 Jun 2019	30 Jun 2018		
1-1,000	6668	-	3,006,045	-
1,001 - 5,000	2419	7	6,667,079	35,000
5,001 - 10,000	574	-	4,271,963	-
10,001 - 20,000	246	1	3,604,519	20,000
20,001 - 30,000	58	-	1,445,759	-
30,001 - 40,000	26	-	917,546	-
40,001 - 50,000	18	-	824,277	-
50,001 - 100,000	23	1	1,604,984	-
100,001 - 500,000	23	12	4,344,630	2,475,000
500,001 - 1,000,000	6	5	4,117,156	3,605,100
1,000,001 - 5,000,000	18	20	48,518,373	55,525,000
5,000,000 Above	12	11	165,677,669	158,339,900
Total	10,091	55	245,000,000	220,000,000

11.00 Retained earnings

Opening balance	
Transferred from revaluation surplus through use of assets (depreciation)	
Transfer from Tax Holiday reserve	
Net profit during the year	
Closing balance	

Amount in Taka	
30-Jun-2019	30-Jun-2018

794,355,847	468,613,452
10,105,376	10,691,964
-	9,117,371
519,163,389	305,933,060
1,323,624,611	794,355,847

12.00 Revaluation surplus

Opening balance	
Depreciation charged during the year	
Closing balance	

726,157,138	736,849,102
(10,105,376)	(10,691,964)
716,051,762	726,157,138

This transfer of revaluation was made in accordance with paragraph 39 of BAS 16 as the said amount of revaluation surplus has been accumulated in equity under the heading of revaluation surplus. Calculation of the amount is given in **Annexure-A**.

13.00 Deferred tax liabilities

Deferred tax is recognized in accordance with the provision of BAS -12 "Income Taxes" is arrived as follows:

Opening balance	
Add: Amount provided for the year	
Closing balance	

Amount in Taka	
30-Jun-2019	30-Jun-2018

361,538,454	295,672,404
(78,713,283)	65,866,050
282,825,171	361,538,454

Property plant & equipments

Carrying Value as at 30 June 2019	
Revaluation surplus (excluding land)	

Total

Applicable tax rate

Deferred tax liability/(assets)

Carrying Value as at 30 June 2018	
Revaluation surplus (excluding land)	

Total

Applicable tax rate

Deferred tax liabilities

Accounting Base	Tax Base	Temporary Differences
1,995,846,270	1,040,257,635	955,588,635
175,712,050	-	175,712,050
2,171,558,320	1,040,257,635	1,131,300,685
		25%
		282,825,171
1,983,472,960	1,136,323,374	847,149,586
185,817,427	-	185,817,427
2,169,290,387	1,136,323,374	1,032,967,013
		35%
		361,538,455

As per BAS-16 "Property, Plant and Equipment" deferred tax has been calculated for revaluation surplus. Deferred tax has been arranged on the basis of balance sheet liability method.

14.00 Term loan

Bank Asia Ltd, A/C-00335017418 (Note- 14.01)
 Nitol Motors Ltd. (Note- 14.02)
 Infrastructure Development Finance Company Ltd (Note 14.03)
 Bank Asia Ltd, A/C 18310 (Note- 14.04)
 IDLC Finance Limited (Note -14.05)
 Hajj Finance, A/C 0698 (Note- 14.06)

Total

Current portion of term loan
 Non-current portion of term loan

Amount in Taka	
30-Jun-2019	30-Jun-2018

272,888,959	346,488,596
2,413,436	6,927,044
1,493,172	2,062,979
38,185,127	43,575,742
65,020,722	68,729,201
44,778,204	511,598,997

424,779,619 **518,943,460**

99,327,133	97,074,843
325,452,486	421,868,617

14.01 Bank Asia Ltd, A/C-00335017418

Opening balance
 Interest charged during the year

Payment during the year

Closing balance

Current portion of term loan
 Non-current portion of term loan

Limit amount

Purpose

Sanction date

Interest rate

Security

Tenure

:Tk 490,000,000

:For Restructuring of Plant & Machinery.

:25-May-2016

:10.5%

:Hypothecation of machineries & equipments. Insurance policy covering the risk of MBD covering the book value. One postdated cheques covering the monthly installment to be submitted.

:5 years

346,488,596	411,257,363
34,764,491	39,829,293
<u>381,253,086</u>	<u>451,086,656</u>
(108,364,128)	(104,598,060)
<u>272,888,959</u>	<u>346,488,596</u>
73,599,637	64,768,767
199,289,322	281,719,829

14.02 Nitol Motors Ltd.

Opening balance
 Loan received during the year
 Interest charged during the year

Payment during the year

Closing Balance

Current portion of term loan
 Non current portion of term loan

Limit amount

Purpose

Sanction date

Interest rate

Security

Tenure

:Tk 17,151,000

:Vehicles Loan

10/12/2015, 10/12/2015, 10/12/2015, 12/08/2015,
 12/08/2015, 16/05/2015, 30/12/2013, 30/03/2018.

:20.866%, 20.863%, 20.863%, 20.86%, 20.86%, 20.281%, 21.35%
 Personal guarantee of all the directors of the company.1 Security
 cheque for advance of equivalent to lease rental. Registration and
 insurance of vehicles in the name of Nitol Motors Ltd. Promissory
 note with continuation.

:5 years

6,927,044	8,129,456
-	2,560,000
660,347	1,393,208
<u>7,587,391</u>	<u>12,082,664</u>
(5,173,955)	(5,155,620)
<u>2,413,436</u>	<u>6,927,044</u>
2,413,436	4,617,652
-	2,309,392

14.03 Infrastructure Development Finance Company Ltd.

Opening Balance
Interest charged during the year

Payment during the year
Closing Balance

Current portion of term loan
Non current portion of term loan

Amount in Taka	
30-Jun-2019	30-Jun-2018
2,062,979	2,624,275
267,853	337,342
2,330,832	2,961,617
(837,660)	(898,638)
<u>1,493,172</u>	<u>2,062,979</u>
569,807	500,318
923,365	1,562,661

Limit amount : Tk 3,000,000
 Purpose : ToyotaAxio, Chassis No: NZE141-6179814,NZE141-3018975,
 Engine No:1NZ-D827596,1NZ-E027766, Color: Silver,White.
 Model: 2011,2012
 Sanction date : 12/Jun/2016
 Interest rate : 14.0%
 Security : Personal guarantee of all the directors of the company.1
 Security cheque for advance of BDT 69,805/- (equivalent to 1
 lease rental). Registration and insurance of vehicles in the
 name of IIDFC.Promissory note with continuation.
 Tenure : 5 years

14.04 Bank Asia Ltd, A/C-18310

Opening balance
Loan received during the year
Interest charged during the year

Payment during the year
Closing Balance

Current portion of term loan
Non current portion of term loan

Amount in Taka	
30-Jun-2019	30-Jun-2018
43,575,742	-
-	50,000,000
4,671,889	4,193,982
48,247,630	54,193,982
(10,062,504)	(10,618,240)
<u>38,185,127</u>	<u>43,575,742</u>
5,390,615	6,424,258
32,794,512	37,151,484

Limit amount : Tk 50,000,000
 Purpose : For install Sub-Station, plant, steel fabrication, electrical
 work, and setup charge of induction furnace, installation
 charge etc.
 Sanction date : 27-Jul-17
 Interest rate : 9.5%
 Security : Counter guarantee/ indemnity of the customer. 01 (one)
 postdated cheque covering the loan amount and 06 (six) nos.
 postdated cheques covering the monthly installment.
 Tenure : 5 years

14.05 IDLC Finance Limited

Opening balance
 Loan received during the year
 Interest charged during the year

Payment during the year

Closing Balance

Current portion of term loan
 Non current portion of term loan

Limit amount

Purpose

Sanction date

Interest rate

Security

Tenure

:Tk 94,700,000

:Car loan and Civil construction cost of ongoing project expansion.

24 November 2015, 06 December 2015, 12 April 2015, 04

:January 2017

:12.75%, 12.75%, 14.50%, 12.00%

Personal guarantee of all the directors of the company.1 Security cheque for advance of equivalent to 1 lease rental. Registration and insurance of vehicles in the name of IDLC. Promissory note

:with continuation.

:5 Years

68,729,201	70,268,749
6,100,000	14,000,000
8,193,529	9,920,074
83,022,731	94,188,823
(18,002,009)	(25,459,622)
65,020,722	68,729,201
9,808,480	13,761,986
55,212,242	54,967,215

Amount in Taka	
30-Jun-2019	30-Jun-2018

14.06 Hajj Finance, A/C 0698

Opening balance
 Loan received during the year
 Interest charged during the year

Payment during the year

Closing Balance

Current portion of term loan
 Non current portion of term loan

Limit amount

Purpose

Sanction date

Interest rate

Security

Tenure

: Tk. 50,000,000

: Procurement of different types of capital machineries

: 15 May, 2018

: 14%

Primary Securities: The ownership of the proposed machineries will be in the name of HFCL as leased asset and a Letter of Repossession will be provided by the client to repossess the asset by HFCL in case of default. Other Security: Personal Guarantee of all directors of S.S. Steel Limited.

: 5 Years

51,159,899	-
-	50,000,000
6,416,098	1,159,899
57,575,997	51,159,899
(12,797,793)	-
44,778,204	51,159,899
7,545,158	7,001,862
37,233,046	44,158,037

15.00 Trade and other payables

Opening balance
Addition during the year
Payment during the year
Closing balance

455,061,713	321,044,699
2,494,137,004	1,973,014,606
2,949,198,717	2,294,059,305
(2,575,010,491)	(1,838,997,592)
<u>374,188,226</u>	<u>455,061,713</u>

16.00 Accrued expenses

Salary & wages
Electric bill
Gas bill
Audit fees payable

12,662,891	14,135,975
3,234,809	3,700,240
16,364,824	42,769,910
570,000	400,000
<u>32,832,525</u>	<u>61,006,125</u>

17.00 Short term loan

Bank Overdraft	(Note-17.01)
Demand Loan (Bank Asia Limited)	(Note-17.02)
Short Term Loan (Bank Asia Ltd, A/C 19065)	(Note-17.03)

1,145,358,599	732,313,512
510,339,456	510,339,981
72,837,926	158,123,089
<u>1,728,535,981</u>	<u>1,400,776,582</u>

17.01 Bank Overdraft

Bank Asia Limited, Principal Office Branch -Overdraft
National Bank Ltd-Overdraft
Bank Asia Ltd.-SOD
NRB Commercial Bank Ltd.-SOD
Trust Bank Ltd.-SOD

515,529,782	473,458,621
272,920,370	258,854,892
155,106,507	-
49,568,607	-
152,233,333	-
<u>1,145,358,599</u>	<u>732,313,512</u>

17.02 Demand Loan (Bank Asia Limited)

Opening balance
Loan received during the year
Interest charged during the year
Payment during the year
Closing balance

510,339,981	456,367,774
1,038,422,365	1,121,815,437
58,963,914	53,643,664
1,607,726,260	1,631,826,875
(1,097,386,804)	(1,121,486,894)
<u>510,339,456</u>	<u>510,339,981</u>

17.03 Short Term Loan

Bank Asia Ltd, A/C 19065	(Note-17.03.01)
Bank Asia Ltd, A/C-19066	(Note-17.03.02)

52,149,671	56,431,240
20,688,254	101,691,849
<u>72,837,926</u>	<u>158,123,089</u>

17.03.01 Bank Asia Ltd, A/C 19065

Opening balance
 Loan received during the year
 Interest charged during the year

Payment during the year

Closing balance

Limit amount

Purpose

Sanction date

Interest rate

Security

Tenure

:Tk. 58,000,000

:To retire L/C related shipping documents mentioned in SI. No.'F'.

:1-Jan-2017

:10.50%

:Lease agreement, Sole ownership of the leased hold machine. Insurance policy covering the risk of fire and RSD.

:1 Year

56,431,240	-
-	58,000,000
6,231,023	957,334
62,662,263	58,957,334
(10,512,592)	(2,526,094)
<u>52,149,671</u>	<u>56,431,240</u>

Amount in Taka

30-Jun-2019 30-Jun-2018

17.03.02 Bank Asia Ltd, A/C-19066

Opening balance
 Loan received during the year
 Interest charged during the year

Payment during the year

Closing balance

Limit amount

Purpose

Sanction date

Interest rate

Security

Tenure

: Tk. 100,000,000

: To reduce overdraft liability gradually in order to ensure operation.

: 1-Jan-2017

: 10.50%

: One postdatedcheque covering the loan amount and six nos. postdatedcheques covering the monthly installment.

: 1 Year

101,691,849	-
-	100,000,000
7,841,805	1,691,849
109,533,654	101,691,849
(88,845,400)	-
<u>20,688,254</u>	<u>101,691,849</u>

18.00 Provision for WPPF and welfare fund

Opening balance
 Contribution to WPPF and Welfare Fund
 Interest applied @ 8.5%
 Payment during the year
 Received during year
Closing balance

39,522,240	35,754,970
27,724,446	23,533,312
3,359,390	2,878,772
-	(35,754,970)
-	13,110,156
<u>70,606,076</u>	<u>39,522,240</u>

Interest has been charged at 2.5% higher than the bank rate for utilizing the balance of Fund by the company as per section 240 of The Labour Act, 2006 as amended in 2013.

19.00 Provision for income tax

Opening balance
Provision made during the year

Payment/adjustment during the year

Closing balance

163,259,019	98,952,054
114,038,811	98,867,136
277,297,830	197,819,190
(2,466,751)	(34,560,171)
<u>274,831,079</u>	<u>163,259,019</u>

Interest has been charged at 2.5% higher than the bank rate for utilizing the balance of Fund by the company as per section 240 of The Labour Act, 2006 as amended in 2013.

20.00 Revenue

Sales
Less: VAT

Amount in Qty. (Kgs)		Amount in Taka	
2018-2019	2017-2018	2018-2019	2017-2018
74,223,745	68,731,621	4,181,345,423	3,613,023,606
-	-	30,777,697	26,443,625
<u>74,223,745</u>	<u>68,731,621</u>	<u>4,150,567,726</u>	<u>3,586,579,981</u>

21.00 Cost of goods sold

Raw materials consumed (Note-21.01, 21.02 & 21.03)

Carriage inwards

Salary, wages and allowances

Factory overhead (Note 21.04)

Cost of Production

Opening work-in-process

Closing work-in-process

Cost of goods manufactured

Opening finished goods

Cost of goods available for sale

Closing finished goods

72,282,976	65,033,725	2,500,354,358	2,048,940,926
-	-	51,103,549	50,843,994
-	-	97,240,286	52,865,371
-	-	454,892,747	456,638,355
<u>72,282,976</u>	<u>65,033,725</u>	<u>3,103,590,940</u>	<u>2,609,288,646</u>
4,763,831	6,785,644	187,313,848	214,901,356
(4,168,928)	(4,763,831)	(178,138,295)	(187,313,848)
<u>72,877,879</u>	<u>67,055,538</u>	<u>3,112,766,493</u>	<u>2,636,876,154</u>
7,515,263	9,191,346	291,742,505	322,708,184
<u>80,393,142</u>	<u>76,246,884</u>	<u>3,404,508,998</u>	<u>2,959,584,338</u>
(6,169,396)	(7,515,263)	(261,366,476)	(291,742,505)
<u>74,223,745</u>	<u>68,731,621</u>	<u>3,143,142,522</u>	<u>2,667,841,833</u>

21.01 Raw materials (scrap) consumed

Opening inventory
Purchase during the year
Total materials available
Closing Inventory

Amount in Qty. (Kgs)		Amount in Taka	
2018-2019	2017-2018	2018-2019	2017-2018
25,514,600	28,440,201	700,783,999	716,408,662
56,128,974	40,452,365	1,794,760,448	-
81,643,574	68,892,566	2,495,544,447	716,408,662
(26,117,704)	(25,514,600)	(798,679,382)	(700,783,999)
<u>55,525,870</u>	<u>43,377,966</u>	<u>1,696,865,065</u>	<u>1,191,574,923</u>

21.02 Raw materials (billet) consumed

Purchase during the year

16,757,105	21,655,759	737,312,638	801,263,097
<u>16,757,105</u>	<u>21,655,759</u>	<u>737,312,638</u>	<u>801,263,097</u>

21.03 Raw materials (chemicals) consumed

Opening inventory	9,550,602	3,180,629
Purchase during the year	71,293,798	62,472,879
Total materials available	80,844,400	65,653,508
Closing Inventory	(14,667,745)	(9,550,602)
	<u>66,176,655</u>	<u>56,102,906</u>

21.04 Factory overheads

Depreciation	119,939,105	115,591,362
Insurance premium	3,120,792	2,260,527
Gas Bill	149,560,706	164,704,829
Electricity	56,356,028	55,338,092
Fuel & lubricants	5,648,923	6,123,739
Fire bricks, clay, electrodes	22,007,607	21,046,080
Repair & maintenance	9,871,555	27,266,023
Stores & spare parts consumed (Note 21.05)	69,622,389	44,036,654
Cylinder gas & oxygen	4,223,570	4,150,280
Labour charges	14,542,072	16,120,769
	<u>454,892,747</u>	<u>456,638,355</u>

21.05 Stores & spare parts consumed

Opening inventory	87,383,468	64,959,700
Purchase during the year	81,060,239	66,460,422
Total spare parts available	168,443,707	131,420,122
Closing inventory	(98,821,318)	(87,383,468)
	<u>69,622,389</u>	<u>44,036,654</u>

22.00 Administrative expenses

Director remuneration	-	9,600,000
Salaries & wages	26,653,734	61,347,422
Car maintenance	2,305,722	2,631,592
Conveyance & allowances	1,136,388	623,985
Postage & couriers	26,962	19,733
Renewal & registration	361,455	1,039,540
Rent, Rates & Taxes	5,981,290	2,634,485
Legal fees & other professional charges	727,000	1,860,062
Printing & stationery	1,093,079	568,387
Audit fee	1,280,000	435,500
Entertainment	2,430,243	3,077,474
Telephone & communication	1,522,478	1,378,114
Traveling & conveyance	321,399	656,613
Business promotion	19,797,392	30,572,438
Office maintenance	2,818,910	1,459,065
IPO Expenses	22,818,723	-
Depreciation - Annexure-A	13,326,567	12,843,485
	<u>102,601,342</u>	<u>130,747,895</u>

22.01 Director's remuneration

Remuneration	-	6,400,000
House rent benefit	-	2,934,000
Medical allowances	-	170,000
Conveyance	-	96,000
	<u>-</u>	<u>9,600,000</u>

Article 91 of the Articles of Association of the company allows payment of remuneration to Directors of the company. No other remuneration or special payment except as mentioned above was made to the Directors during the year under audit.

23.00 Selling and distribution expenses

Advertisement
Travelling & conveyance
Discount & commission
Salary & allowances
Entertainment
Labour
Warehouse expenses
Truck maintenance & delivery expenses

Amount in Taka	
30-Jun-2019	30-Jun-2018
2,763,400	1,283,777
174,496	601,705
11,906,647	6,810,773
30,332,837	23,229,100
794,698	753,885
9,065,888	5,594,202
14,130,622	11,330,260
39,145,196	35,500,384
108,313,784	85,104,086

24.00 Financial expenses

Bank and other Interest
Bank charge

234,207,977	216,713,483
1,366,727	
235,574,704	216,713,483

25.00 Other income

Income from wastage sales
Interest on short notice deposit
Interest on Fixed Deposit Receipt

2,895,463	1,570,133
527,883	52,210
17,854,642	6,404,532
21,277,988	8,026,875

26.00 Information based on per share

26.01 a) Basic Earning Per Share (EPS)

The computation of EPS is given below:

Earning attributable to the ordinary shareholders
Number of ordinary shares outstanding as on 30 June 2019
Earning Per Share (EPS)

519,163,389	305,933,060
234,657,534	220,000,000
2.21	1.39

b) Earning Per Share (EPS)-Adjusted

Earning attributable to the ordinary shareholders
Number of ordinary shares outstanding as on 30 June 2019
Earning Per Share (EPS)-Adjusted

519,163,389	305,933,060
234,657,534	234,657,534
2.21	1.30

EPS increased due to increase in of Sales (15.73%) and other income (165%) from last year gross profit and other income respectively.

26.02 Net asset value per share (NAV) without valuation

a) Net assets value per share

Total assets
Liabilities

Net Asset Value (NAV)

Number of ordinary shares outstanding as on 30 June 2019

Net assets value per share before revaluation

b) Net assets value per share before revaluation-Adjusted

Total assets
Liabilities

Net Asset Value (NAV)

Number of ordinary shares outstanding as on 30 June 2019

6,962,223,289	5,994,463,441
(3,188,598,677)	(3,000,107,594)
3,773,624,612	2,994,355,847
245,000,000	220,000,000
15.40	13.61

6,962,223,289	5,994,463,441
(3,188,598,677)	(3,000,107,594)
3,773,624,612	2,994,355,847
245,000,000	245,000,000
15.40	12.22

NAV without valuation increased due to net profit after tax during the year.

26.03 Net asset value per share (NAV) with valuation**a) Net assets value per share**

Total assets

Liabilities

Net Asset Value (NAV)

Number of ordinary shares outstanding as on 30 June 2019

Net assets value per share after revaluation**b) Net assets value per share after revaluation-Adjusted**

Total assets

Liabilities

Net Asset Value (NAV)

Number of ordinary shares outstanding as on 30 June 2019

Net assets value per share after revaluation

NAV with valuation increased due to net profit after tax during the year.

7,678,275,050	6,720,620,579
(3,188,598,677)	(3,000,107,594)
4,489,676,374	3,720,512,985
245,000,000	220,000,000
18.33	16.91

7,678,275,050	6,720,620,579
(3,188,598,677)	(3,000,107,594)
4,489,676,374	3,720,512,985
245,000,000	245,000,000
18.33	15.19

26.04 a) Net operating cash flow per share (NOCFPS)

Net operating cash flows (from statement of cash flows)

Number of ordinary shares outstanding as on 30 June 2019

Net operating cash flows per share**b) Net operating cash flows per share-Adjusted**

Net operating cash flows (from statement of cash flows)

Number of ordinary shares outstanding as on 30 June 2019

Net operating cash flows per share

NOCFPS decreased due to increase receivable, moreover shorter in supplier payment period and increased in financial expenses.

Amount in Taka	
30-Jun-2019	30-Jun-2018
227,292,166	414,260,990
245,000,000	220,000,000
0.93	1.88

227,292,166	414,260,990
245,000,000	245,000,000
0.93	1.88

26.05 Cash flow reconciliation

Profit before income tax

Depreciation - Annexure-A

Increase in Inventory

Increase in Trade and other receivable

Increase in Advance, deposits and prepayment

Decrease in Trade and other payable

Decrease in Accrued expenses

Income tax paid

Finance expenses

Contribution to WPPF and welfare fund

Net cash inflow/(outflow) from operating activities

554,488,916	470,666,246
133,265,672	128,434,846
(74,898,794)	45,384,109
(346,642,324)	(513,852,373)
(167,866,282)	(5,090,450)
(80,873,487)	26,581,613
(28,173,600)	68,666,421
(25,307,085)	(43,897,446)
235,574,704	213,834,711
27,724,446	23,533,312
227,292,166	414,260,990

27.00 Other commitments, contingencies and relevant information**27.01 Contingencies**

There is no contingent event that may require recognition of contingent liabilities for the year of 30 June 2019

27.02 Capital expenditure commitment

There was no capital expenditure commitment or contract as at 30 June 2019. There was no material capital expenditure authorized by the Board but not contracted for as at 30 June 2019.

27.03 Directors' interest in contracts with the company

There was no transaction resulting in Directors' interest with the company and no leasing facilities have been made available to the Directors.

27.04 Credit Facility Not Availed

There was no credit facility available to the company under any contract, but not availed as on 30 June 2019 other than trade credit available in the ordinary course of business.

27.05 Attendance Status of Board Meeting of Directors

During the year ended 30 June 2019, there were eleven board meetings were held. The attendance status of all the meetings is as follows:

Sl No.	Name of the Directors	Position	Meeting held	Meeting Attended	Meeting Attended
1	Javed Opgenhaffen	Chairman	11	11	11
2	Hasna Opgenhaffen	Managing Director	11	11	11
3	NJ Holdings Ltd Represented Sayeed Rezaraj Ahmmad	Nominee Director	11	11	11
4	Md. Abu Zafer	Independent Director	11	11	11
5	Mr. Sadad Rahman	Independent Director	11	11	11

The directors of the Company were not paid any fee for attending board meeting during the year.

27.06 Related party disclosures**i) Related party transactions**

The Company carried has no transactions with related parties during the year.

ii) Particulars of directors of S. S. Steel Limited as at 30 June 2019.

Sl. No.	Name of Directors	BOD of S. S. Steel Limited	Entities where they have interests
1	Javed Opgenhaffen	Chairman	None
2	Hasna Opgenhaffen	Managing Director	None
3	NJ Holdings Ltd Represented Sayeed Rezaraj Ahmmad	Nominee Director	None
4	Md. Abu Zafer	Independent Director	None
5	Mr. Sadad Rahman	Independent Director	None

27.07 Disclosure as per requirement of Schedule XI, Part II of The Companies Act 1994**27.07.1 Quantity wise schedule as required under Para 3, Schedule XI, Part 11 of The Companies Act, 1994**

Quantity wise schedules of sales, raw material consumed and closing stock of finished goods relating to the financial statements for the year ended 30 June 2019 as required under Para 3, Part 11 of The Companies Act 1994 given below:

a. Sales:

Particulars	2018-2019		2017-2018	
	Quantity (kgs)	Amount in Taka	Quantity (kgs)	Amount in Taka
Domestic sales	74,223,745	4,181,345,423	68,731,621	3,613,023,606

b. Raw Materials consumed in Quantities:

	2018-2019		2017-2018	
	Quantity (kgs)	Amount in Taka	Quantity (kgs)	Amount in Taka
Opening Stock	25,514,600	700,783,999	28,440,201	716,408,662
Purchase	56,128,974	1,796,127,175	40,452,365	-
Raw material available for consumption	81,643,574	2,496,911,174	68,892,566	716,408,662
Closing Stock	(26,117,704)	(798,679,382)	(25,514,600)	(700,783,999)
Raw material consumed	<u>55,525,870</u>	<u>1,698,231,792</u>	<u>43,377,966</u>	<u>15,624,663</u>

c. Particulars in respect of opening stock, sales and closing stock of finished goods:

Details	2018-2019		2017-2018	
	Qty (kgs)	Amount in Taka	Qty (kgs)	Amount in Taka
Opening stock	7,515,263	291,742,505	9,191,346	322,708,184
Closing stock	6,169,396	261,366,476	7,515,263	291,742,505
Sales	74,223,745	4,181,345,423	68,731,621	3,613,023,606

27.07.2 Employee Position of S. S. Steel Limited as per requirement of schedule XI, part II, Para 3

Salary Range (Monthly)	Total Employee	Officer & Staff		Worker & Employee	
		Head Office	Factory	Head Office	Factory
For the year ended 30 June 2019	545	29	64	-	452
Below 3,000	-	-	-	-	-
Above 3,000	545	29	64	-	452
For the year ended 30 June 2018	542	29	45	-	468

During the year 2019, all the employees were in the permanent payroll of the Company

27.07.3 Payment information to Directors as per requirement of schedule XI, part II, Para 4

Remuneration		Amount in Taka	
Name	Designation	2018-2019	2017-2018
Javed Oppenhaffen	Chairman	-	4,800,000
HasnaOppenHaffen	Managing Director	-	4,800,000
NJ Holdings Ltd Represented Sayeed RezarajAhmmad	Nominee Director	-	-
Mr. Md. Abu Zafer	Independent Director	-	-
Mr. Sadad Rahman	Independent Director	-	-
		-	9,600,000

27.07.4 Quantitative information of production capacity for the year from 01 July 2018 to 30 June 2019 as per requirement of schedule XI, part II, Para 7

Particulars	License Capacity	Installed Capacity (Kgs)	Actual Production (Kgs)	Capacity Utilization in (%)
Annual Production Capacity	Not Available	108,000,000	72,877,879	67

27.07.5 Disclosure as per requirement of schedule XI, part II, Para 8

a) CIF value of import of raw materials, spare parts and capital goods and percentage of components in consumption as per (a) and (c) of Para 8

For the year from 01 July 2018 to 30 June 2019

Particulars	Opening Balance	Purchase during the year	Raw materials available for use	Closing Balance	Consumed	% of Consumption
Raw materials	710,334,601	2,604,733,611	3,315,068,212	813,347,127	2,501,721,085	75.47
Spare parts	87,383,468	81,060,239	168,443,707	98,821,318	69,622,389	41.33
Total	797,718,069	2,685,793,850	3,483,511,919	912,168,445	2,571,343,474	

For the year from 01 July 2017 to 30 June 2018

Particulars	Opening Balance	Purchase during the year	Raw materials available for use	Closing Balance	Consumed	% of Consumption
Raw materials	719,589,291	863,735,976	1,583,325,267	710,334,601	872,990,666	55.14
Spare parts	64,959,700	66,460,422	131,420,122	87,383,468	44,036,654	33.51
Total	784,548,991	930,196,398	1,714,745,389	797,718,069	917,027,320	

b) Expenditure for royalty, know-how, professional consultancy, interest in foreign currency as per (b) of Para 8

The company did not spend any foreign currency on account of technical know-how, royalty, professional consultation fees, interest and other matters during the year ended 30 June 2019.

c) Amount remitted in foreign currency on account of Dividends to non-resident shareholders as per (d) of Para 8

No amount was remitted as dividend to the non-resident shareholders during the year under audit.

d) Earnings in foreign currency under the following heads as per (e) of Para 8

No foreign currency earnings during the period from 01 July 2018 to 30 June 2019;

27.07.6 Events after the reporting year



i) The Board of Directors of the Company in its meeting held on 28 October 2019 approved the financial statements of the Company for the year ended 30 June 2019 and authorized the same for issue. The Board of Directors also recommended 5% cash and 10% Bonus Share dividend for all shareholders only for the year ended 30 June 2019 subject to approval in the next Annual General Meeting.

ii) There is no other significant event that has occurred between the balance sheet date and the date when the financial statements were authorized for issue by the Board of Director.


 Independent Director


 Head of Accounts


 Managing Director


 Chairman

 Company Secretary

Place: Dhaka
 Dated: 28 October 2019


 MABS & J Partners
 Chartered Accountants

S. S. STEEL LIMITED
Schedule of Property, Plant & Equipment's
For the year ended 30 June 2019

Annexure-A

Particulars	Opening Balance as on 01.07.2018	Cost Addition during the year	Closing Balance as on 30.06.2019	Dep. Rate (%)	Depreciation Charge during the year	Closing Balance as on 30.06.2019	Written Down Value as on 30.06.2019
Land and Land Development:	80,033,182	43,800,000	123,833,182				123,833,182
Land & land developments	80,033,182	43,800,000	123,833,182	-	-	-	123,833,182
Building:	678,306,531	79,553,224	757,859,755				630,095,224
Factory Building	394,809,068	79,553,224	474,362,292	5%	19,809,841	97,975,312	376,386,980
Office building	283,497,463	-	283,497,463	5%	13,353,066	29,789,219	253,708,245
Plant & Machinery:	890,803,981	-	890,803,981				669,388,030
Plant & Machinery	890,803,981	-	890,803,981	6%	42,726,896	221,415,951	669,388,030
Equipment & Appliance:	702,659,235	5,132,517	707,791,752				487,660,975
Electric Equipment's	18,015,999	1,662,517	19,678,516	10%	1,350,456	6,853,104	12,825,412
Electric & Gas Installation	21,363,600	3,000,000	24,363,600	10%	1,393,343	10,127,676	14,235,924
Crane, Forklift	45,383,384	190,000	45,573,384	10%	3,591,297	13,235,878	32,337,506
Transformer	2,462,400	-	2,462,400	6%	58,888	1,539,818	922,582
Gas Generator	615,433,852	280,000	615,713,852	6%	27,259,865	188,374,300	427,339,552
Others Assets:	135,973,893	7,047,865	143,021,758				84,868,857
Furniture & Fixtures	1,544,022	-	1,544,022	10%	54,196	1,056,263	487,760
Office equipment's	3,979,603	-	3,979,603	10%	172,022	2,431,408	1,548,195
Motor vehicles	87,354,988	7,047,865	94,402,853	10%	6,521,500	32,176,734	62,226,119
Computer Software	43,095,280	-	43,095,280	25%	6,868,928	22,488,497	20,606,783
As on 30 June 2019	2,487,776,822	135,533,606	2,623,310,428		123,160,296	627,464,158	1,995,846,270
Revaluation Surplus :	912,406,652	-	912,406,652				848,846,869
Land & Land Development	673,134,818	-	673,134,818	-	-	-	673,134,818
Factory Building	115,642,067	-	115,642,067	5%	5,218,348	16,493,449	99,148,618
Plant & Machinery	123,629,766	-	123,629,766	6%	4,887,028	47,066,334	76,563,432
As on 30 June 2019	3,400,183,474	135,533,606	3,535,717,080		133,265,672	691,023,941	2,844,693,138
As on 30 June 2018	2,955,375,361	444,808,113	3,400,183,474		128,434,846	557,758,269	2,842,425,205
30-Jun-2019	Taka	30-Jun-2018	Taka				
Depreciation Allocated to:							
Factory Overhead - Note 21.04	119,939,105	115,591,362					
Administrative Expenses - Note 22.00	13,326,567	12,843,485					
	133,265,672	128,434,846					

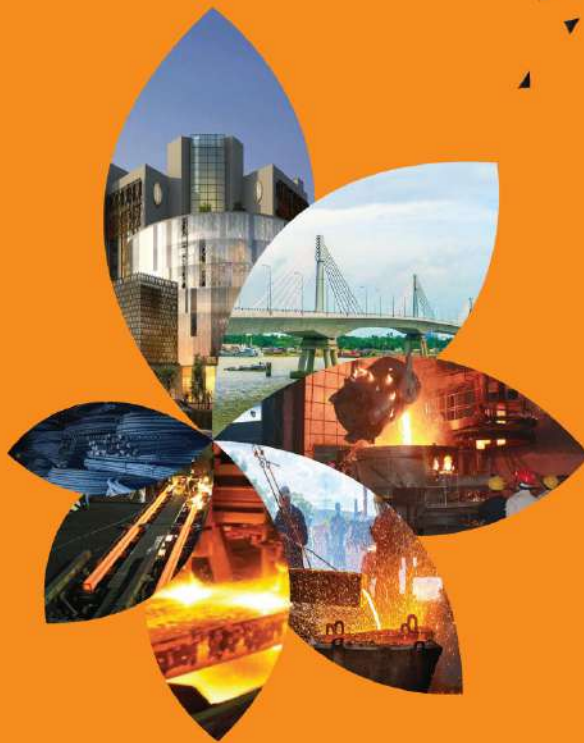
Depreciation charged during the year is being allocated to factory overhead and administrative overhead on the basis of allocation where the assets are used.

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S. S. STEEL LIMITED

The Pearl Trade Center (11th Floor), Cha-90/3, Pragati Sarani
North Badda, Dhaka-1212, Bangladesh
Email: info@sssteel.biz

SS TIGER B500CWR TMT 10



S. S. STEEL LIMITED

Registered Office: The Pearl Trade Center (11th Floor), Cha-90/3, Pragati Sarani North Badda, Dhaka

PROXY FROM

I/We.....
of.....

Being the member of S. S. Steel Limited, hereby appoint Mr./Mrs..... as my/our proxy to attend and vote for me/us on my/our behalf at the 18th Annual General Meeting of the Company to be held on Tuesday, 31st December, 2019 at 09:00 am and/or/ at Spectra Convention Center Limited, House No: 19, Road No: 07, Gulshan: 01, Dhaka: 1212 and any adjournment thereof. As witness my hand this..... day of2019.

Signature of the Shareholder (S)

Signature of Proxy

Folio No.

Folio No.

Or

Or

BO#

BO#

Number of Shares held.....

Note: A Member entitled to attend and vote at the Annual General Meeting may appoint a proxy to attend and vote on his/her behalf. The Proxy Form duly completed must be deposited at the Registered Office of the company not later than 48 hours before the time fixed for the meeting.



S. S. STEEL LIMITED

Registered Office: The Pearl Trade Center (11th Floor), Cha-90/3, Pragati Sarani North Badda, Dhaka

Attendance Slip

I hereby record my attendance at the 18th Annual General Meeting of the Company to be held Tuesday, 31st December, 2019 at 09:00 am at Spectra Convention Center Limited, House No: 19, Road No: 07, Gulshan: 01, Dhaka: 1212

Name of Shareholder	
Number of Shares	
Folio No.	
BO ID No.	
Name of the Proxy (if any)	

Signature of Shareholder/Proxy

Signature verified by

NB: Please complete this attendance slip and hand it over in the counter at the entrance of the AGM venue.





 The Pearl Trade Center, (11th Floor),
Cha-90/3 Pragati Sarani, North Badda, Dhaka-1212

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