

# Directors' Report

## Dear Shareholders

Assalamualikum.

Your Directors take pleasure in presenting Directors' Report, Auditors Report together with the audited financial statements of BSRM Steels Limited for the year ended June 30, 2021. This report has been prepared in compliance with the Companies Act 1994 and Bangladesh Securities and Exchange Commission Notification No: BSEC/CMRRCD/2006-158/207/Admin/80 dated 03 June, 2018.

### Review of 2020-21: Industry out Look and Possible future development:

According to the IMF, the economy of Bangladesh grew by 4.60% in the FY 2020-2021 despite the impact of the global pandemic. Bangladesh has bounced back strongly and much better than other south Asian countries. The IMF estimated GDP growth at 6.5% in financial year 2021-2022, as the vaccine rollout accelerates and economic activities continue to normalize. The government also estimated GDP growth at 7.2% in its yearly budget 2021-2022 declaration. The country's overall infrastructure development such as constructing bridges, airport, highways, metro rail, economic zones and power plants are at finishing stage and waiting for grand opening. As a result, demand for MS products will increase sharply in upcoming years.

### Segment wise or product wise performance:

For management purposes, the company is organized into business units based on its products and has two reportable segments, as follows:

- The M.S Rod segment which produces different graded Rod and sell the same to several dealers, end users, other corporate users, Government projects, EPZ based companies and India.
- The M.S Billets segment which produces different graded Billets and use for production of M.S Rod.

Segment information is included in note 3.15 and note 29 of the Audited Financial Statements.

BSRM Xtreme500W was the first high strength steel in Grade 500 introduced in Bangladesh construction market in 2008. BSRM Xtreme500W rapidly gained market share and is the undisputed market leader in this category. Besides Xtreme500W, the company also manufactures Grade 420D steel to meet the requirements of certain Govt. projects. The company has branded the Grade 420D as 'Ultima'. The Company rolled out new Grade reinforcing steel conforming to the U.S. standard ASTM 706 Grade 80 in 2016 which is more economical as it will require 20% less steel in construction. The new Grade 80 is marketed under the Brand name 'Maxima'.

### Detailed product-wise performances are as follows:

| Products        | Production (M. Ton) |         | Sales (M. Ton) |         |
|-----------------|---------------------|---------|----------------|---------|
|                 | 2020-21             | 2019-20 | 2020-21        | 2019-20 |
| Xtreme500W      | 788,339             | 550,179 | 837,496        | 542,349 |
| Others M. S Rod | 28,155              | 93,737  | 31,001         | 93,563  |
| M. S Billet     | 776,728             | 595,857 | 72             | 3,252   |

### New Product: BSRM Xtreme B500 DWR

In 2008 BSRM changed the reinforcing steel map of the country. It introduced the first weldable grade high strength steel for the country's construction industry. It was the country's first Grade 500 steel and branded as BSRM Xtreme500W.

After 12 Years, BSRM has introduced a new product - BSRM XtremeB500DWR.

It is the first reinforcing steel in the country with 7 unique features:

- A guaranteed Tensile strength to Yield strength ratio at least equal to or greater than 1.25.
- This magic ratio of T/Y: 1.25 in steel is the most sought after property by veteran civil engineers and designers of high rise structures. It ensures Toughness of the Buildings.
- Guaranteed conformity to Carbon Equivalent ratio below 0.61 to ensure welding as per American Welding Society AWS D1.4 / D1.4 M.
- Guaranteed bending properties for easy site fabrication into shapes required in civil construction as per British Standards BS 4466.
- It fulfills all the requirements of Chapter 18 of the seismic design of Buildings of the American Concrete Institute ACI 318-19.
- It is fully compliant to Bangladesh National Building Code (BNBC) 2018.
- It is also fully compliant to BDS ISO 6935-2:2016 which is the official Reinforcing Steel standard of Bangladesh.

### Risks & Concerns:

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

A summary of the significant risks and the way of managing risks adopted by our company is included in Annexure-1 and Note -46 of the Financial Statements.

### Discussion on Cost of Goods sold, Gross Profit Margin and Net Profit Margin:

BDT in million

| Particulars        | 2020-21 | 2019-20 | Change (%) |
|--------------------|---------|---------|------------|
| Cost of goods sold | 47,752  | 33,509  | 42.51      |
| Gross Profit       | 7,231   | 5,173   | 39.79      |
| Net Profit         | 3,047   | 742     | 310.51     |

During the year 2020-21 our COGS increased to Tk. 47,752 million and gross profit by BDT 2,058 million compared to the last year 2019-20 due to higher sales volume and selling price. Net profit has stood Tk. 3,047 Million which was Tk. 742 Million in 2019-20. The increase is primarily for higher sales volume, increased selling price and decrease of financial expenses.

### Extraordinary gain or loss:

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

### Related Party Transactions:

All transactions with related parties have been made on a commercial basis. Details of the related party transactions have been disclosed under Note 41 of the financial statements as per IFRS/ IAS.

### Utilization of IPO proceeds and Financial Result after IPO:

Company had no unutilized IPO fund since 2009. The Company is maintaining a stable financial performance.

### Explanation on Significant Deviation between quarterly and annual financial performance:

BDT in Million

| Particulars                       | July'20- June'21 | Apr'21-Jun'21 | Jan'21-Mar'21 | Oct'20-Dec'20 | July'20- Sept'20 |
|-----------------------------------|------------------|---------------|---------------|---------------|------------------|
| Production (In M. Ton)            | 816,494          | 217,363       | 213,339       | 184,795       | 200,997          |
| Sales (In M. Ton)                 | 868,497          | 183,744       | 250,952       | 253,183       | 180,618          |
| Revenue (BD in Million)           | 54,983           | 14,198        | 16,625        | 14,811        | 9,349            |
| Cost of Sales (BD in Million)     | 47,752           | 12,307        | 13,971        | 13,222        | 8,252            |
| Gross Profit (BD in Million)      | 7,231            | 1,891         | 2,654         | 1,589         | 1,097            |
| Profit Before Tax (BD in Million) | 3,919            | 344           | 1,857         | 1,184         | 534              |
| Tax Expense (BD in Million)       | 872              | (117)         | 473           | 340           | 176              |
| Profit after Tax (BD in Million)  | 3,047            | 461           | 1,384         | 844           | 358              |
| EPS (BD Tk.)                      | 8.10             | 1.22          | 3.68          | 2.25          | 0.95             |

The sales and profitability of steel industry depends on seasons in Bangladesh and raw material prices in international market. Some of the months are in the peak season for steel industry. The profitability of those period is always high.

However, Sales volume, selling price, high price of raw materials, decrease of finance expenses, increase of minimum tax, deferred tax and impact of COVID -19 are the reasons for deviation of quarterly/ annual earning/ financial performances of BSRM Steels Limited.

### Remuneration of Directors including Independent Director:

Directors were remunerated as per the decision of the Board and a detailed report of the Directors' Remuneration is included in Note 32.01 of Financial Statements.

| Name                         | Position             | Attendance Fees | Remuneration      | Total Paid        |
|------------------------------|----------------------|-----------------|-------------------|-------------------|
| Mr. Alihussain Akberali FCA  | Chairman             | 18,000          | 40,500,000        | 40,518,000        |
| Mr. Aameir Alihussain        | Managing Director    | 18,000          | 36,000,000        | 36,018,000        |
| Mr. Zohair Taherali          | Director             | 13,500          | 11,400,000        | 11,413,500        |
| Mrs. Tehseen Zohair Taherali | Director             | 18,000          | 6,600,000         | 6,618,000         |
| Mr. Mono Ranjan Dey FCA      | Independent Director | 180,000         | -                 | 180,000           |
| <b>Total Taka</b>            |                      | <b>247,500</b>  | <b>94,500,000</b> | <b>94,747,500</b> |

### Directors' Responsibilities Statements:

Pursuant to the BSEC notification No. BSEC/CMRRCD/2006-158/207/Admin/80 dated 03 June, 2018 the Directors confirm that:

- The financial statements prepared by the management of BSRM Steels Limited fairly present its state of affairs, the result of its operations, cash flows and changes in equity.
- Proper Books of Account of the Company has been maintained.
- 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.
- International Accounting Standard (IAS)/Bangladesh Accounting Standards (BAS)/International Financial Reporting Standards (IFRS)/Bangladesh Financial Reporting Standards (BFRS), as applicable in Bangladesh, have been followed in preparation of the financial statements and any departure there from has been adequately disclosed.

- e) The system of internal controls sounds in design and has been effectively implemented and monitored.
- f) There are no doubts upon the company's ability to continue as a going concern and the annual accounts have been prepared as a going concern basis.
- g) A compliance status report with requirements of corporate governance as required by BSEC has been disclosed in Regulatory Compliance Report segment.
- h) Directors' profile and their directorship and business interest in other organizations have been disclosed in Board of Directors segment.
- i) There was no declaration of bonus share or stock dividend as interim dividend.

#### Significant deviations from the last years operating results:

##### Operational Performance:

| Particulars                 | July'20 to June'21 | July'19 to June'20 |
|-----------------------------|--------------------|--------------------|
| Installed Capacity (M. Ton) | 800,000            | 750,000            |
| Production (M. Ton)         | 816,494            | 643,917            |
| Capacity Utilization (%)    | 102.06             | 85.86              |
| Sales (M. Ton)              | 868,497            | 635,911            |

We have set up our plant using state-of-the-art technologies and churn out world-class products. We are working on continuous improvement in our process and management efficiency. As a result, the production efficiency of the mill is very impressive during last couple of years. We have utilized 102.06% production capacity during this year 2020-21.

##### Operating Results:

| Particulars  | Unit   | July'20 to June'21 | July'19 to June'20 |
|--|--------|--------------------|--------------------|
| Sales  | MLN TK | 54,983             | 38,681             |
| Gross Profit                                       | MLN TK | 7,231              | 5,173              |
| Profit before interest, taxes, WPP&WF              | MLN TK | 5,596              | 3,573              |
| Less: Interest & WPP&WF                            | MLN TK | (664)              | (1,899)            |
| Add/(Less): Share of profit/(loss) of associate    | MLN TK | -                  | 152                |
| Loss on de-recognition of investment in associates | MLN TK | (1,013)            | -                  |
| Less: Tax expenses                                 | MLN TK | (872)              | (1,083)            |
| Net Profit   | MLN TK | 3,047              | 742                |
| EPS  | TK     | 8.10               | 1.97               |

During the period total revenue was increased as compared to previous year due to increase in sales volume and selling price. However, the company has taken good initiative to control selling & distribution and administration expenses. The basic earnings per share for the year 2020-2021 is Tk. 8.10 against Tk.1.97 of previous year. The increase is primarily for higher sales volume, sales price and decrease of financial expenses.

#### Key operating and financial data of at least preceding 5 (five) years:

Some operational and financial data are given below for better understanding of the overall performance of the Company:

## Operational Performance:

| Particulars                     | Unit   | July'20 to June'21 | July'19 to June'20 | July'18 to June'19 | July'17 to June'18 | July'16 to June'17* | Jan'16 to Jun'16 (6 months) | 2015    |
|---------------------------------|--------|--------------------|--------------------|--------------------|--------------------|---------------------|-----------------------------|---------|
| Operations & Market:            |        |                    |                    |                    |                    |                     |                             |         |
| Installed Capacity              | MT     | 800,000            | 750,000            | 700,000            | 700,000            | 700,000             | 700,000                     | 700,000 |
| Production                      | MT     | 816,494            | 643,917            | 758,405            | 727,034            | 681,061             | 362,254                     | 602,832 |
| Capacity Utilization            | %      | 102.10             | 85.90              | 108.34             | 103.90             | 97.30               | 103.50                      | 86.12   |
| Sales                           | MT     | 868,497            | 635,911            | 756,820            | 710,995            | 692,504             | 373,747                     | 604,513 |
| Operational Results:            |        |                    |                    |                    |                    |                     |                             |         |
| Sales                           | MLN Tk | 54,983             | 38,681             | 61,060             | 48,290             | 37,996              | 17,265                      | 32,316  |
| Gross Profit                    | MLN Tk | 7,231              | 5,173              | 5,052              | 4,879              | 4,557               | 3,115                       | 4,369   |
| Gross Profit                    | %      | 13.15%             | 13.37%             | 8.27%              | 10.10%             | 11.99%              | 18.04%                      | 13.52%  |
| Net Profit                      | MLN Tk | 3,047              | 742                | 1,728              | 1,800              | 1,705               | 1,313                       | 2,082   |
| Net Profit                      | %      | 5.54%              | 1.92%              | 2.83%              | 3.73%              | 4.49%               | 7.61%                       | 6.44%   |
| EPS                             | TK     | 8.10               | 1.97               | 4.60               | 4.79               | 4.98                | 3.84                        | 6.09    |
| Financial Position:             |        |                    |                    |                    |                    |                     |                             |         |
| Paid Up Capital                 | MLN Tk | 3,760              | 3,760              | 3,760              | 3,418              | 3,418               | 3,418                       | 3,418   |
| Share Holders' Equity           | MLN Tk | 23,452             | 21,369             | 20,897             | 12,809             | 11,630              | 9,371                       | 9,081   |
| Current Liabilities             | MLN Tk | 40,142             | 33,270             | 33,888             | 29,799             | 23,550              | 16,993                      | 14,214  |
| Non-current Liabilities         | MLN Tk | 8,792              | 9,976              | 11,023             | 3,072              | 2,428               | 2,445                       | 1,436   |
| Addition to fixed assets & CWIP | MLN Tk | 236                | 1,534              | 5,872              | 2,321              | 1,164               | 84                          | 758     |
| Operating cash flow             | MLN Tk | 7,846              | 2,094              | (468)              | 752                | 364                 | 3,093                       | 5,766   |

The Net Asset Value per share (NAV) of the Company has been increasing consistently which is a very positive sign of growth and prosperity of the Company. In this year the NAV per share is Tk. 62.38 which was Tk. 56.84 in 2019-2020.

## Board of Directors:

### I. Composition and size of the Board:

On 30<sup>th</sup> June 2021, there were 5 members in the Board, The Board comprises of Chairman, Managing Director, two directors and one independent director.

### ii. Details of Directors being appointed and re-appointed:

Mr. Aameir Alihussain and Mr. Zohair Taherali will retire by rotation at the conclusion of 19<sup>th</sup> Annual General Meeting as per section 97 & 98 of the Articles of Association of the Company, and being eligible Mr. Aameir Alihussain and Mr. Zohair Taherali offer them-selves for re-appointment.

iii) A brief resume of the directors and their expertise and names of Companies in which Directors holds the directorship and membership have been disclosed in Board of Directors segment.

### iv. Board Meeting and attendance:

The Board met 6 times during this period from July 01, 2020 to June 30, 2021. Following table shows the attendance of directors in the meeting.

| Name                         | Position             | No. of meeting held during the year | No. of meeting attended |           |
|------------------------------|----------------------|-------------------------------------|-------------------------|-----------|
|                              |                      |                                     | Physically              | Virtually |
| Mr. Alihussain Akberali FCA  | Chairman             | 6                                   | -                       | 6         |
| Mr. Aameir Alihussain        | Managing Director    | 6                                   | -                       | 6         |
| Mr. Zohair Taherali          | Director             | 6                                   | -                       | 5         |
| Mrs. Tehseen Zohair Taherali | Director             | 6                                   | -                       | 6         |
| Mr. Mono Ranjan Dey FCA      | Independent Director | 6                                   | -                       | 5         |

**The pattern of shareholding position on June 30, 2021:**

a) Parent/Subsidiary/Associated companies and other related parties

| Name                                      | Relation           | No. of Shares Held |
|---|--------------------|--------------------|
| Bangladesh Steel Re-Rolling Mills Limited | Affiliated Company | 117,253,590        |
| H. Akberali & Co. Limited                 | Affiliated Company | 84,551,081         |
| <b>Total</b>                              |                    | <b>201,804,671</b> |

b) Directors /CEO/CS/CFO/Head of Internal Audit & Compliance and their spouses and minor children.

| Name  | Relation   | No. of Shares Held |
|---|--|--------------------|
| Mr. Alihussain Akberali FCA   | Chairman   | 38,486,794         |
| Mr. Aameir Alihussain   | Managing Director                                | 7,519,050          |
| Mr. Zohair Taherali (Nominated Director of Bangladesh Steel Re-Rolling Mills Limited) | Director   | 117,253,590        |
| Mrs. Tehseen Zohair Taherali (Nominated Director of H. Akberali & Co. Limited)        | Director   | 84,551,081         |
| Mr. Mono Ranjan Dey FCA   | Independent Director                             | 143,451            |
| Mrs. Sabeen Aameir  | Wife of Mr. Aameir Alihussain                    | 7,969              |
| Mrs. Bilkis Alihussain  | Wife of Mr. Alihussain Akberali                  | 2,411,592          |
| Mr. Shekhar Ranjan Kar FCA  | Head of Finance & Accounts and Company Secretary | 30,006             |
| Mr. Moklesur Rahman Akhtar FCMA   | Senior Manager & Chief Financial Officer         | Nil                |
| Mr. Murtaza Zoher Bengali   | Head of Internal Audit & Compliance              | Nil                |

c) Shareholding status of top 5 salaried employees other than CEO, CS, CFO & HIAC

| Name                      | Relation                                     | No. of Shares Held |
|---------------------------|--|--------------------|
| Hasan Zafar Chowdhury     | Chief Operating Officer                      | 10,000             |
| A.F.M Mizanur Rahman      | Plant Head, BSRM Steels                      | Nil                |
| Jamil Ahmed               | Head of Human Resources                      | Nil                |
| Md. Azizul Haque          | Head of Manufacturing                        | Nil                |
| Mohammed Reazul Kabir FCA | Assistant General Manager Finance & Accounts | 4,051              |

D) Shareholders holding 10% or more voting interest in the company.

| Name                                      | Relation           | No. of Shares Held |
|---|--------------------|--------------------|
| Mr. Alihussain Akberali FCA               | Chairman           | 38,486,794         |
| Bangladesh Steel Re-Rolling Mills Limited | Affiliated Company | 117,253,590        |
| H. Akberali & Co. Limited                 | Affiliated Company | 84,551,081         |

**Management Discussion & Analysis:**

Board of Directors periodically assess operational & financial performance of the company. A detailed report on discussion is included in Annexure-D.

**Certification by the CEO & the CFO:**

Declaration or certificate by the CEO & the CFO to the board as required under condition no. 3(3) is included in Annexure-A.

**Credit Rating:**

Credit Rating information and Services Limited (CRISL) assigned rating as below:

| Long Term | Short Term |
|-----------|------------|
| AA+       | ST-2       |

The entities rated “AA+” are adjudged to be of high quality, offer higher safety and have high credit quality. This level of rating indicates a corporate entity with a sound credit profile and without significant problems. Risks are modest and may vary slightly from time to time because of economic conditions.

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

Our Company in the evaluation of Credit Rating Company was also placed with “**Stable Outlook**”.

#### Internal Control system:

The Board of Directors ensures that the Group has an effective internal control system which ensures that the assets of the Company are safeguarded and appropriate systems are in place to minimize and detect fraud, errors and other irregularities. The Company has adopted Standard Operating Procedures (SOP) for the betterment of internal control system. To generate accurate data and information within reasonable time frame, we have already commissioned most modern software called Enterprise Resource Planning (ERP). The Company has established a separate internal audit department to ensure internal control and compliance in place. On the other hand, Audit Committee regularly monitors and review the reports generated by the internal audit department and takes corrective measures.

#### Dividend:

The Board of Directors has recommended total 40% cash dividend for the year ended June 30, 2021. The dividend on equity shares, if approved, would be paid to those members whose name appears in the register of members as on record date.

**Unclaimed Dividends-** The Company disclosed the unclaimed dividend position as a separate line item in Balance Sheet as well as in company’s website as per below:

| Year   | Taka              |
|--|-------------------|
| 30 June 2021 (Interim)                                     | 898,826           |
| 30 June 2020 (Final)                                       | 1,333,821         |
| 30 June 2019 (Final)                                       | 5,168,957         |
| 30 June 2018 (Final)                                       | 855,090           |
| 1 <sup>st</sup> January 2011 to 30 <sup>th</sup> June 2017 | 18,001,379        |
| <b>Total</b>   | <b>26,258,072</b> |

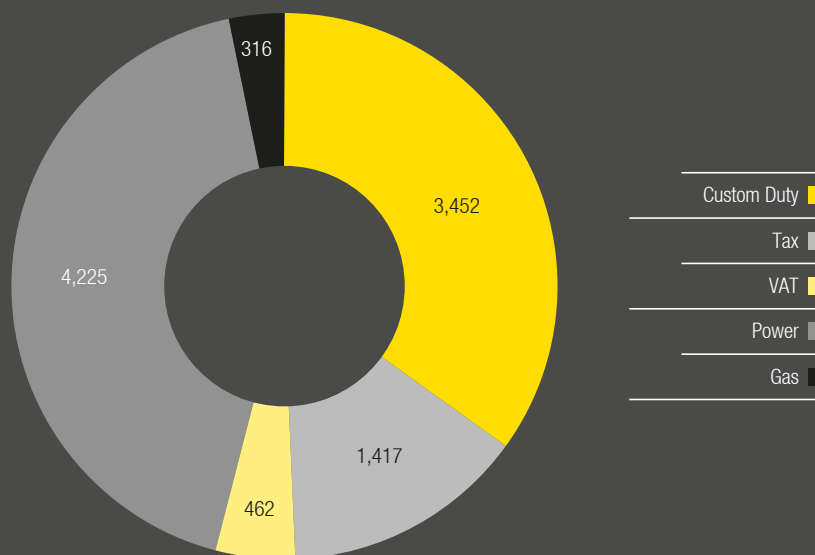
The dividend remains unpaid for a period of 3 years from the date of approval will be transferred to fund as directed by the Commission. Subsequently Tk. 17,846,490 has been paid to Bangladesh Security Exchange Commission (BSEC) for capital market stabilization Fund and Tk. 205,349 ordinary shareholders thereof from 01<sup>st</sup> July 2021 to 31<sup>st</sup> August 2021.

**Dividend Distribution Policy:** The Company has devised a dividend distribution policy to ensure the entitlement of shareholders as well as profits to be retained in business for expansion or other business purposes. Dividend distribution policy is posted in company’s website.

#### Contribution to National Exchequer

Being a responsible corporate entity, BSRM is paying and facilitating collection of Government’s revenue. In 2020-2021, BSRM Steels Limited collected and contributed Tk. 9,873 million to the government exchequer as Income Tax, VAT and Duties along with utility bill which is appended below:

## Contribution to National Exchequer (Million)



### Corporate Social Responsibilities:

BSRM's commitment to connect business decisions to ethical, social and environmental concerns remains to be one of the strongest foundations of the Company. During 2020-21, your company has been contributing to the welfare of the community, research & development and for protection of environment. Details of CSR have been described in the chapter Corporate Social Responsibilities in page 73 of the Annual Report.

### Awards and Recognition:

It is our great pleasure to let you know that we have achieved some prestigious awards during the last few years. A few of them are mentioned below:

- 1) Gold Award - ICMAB Best Corporate Award, 2019
- 2) Bronze Award – ICSB National Award, 2019
- 3) Certificate of Merit – 20<sup>th</sup> ICAB National Award for Best Presented Annual Report, 2019
- 4) Third Highest Taxpayer Award in engineering category for the tax period 2018-19.
- 5) ICAB National Award for Best presented Annual Report (second prize) in 2018.
- 6) Certificate of Merit ICAB Award 2018.
- 7) Certificate of Merit Award from SAFA in 2018.
- 8) National Productivity and Quality Excellence Award-2017.
- 9) National Export Trophy – (BSRM Steels Ltd.) for 2013-14, 2014-15, 2016-17.
- 10) Certificate of admiration from Ministry of Expatriates Welfare and Overseas Employment of Government Republic of Bangladesh at 4<sup>th</sup> National Development Fair 2018.
- 11) President's Award for Industrial Development 2014 in the category of Large Scale Industry.
- 12) Prestigious award for “Excellence in Supply Chain Relationship Management & Logistic Management” from Bangladesh Supply Chain Management Society.
- 13) ICAB National Awards for Best Presented Annual Reports for the year 2012, 2013, 2015 & Certificate of Merit for the year 2014, 2015.



- 14) Certificate of Merit from South Asian Federation of Accountants (SAFA) in 2012, 2013 & 2015 – (BSRM Steels Limited).
- 15) ICSB National Gold Award for best Corporate Governance Excellence 2015 – (BSRMLTD).
- 16) Awarded Tax Card from NBR for highest tax payment in 2016-17 – (BSRM Steels Ltd.)
- 17) Best Brand of Bangladesh in Steel Category in 2011, 2012, 2013, 2014, 2015, 2016, 2017, 2018 & 2019 – (BSRM Group).
- 18) Best Enterprise of the year 2010 – (BSRM Group).
- 19) D & B Corporate Awards 2010 & 2012 – (BSRM Steels Limited).
- 20) Pride of Chittagong (Chattagramer Ahonkar) 2012 (Mr. Alihussain Akberali FCA).
- 21) Divisional Environment Award 2013 – (BISCO Ltd.).
- 22) 5<sup>th</sup> Standard Chartered-Financial Express CSR Award – (BSRM Group).
- 23) Japan Bangladesh Chamber of Commerce & Industry (JBCCI) Awards in 2014 – (BSRMLTD).
- 24) ICSB National Award (Silver Award) for Corporate Governance Excellence 2014. – (BSRM Steels Limited).

### **Information Technology**

BSRM Steels Limited is a customer oriented company since inception. The Company has taken a group of IT initiatives to support its sales and support staff in considering client needs and satisfaction. We have automated money receipt posting system in ERP to support our customers. Now our dealers can give sales order using BSRM sales portal. All dealers get auto SMS after delivery of goods. To mitigate business risk, enhance business performance and to provide required information to the respective stakeholder we are continuously updating the ERP System. Details of Information Technology are set out in the Chapter “Sustainable Growth” in Page no. 77 in this report.

### **Human Resource Management**

The Human Resource strategies applied and practiced by the Company have translated into the creation of a dynamic and competent human resource team with sound succession planning and a remarkable low attrition rate. “Be an employer of choice, with focus on nurturing talent and developing future leaders of the organization” is one vision of BSRM Group. Details of Human Resource are set out in the Chapter “Sustainable Growth” in Page no. 77 in this report.

### **Code of Conduct:**

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

### **Auditors:**

Present auditor M/S Hussain Farhad & Co. (A member firm of ASNAF international), Yunusco City Center (9th Floor), 807, CDA Avenue, Nasirabad, Chattogram will retire in 19<sup>th</sup> AGM and are eligible to conduct audit for the year 2021-22. The Board has recommended M/S Hussain Farhad & Co., Chartered Accountants as the statutory Auditor for the year ended on June 30, 2022 subject to the approval of shareholders in the next Annual General Meeting.

### **Reporting and Compliance of Corporate Governance:**

Status of compliance with the requirements / conditions of Bangladesh Securities and Exchange Commission (BSEC) Notification No: BSEC/CMRRCD/2006-158/207/Admin/80 dated 03 June, 2018 on corporate governance has been included in the Report in Annexure-C.

**Subsequent Events:**

There are no subsequent events after the date of Financial Position and till the date of this report which could affect the ability of the users of these financial statements to make an appropriate evaluation.

**Acknowledgements:**

The Board would like to express its humble gratitude to all the employees, all investors/shareholders, bankers, financial institutions, insurance companies and all the Departments of Government of Bangladesh, related regulatory authorities i.e. BSEC, Dhaka Stock Exchange (DSE), Chittagong Stock Exchange (CSE), NBR, Bangladesh Bank, our customers, dealers for their continued and consistent support to the company during the year.

Allah Hafiz.

Thank you very much

On behalf of Board of Directors.



**Alihussain Akberali FCA**  
Chairman