



50 YEARS OF INVINCIBLE BANGLADESH

ANNUAL REPORT 2020-21
BANGLADESH STEEL RE-ROLLING MILLS LIMITED



ANNUAL REPORT 2020-21

Bangladesh
Steel Re-Rolling
Mills Limited



50 YEARS OF INVINCIBLE BANGLADESH

Since the fiery birth of Bangladesh in 1971, this brave, independent nation continues to progress ever forward towards growth, development, prosperity and beauty. The journey towards this development has been a long and arduous one – once known as a bottomless basket, today Bangladesh stands as the breadbasket of Asia. Our nation has grown in every sector and in our 50th year of independence, we have come a long way - and we are just getting started. This annual report will be a celebration of that growth, of our prosperity and progress in 50 years – a celebration of Bangladesh's invincible and indomitable spirit.

LETTER OF TRANSMITTAL

Date: December 01, 2021

Valued Shareholders of Bangladesh Steel Re-Rolling Mills Limited
Bangladesh Securities and Exchange Commission
Registrar of Joint Stock Companies & Firms
Dhaka Stock Exchange Ltd.
Chittagong Stock Exchange Ltd.

Annual Report for the year ended 30th June, 2021

Dear Sir (s),

We are pleased to enclose herewith a copy of the Annual Report of **Bangladesh Steel Re-Rolling Mills Limited** together with the Audited Financial Statements, Consolidated Financial Statements, Report of the Board of Directors and Auditors' Report thereon for the year ended **30th June 2021** for your information and records.

Sincerely yours,



Shekhar Ranjan Kar FCA
Head of Finance & Accounts and Company Secretary

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Subsidiary- BSRM (Hong Kong) Limited



Conquering brave new worlds - Digital Bangladesh (IT Sector)



Bangladesh is currently the 32nd worldwide when it comes to IT outsourcing, and the country has invested in countless IT villages to continue this growth - with the launch of the **1st** national satellite, the Bangabandhu 1, heralding our entry into the new horizon of outer space.

WHO ARE WE?

Bangladesh Steel Re-Rolling Mills Limited (BSRMLTD) is the oldest steel re-rolling mill in Bangladesh. With four manual rolling mills, we stepped out for our journey in 1952 as the first ever steel mill in Bangladesh.

Today, Bangladesh Steel Re-Rolling Mills Limited (BSRMLTD) is the largest merchant steel re-rolling mill in Bangladesh. This mill is capable of producing high quality Reinforcing Steel and other steel products such as Channel, Angle, Square-Bar, etc. We have introduced another product "BSRM Centura", a coated rebar that resists Chloride induced corrosion and prevents rusting. As we started our commercial operation in December 09, 2015 after BMRE, our production capacity has reached to 800,000 M. Ton. Recently, we have introduced most modern steel products called Xtreme B500 DWR which is infact a revolution in the steel industry in Bangladesh.


We also have a plant to produce ribbed wire with annual capacity of 24,000 M. Ton.

To ensure maximum usage of produced finished goods, we have introduced downstream service to produce customized rebar called 'SecuRing'.

BSRMLTD owns two melting units called "Steel Melting Works (SMW)" and Melting-2 (SML) which are producing billets with a capacity of 150,000 and 8,62,000 M. Ton per annum respectively.

Presently, BSRMLTD is holding 31.19% shares of its associate company BSRM Steels Limited. In addition, BSRMLTD has a subsidiary company BSRM (Hong Kong) Limited which is based in Hong Kong.

The Company has also invested in BMS Steel Limited, a Joint Venture Company situated in Kenya. Now BSRMLTD is holding 18% share of the Company. This Company will produce and supply MS Steel products.



Weaving the present into the future – Bangladesh's RMG Industry



Bangladesh is **2nd** in the export of readymade garments across the whole world. As the nation's largest export earner the garments sector accounts for **83%** of total export earnings of the country, and acts as a catalyst for national development, weaving the way to Bangladesh's future.

OVERALL STRATEGIC OBJECTIVES

To Produce High Quality Steel Products

To Reduce the Cost of Production

To Optimize Production Capacity

To Ensure Maximum Satisfaction of the Customer

To Recruit and Develop Workforce

To Ensure Proper Corporate Governance & Compliance

To Ensure Value Creation for the Shareholders



From the world to our homes – Bangladesh's Remittance Sector



Almost **1** crore of Bangladesh's population lives and works abroad, sending large amounts of money back home to their families, helping strengthen our nation. In fact, Bangladesh is the **8th** largest nation worldwide in earning remittance.

OUR VISION

We At BSRM Group Aspire To...

- Maintain our leadership position in the steel industry by producing the best quality steel products, continuously enhancing customer satisfaction and becoming a reliable business partner of our customers and suppliers.
- Be an employer of choice, with focus on nurturing talent and developing future leaders of the organization.
- Protect the interest of our shareholders through sustainable growth and value creation.
- Preserve the trust of all our stakeholders by adopting ethical business practices.
- Support the society through Corporate Social Responsibility initiatives.

Sustainable Growth: Consistent improvement in the quality of products and services, efficiency of processes and profitability of business; continuously anticipating and responding to the changing business and environmental needs using innovation; sharing knowledge and experience within the organization.

Quality: Create products and services valued by our customers; constantly improving our processes through innovation and adopting best practices; reducing wastage; minimizing costs; investing in systems & technology and developing our people to build a highly capable workforce.

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

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

Leadership: Be a role model, setting benchmarks through our products, processes and people; constantly moving ahead of competition by differentiating our products, innovating our processes, increasing our market share and nurturing talent to develop leaders within the organization.

Social Responsibility: Acknowledge and fulfill our obligations towards the society by undertaking initiatives for the general uplifting of the society, building capability and making facilities available to the underprivileged.

Customer Satisfaction: Delight our external and internal customers at every stage of our interaction with them by truly understanding their needs, offering them our best products and services, treating them with respect and actively seeking and acting on their feedback.

OUR VALUES



Uplifting our age-old tradition – Fish and Fisheries of Bangladesh



In the entire world, Bangladesh is **5th** in the production of fish, and **1st** in Hilsha fish production. The creative initiatives of small farmers, government's supportive policy, and innovation of scientists are key reasons behind the successful uplift of an age-old tradition.



CODE OF CONDUCT

BSRMLTD has always adopted the best, ethical and most transparent business practices to ensure fairness, honesty and integrity in all aspects of our dealings.

We always acknowledge and fulfill our obligations to carry out responsibilities towards the society and offer our best services to all of our stakeholders and treat everyone with equity and honor.



Healthier, happier and safer – Achievements in Bangladeshi Healthcare



Bangladesh has made massive strides when it comes to healthcare. Our child and maternal mortality rates have decreased. The average level of nutrition for everyone in the country has risen, and our average life expectancy is now **73** years.

BSRM GROUP'S MILESTONES

1952

The BSRM saga began with the first steel re-rolling mills to emerge in the then East Bengal.

1984

Introduced high strength cold twisted steel bars (TORSTEEL) to the construction industry.

1987

Introduced High Strength Deformed reinforcing steel bars conforming to ASTM 615 Grade 60 for the construction industry.

1996

Commissioned the then-largest billet making plant in the country - Meghna Engineering Works Limited, now known as Steel Melting Works (SMW) unit of Bangladesh Steel Re-Rolling Mills Ltd.

2006

Introduced micro reinforcement wires, below 8mm, for low cost rural construction.

2008

BSRM Steels Limited commenced production of internationally recognized Grade 500 steel bars branded as "Xtreme500W" conforming to ISO 6935-2.

2009

Entrance in the Capital Market: Shares of BSRM Steels Limited, the flagship company of BSRM Group were listed with the country's premier bourses Dhaka Stock Exchange (DSE) Ltd. and Chittagong Stock Exchange (CSE) Ltd. on 18th January 2009.

2012

Production capacity of BSRM Steels Limited enhanced to 600,000 MT per year.

2013

A syndicated term loan of USD 40 million and BDT 5,908 million, raised by a consortium of 25 banks and financial institutions, for BSRM Steel Mills Limited. It is the largest ever syndicated loan facility arranged for a private company in Bangladesh.

2014

Oracle e-BS-12 went GO LIVE on 1st March 2014. Oracle Financials, Costing, Purchasing, Manufacturing, EAM, Inventory & Order Management are now integrated on a single platform which ensures the accuracy, accountability and reliability of the Group.

2015

1. Capacity of BSRM Steels Limited enhanced from 600,000 MT to 700,000 MT per annum.
2. Introduced a new product - **"BSRM Maxima"**
3. Capacity of Bangladesh Steel Re-Rolling Mills increased from 120,000 MT to 540,000 MT per annum which is the first and largest merchant mill in Bangladesh.
4. Listing of Bangladesh Steel Re-Rolling Mills Limited with the stock exchanges (DSE & CSE).

2016-17

1. For first time in the history of BSRM Group, sales of MS Products cross one million M. ton in the year of 2016.
2. BSRM Steel Mills Limited, the largest billet making plant in the country, started commercial production in June 2016.
3. **BSRM Ultima** - a landmark innovation of BSRM is introduced first time in Bangladesh.
4. EPOXY coated bars for corrosion-free structures - **CENTURA** is introduced.

2018-19

BSRM Steels Limited commences another melting plant for producing MS billets on April 16, 2019. The capacity of the plant is 430,000 M. Ton, situated at Sonapahar, Mirsharai, Chattogram.

WHAT'S NEXT?

1. A state-of-the-art Galvanized Iron (GL) wire, LRPC wire, Welding Electrode and CO2 wire manufacturing plant in the name of BSRM Wires Limited is under trial production.
2. Setting up of new bar and wire rolling and expansion of melting unit to enhance capacity of rolling by 6 lac M. Ton per annum and melting 2.5 lac M. Ton per annum in the name of BSRM Steels Limited.



Iconic landmarks of a nation's progress – Bangladesh's Infrastructure Sector



In the last **50** years, the nation has been witnessing the rise of iconic mega structures, testaments to our growth and development. The mighty Padma Bridge, the Rooppur Nuclear Plant, the Karnaphuli Tunnel, the Dhaka Metro Rail Project and more stand as visual landmarks of how far we have come.

ACCOLADES FOR BSRM GROUP OF COMPANIES

HIGHEST TAX PAYER AWARD



Tax Card for "2nd Highest Tax Payer" in engineering category for the tax period 2019-2020

CSR AWARD



CSR Award for best CSR Initiative 2021

ICMAB BEST CORP. AWARD



ICMAB Best Corporate Gold Award 2019

ICAB NATIONAL AWARD



ICAB National Award for Best Presented Annual Report 2019

SAFA 2018



Certificate of Merit from SAFA 2018

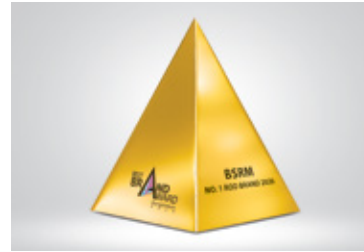
ACCOLADES FOR BSRM GROUP OF COMPANIES

ICAB NATIONAL AWARD



19th ICAB National Award Best Presented Annual Report 2018

BEST BRAND AWARD



Best Brand of Bangladesh in Steel Category for 2011-2019

QUALITY EXCELLENCE AWARD



National Productivity and Quality Excellence Award 2017

HIGHEST TAX PAYER AWARD



Tax Card for "1st Highest Tax Payer" in engineering category for 2016-2017

PRESIDENT'S AWARD



President's Award for Industrial Development 2014

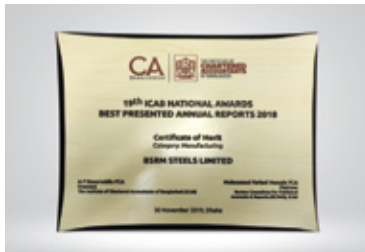
NATIONAL EXPORT AWARD



National Export Award 2013-14, 2015-16 and 2016-17

ACCOLADES FOR BSRM GROUP OF COMPANIES

ICAB AWARD



Certificate of Merit ICAB Award 2018

ICSB NATIONAL AWARD



ICSB National Award, Bronze 2019
ICSB National Award, Gold 2015

SAFA AWARD



Certificate of Merit from SAFA 2015

ELECTRICITY CONSUMER AWARD



Best Electricity Consumer Award 2015

ICAB NATIONAL AWARD



ICAB National Awards for Best Presented Annual Report 2012, 2013 & 2015

CORPORATE AND CONTACT INFORMATION

COMPANY NAME

Bangladesh Steel Re-Rolling Mills Limited

DATE OF INCORPORATION

28th December, 1960

DATE OF COMMERCIAL OPERATION

1961

SHARE CAPITAL

Authorized capital

BD Tk. 500.00 Crore

Paid Up Capital

BD Tk. 298.58 Crore

BOARD OF DIRECTORS

Mr. Alihussain Akberali FCA, **Chairman**

Mr. Aameir Alihussain, **Managing Director**

Mr. Zohair Taherali, **Director**

Mrs. Sabeen Aameir, **Director**

Mr. Gobinda Chandra Paul FCA, **Independent Director**

COMPANY SECRETARY

Mr. Shekhar Ranjan Kar FCA

AUDIT COMMITTEE

Mr. Gobinda Chandra Paul FCA, **Chairman**

Mr. Aameir Alihussain, **Member**

Mrs. Sabeen Aameir, **Member**

Mr. Shekhar Ranjan Kar FCA, **Secretary**

NOMINATION & REMUNERATION COMMITTEE (NRC)

Mr. Gobinda Chandra Paul FCA, **Chairman**

Mr. Aameir Alihussain, **Member**

Mrs. Sabeen Aameir, **Member**

Mr. Shekhar Ranjan Kar FCA, **Secretary**

MANAGEMENT COMMITTEE

Tapan Sengupta, **Deputy Managing Director**

Hasan Zafar Chowdhury, **Chief Operating Officer**

Kazi Anwar Ahmed, **Head of Corporate Affairs & Dhaka Corporate Office**

Shekhar Ranjan Kar FCA, **Head of Finance & Accounts and Company Secretary**

Jamil Ahmed, **Head of Human Resources**

Mohammad Imtiaz Uddin Chowdhury, **Head of Sales & Marketing**

Sanjoy Kumar Ghosh, **Head of Supply Chain Management**

AUDITOR

A Qasem & Co.

Chartered Accountants

Faruq Mahal (3rd Floor), Plot # 93, Agrabad C/A, Chattogram 4100, Bangladesh

LOCATIONS

CORPORATE OFFICE

Ali Mansion, 1207/1099 Sadarghat Road,

Chattogram, Bangladesh.

Tel: +880 02333354901-10, Web: www.bsrm.com

PLANT

Re-Rolling Unit: 146-149 & 158-159, Nasirabad I/A,

Baizid Bostami Road, Chattogram.

Tel: +88 031 683053, 683164, 683094, 684791

Steel Melting Works Unit: 78/79, Nasirabad I/A,

Baizid Bostami Road, Chattogram.

Tel: +88 031 681487, 683536, 2580448

Melting Unit-2 (SML): Sonapahar, 03 No. Zorargonj,

Mirsharai, Chattogram.

OVERSEAS OFFICE

Hong Kong Office:

BSRM (Hong Kong) Limited

Suite-9, 29th Floor, Pacific Plaza, 410,

Des Voeux Road West, Hong Kong.

Kolkata, India:

Block B, 12th Floor, Shantiniketan Building, 8 Camac Street,

Kolkata-700017, Tel:+91-33-40058396, Fax: +91-033-24633378.

Agartala, India:

Chandpur Math, Khayerpur, Agartala, Tripura, India

Tel: +91-8257036077

CORPORATE AND CONTACT INFORMATION

DHAKA CORPORATE OFFICE

Nasir Uddin Tower, 4th Floor
Bir Uttam Samsul Alam Road, 104/1 Kakrail,
Dhaka-1000. Tel: +88 02 8300591-95
Fax: +88 02 8300590, Email: dhaka@bsrm.com

UTTARA OFFICE

Level-6, Plot # 1, Road # 1/A, Sector-4,
Uttara Model Town, Dhaka.
Tel: +8802-58957891, 48958029, Fax # +8802-48956496

REGIONAL OFFICES

Sylhet

102, Jhornar Par, Eidgah Road, Kumarpara, Sylhet.
Tel: +88 017 3000 7898
Fax: 0821-2832751
Email: sylhet@bsrm.com

Bogura

Tin Matha Rail Gate
(near to North Bengal Petrol Pump), Puran Bogura, Bogura.
Tel: +88051-60792, 01714-031110
E-mail: bogura@bsrm.com

Cumilla

Chandrima Super Market,
Airport Road (Near to EPZ Main Gate), Cumilla.
Tel: 081-71988, +8801714080657
E-mail: comilla@bsrm.com

Khulna

Naushin Tower (3rd Floor)
11, KDA Avenue, Khulna
Tel: +88-041-733753, +8801708494898
E-mail: khulna@bsrm.com

Barishal

Shohid Mukhtojoddha ADC Kazi Azizul Islam Sarak,
(30 go-down road), South Alekanda, Barishal
Tel: 0431-2177518; 01755-545910, +88 0431-62048

Narayangonj

Jungal, Barpara, Bandar, Narayangonj.
Tel: +88 017 5553 8356

Rajshahi

Shefali Tower (5th Floor), Bindur More, Gourhanga,
Ghoramara, Boalia, Rajshahi
Tel: +8801730703013

Rangpur

Ulipur Market, Goneshpur,
RK Road, Rangpur
Tel: +8801714094579

Benapole

50 Kagojpukur Benapole Port, Sharsa,
Jessore. Tel: 01730-703045.

Mirsharai

Sonaphar, Zorargonj, Mirsarai, Chattogram.
Tel: +88 017 1324 8755.

Mymensingh

Jamtoli, Churkhaj, Mymensingh
Tel: 0177-7764600

Cox's Bazar

S.K Tower, 2nd floor, Taraboinarchora Khurushkul Road,
Coxsbazar. Tel: 01730-014986

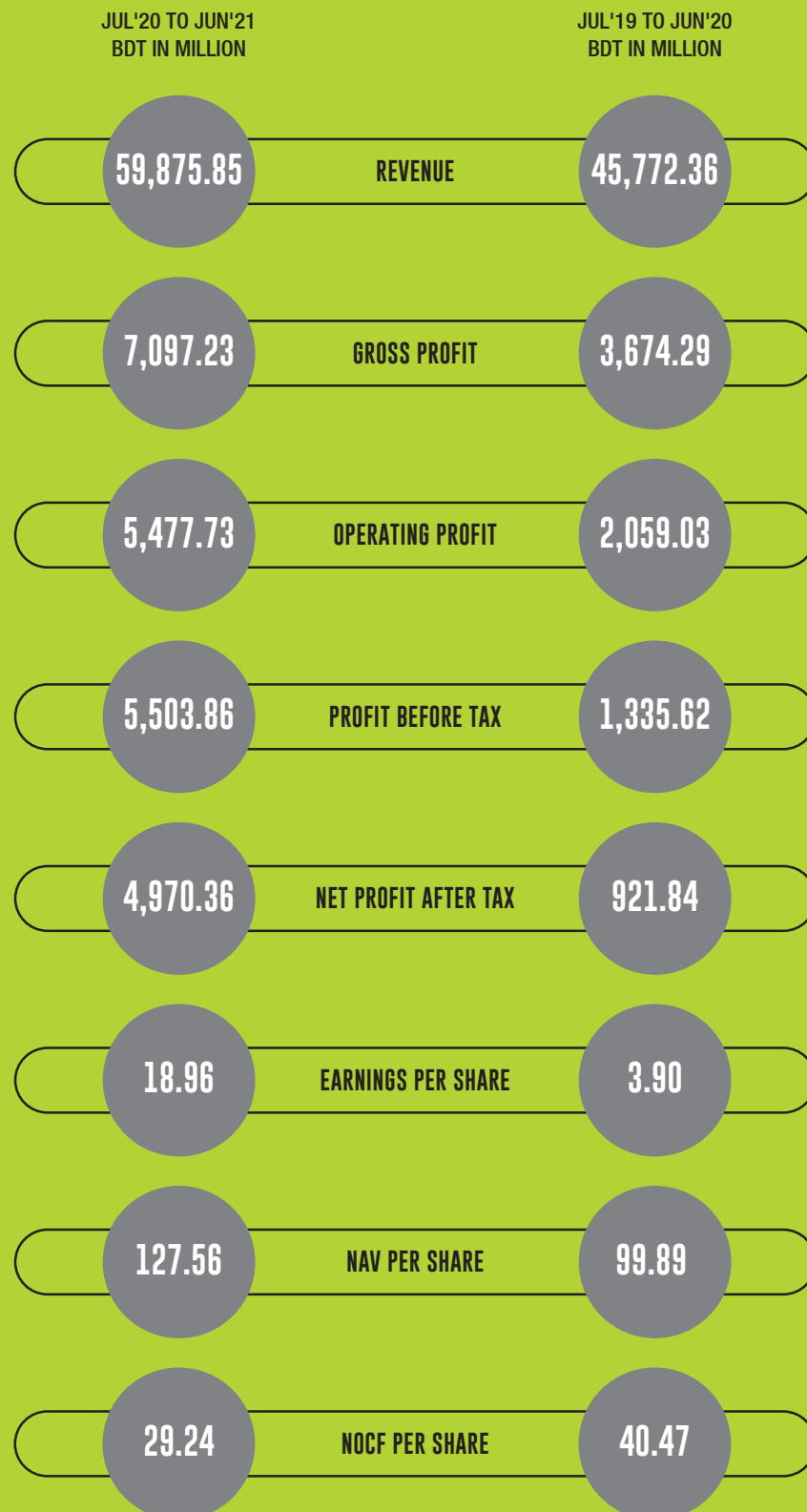
Gazipur

Amanta S. H. Tower (4th Floor), Naljani,
Joydebpur Road, Chowrasta, Gazipur – 1702
Mobile: 01714-105052,

Narshingdi

Ripon Tower (1st Floor)
House # 492, Titas Gas Office Road, Chinishpur, Narsingdi.
Mobile: 01713-108206

PERFORMANCE AT A GLANCE



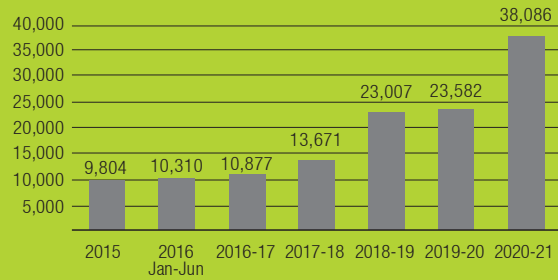
KEY FINANCIAL HIGHLIGHTS

Taka in Million

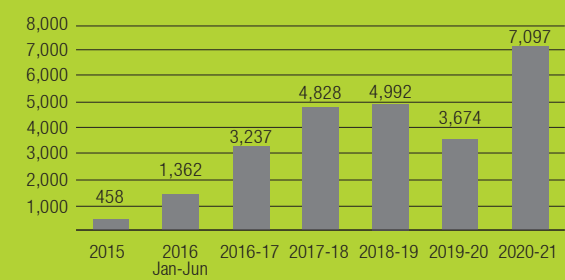
Particulars	2020-21	2019-20	2018-19	2017-18	2016-17	2016 Jan-Jun	2015
Assets Employed							
Non- Current Assets	47,545.79	29,504.44	28,711.60	19,869.20	19,451.03	18,507.25	18,165.60
Net Current Assets	(4,613.04)	(579.00)	958.70	764.53	(5,007.24)	(3,647.94)	(3,224.78)
Total Assets Employed	42,932.75	28,925.43	29,670.30	20,633.72	14,443.79	14,859.31	14,940.82
Financed by							
Share Capital	2,985.85	2,360.68	2,360.68	2,146.07	1,950.98	1,950.98	1,773.62
Share Premium	2,057.51	511.97	511.97	511.97	511.97	511.97	511.97
Revaluation Reserve	17,491.27	12,130.38	12,151.48	3,974.79	4,019.43	4,067.38	4,078.45
General Reserve & Others	30.17	30.17	30.17	75.83	75.83	75.83	75.83
Retained Earnings	15,521.15	8,548.44	7,953.07	6,962.74	4,318.59	3,703.63	3,363.80
Shareholder's Equity	38,085.95	23,581.64	23,007.37	13,671.41	10,876.80	10,309.79	9,803.67
Long Term Borrowings	728.34	2,323.14	3,871.52	5,442.34	2,077.99	3,272.58	4,167.99
Lease Liabilities-Non current portion	81.93	84.78	-	-	-	-	-
Defined Benefit obligations - Gratuity	366.32	259.30	231.91	196.16	157.13	142.43	128.57
Deferred Tax Liability	3,670.21	2,676.58	2,559.50	1,323.81	1,331.86	1,134.51	840.59
Total Capital Employed	42,932.75	28,925.43	29,670.30	20,633.72	14,443.79	14,859.31	14,940.82
Operational Results							
Revenue	59,875.85	45,722.36	44,408.89	33,238.37	23,648.93	9,713.86	7,801.98
Gross Profit	7,097.23	3,674.29	4,992.24	4,828.32	3,236.93	1,362.03	458.01
Profit from Operation	5,477.73	2,059.03	3,637.90	3,864.96	2,571.90	1,057.78	207.15
Profit before Interest, Taxes & Depreciation Allowances	7,532.00	3,276.89	5,434.28	5,704.00	3,465.31	1,807.55	1,771.83
Profit before Tax	5,503.86	1,335.62	2,740.07	3,021.53	1,197.26	893.74	936.59
Profit after Tax	4,970.33	921.84	1,860.63	2,778.78	756.52	588.65	827.67
Ratios							
Gross Profit Ratio - %	11.85%	8.04%	11.24%	14.53%	13.69%	14.02%	5.87%
Net Profit Ratio - %	8.30%	2.02%	4.19%	8.36%	3.20%	6.06%	10.61%
EBITDA margin to Sales - %	12.58%	7.17%	12.24%	17.16%	14.65%	18.61%	22.71%
Return on Shareholders Equity - %	13.05%	3.91%	8.09%	20.33%	6.96%	5.71%	8.44%
Return on Capital Employed - %	11.58%	3.19%	6.27%	13.47%	5.24%	3.96%	5.54%
Current Ratio - Times	0.88	0.97	1.04	1.04	0.75	0.78	0.73
Quick/Acid test Ratio - Times	0.49	0.42	0.33	0.34	0.28	0.35	0.31
Inventory Turnover Ratio - Times	4.30	3.23	2.66	2.11	2.43	1.35	1.71
Total Assets Turnover Ratio - Times	0.74	0.97	0.85	0.83	0.68	0.31	0.29
Earning Per Share (EPS) - Taka	18.96	3.90	7.88	11.77	3.53	3.02	4.78
Price/ Earning (PE) Ratio - Times	5.96	13.72	9.00	8.33	38.13	48.94	27.53
Price/ Equity Ratio - Times	11.30	5.35	7.09	9.80	13.46	14.78	13.16
Dividend Per Share (DPS) - Taka	5.00	1.50	2.50	2.00	2.00	-	1.50
Dividend Pay out Ratio	0.26	0.38	0.32	0.17	0.57	-	0.31
Dividend Cover Ratio	3.33	2.60	3.15	6.47	1.94	-	3.11
Net Assets Value Per Share (NAV) -Taka	127.55	99.89	97.46	63.75	55.75	52.84	55.28
Net Operating Cash Flow Per Share - Taka	29.24	40.47	2.81	(8.78)	(11.38)	(3.53)	(10.16)
Debt Equity Ratio - Times	1.11	1.00	1.28	1.92	2.18	2.08	1.75
Interest Coverage Ratio	8.03	2.09	2.26	2.47	1.64	2.48	2.36
Market Price Per Share - Taka	86.60	53.50	70.90	98.00	134.60	147.80	131.60
Market Capitalization (Taka Million)	25,857.43	12,629.65	16,737.24	21,031.53	26,260.15	28,835.44	23,340.78
Contribution to National Exchequer (Taka Million)	15,168.39	3,302.96	3,108.09	3,274.91	3,638.74	1,867.95	1,644.59
Average Number of Employees	1,832	1,046	1,280	922	887	863	816

KEY PERFORMANCE INDICATOR

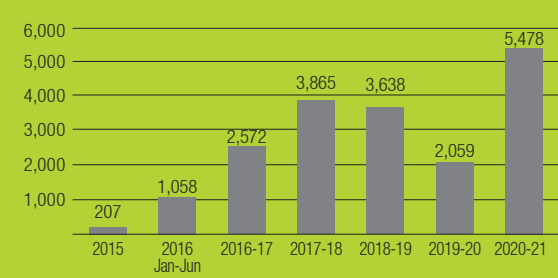
Shares Holder's Equity (Taka in Million)



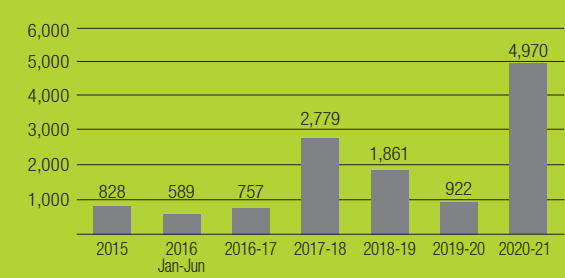
Gross Profit (Taka in Million)



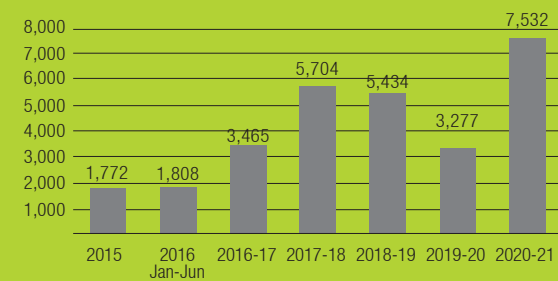
Operating Profit (Taka in Million)



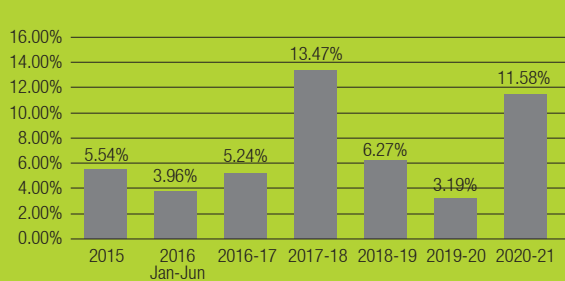
Net Profit After Tax (Taka in Million)



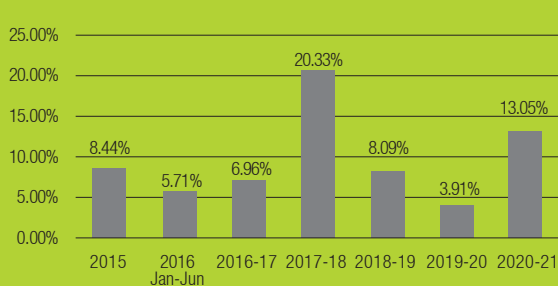
EBITDA (Taka in Million)



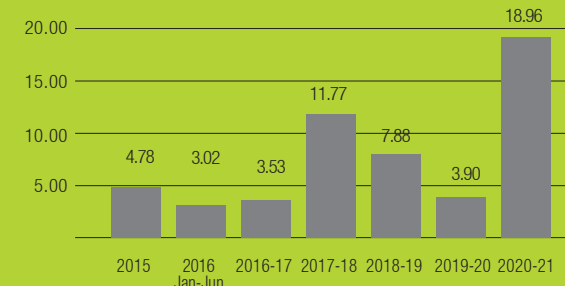
Return On Capital Employed



Return on Shareholders' Equity

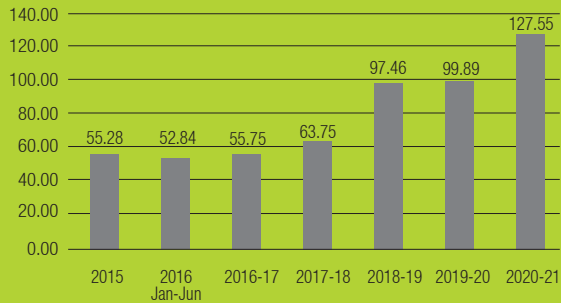


Earning Per Share (Taka)

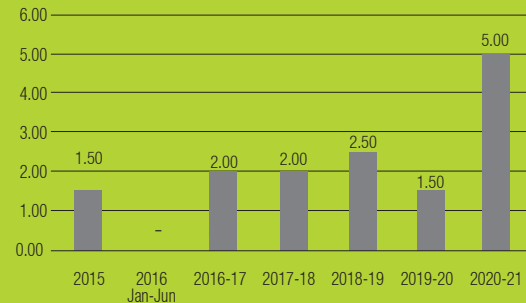


KEY PERFORMANCE INDICATOR

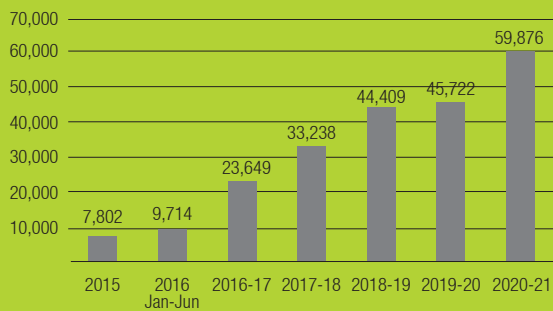
Net Assets Value Per Share (In Taka)



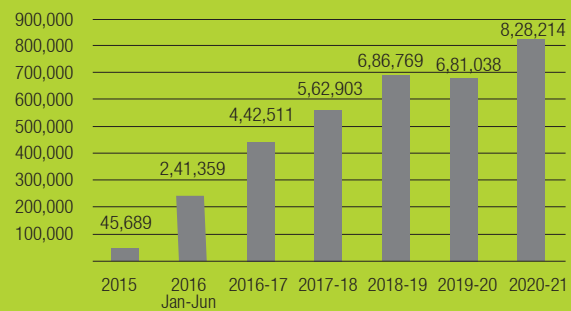
Dividend Per Share (In Taka)



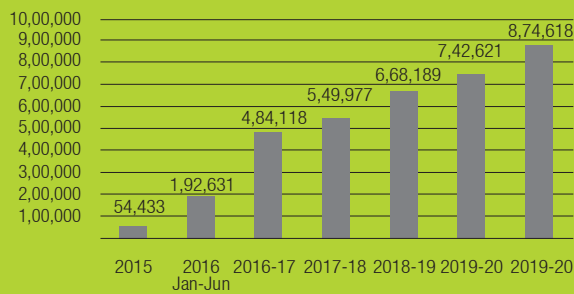
Turnover/Sales (Taka in Million)



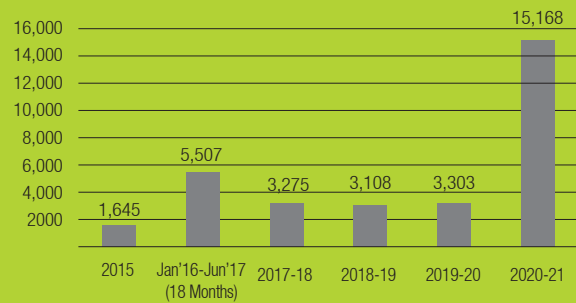
Production (QTY in MT)



Sales (QTY in MT)



Contribution to National Exchequer (Taka in Million)



VALUE ADDED STATEMENT

Value Added:

Revenue

Other Income

Less : Paid to suppliers for materials and services

Jul'20-Jun'21 TK	%	Jul'19-Jun'20 TK	%
59,875,852,466		45,722,355,688	
114,901,204		66,857,027	
59,990,753,670		45,789,212,715	
51,291,493,437		41,783,537,999	
8,699,260,233	100	4,005,674,716	100

Distributed as follows:

EMPLOYEES

Wages, salaries, bonus, commissions
pensions and other benefits

PROVIDERS OF FINANCE

GOVERNMENT

DIVIDEND

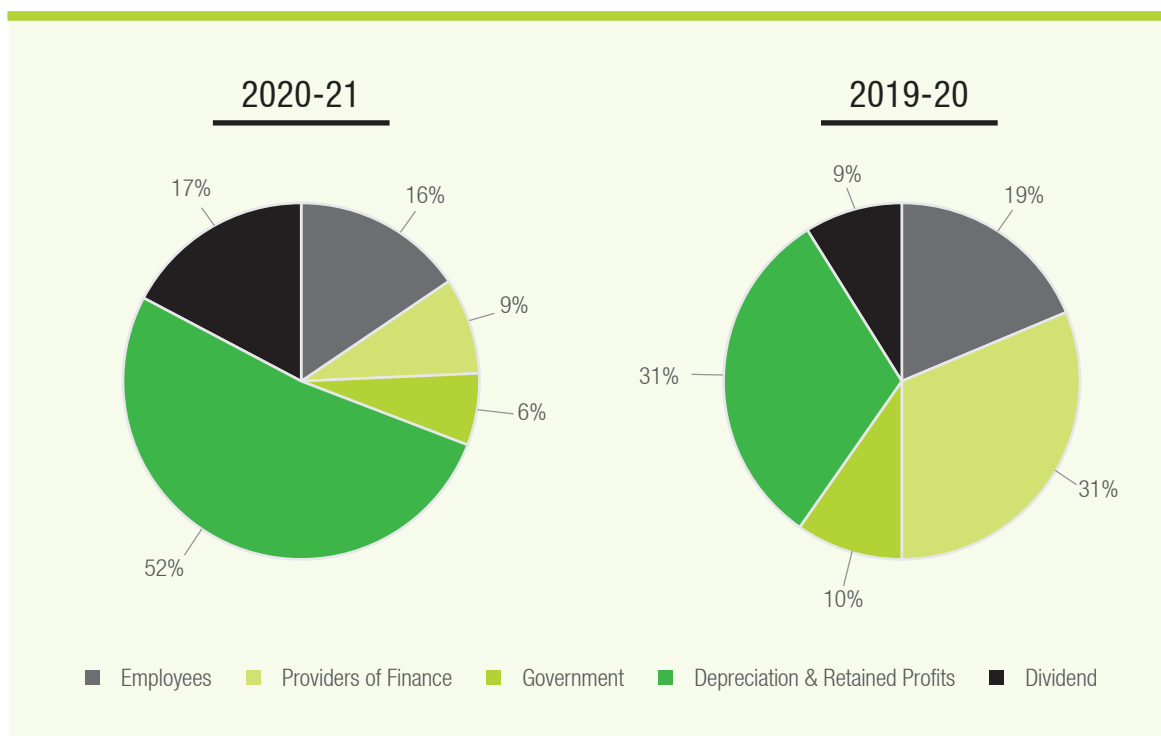
1,348,868,355	15.52	748,965,733	18.70
783,209,274	9.00	1,228,909,939	30.68
533,496,128	6.13	413,777,284	10.33
1,492,923,130	17.15	354,102,354	8.83
4,158,496,887	47.80	2,745,755,310	68.55

RETAINED FOR REINVESTMENT & FUTURE GROWTH

Depreciation & Amortization

Retained Profit

1,063,323,610	12.23	692,181,019	17.28
3,477,439,736	39.97	567,738,387	14.17
4,540,763,346	52.20	1,259,919,406	31.45
8,699,260,233	100	4,005,674,716	100



PRODUCTS & MARKETS

BSRM Ltd. is the country's first and only merchant rolling mill capable of rolling construction reinforcing steel in diameters from 8mm to 50mm. The steel bars all conform to the U.K. Standard BS 4449 grade 500C and the national standard BDS ISO 6935-2 Grade 500S. The bars from 8mm to 20mm are used for general purpose construction of residential and commercial buildings. Higher diameters from 25mm to 50mm are used in high rise buildings and bridge piers.

It also manufactures structural steel such as Angles in sizes from 25mmx25mmx3mm to 100mmx100mmx12mm and Channels 75mmx40mmx5mm to 125mmx65mmx8mm. The Angles and Channels conform to the national standard BDS ISO 630 Grade 345 and U.S. standard ASTM 572 Grade 50. Angles are used in trusses of factory buildings, telecommunication towers and power transmission towers. Channels are used in the fabrication of truck and trailer bodies and in the construction of steel buildings.

Both the BSRM products enjoy a high degree of acceptance among customers due to the high quality of the products and excellent delivery services. The products are distributed through an elaborate chain of BSRM Dealers in divisional towns and cities of the country.

In 2016 BSRM launched a new product known as Centura, which is an Epoxy Coated Reinforcing (ECR). This coated bar is for use in the construction of infrastructures and buildings in the coastal zones of the country. It is a well known fact, saline water rapidly corrodes steel. Concrete structures designed to last 50 year rapidly deteriorate in under 10 years. ECR can easily combat this corrosion by providing an inert layer of epoxy film which is completely impervious to chloride ion penetration.



PRODUCT-WISE PERFORMANCE

A. Xtreme500W

Why Xtreme500W?

According to European Steel Code EN 10002, **Elongation at Maximum Force (EMF)** test is mandatory to measure the ductility of steel. Bangladesh Standard BDS:ISO:6935-2 of 2009 also requires EMF in Steel. **Fatigue tests** are conducted with the object of determining the number of cyclic loadings a steel can endure, within a stress range. BSRM Steels products were subjected to 5 million cyclic load reversals which was tested in UK. At present in Bangladesh BSRM is the only company to ensure **EMF and Fatigue Tested** steel.

Today our journey has been vindicated by the overwhelming support of our loyal and dear customers who have put faith in our products.

UNIQUE FEATURES OF XTREME500W

1. High design yield strength of 500 Mpa (72500psi) (Min).
2. Requires 15% less steel in construction compared to Grade 60 rebars available in the market.
3. The bars have superior ductility and can be safely bent without cracking.
4. All bar sizes are rolled to a very close tolerance (possible on a DANIELI computerized rolling mill) so that customers get more meters of steel per ton - more value for money without having to sacrifice structural integrity.
5. De-scaled bars have better bonding with concrete and less wastage at site. Estimated savings: 0.5%.



6. Xtreme bars are safely weldable under field conditions. Another 0.5% to 1.5% of steel is saved by avoiding large splices if the steel is welded. Our Xtreme500W was tested for weldability by a global electrode manufacturer in Bangladesh, Linde. They have published a brochure to promote the unique welding features of Xtreme500W, a rare honour for the company.
7. The bars are needle-straight, thanks to the Danieli QTB process - no need for straightening on the construction site.

LANDMARK INFRASTRUCTURE WHERE XTREME500W WAS USED:

As the premier reinforcing steel bar and only EMF tested ductile rod of the country, Xtreme500W has put its indelible stamp on the infrastructure projects of the country. It has emerged as the rebar of choice among international contractors in high value projects where the reliability and quality of construction materials are of paramount importance. BSRM is proud to be associated with some of the largest and most visible projects of the country. These are:

- Padma Multipurpose Bridge
- Padma Bridge Rail Link Project
- Moghbazar-Mouchak Flyover
- Bhoirab Railway Bridge
- Bhoirab-Asugonj Power Plant
- Double line project of Chittagong Railway
- The pride of Dhaka, the 9.6-kilometer Gulistan-Jatrabari Flyover (Mayor Mohammad Hanif Flyover)
- Saidabad Water Treatment Plant Phase-II
- Hatirjheel Integrated Development Project
- Zillur Rahman Flyover (Mirpur-Airport & Banani)
- Dhaka Elevated Expressway Project
- Payra Thermal Power Plant
- Payra Bridge
- Rooppur Nuclear Power Plant
- Rampal Coal Power Plant
- Metro Rail Project
- Bus Rapid Transit Project

B. Other Products

In 2016, BSRM rolled out new Grade reinforcing steel conforming to the U.S. standard ASTM 706 Grade 80. The Grade 80 reinforcement can replace the old ASTM A-615 Grade 60 steel specified in all Government Agency design specifications. The new Grade 80 will be more economical as it will require 20% less steel in construction. It will be safer as well, as the new Grade 80 has much higher elongation than the older Grade 60. The higher strength steel further provides 'congestion relief' in Bridge piers which ensures better concrete compaction, thus making it even safer. The new Grade 80's usage is prescribed in the ACI Code of 2014 and the BNBC 2015. The new Grade 80 is available under the Brand name **Maxima**.

The country's growing infrastructure regarding new Bridges, Flyovers, and Rail Roads will provide ample scope for Grade 80 applications.

C. New Products & Services:

a) Xtreme B500DWR:

In pursuit of our continuous quest for research and innovation, we brought another product "XTREME B500DWR" which fully conforms to BDS ISO 6935-2:2016. Grade B500DWR also Conforms to Fe 500S of IS 1786:2008 and Indian Standard respectively.

The new Grade B500DWR has a minimum Tensile Strength to Yield Strength (T/Y) Ratio: 1.25.

The product complies with the provisions of the Bangladesh National Building Code (BNBC).

FEATURES OF XTREME B500DWR:

- Increases ductility and safety
- Reduces the chances of sudden collapse of the structure
- High strength steel
- Ensures the highest Elongation at Maximum Force (EMF)
- Suitable for all seismic zones of Bangladesh as per BNBC (Bangladesh National Building Code)

B) BSRM Fast Build

In 2019, BSRM introduced its new Service Centre, BSRM Fast Build, to provide customised rebar solutions for all construction related needs. Under this value adding service centre, BSRM offers BBS (Bar Bending Schedule) Development, Cut & Bend, WWR (welded wire reinforcement), Coupler, Spiral Ring and Stirrups.

BSRM Fast Build strongly follows the Bangladesh National Building Code and ACI to deliver all these customised rebar solutions. The main purpose of this service is to provide simplified rebar solutions by ensuring compliance with regulations, safety & cost effectiveness.

The Benefits of BSRM Fast Build Service Centre:

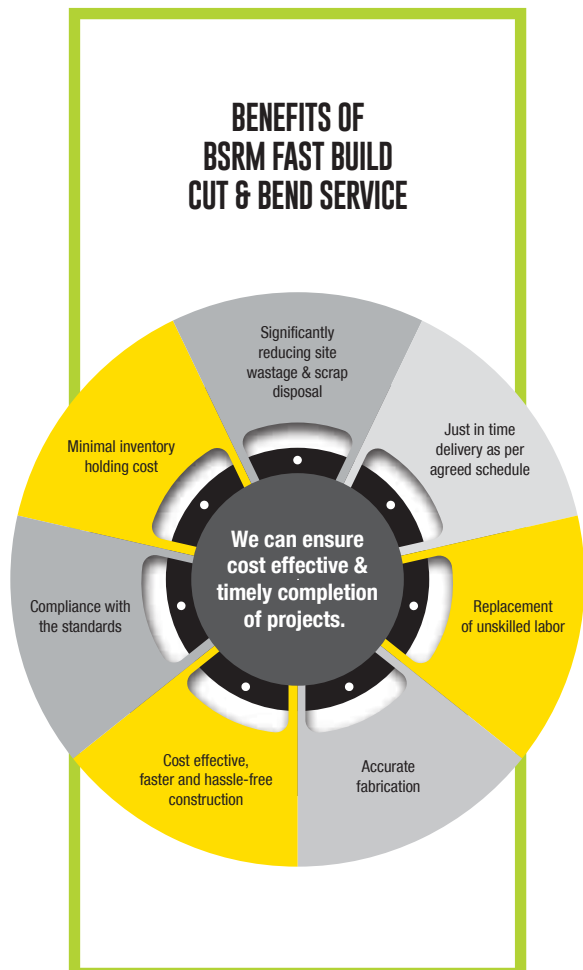
- Customise length of the rebars & bend them at required angles/hooks/bending diameter in accordance with the project's blueprint.
- "Just in time" as per agreed schedule.
- Manage inventories better by reducing material wastage and production costs.
- Ensure aesthetically superior clean and strong bars, which are made available right at the site.



BSRM Fast Build Cut & Bend production process involves fully automated world-class European machines at BSRM's state of the art factory.

Stirrup is another vital offering from BSRM Fast Build. It is a closed loop of reinforcement bar that is used to hold the main reinforcement bars together in an RCC structure. The Rings/ Stirrups are manufactured through automatic & sophisticated machines, using the strictest quality control to ensure consistency, quality & accurate dimensions. They are compliant with the Bangladesh National Building Code (BNBC) and ACI.

The country's growing infrastructure regarding new Bridges, Flyovers, and Rail Roads will provide ample scope for this new addition to the BSRM Product and Service line.



Mr. Gobinda Chandra Paul FCA
INDEPENDENT DIRECTOR

Mrs. Sabeen Aameir
DIRECTOR

Mr. Aameir Alihussain
MANAGING DIRECTOR

Mr. Alihussain Akberali FCA
CHAIRMAN

Mr. Zohair Taherali
DIRECTOR



BOARD OF DIRECTORS



MR. ALIHUSSAIN AKBERALI FCA
CHAIRMAN

Mr. Alihussain Akberali, FCA is a Company Director since 1980. He was born in 1949 as 3rd son of Late Akberali Alibhai Africawala - one of the pioneers of the steel industry in Bangladesh.

Mr. Alihussain Akberali is an experienced industrialist and an entrepreneur who is always eager to harness any unexploited opportunity in the industry. He was recognized as CIP (Commercially Important Person) in the large scale industry category for a number of times. He is a Qualified Chartered Accountant and a fellow member of the Institute of Chartered Accountants of Bangladesh.

Mr. Alihussain and his family were recognized by National Board of Revenue (NBR) as 'Kar Bahadur' in 2016-2017 for paying highest tax to the national exchequer as a family in Chattogram.

He has been actively participating in various social activities like Rotary Club, Ma O Shishu Hospital, Chirayata Shanti Society, Patient Welfare Committee of Chittagong Medical College and Hospital etc. He is the founder of a School at Nasirabad, Chattogram which imparts free education to more than 570 underprivileged students.



MR. AAMEIR ALIHUSSAIN
MANAGING DIRECTOR

Mr. Aameir Alihussain, the only son of Mr. Alihussain Akberali FCA and Mrs. Bilkis Alihussain was born in 1975. He completed his graduation in Economics from McGill University, Canada and received MBA from renowned LUMS University. He has joined the family business in 2001 with an aim to set high industry standards for the performance of the Company. He is active in supporting the operation of the Company as Managing Director. He has introduced modern management practices in the Company and continuously instilling a team spirit in the industry. He was recognized as CIP (Commercially Important Person) in the large scale industry category.

He has also been recognized as CIP (Commercially Important Person) for the year 2017 under the 'Product Export & Trade' category.

Mr. Aameir was recognized as the highest taxpayer in Chattogram District for the year 2014-15 and 2015-16 by the National Board of Revenue (NBR). In addition to his corporate activities, he is also involved in various social activities.

BOARD OF DIRECTORS



MR. ZOHAIK TAHERALI
DIRECTOR

Mr. Zohair Taherali was born in 1963. He is the son of late Taherali Alibhai Africawala who was a founding Director of BSRM.

He is a commerce graduate and joined the Company in 1988. He has been playing an important role for the Company's growth. As the Director of Finance, he is undertaking the responsibility for the management of Financial and Administrative aspects of the Company.

Mr. Zohair Taherali and his family were recognized by National Board of Revenue (NBR) as 'Kar Bahadur' in 2016-2017 for paying highest tax to national exchequer from Chattogram.



MRS. SABEEN AAMEIR
DIRECTOR

Mrs. Sabeen Aameir, an MBA from LUMS University, has been directly involved in Administrative & Human Resource aspects of the company. She is also actively guiding the Corporate Social Responsibility (CSR) activities of the group.

As a member of the Board of Directors, she is applying her far-sighted thoughts to resolve the matters in the Board and also concentrating on the development of Human Resource Management of the Company. She is also a member of the Audit Committee and Nomination & Remuneration Committee of the Company.



MR. GOBINDA CHANDRA PAUL FCA
INDEPENDENT DIRECTOR

Mr. Gobinda Chandra Paul FCA, the Independent Director of Bangladesh Steel Re-Rolling Mills Limited was born in 1951 and has 40 years of experience in internal & external audit and assurance, developing internal control, Tax and VAT matters. He is a qualified Chartered Accountant and Fellow Member of the Institute of Chartered Accountants of Bangladesh (ICAB). Currently, he is managing Partner of a reputed Chartered Accountancy firm -Basu Banerjee Nath & Co. He is also the Chairman of the Audit Committee and Nomination & Remuneration Committee of the Company.

Names of companies in which directors hold the directorship and the membership of committees of the board

Name of Companies	Name of the Directors				
	Mr. Alihussain Akberali FCA	Mr. Aameir Alihussain	Mr. Zohair Taherali	Mrs. Sabeen Aameir	Mr. Gobinda Chandra FCA
BSRM Steels Limited	Chairman	Managing Director	Director	---	---
BSRM Wires Limited	Managing Director	Director	Chairman	---	---
BSRM Recycling Industries Limited	Managing Director	Director	Chairman	---	---
Chittagong Power Company Ltd.	Chairman & Managing Director	Director	Director	---	---
Bangladesh Steels Limited	Director	Managing Director	Chairman	---	---
East Bengal Trading & Industrial Corporation Limited	Director	Managing Director	Chairman	---	---
BSRM Ispat Limited	Director	Managing Director	Chairman	---	---
BSRM Logistics Limited	Chairman	Director	Managing Director	---	---
BSRM Real Estates Limited	Chairman	Managing Director	Director	---	---
BSRM Metals Limited	Chairman	Managing Director	Director	---	---
H. Akberali & Co. Limited	Chairman & Managing Director	Director	Director	---	---
Karnafully Engineering Works Limited	Chairman	Director	Managing Director	---	---
Section Steel Industries Limited	Managing Director	Chairman	---	---	---
Arco Industries Limited	Director	Director	Managing Director	---	---
BSRM (Hon Kong) Limited	---	Director	Director	---	---
Bangladesh Agriculture Products Limited	Chairman	Managing Director	Director	---	---
Polyhose Bangladesh Limited	---	Director	Chairman	---	---



Stronger and more resilient than ever - Foreign Currency Reserve Sector

As of June 2021, the country has **45.59** billion USD reserved as foreign currency, which makes our economy stronger and more resilient than ever. Bangladesh's foreign currency reserves are actually ranked **44th** worldwide, a great accomplishment for this growing nation.



ORGANOGRAM



KEY MANAGEMENT

- Tapan Sengupta, Deputy Managing Director
- Hasan Zafar Chowdhury, Chief Operating Officer
- Kazi Anwar Ahmed, Head of Corporate Affairs & Dhaka Corporate Office
- Shekhar Ranjan Kar FCA, Head of Finance & Accounts and Company Secretary
- Sunil Kumar Das, Country Head, India
- Md. Azizul Haque, Head of Manufacturing
- Jamil Ahmed, Head of Human Resources
- Mohinder Singh Hanspal, Head of Rolling
- Bharat Tank, Head of Recycling & Melting
- Bipin Sharma, Head of QMCI & Risk Management
- Sanjay Mukundbhai Thakkar, Head of Strategic Projects
- A. F. M. Mizanur Rahman, Plant Head, BSRM Steels
- Mohammad Imtiaz Uddin Chowdhury, Head of Sales & Marketing
- Md. Nizamul Haque, Plant Head, BSRM (Melting 1)
- Mohammed Reazul Kabir FCA, Assistant General Manager & Chief Financial Officer
- Mohammad Monir Hossain, Head of Corporate Strategy & Projects
- A. K. M. Saifuddin Khan, Head of Administration
- Jayant M. Lakra, Plant Head, BSRM Mill
- Md. Hafazutur Rahman, Plant Head, BSRM (Melting 2)
- Md. Zahir Uddin, Plant Head, BSRM Steels (Melting 1)
- Mohammad Yousuf, Head of Estates
- Mohammed Tamim Wahid Al-Helal, Head of Information Technology
- Murtaza Zoher Bengali, Head of Internal Audit & Compliance
- Sanjoy Kumar Ghosh, Head of Supply Chain Management
- Md. Moklesur Rahman Akhtar FCMA, Senior Manager & Chief Financial Officer
- Tarikhul Kabir, Head of CSR
- Surendra Jagdale, Technical Adviser
- Ruhi Murshid Ahmed, Adviser
- Md. Bazal Ahmed, Adviser Estates

ADVISERS

- Tapan Podder FCA, FCMA, Financial Consultant
- Humaira Sayeeda, Adviser

NOTICE OF THE 59TH ANNUAL GENERAL MEETING

Notice is hereby given that the 59th Annual General Meeting of shareholders of Bangladesh Steel Re-Rolling Mills Limited will be held on **Thursday, December 23, 2021** at **12:00 Noon** by using **Digital Platform** in accordance with the Bangladesh Securities and Exchange Commission's Order No- SEC/SRMIC/94-231/91, Dated: 31 March 2021 to transact the following business and to adopt necessary resolutions.

Agenda

1. To receive, consider and adopt the Audited Financial Statements, Consolidated Financial Statements, Report of the Board of Directors and Auditors' Report on Financial Statements for the year ended 30th June, 2021.
2. To re-elect the Director(s) of the Company.
3. To re-appoint the Managing Director of the Company.
4. To approve dividend for the year ended 30th June, 2021.
5. To appoint Statutory Auditors and fix their remuneration.
6. To appoint Professional Accountant to certify compliance status of Corporate Governance code as per BSEC notification BSEC/CMRRCD/2006-158/207/Admin/80, dated: 3rd June, 2018.
7. To approve the Inter Company loan/ business transactions/ Corporate Guarantee for the year ended on 30th June, 2021 as per Notification No- SEC/CMMRRCD/2006-159/Admin/02-10, dated: September 10, 2006.

By order of the Board



Shekhar Ranjan Kar FCA

Head of Finance & Accounts and Company Secretary

Chattogram
November 30, 2021

Notes

- Shareholders whose name appears in the share register of the company or in the Depository Register as on the **"Record Date" i.e. 18th November, 2021** are entitled to attend/participate and vote in the Annual General Meeting (AGM) and receive the dividend.
- The shareholders will join the virtual AGM through the link <https://bsrmltd.bdvirtualagm.com>. The shareholders will be able to submit the questions/comments electronically before 48 hours of commencement of the AGM through this link and also during the Annual General Meeting.
- In order to login to the virtual AGM, the shareholders need to click on the link and to provide their 16-digit Beneficiary Owner (BO) Account Number and other credentials as proof of their identity.
- The shareholders are requested to login to the system prior to starting of the meeting at **12:00 Noon** on **Thursday, December 23, 2021**. Please contact at 01730700596 for any queries in accessing the virtual meeting.
- A shareholder entitled to attend and vote at the meeting may appoint a proxy or proxies in his/her stead and scanned copy of the proxy form, duly stamped must be mailed to the email at share@bsrm.com not later than 48 hours before the meeting.
- Shareholders are requested to update their 12 digit E-TIN information through their respective Depository Participant (DP) before the AGM date.
- The Annual Report 2020-21 and Proxy Form will be available at the Company's Website www.bsrm.com.
- Soft copy of the Annual Report will be sent to the individual email address of the shareholder's mentioned in their respective BO account.
- AGM Notice, link for joining in the Digital Platform (audio-visual meeting) and detail login process will be mailed to the respective Member's email address available with us.
- Members whose email addresses updated/changed subsequently, are requested to email us at share@bsrm.com referring their full name, Folio/BO ID and email address to get the digital platform meeting invitation.



CHAIRMAN'S ROUND UP

ALIHUSSAIN
AKBERALI, FCA
CHAIRMAN

Dear Shareholders,

Assalamualikum.

We come to the 59th Annual General Meeting of our esteemed company. Unfortunately, we are compelled to hold the Annual General Meeting through digital platform for the second successive year due to corona virus pandemic. Even though the death and infection rates are sharply declining in Bangladesh, we are not totally safe right now. Thanks to the Government of Bangladesh for taking timely measures for vaccinating its population. To support the government effort, we will continue to hold online events to keep everyone safe.

The world economy has suffered badly due to the obstacles and disruption caused by the prolonged Covid-19 Pandemic. According to the International Monetary Fund (IMF), pandemic outbreak in critical links of global supply chains have resulted in longer than expected supply disruption and further feeding inflation in many countries.

However, IMF is very optimistic regarding Bangladesh economy. It has projected that the per Capital Gross Domestic Product (GDP) of Bangladesh would be \$2,138.794 in 2021. It also predicted that Bangladesh economic growth would be 6.50% while global growth would be 5.90%.

The volatile scrap price in the international market, high conversion rate of dollar, inflation, high fuel price and overall economic situation in home and abroad were adverse. However, various industry friendly supportive measures undertaken by the government helped us to overcome this situation.

By the grace of Almighty, we could manage to avoid any unprecedented situations and possible losses. In this year, both production and sales registered growth. Our Net profit after tax stood BDT 4970.36 Million in this year against 921.84 Million in the last year. EPS for this year were 18.96 against 3.90 in the year 2019-20. We recommended total 50% annual cash dividend. We could complete long awaited merger with BSRM Steel Mills Limited this year. This will increase our operational efficiency and profitability.

Dear Shareholders, we are not only concentrating our focus to the profit, but we also consider corporate social responsibilities as an inseparable component of our business activities. This year we supported our community to confront against pandemic by donating oxygen, ventilators, HFNC and medicine etc. A dedicated team worked to support the sufferers in this pandemic. Our regular CSR activities also continued as usual.

Honorable shareholders, Bangladesh economy is now recovering from the pandemic. Global economy, fuel price, industrial raw material price, dollar conversion rate, and remittance from Bangladeshi expatriate have had a significant impact on our economy. BSRM has to face all these challenges in the coming days. We welcome your advice and support in our business endeavors.

Before conclusion, I would like to extend my heartiest thanks to the management team, our hardworking employees, our bankers and other stakeholders for their support and co-operation. Special thanks to our valued shareholders for their trust, confidence, support and guidance. My sincere respect to all victims of Covid-19 pandemic. My deepest condolence and sympathy to those who lost their loved one in this pandemic. God bless you all.

With my warm regards,



Alihussain Akberali FCA
Chairman



**FROM THE
DESK OF
MANAGING
DIRECTOR**

**AAMEIR
ALIHUSSAIN**
MANAGING DIRECTOR

Dear Valued Shareholders,

Let me welcome you all at the 59th Annual General Meeting of the Company. Hope you all are in good health and keeping safe and maintaining the covid protocols.

The year 2020-21 was an unprecedented and challenging one for the whole world due to Pandemic Covid-19.

Covid-19 and Global economy:

The Covid-19 pandemic has reached almost every corner of the world. The severity of the second wave of the pandemic was much more deadly than the first one. It brought all economic and development activities to a near to standstill.

Prolonged pandemic seriously damaged the global supply chain. As a result, the prices of industrial raw materials have increased, food prices have increased, both prices and demand for fossil fuel is volatile.

Specially the economy of developing countries badly effected by pandemic. The World Bank has forecasted, the average growth rate of South Asia will be 3.40% over 2020-23. The report point out that the recovery in South Asian countries but remain fragile and uneven.

However now global economy findings ways to co-exist with this deadly disease. Worldwide vaccination program and withdrawal of various travel bans, is boosting up economic activities.

The World Bank has predicted that the global economy is set for fastest recovery from recession for more than 80 years but poor nations are at risk of falling further behind the wealthy countries amid slow progress with Covid-19 Vaccine.

Covid-19 and Bangladesh Economy:

Before Covid Era Bangladesh was recognized as the Lower –Middle Income country and it was projected that Bangladesh would reach Upper Middle income country by 2031. Bangladesh has significant achievement in poverty reduction, gender equalization, increase in agricultural production and export diversification. Many mega infrastructural projects have been developed by this time.

But sudden outbreak of Covid-19 pandemic and subsequent second wave forced the government of Bangladesh to declare Lock down and Shut down. All economic and development activities remained halted for several months for last two years.

However, our government took various pragmatic and economy supportive actions to avoid economic disaster. Government declared stimulus packages, arranged medical support, medical supply, re-open industry including export oriented ones and other development sectors within shortest possible time. Our Government arranged free vaccination for our population even though many developing countries could not manage early vaccinations for its citizens. By middle of November, 8.49 crore dose of Vaccination has been administered in Bangladesh.

The World Bank predicted that, Bangladesh economy will grow at 6.40% in the fiscal year 2021-22.

Covid-19 and BSRM Group:

The year 2020-21 was the most challenging year for us. Since the beginning of the Covid-19, we faced the following challenges:

- i. To ensure the security and safety of our all stakeholders like employees, officers and their families.
- ii. To protect the interest of our valued shareholders, bankers, customers and others.
- iii. To continue operation of the Company and to ensure its sustainability.
- iv. To assist the community and government in all possible ways to come out from this situation.

Thanks to the Government of Bangladesh for its various supportive measures which helped us to overcome this situation.

In spite of lockdown and shut down, all development activities both in private and public sectors are continued. As a result, the demand for our products remain almost unchanged.

However, due to supply chain disruption, the scrap price has significantly gone up in the international market which has increased selling prices of our products.

Let me share with you the following financial facts and information for the year 2020-21 :

	Unit	2021	2020
Production	M.Ton	828,214	681,038
Revenue	Tk in Million	59,875.85	45,722.36
Gross profit	Tk in Million	7,097.23	3,674.29
Profit after tax	Tk in Million	4,970.36	921.84
Earning per share	Tk	18.96	3.90
Net Assets Value Per Share	Tk	127.56	99.89

Merger:

The long awaited merger with BSRM Steel Mills Limited has been completed in this year and it became effective from 1 February 2021. This merger was very important for the profitability and sustainability of our Company. It will ensure proper production planning, reduce cost of production and will help in smooth decision making.

Dividend:

The Board of Directors declared 10% interim cash dividend in January 2021 and it has also recommended 40% final cash dividend. So total dividend for the year is 50%.

CSR Activities:

BSRM always consider CSR as an important event. During this pandemic situation CSR becomes more important. Apart from regular CSR activities, we donated number of HFNC, Oxygen concentrators, PPE, medicine etc. We have also sponsored HDU unit at Chattogram General Hospital. Moreover, we supplied food items to the un privileged people of the country.

Future planning:

To meet the growing demand of MS Products, we are going to set up one steel rolling plant with capacity of 6.00 lac M. Ton and an extension of our billet making plant with additional capacity of 2.50 lac M. Ton. Both plants will be under BSRM Steels Limited, an associated Company of Bangladesh Steel Re-Rolling Mills Limited. Already civil works has started. Hopefully the plant will be commissioned by the end of 2023.

Moreover, Bangladesh Steel Re-Rolling Mills Limited has invested in BSRM Wires Limited which is producing electrode, ribbed wires, LRPC etc.

Conclusion:

I would like to express my deepest condolence to those who have lost their dear ones in this pandemic. I would like to take this opportunity to express my sincere gratitude to the management team, our employees, Bankers, different regulatory bodies, RJSC, Bangladesh Securities Exchange Commission, DSE, CSE for their support and co-operation.

My special appreciation to the customers and other stakeholders. Special thanks to our valued shareholders for their trust, guidance and confidence on us. Without your relentless support and co-operation, it would be difficult for us to overcome this un-precedent situation of Covid-19 pandemic.

May Almighty bless you all.

Sincerely yours,



Aameir Alihussain
Managing Director

EVERYONE CAN MAKE RODS, BUT **1** THERE'S ONLY **1** EXPERT SO CHOOSE BSRM TO BUILD SAFER HOMES

Everyone cannot be an expert, and not in just a day. Decades of experience in steel production and the reliance of millions, creating new steel products and services through constant research and innovation in tune with time and demand are what made BSRM the Nation's only steel expert.

COUNTRY'S NO. 1 STEEL EXPERT



To know more
scan the QR code



From bottomless basket to food basket – Bangladesh's Agriculture Sector



A nation of farmers and fisher folk at heart, Bangladesh has invested considerably in the agriculture sector. Through intensive research and implementation of new techniques and breeding methods, new and improved hybrid strains, our production of fish, fruits, vegetables and crops have improved threefold – to the point where the country is **3rd** in the production of vegetables, **7th** in potatoes and **4th** in rice production worldwide.

DIRECTORS' REPORT

Respected Shareholders,

Assalamualikum.

On behalf of the Board of Directors of Bangladesh Steel Re-Rolling Mills Limited, I am privileged to present the Directors' Report along with the Audited Financial Statements of the Company and Auditors Report thereon for the year ended on 30 June 2021.

The year 2020-21 was full of challenges and uncertainty. The second wave of COVID-19 pandemic, stagnant all economic activities in the world. Bangladesh was not an exception. Despite a number of obstacles, we could manage all those challenges and made the year 2020-21 another year of success.

Let me focus on the global and domestic economic situation and industrial outlook.

Global and domestic economic situation:

Due to second wave of Covid-19 pandemic and aftermath, many countries in the world forced to shut down which seriously disrupted supply chain, production of industrial goods and commodities for long time.

The World Bank predicted that, Global extreme poverty will raise to 150 million by 2021. The World Bank also forecasted that, average annual growth rate of South Asia will be 3.40% over 2020-23. However continued recovery in export and consumption, the Bangladesh economy is projected to grow at 6.40% in the fiscal year 2021-22.

The coming year will be challenging for global as well as for

Bangladesh economy as prices of industrial commodities are rising, fuel price is volatile, there is a risk of food crisis as well.

Industry outlook and future planning:

The Government of Bangladesh has undertaken various timely and pragmatic decisions to save the economy from disaster due to pandemic. Those initiatives helped Bangladesh industrial sector to overcome the challenges caused by Covid-19.

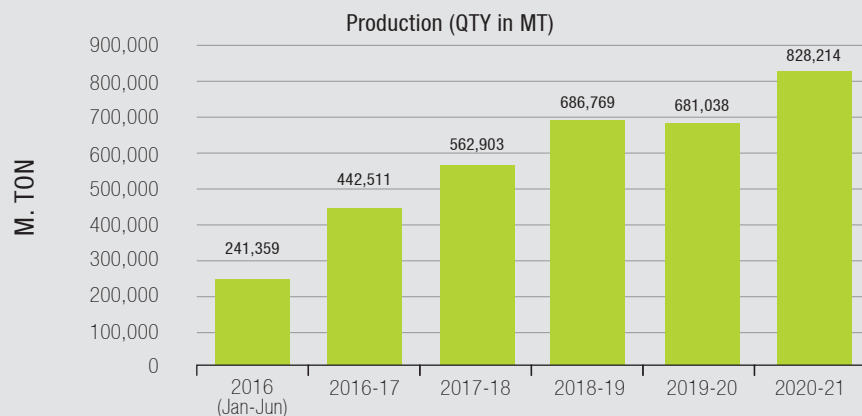
Bangladesh is expected to get upper middle income country status by 2031.

Steel industry of Bangladesh have contributed immensely in the country's infrastructure development by providing MS Rod, angle, beam, channel etc. Demand for quality steels is in rising trend. Per capita steel consumption stood 45 Kg which was only 25 kg in 2012. We projected it will further raise and will reach to 73 Kg per capita.

To cater the growing demand, we have decided to set up a rolling mill with a capacity of 6 lac M. Ton and a melting plant to produce 2.50 lac M. Ton MS billets. These two plants will be under BSRM Steels Limited- an associated company of Bangladesh Steel Re-Rolling Mills Limited.

Operating and financial performance of Bangladesh Steel Re-Rolling Mills Limited:

During the year 2020-2021, the rolling plant produced 813,781 M.Ton of MS products registering 19.65% growth. The rolling unit's production have been depicted by the graph below:



BSRMLTD has two melting units, one is SMW with annual capacity of 150,000 M.Ton and another one is Melting -2 (former SML) with annual capacity of 862,000 M. Ton. The melting unit produces MS billets for own consumption. However, the surplus billets has been sold to BSRM Steels Limited.

BSRMLTD also acquired a ribbed wire producing plant from BSRM Wires Limited from September, 2020. The installed capacity of Ribbed wire is 24,000 M.Ton During this year the company produced 14,434 M.Ton from September 2020 to June 2021.

Rolling and Melting Unit Production over the years are appended below:

Rolling Unit

Particulars	2020-21	2019-20	2018-19	2017-18	2016-17	2016 (Jan-Jun)
Installed Capacity (M. Ton)	800,000	750,000	540,000	540,000	450,000	225,000
Production (M. Ton)	828,214	680,157	686,769	562,903	442,511	241,359
Capacity Utilization (%)	104%	91%	127%	104%	98%	107%
Sales of Own Product (M. Ton)	865,218	730,832	651,935	536,864	470,937	192,631

Melting Unit

Particulars	2020-21	2019-20	2018-19	2017-18	2016-17	2016 (Jan-Jun)
Installed Capacity (M. Ton)	508,333	150,000	150,000	150,000	135,000	67,500
Production (M. Ton)	514,845	102,735	174,657	150,331	152,702	66,422
Capacity Utilization (%)	101%	68%	116%	100%	113%	98%
Sales & Consumed in Re-Rolling Unit (M.ton)	514,845	102,609	174,533	150,947	152,901	66,122

Sales:

During this year, finished goods sales increased from 742,621 M. Ton to 874,618 M. Ton which is 17.77% increase in sales compared to last year. In addition to that, 42,131 M. Ton MS Billet sold during this year. The sales and production (segment-wise) are represented below:

Segment wise or product wise performance:

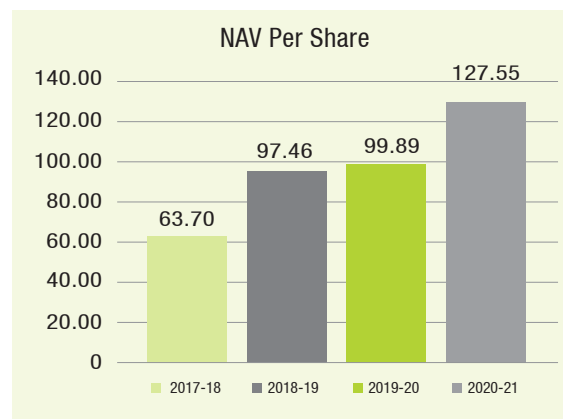
Particulars	Production & Procurement (M. Ton)				Sales (M. Ton)			
	2020-21	2019-20	2018-19	2017-18	2020-21	2019-20	2018-19	2017-18
Xtreme 500W, Angle, Channel (Owned Product)	828,215	681,038	686,769	562,903	865,218	730,832	651,935	536,864
Imported & Locally Procured Items	7,037	13,248	21,977	11,437	9,400	11,789	16,254	13,113
Total	835,252	694,286	708,746	574,340	874,618	742,621	668,189	549,977

The company recorded sales of Tk. 59,876 million in 2020-21 compared to Tk. 45,722 million in the prior year, representing 30.96% increase from last year. The gross profit stood at Tk. 7,097.23 million in 2020-21, which is 93.16% increase from last year. The gross profit was Tk. 3,674.29 million in the last year. Due to merger with BSRM Steel Mills Limited, now the Company is getting MS Billets, the main raw material to produce goods at cost price which is the main reason for significant increase in gross profit.

If we review the profit and loss statement, we can note that the sales revenue was higher as compared to last year, primarily due to an increase in volumes.

The Net profit after tax has also significantly been increased as the profit from the associated Company increased. Moreover finance cost and selling and distribution cost substantially reduced in this year.

As shown below, the Net Asset Value (NAV) per share has again increased to 127.55, primarily due to the merger with its subsidiary. The steady increase in NAV per share is a prosperous sign for the company as it means that the value of our investments is increasing.



In addition to that, the Earnings per share (EPS) of the company increased to its highest record ever Tk. 18.96 per share from Tk. 3.90 in the last year for the reasons stated above.

However, Net operating cash flow of per share of the company decreased to Tk. 29.24 from Tk. 40.47.

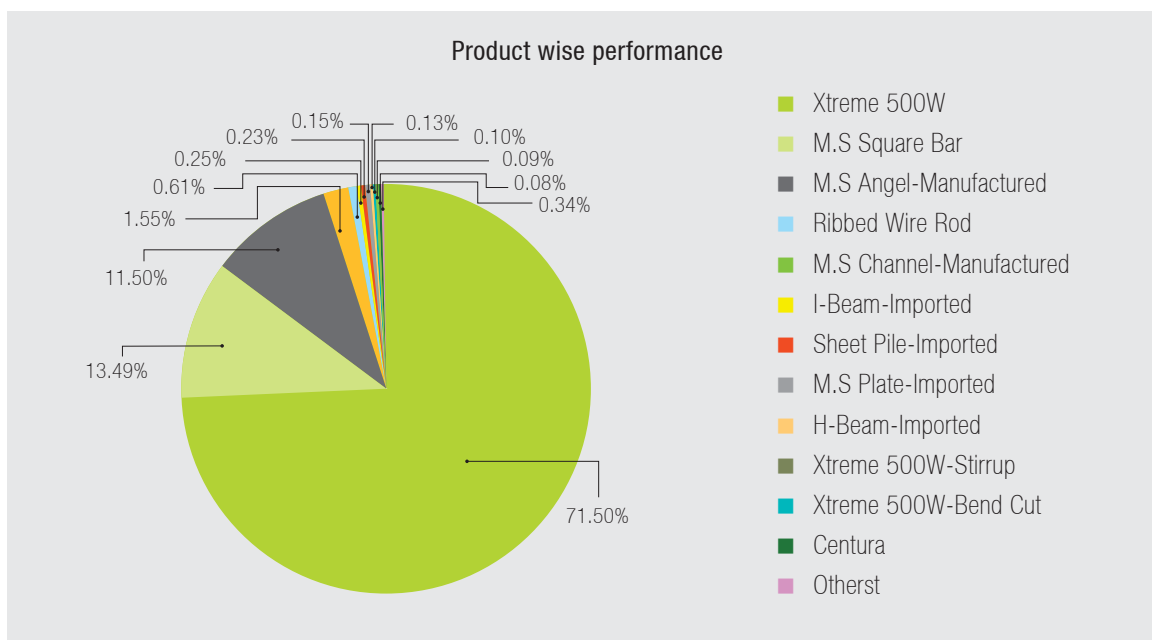
Financial Performance:	Amount in BDT in million					
Particulars	2020-21	2019-20	2018-19	2017-18	2016-17	2016 Jan-Jun
Turnover	59,875.85	45,722.36	44,408.88	33,238.37	23,648.93	9,713.86
Gross Profit	7,097.23	3,674.29	4,992.24	4,828.32	3,236.93	1,362.03
Earnings before Non-Operating Income, interest, WPP&WF and Tax	5,477.73	2059.03	3,637.90	3,864.96	2,571.90	1,057.78
Non-Operating Income	30.43	16.11	41.30	123.21	113.90	472.73
Less: Interest, WPPF & WWF	(964.81)	(1,249.09)	(1,999.85)	(1,950.19)	(1,618.89)	(636.77)
Add/(Less): Tax Expenses and Provision for Income Tax	(533.53)	(413.78)	(879.43)	(242.75)	(440.75)	(305.08)
Net Profit after tax	4,970.33	921.84	1,860.63	2,778.78	756.52	588.65
Earnings Per Share (EPS)	18.96	3.90	7.88	11.77	3.53	3.02
Net Asset Value Per Share	127.56	99.89	97.46	63.70	55.75	52.84
Net operating Cash Flow Per Share	29.24	40.47	2.81	(8.78)	(11.38)	(3.53)

Other Financial Performance:	Amount in BDT in million					
Particulars	2020-21	2019-20	2018-19	2017-18	2016-17	2016 (Jan-Jun)
Paid Up Capital	2,985.85	2,360.68	2,360.68	2,146.07	1,950.98	1,950.98
Share Holders' Equity	38,085.98	23,581.64	23,007.37	13,671.41	10,876.80	10,309.79
Current Liabilities	37,599.10	18,125.19	22,883.32	19,310.98	20,107.12	16,865.68
Non-current Liabilities	4,846.80	5,343.79	6,662.92	6,962.32	3,566.99	4,549.52
Addition to fixed assets & CWIP	1,346.65	1,373.56	314.89	701.34	756.02	813.34
Operating cash flow	8,730.39	9,554.44	664.16	(1,884.73)	(2,220.57)	(688.88)

Product-wise Performance:

Xtreme 500W reported sales of 625,373 Ton, which represents 71.50% of the total sales of 874,618 tons. Additionally, M.S. Angel, M.S. Square Bar, and M.S. Channel collectively reported 223,831 tons of sales, which represent 25.59% of total sales. This year we have sold 13,571 Ton Ribbed Wire as a new addition with our product lines. The increase in sales for products other than Xtreme 500W depict the increased diversification of product mix. Lastly, during the year, imported products like I Beam, H Beam, and MS plate were also sold by the company. The product-wise sales are portrayed below:

Name of Items	Qty. (MT)	Percentage
Xtreme 500W	625,373	71.50%
MS Square Bar	117,959	13.49%
M.S Angel-Manufactured	100,561	11.50%
Ribbed Wire Rod	13,571	1.55%
M.S Channel-Manufactured	5,311	0.61%
I-Beam-Imported	2,164	0.25%
Sheet Pile- Imported	1,981	0.23%
M.S Plate-Imported	1,281	0.15%
H-Beam-Imported	1,178	0.13%
Xtreme 500W-Stirrup	833	0.10%
Xtreme 500W-Bend Cut	809	0.09%
Centura	656	0.08%
Others	2,941	0.34%
Total	874,618	100%



New Product: FastBuild & SecuRing

Our new product BSRM FastBuild is an innovative downstream service that gives customized rebar solutions for all construction-related needs. BSRM FastBuild offers BBS (Bar Bending Schedule) development, cut & bend, and stirrups. It follows Bangladesh National Building Code (BNBC) and ACI to deliver customized rebar solutions.

BSRM Securing is made by fully automated European machine which is fully conformed to Bangladesh National Building Code (BNBC).

Operations of Subsidiary Company:

BSRM (Hong Kong) Limited

BSRM (Hong Kong) Limited is the subsidiary company of Bangladesh Steel Re-Rolling Mills Limited incorporated in Hong Kong to assist the parent company in the following ways:

- Procuring raw materials/ spare parts from China
- Carrying out prompt inspection of spare parts, machineries, etc. to be imported from China to Bangladesh for BSRM Group
- Trading of steel and other related goods

Mr. Aameir Alihussain and Mr. Zohair Taherali have been appointed as the Directors of this company. The company has begun its operations with limited arena, and aims to expand significantly in the next fiscal year 2021-22.

Merger:

BSRM Steel Mills Limited, a former subsidiary company of Bangladesh Steel Re-Rolling Mills Limited has been merged with Bangladesh Steel Re-Rolling Mills Limited (BSRMLTD). This merger has come in to effect on 1 February 2021 after getting approval from Honorable High Court Division of Supreme court and consent from Bangladesh Securities and Exchange Commission. Due to this merger, BSRMLTD will get the billets at cost price and ultimately profitability of the Company will increase. Moreover, the operating efficiency will increase and decision making process will be smooth.

Operations of Associated Company:

BSRM Steels Limited:

BSRM Steels Limited, the associate company of Bangladesh Steel Re-Rolling Mills Limited, is also a public limited Company listed in both Dhaka and Chittagong Stock Exchanges. Currently, BSRMLTD holds 31.19% shares in BSRM Steels Limited.

The sales of BSRM Steels Limited was 868,497 M. Ton in 2020-21 earned a Net profit of Tk. 3,047.08 Million.

Operational Performance of BSRM Steels Limited

Particulars	Unit	2020-21	2019-20	2018-19	2017-18	2016-17	2016 (Jan-Jun)
Installed Capacity	M. Ton	800,000	750,000	700,000	700,000	700,000	700,000
Production	M. Ton	816,494	643,917	758,405	727,034	681,061	362,254
Capacity Utilization	%	102.06%	85.85%	108.34%	103.90%	97.30%	103.50%
Sales	M. Ton	868,497	635,911	756,820	710,995	692,504	373,747

Financial Performance of BSRM Steels Limited

Financial Performance:	Amount in BDT in million					
Particulars	2020-21	2019-20	2018-19	2017-18	2016-17	2016 (Jan-Jun)
Sales	54,982.97	38,681.38	61,060.15	48,289.93	37,996.41	17,265.18
Gross Profit	7,230.86	5,172.54	5,051.91	4,879.17	4,557.30	3,114.69
Profit before Interest, Taxes, WPP & WWF	5,596.03	3,573.15	3,369.05	3,180.65	3,273.60	2,379.86
Less: Interest, WPP & WF	(664.40)	(1,899.24)	(1,328.76)	(1,120.19)	(417.23)	(246.38)
Add/(Less): Profit on Bargain Purchase	-	-	-	10.20	-	-
Add/(Loss): Share of Profit or (Loss) from Associates	(1,012.68)	151.79	297.97	237.88	(225.87)	(18.56)
Less: Tax expenses & Provision for income tax	(872.00)	(1,083.43)	(610.13)	(507.74)	(655.07)	(801.61)
Net Profit after tax	3,047.08	742.28	1,728.12	1,800.80	1,705.41	1,313.32
EPS (Tk.)	8.10	1.97	4.60	4.79	4.98	3.84

BSRM Service center:

BSRMLTD has commissioned a state-of-the-art reinforcement processing plant. Total estimated annual capacity of the project is 14,400 MT of Cut & Bent Rebar, 2,880 MT of Stirrup & 48,000 MT of Mesh. This customized solution will decrease wastage significantly in addition to reducing extra space requirements for the customers for storing construction materials. It will also reduce delay in construction, faulty fabrication, pilferage and laborious works at customer's site and will increase quality of the construction works. This new plant will have positive impact on the profitability of the Company.

Risks & Concerns:

Risk assessment and mitigation is the integral part of any business. The Board of Directors are regularly monitoring, assessing and identifying potential risk 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.

BSRM Group has developed Enterprise Risk Management (ERM) Frame work and Guidelines. Under this policy, a Risk Register has been prepared and a dedicated team is regularly monitoring potential risks, assess them, ensure precautionary and corrective measures to address them.

A summary of the significant risks and the way of managing risks adopted by our company is included in Annexure-1 and Note -52 of the Financial Statements.

Risk Management & Control Environment:

Details discussed in Annexure 1A.

A Discussion on Cost of Goods Sold, GP Margin and NP Margin:

It has been discussed in Annexure 2.

Extra-ordinary gain or loss:

There is no extra ordinary gain or loss during the year. However, due to merger with BSRM Steel Mills Limited, the Company is getting MS billet at cost price. Moreover, finance cost declined significantly. For this reason the Company earned significant profit in this 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 26 of the financial statements as per IFRS.

Significant Variance in the quarterly and annual financial statements of BSRMLTD:

Particulars	Unit	For the Year		For the Period			
		July'20 to June'21	July'19 to June'20	April'21 to June'21	Jan'21 to March'21	Oct'20 to Dec'20	July'20 to Sept'20
Production-Rod	M.Ton	828,215	681,038	218,679	221,166	206,032	182,338
Sales	M.Ton	874,618	742,621	220,824	262,074	231,377	160,343
Revenue	Tk In Million	59,876	45,722	17,715	19,016	13,712	9,433
Cost of sales	Tk In Million	(52,779)	(42,048)	(15,378)	(16,260)	(12,520)	(8,620)
Gross profit	Tk In Million	7,097	3,674	2,337	2,756	1,192	813
Profit before tax	Tk In Million	5,504	1,336	1,946	2,049	1,069	440
Inome tax expenses:							
Current year	Tk In Million	(467)	(274)	229	(526)	(115)	(55)
Previous year	Tk In Million	(19)	(13)	(19)	-	-	-
Deferred tax	Tk In Million	(48)	(126)	82	42	(123)	(49)
Total income tax expense	Tk In Million	(534)	(414)	292	(484)	(238)	(104)
Profit after tax	Tk In Million	4,970	922	2,239	1,565	830	336
Basic earnings per share	Taka	18.96	3.90	7.76	6.26	3.52	1.42

Due to merger and reduction in finance cost, the profit of the Company has been increased. Moreover, the Company showed a significant profit portion of its sister company-BSRM Steels Limited.

Remuneration of Directors including the Independent Director:

Directors were remunerated as per the decision of the Board and a detailed report of the Directors' Remuneration is attached in the Annexure-3 and Note 8.02 of Financial Statements.

Name of the Directors	Position	No. of meeting held during the Period	No. of Meeting Attended
Mr. Alihussain Akberali, FCA	Chairman	10	10
Mr. Aameir Alihussain	Managing Director	10	10
Mr. Zohair Taherali	Director (Nominated Director of H. Akberali & Co. Limited)	10	9
Mrs. Sabeen Aameir	Director (Nominated Director of BSRM Steels Limited)	10	10
Mr. Gobinda Chandra Paul FCA	Independent Director	10	9

The board members who were unable to attend the meeting were granted leave or were outside the country at the time of the meeting.

iii. Details of Directors being re-appointed:

Mr. Zohair Taherali (Nominated Director of H. Akberali & Co. Limited) and Ms. Sabeen Aameir (Nominated Director of BSRM Steels Limited) will retire as per the rotation policy at the conclusion of this AGM as per Articles of Association of the Company and being eligible, they offer themselves for re-appointment. The board recommended for their reappointment.

iv. A brief resume of directors, independent director and the

Board of Directors:

i. Composition and size of the Board:

On June 30th 2021, there were 5 members of on the Board panel, comprising of the Chairman, the Managing Director, two Directors, and an Independent Director.

ii. Board Meeting and Attendance:

The Board met 10 times during the period July 1, 2020 to June 30, 2021. The following table shows the attendance of the directors in the meeting.

name of the companies in which the Directors hold their respective positions and memberships have been disclosed in the Board of Directors segment.

Management Discussion and Analysis:

A management discussion and analysis signed by Managing Director regarding the Companies operation and position along with a brief discussion of changes in the financial statements has been attached in Annexure-D.

Credit Rating:

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

Long Term	Short Term
AA+	ST-2

The entities were rated **AA+**, which are adjudged to be of high quality, offer higher safety, and have a high credit quality. This rating also indicates that the loan/facilities enjoyed by the entity has a sound credit profile with modest risks.

Additionally, our short-term outlook was **ST-2** in 2020-21, which itself is an evidence of our strong capacity and certainty of timely payment. Moreover, the liquidity factors remain strong and supported by good fundamental protection factors, while the risks remain small.

Our company in the evaluation of Credit Rating Company was placed as **"Stable Outlook"**

Internal Control System:

The Board of Directors ensures that the company places a high priority in an effective internal control system so that the assets of the company are safeguarded and that appropriate systems are in place to minimize and detect fraud, errors, and other irregularities. The company has adopted the Standard Operating Procedures (SOP) for a superior internal control system. Moreover, Enterprise Resource Planning (ERP) has been implemented in the company to consolidate the process of gathering and organizing business data through an integrated software suite. The company has also established an Internal Audit department, which plays a vital role in ensuring that internal control and compliance is maintained. In addition to that, the Audit Committee regularly monitors and reviews the reports presented by the internal audit department and takes corrective measures.

Dividend:

- The Board of Directors has recommended total 50% cash dividend (including 10% interim) of paid up capital in its 430th Board Meeting held on 23 October 2021. The Board has considered Section 16(G) of Income Tax Ordinance 1984 while fixing the rate of final dividend.

Net profit after tax	4,970,362,865
Un-realized share of profit from Associates under equity method	(960,517,273)
Realized profit from Associates as dividend received during this year	293,133,975
Distributable profit for the year	4,302,979,567
Rate Minimum dividend on current year's profit	30%
Minimum Dividend payable during the year u/s 16G of the ITO 1984	1,290,893,870
Interim dividend paid during the year	(236,068,236)
Net Minimum dividend payable	1,054,825,634
Paid up share capital	2,985,846,260
Applicable Minimum Rate of Final Dividend	35.33%

- The retained fund will be utilized to pay off high rated loans and to meet working capital and operational expenses.

Unclaimed Dividend:

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:

Unclaimed Dividend Account Year wise unclaimed dividend as on June 30, 2021	
Year	Taka
Year-2020-21 (Interim)	415,562
Year-2019-20	612,218
Year-2018-19	1,288,688
Year-2017-18	339,801
Cheque issued to the shareholders	412,903
Year- 2014 to Year 2017	1,604,514
Untraced / Others	146,346
Total	4,820,032

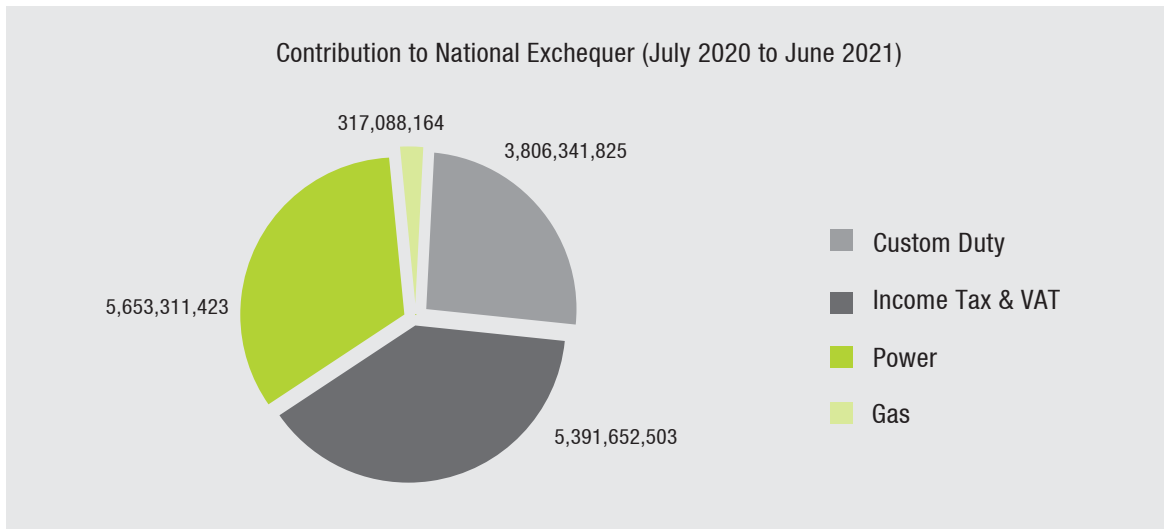
An amount of Tk. 1,750,860 has been transferred to Capital Market Stabilization Fund on August 29, 2021 as per Bangladesh Securities and Exchange Commission Letter No: SEC/SRMIC/65/2020/Part-1/182, Dated July 19, 2021. The dividend remains unpaid for a period of 3 years from the date of approval will be transferred to fund as directed by the Commission.

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 as well as Page No.96 of this Annual Report.

Contribution to National Exchequer:

BSRMLTD has contributed significantly to the country's growth and development through the payment of substantial taxes, making investments and job creation in the steel industry. During the period of July'20 to June'21, the collective contribution of BSRMLTD to the National Exchequer (including utility bill) was Tk. 15,168 million, which is an increase of Tk. 11,865 million from the previous year. This is because of the merger with BSRM Steel Mills Limited. The majority of the contribution was through the payment of income taxes, VAT, etc. which amounted to Tk. 5,391 million. Additionally, BSRMLTD collected and contributed through mediums like power, duties, and gas, which helped the company depositing a significant sum to the government exchequer.



BSRM Group has also generated direct and indirect employment for a large number of people over the years. Currently, BSRM Group collectively employs 3,984 people, including management and non-management, making it a notable contributor to the workforce and employment of our nation. BSRM is proud to contribute significantly to the national exchequer and aims to continue assisting the government in all its ventures in future as well.

Corporate Social Responsibilities:

BSRM's commitment to connect business decisions to ethical, social, and environmental concerns remains to be one of the core values of the company. During the year 2020-21, we carried out several Corporate Social Responsibility (CSR) initiatives to extend our support to community wellbeing thereby enhancing our positive brand image.

Details of CSR activities have been described in detail on Page No. 83 of the Annual Report.

Award and Recognition:

It is our great pleasure to let you know that, we have achieved some prestigious award during 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 – 20th 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 4th 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 inteels 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).
- 22) 5th 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:

Standing on the age of digitalization and technological advancement, engagement to customers and stakeholders requires greater emphasis on mastering Information Technology. BSRM has implemented a strong and up-to-date IT set up, that continuously ensures required information to be extracted from E-business solution at any point of time to mitigate risks and develop financial performance. Our IT team has developed customer-friendly windows that allow them to order, complain, query through an automated system within the shortest possible time. Details of Information technology are set out in the Chapter 'Sustainable Growth' in Page No. 86 in this report.

Human Resource Management:

As one of the visions of BSRM is "Be an employer of choice, with focus on nurturing talent and developing future leaders of the organization", BSRM takes pride in developing a successful, dynamic and competent set of human assets. As we believe our visions and values are only achievable through the placement of the right person at the right place, we have effectively established a sound Human Resource saga that consists of mind-blowing stories of equal opportunity, continuous learning and development, relentless industry relation and molding skilled workforce. Details of Human Resource are set out in the Chapter 'Sustainable Growth' in Page No. 87 in this report.

Code of Conduct:

The Nomination & Remuneration Committee (NRC) determined the code of conducts for Board of Directors of the Company which have been posted on the web site of the company. All the Directors have signed as acceptance to its compliance.

Auditors:

The existing external Auditors of the Company A Qasem & Co. Chartered Accountants, will retire in the 59th AGM and being eligible to conduct audit for the year 2021-22 they have conveyed their willingness to accept their re-appointment for this period.

The Audit Committee has recommended the Board to appoint A. Qasem & Co. Chartered Accountants as the auditors of the Company for the year 2021-2022.

The Board endorsed the recommendation of the Audit Committee for the appointment of A. Qasem & Co., Chartered Accountants, Faruk Mahal (3rd Floor), Plot # 93, Agrabad C/A, Chattogram as the statutory auditors for the year ended on June 30, 2022 subject to the approval of shareholders in the Annual General Meeting.

Professional Accountant for Compliance of Corporate Governance:

Pursuant to the BSEC's directive, Board has recommended Mr. Sidhartha Barua FCA, Managing Partner of M/s M.A. Mallik & Co., Chartered Accountants, Aziz Chamber (2nd Floor), 6 Jubilee Road, Chattogram to appoint as a Professional Accountant to issue Certificate on Compliance of Corporate Governance Code enacted by Bangladesh Securities and Exchange Commission for the year ended on June 30, 2022 subject to approval of the 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 is no reportable subsequent event 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.

Directors' Responsibilities Statements:

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

- a) The Financial Statements prepared by the management of BSRMLTD fairly present its state of affairs, the result of its operations, cash flows and changes in equity.
- b) Proper Books of Account of the Company have been maintained.
- c) Appropriate accounting policies have been consistently applied in preparation of the financial statements and that the accounting estimates are based on reasonable and prudent judgment.
- d) International Accounting Standard (IAS)/Bangladesh Accounting Standards (BAS)/International Financial Reporting Standards (IFRS) as applicable in Bangladesh, have been followed in preparation of the financial statements and any departure there from has been adequately disclosed.
- e) The system of internal controls sounds in design and has been effectively implemented and monitored.

- f) 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.
- g) 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.
- h) The key operating and financial data for the last six years is disclosed in Annexure-4.
- i) The pattern of shareholding is disclosed in Annexure-5.
- j) A compliance status report with requirements of corporate governance as required by BSEC has been disclosed in Regulatory Compliance Report segment.
- k) Directors' profile and their directorship and business interest in other organizations have been disclosed in Board of Directors segment.
- l) There was no declaration of bonus share or stock dividend as interim dividend.

Acknowledgements:

I, on behalf of the board express my heartiest gratitude and thanks to our loyal employees and customers for their continued patronage and loyalty towards the Company during this difficult year also. My sincere thanks to our honorable shareholders, bankers, Registrar of Joint Stock Companies, National Board of Revenue, Suppliers, BSEC, DSE, CSE and other Governing bodies for their continuous support throughout our journey.

Thank you very much and stay safe.

On behalf of the Board of Directors



Alihussain Akberali FCA

Chairman

October 23, 2021

BANGLADESH STEEL RE-ROLLING MILLS LIMITED DECLARATION OF CEO AND CFO

Date: October 23, 2021

The Board of Directors
Bangladesh Steel Re-Rolling Mills Limited
Ali Mansion, 1207/1099 Sadarghat Road,
Chattogram.

Subject: Declaration on Financial Statements for the year ended on 30th June 2021.

Dear Sirs,

Pursuant to the condition No. 1(5)(xxvi) imposed vide the commission's notification No. BSEC/CMRRCD/2006-158/207/ Admin/80, Dated 03 June, 2018 under section 2CC of the Securities and Exchange Ordinance 1969, we do hereby declare that:

1. The Financial Statements of **Bangladesh Steel Re-Rolling Mills Limited** for the year ended on **30th June 2021** have been prepared in compliance with International Accounting Standards (IAS) or International Financial Reporting Standards (IFRS), as applicable in Bangladesh and any departure there from has been adequately disclosed;
2. The estimates and judgments related to financial statements were made on a prudent and reasonable basis, in order for the financial statements to reveal a true and fair view;
3. The form and substance of transactions and the company's state of affairs have been reasonably and fairly presented in its financial statements;
4. To ensure above, the Company has taken proper and adequate care in installing a system of Internal control and maintenance of accounting records;
5. Our internal auditors have conducted periodic audits to provide reasonable assurance that the established policies and procedures of the Company were consistently followed; and
6. The management's use of the going concern basis of accounting in preparing the financial statements is appropriate and there exists no materials uncertainty related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern.

In this regard, we also certify that:-

- (i) We have reviewed financial statements for the year ended **30th June 2021** 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 financial statements collectively present true and fair view of the company's affairs and are in compliance with existing accounting standards and applicable laws.
- (ii) There are, to the best of our 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 of Directors or its members.

Sincerely yours,



Aameir Alihussain
Managing Director



Mohammed Reazul Kabir FCA
Assistant General Manager & CFO

CERTIFICATE ON COMPLIANCE WITH CONDITIONS OF CORPORATE GOVERNANCE CODE

M.A.MALLIK & Co. CHARTERED ACCOUNTANTS

Aziz Chamber (2nd Floor)
6, Jubilee Road, Chattogram
Phone: 613331, 2853523

Date:.....

[Certificate as per condition No. 1(5)(xxvii)]

Report to the Shareholders of Bangladesh Steel Re-Rolling Mills Limited on compliance on the Corporate Governance Code

We have examined the compliance status to the Corporate Governance Code by **Bangladesh Steel Re-Rolling Mills Limited** for the year ended on **30th June, 2021**. This Code relates to the Notification No. BSEC/CMRRCD/2006-158/207/Admin/80, dated: 3rd 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 we have obtained all the information and explanations, which we have required, and after due scrutiny and verification thereof, we report that, in our opinion:

- 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 subject to the comments mentioned by star marks in remarks column;
- 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;
- Proper books and records have been kept by the company as required under the Companies Act, 1994, the securities laws and other relevant laws; and
- The governance of the company is highly satisfactory.



Place: Chattogram
Dated: November 08, 2021

(Shidhartha Barua FCA)
Principal
M.A. Mallik & Co.
Chartered Accountants

CORPORATE GOVERNANCE COMPLIANCE REPORT

Status of compliance with the condition imposed by the Commission's Notification No. BSEC/CMRRCD/2006-158/207/ Admin/80, dated 03 June, 2018 issued under section 2CC of the 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)	Size of the Board of Directors The total number of members of a company's Board of Directors (hereinafter referred to as "Board") shall not be less than 5 (five) and more than 20 (twenty).	√		
1(2)	Independent Directors All companies shall have effective representation of independent directors on their Boards, so that the Board, as a group, includes core competencies considered relevant in the context of each company; for this purpose, the companies shall comply with the following: -			
1(2)(a)	At least one-fifth (1/5) of the total number of directors in the company's Board shall be independent directors; any fraction shall be considered to the next integer or whole number for calculating number of independent director(s);	√		
1(2)(b)	For the purpose of this clause 'Independent directors' means a director-			
1(2)(b)(i)	Who either 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)	who is not a sponsor of the company or is not connected with the company's any sponsor or director or nominated director or shareholder of the company or any of its associates, sister concerns, subsidiaries and parents or holding entities who holds one percent (1%) or more shares of the total paid-up shares of the company on the basis of family relationship and his or her family members also shall 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)	Who 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)	who is not a shareholder, director excepting independent director or officer of any member or TREC holder of stock exchange or an intermediary of the capital market;	√		
1(2)(b)(vii)	Who 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;	√		
1(2)(b)(viii)	Who shall not be an independent director in more than 5 (five) listed companies;	√		
1(2)(b)(ix)	Who has not been convicted by a court of competent jurisdiction as a defaulter in payment of any loan or any advance to a bank or a Non-Bank Financial Institution (NBFI);	√		
1(2)(b)(x)	Who 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) can not 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.	√		

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
1(3)	Qualification of Independent Director (ID)			
1(3)(a)	Independent director shall be a knowledgeable individual with integrity who is able to ensure compliance with financial laws, regulatory requirement 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 or 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			N/A
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 k. 100.00 million or of a listed company; or			N/A
1(3)(b)(iii)	Former official of government or statutory or autonomous or regulatory body in the position not below 5th 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			N/A**
1(4)(c)	The Chairperson of the Board shall be elected from among the non-executive directors of the company;			N/A*
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 one 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.	✓		
1(5)	The Directors' Report to Shareholders			
	The Board of the company shall include the following additional statements or disclosures in the Directors' Report prepared under section 184 of the Companies Act, 1994 (Act No. XVIII of 1994):-			
1(5)(i)	An industry outlook and possible future developments in the industry	✓		
1(5)(ii)	The segment-wise or product-wise performance	✓		

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
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)	A discussion on continuity of any extraordinary 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 raised through public issues, rights issues and/or any other 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 Standards (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;			N/A
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 disclosing the aggregate number of shares (along with name-wise details where stated below) held by:-			

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
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 Compliance 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)	In case of the appointment/re-appointment of a director the company shall disclose the following information to the shareholders:			
1(5)(xxiv)(a)	A brief resume of the director	✓		
1(5)(xxiv)(b)	Nature of his/her expertise in specific functional areas;	✓		
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;	✓		

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
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	✓		
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:	✓		
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.	✓		

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
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 subcommittee 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 member 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.	✓		

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
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, the 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:			
5(6)(a)(ii)(a)	report on conflicts of interests;			N/A
5(6)(a)(ii)(b)	suspected or presumed fraud or irregularity or 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			N/A
5(6)(a)(ii)(d)	any other matter which the Audit Committee deems necessary shall be disclosed to the Board immediately;			N/A
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.			N/A

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
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 a 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(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;			N/A*
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;	✓		
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;	✓		
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.	✓		
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;	✓		
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;	✓		

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
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)	formulating 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)(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	✓		

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
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.	✓		

* Company doesn't have any non-executive Directors in the Board.

** Permission have been taken from Ministry of Commerce of People's Republic of Bangladesh under section 109 of Companies Act 1994 to hold the position as Managing Director in other some companies.

MANAGEMENT DISCUSSION AND ANALYSIS ON COMPANY'S POSITION AND OPERATION

Bangladesh Steel Re-Rolling Mills Limited has anchored this position based on its market-leading capacities, world-class manufacturing process, high production capacity utilization, optimized cost structures, vibrant sales and distribution network, superior post-sales support and robust customer engagement programs. The overall Company's position has been reflected in the Financial Statements which has prepared following all International Financial Reporting Standards and International Accounting Standards. The company's position and future planning, methods of financial statement preparation have been summarized below:

Accounting Policies and Estimates for preparation of Financial Statements:

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 as per requirements under the Financial Reporting Act 2015. Cash flows from operating activities are prepared under direct method as prescribed by the Securities and Exchange Rules 1987. These financial statements have been prepared on going concern basis under the historical cost convention except for some classes of property, plant and equipment which are measured at revalued amount. 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 as Bangladesh Financial Reporting Standards without any modification, this recent adoption will not have any impact on the financial statements of the Company going forward. Detail of significant accounting policies and estimates are disclosed in "Note no. 3 and 4 of the Financial Statements" of 2020-2021.

Changes in that accounting Policies and Estimates:

The Company has consistently applied the accounting policies to all periods presented in these financial statements. The company has not early adapted any standards, interpretations or amendments that have issued but are not yet effective.

Comparative analysis on financial performance of the Company:

Financial Performance: Amount in BDT in million

Particulars	2020-21	2019-20	2018-19	2017-18	2016-17	2016 (Jan-Jun)
Sales	59,875.85	45,722.36	44,408.89	33,238.37	23,648.93	9,713.86
Cost of Goods Sold	52,778.62	42,048.07	39,416.65	28,410.05	20,412.00	8,351.84
Gross Profit	7,097.22	3,674.29	4,992.24	4,828.32	3,236.93	1,362.03
Selling & Distribution Expenses	1,080.88	1,223.32	992.03	638.54	434.75	179.76
Administrative Expenses	550.15	419.39	389.52	358.90	242.08	128.49
Net Finance Cost	710.26	1,205.61	1,905.85	1834.51	1551.52	591.81
Income Tax Expenses	533.50	413.78	879.43	242.75	440.75	305.08
Net Profit After Tax	4,970.36	921.84	1,860.63	2,778.78	756.52	588.65
Earnings Per Share (EPS) Taka	18.96	3.90	7.88	12.95	3.53	3.02

The above operating and financial review is intended to convey the Management's perspective on the financial and operating performance of the Company for the Financial Year 2020-21. During the year under review, merger with BSRM Steel Mills Limited has completed on 1 February 2021. Since then BSRMLTD is getting billets at cost price. Due to that, cost of production has been reduced and Gross profit was increased. The Company recorded a profit after tax of Tk. 4,970.36 Million against previous years of Tk. 921.84 Million. The Net profit after tax has been increased due to increased share of profit of associates, increase in sales and reduction in financial expenses.

Comparative Analysis on Financial position of the Company:

Financial Positions:	Amount in BDT in million					
Particulars	2020-21	2019-20	2018-19	2017-18	2016-17	2016 (Jan-Jun)
Paid Up Capital	2,985.85	2,360.68	2,360.68	2,146.07	1,950.98	1,950.98
Share Holders' Equity	38,085.95	23,581.64	23,007.37	13,671.41	10,876.80	10,309.79
Current Liabilities	37,599.13	18,125.19	22,883.33	19,310.98	20,107.12	16,865.68
Non-current Liabilities	4,846.81	5,343.79	6,662.93	6,962.32	3,566.99	4,549.52
Addition to fixed assets & CWIP	1,346.65	982.93	192.12	327.70	525.46	577.02
Net Asset Value Per Share (Tk.)	127.55	99.89	97.46	63.70	55.75	52.84

As BSRM Steel Mills Limited has been merged with the Company with effect from 1 February 2021, the financial statements on 30 June 2021, represented the accounting balances of merged Companies.

Shareholders' equity increased by 61.51% to BDT 38,085.95 Million in 2020-21, from BDT 23,581.64 Million in 2019-20. The major additions to the fixed assets were land, building, purchase of plant and machinery etc. **Inventory** comprises finished goods of BDT 2,373.52 Million, raw materials of BDT 9,086.37 Million, stores and consumables spares of BDT 3,203.47 Million. The Company has a policy of maintaining adequate inventory to ensure uninterrupted operations. **Trade and other receivables** comprises of trade receivables where in average receivables cycle is maintained at 40 days. **Cash and bank balances** include cash in hand of BDT 10.25 Million, balances in bank accounts of BDT 1,253.58 Million and fixed deposits of BDT 300.00 Million.

Liquid balances of cash and bank are necessary for the smooth functioning of the business.

On 10 June 2021, 62,516,390 nos Ordinary share has been issued to the shareholders of BSRM Steel Mills Limited as exchange consideration of merger. Equity capital comprised 298,584,626 nos equity shares of BDT 10 each. The market value of the share is BDT 86.60 is (as on 30 June 2021, DSE) resulting market capitalization stood at BDT 25,857 Million. It should be mentionable here that, Current liabilities include current portion of long term borrowings of BDT 1,294.20 Million.

Comparative Analysis on Cash Flow of the Company:

Cash Flow Movements:

Amount in BDT in million

Particulars	2020-21	2019-20	2018-19	2017-18	2016-17	2016 (Jan-Jun)
Cash generate from operating activities	9,918.80	10,961.80	2,914.99	13.28	(1,741.06)	152.17
Interest Paid	(638.46)	(1,205.61)	(1,897.63)	(1,823.27)	(388.86)	(678.59)
Income Tax Paid	(549.95)	(201.75)	(353.20)	(74.77)	(90.65)	(162.45)
Net Cash Flow from operating activities	8,730.39	9,554.44	664.16	(1,884.73)	(2,220.57)	(688.88)
Net Cash Flow used in investing activities	(1,626.40)	(1,271.49)	(173.13)	(197.56)	(322.39)	(1,438.33)
Net Cash Flow used in financing activities	(5,756.40)	(8,818.39)	(435.42)	2,275.67	2,760.56	2,151.43
Net Increase/(Decrease) in Cash & Cash Equivalent	1,347.60	(535.44)	55.61	193.38	217.60	24.22

Cash flow from operating activities:

Net operating cash flow declined from BDT 9,554.44 Million to BDT 8,730.39 Million in 2020-21. Resultantly Net operating cash flow per share reduced to Tk. 29.24 in 2020-21 from 40.47 per share in 2019-20. It is mainly due to increase in Trade Receivable and Inventories in this year.

Cash flow from investing activities:

Net cash used in investing activities have increased to BDT (1,626.40) Million in 2020-21 from BDT (1271.49) Million in 2019-20.

Cash flow from financing activities:

Net cash used in financing activities have reduced to BDT (5,756.40) Million in 2020-21 from BDT (8,818.39) Million in 2019-20 due to settlement of loan.

Financial Performance of Peer Industry:

BSRM Steels Limited

Taka in Million

Operational Results:	July'20- June'21	July'19- June'20	July'18- June'19	July'17- June'18	Jul'16- June'17	Jan'16- June'16
Revenue	54,982.96	38,681.38	61,060.15	48,289.93	37,996.41	17,265.18
Gross Profit	7,230.86	5,172.54	5,051.91	4,879.17	4,557.30	3,114.69
Profit after Tax	3,047.09	742.28	1,728.13	1,800.80	1,705.41	1,313.32
Earnings Per Share (EPS) Taka	8.10	1.97	4.60	5.27	4.98	3.84

BSRM Steels Limited

Operational Results:	July'20- June'21	July'19- June'20	July'18- June'19	July'17- June'18	Jul'16- June'17	Jan'16- June'16
Net Asset Value Per Share (Tk.)	62.38	56.84	55.58	37.48	34.03	27.42
Net Operating Cash Flow (Tk.)	20.87	5.81	(12.43)	2.90	1.07	9.05

GPH Ispat Limited (GPH)

Taka in Million

Operational Results:	2020-21	2019-20	2018-19	2017-18	2016-17	2015-16
Revenue	28,166	9,406	11,111	9,814	7,839	5,743
Gross Profit	4,201	1,553	2,158	1,603	1,373	960
Profit after Tax	1,661	299	806	644	571	289
Earnings Per Share (EPS) Taka	4.18	0.79	2.24	1.97	1.83	2.65
Net Asset Value Per Share (Tk.)	29.86	17.01	17.59	16.89	16.15	15.45
Net Operating Cash Flow (Tk.)	(4.05)	(8.10)	1.44	1.12	3.83	0.41

Global and Local Economic Scenario:

Due to second wave of Covid-19 pandemic and after math, many countries in the world forced to shut down and business and industrial hubs imposed travel ban. It seriously disrupted supply chain and production of industrial goods and commodities went down.

However now global economy findings ways to co-exist with this deadly disease. Worldwide vaccination program and withdrawal of various travel bans, boost up economic activities.

The World Bank predicted that, Global extreme poverty will raise to 150 million by 2021. The World Bank also forecast that, average annual growth rate of South Asia will be 3.40% over 2020-23. However, continued recovery in export and consumption the Bangladesh economy is projected to grow at 6.40% in the fiscal year 2021-22.

The coming year will be challenging for global as well as for Bangladesh economy as prices of industrial commodities are rising, fuel price is volatile, there is a risk of food crisis.

The steel industry plays a fundamental role in not only driving economic growth, but also in other complementary industries such as transportation, energy, heavy engineering and construction. Considering that, the government's lofty goals of achieving double digital growth in the economy and simplifying its foreign direct investment (FDI) policy, measures being taken to better facilitate the ease of doing business. Several mega projects, economic processing zones are in pipeline. Given all these measure with a growing capacity of producers and technological enhancement of operations currently being undertaken, the steel industry in Bangladesh looks to be strong in the next fiscal years.

Risk and Mitigation:

Though the economy in Bangladesh is growing very fast and it creates an opportunity for steel industries, there are also some risks. Global warming and green house effects, makes Bangladesh cyclone prone area. Moreover, energy crisis, port congestion, poor infrastructure etc. creates obstacles for prospect of steel industry. However, now some positive steps have been taken by the Government. LNG supply, Rooppur N power plants will hopefully reduce energy crisis. Now construction of deep sea ports are in government agenda. Number of roads and bridges have been constructed. Government is going to set up some Exclusive Economic zones. Industry favorable policies and rules have been enacted. We have set up a separate department to identify and assess the internal potential risks and to find a way out how to mitigate those risks. The enterprise risk management policy has been enforced. A dedicated team is regularly monitoring the Enterprise Risk and taking corrective measures.

Future Planning:

BSRM Group is planning to sell 16.50 lac M. Ton in the coming year. Out of this around 8 lac M. Ton will be supplied by BSRM LTD. Moreover, we are looking forward to introduce high quality steel products like the recently launched "BSRM Xtreme B500DWR" and plan to extend maximum support to our valued customers.



Aameir Alihussain
Managing Director

RISK FACTORS AND CONCERNS

1. Business Risks

a) Risks associated with sourcing of Raw Materials

Bangladesh Steel Re-Rolling Mills Limited (BSRMLTD) was heavily dependent for its basic raw materials-MS Billets on international market up to June 2016. In case of billet price fluctuation in the international market, the company suffered and its profitability was also affected.

To meet the challenge, a separate company “BSRM Steel Mills Limited” has commissioned in June 2016 to produce 862,000 M. Ton MS billet per year which significantly reduce outside dependency. Steel Melting Unit of BSRMLTD can also supply 150,000 M. Ton Billet per year. BSRM Steel Mills Limited has been merged the company with effect from 1st February 2021 and that will ensure better management and reduce cost of production significantly.

b) Risks associated with Power Supply

Presently the primary constraint on the economic development of Bangladesh is the shortage of power for which new industrial investments proposal from home and abroad have failed to materialize.

For ensuring uninterrupted power supply BSRM Group has made a deal with PGCB and installed a substation for tapping power from the 230 KV national grids. Today, more than 10,000 MW power can be produced in Bangladesh. The government is also planning for setting up some big power stations. There is an additional regular risk of having an adequate and regular supply of gas. The Company is also aware of such risks and its mitigation through the alternative supply of fuel.

2. Market Risks

Like other industry, trade, and commerce, we are also exposed to market risks arising from adverse changes in:

- Interest Rate;
- Currency Rate (foreign exchange rates);
- Competition and
- Economic conditions

To manage these risks, we undertake various risks specific measures and strategies on regular basis

Interest Rates

Interest rate risk refers to the risk that increases cost of capital which will have an adverse impact on consolidated net financial income.

The business of BSRMLTD requires huge working capital. Although the company closely monitors and manages requirement of capital investment, the actual capital requirement may deviate from the projected one due to factors beyond its control, thus potentially affecting the borrowing costs.

Prudent financial management and active negotiation with the lenders and timely collection from customers are few of significant steps to reducing funding cost.

Foreign Exchange Fluctuations

Foreign currency risk is the risk of changes in exchange rates that adversely affect the company's earnings, equity, and competitiveness.

We are hugely involved with Foreign Trade i.e. Import & Export and thus we are also exposed to Foreign Currency Risks. Exchange rate gains or losses related to foreign currency transactions are recognized as transaction gains and losses in our income statement as incurred. We also maintain foreign currency account in which export collection is directly deposited and we can meet foreign currency payment requirements. In the year 2020-21 company has not been affected due to Foreign Currency fluctuation. Further, as a mitigation plan we plan to purchase USD in advance based on the market situation.

Competition and Economic conditions

Competition refers to the risks of decreasing present market share by new entrants. We try to mitigate this risk through active brand management and customer relationship and by ensuring timely supply of quality product.

As we continuously explore any untapped opportunity and also to adopt customer's needs, we believe we would be able to cope with any situation in the industry we are working.

3. Technology Related Risks

Highly automated and competitive types of machinery are available with the Company for the manufacture of various steel products. The Company has so far been one of the pioneers in Bangladesh in setting up mills with State-of-the-Art European Technology for further processing of the input materials. The Company also implemented Oracle e-Business Suite to integrate the operation of basic functions namely, Finance and Accounts, Sales and Marketing, Supply Chain, Inventory, Maintenance, and Manufacturing. Business Intelligence (BI) Analytics Tool for BSRM Group started in May 2018 which help senior management and Board members to have information from one central point.

4. Environmental Risks

BSRM is proud to be ZERO in factory emissions and effects on environment. To reduce pollution in our plants and protect human and nature alike, BSRM Has undertaken environment friendly initiatives which are as follows:

- i. BSRM Cleans 31,584,000 Cubic Meters of air every day. We are using Japanese air pollution control technology for this purpose.

- ii. BSRM Recycles 373,700 Cubic Meters of water every day. We have invested in technologically superior European Water Treatment Plant in its steel plants which has helped BSRM to recycle every drop of used water and achieve zero water wastage.
- iii. BSRM plants 10,000 trees in its factories. We have under taken a plan for reforestation effort in collaboration with partner organizations, conducts tree plantation programs around main steel plants.

We firmly believe that-ZERO can save life.

ENTERPRISE RISK MANAGEMENT AND CONTROL ENVIRONMENT

Enterprise Risk Management framework

The Enterprise Risk Management framework (ERM framework) refers to a set of components that provide the foundation for designing, implementing, monitoring, reviewing and continually improving risk management throughout BSRM Group of Companies. The ERM framework for the Group has been developed keeping in mind the needs of internal and external stakeholders. The BSRM Group's ERM framework is based on the 'Risk Management - Principles and Guidelines' developed by the International Organization for Standardization (ISO 31000:2009 – Risk Management Principles and Guidelines).

In addition, several good practices recommended by the Committee of Sponsoring Organizations (COSO) for ERM have incorporated in BSRM Group's endeavor to build world class ERM framework and processes.

BSRM Enterprise Risk Management ("ERM") Framework provides guidance to implement a consistent, efficient, and economical approach to identify, evaluate and respond to key risks that may impact business objectives.

BSRM's enterprise risk management framework is directed to enable management to effectively deal with uncertainty and associated risks and opportunities, enhancing the capacity to build value. The Steps are:

- Promoting risk awareness throughout the BSRMLTD as well as BSRM Group of Companies.
- Defining risk appetite
- Identifying and managing multiple and cross-enterprise risks
- Identifying risk management team with clearly defined roles and responsibilities
- Formalizing risk response decisions
- Reducing operational surprises and losses

- Formalizing a process for identifying opportunities arising out of risk situations
- Improving deployment or more efficient use of capital and resources

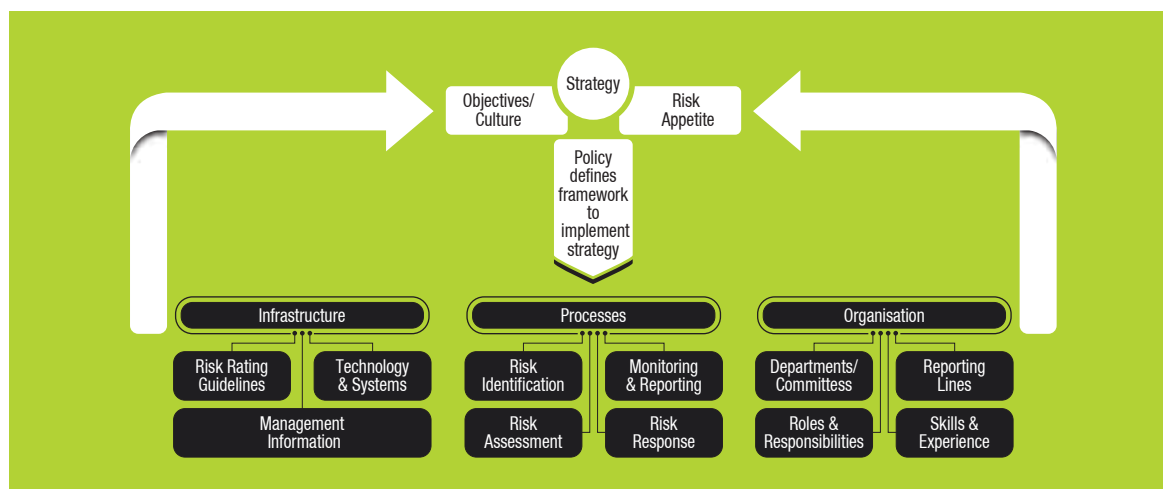
ERM helps BSRMLTD in managing risks in a proactive manner towards achieving its business objectives, performance & profitability targets and prevent loss of resources. BSRM's ERM is directed to help ensure effective reporting and compliance with laws and regulations, avoid damage to the entity's reputation and its consequences.

Key principles of ERM Framework

The guiding principles of BSRM's Risk Management Framework are as follows:

- Risk Management should be a continuous process
- Risk Management principles should be kept in mind during the strategy and objective setting processes as well as the day-to-day activities and decision-making
- Risks should be understood and prioritized based on the event frequency and impact to one or more objectives
- The same metrics used to measure objectives e.g., revenue, customer satisfaction metrics, are to be preferably leveraged during risk management activities
- Risk response strategies are to be evaluated for those risks deemed to be high or medium priority
- Key risk management information (e.g., key events, results of risk assessments, risk responses) is to be documented in a timely and structured manner
- Policies, procedures and practices should be in synchronization with risks
- A portfolio view of risks is to be reviewed by the Board, Audit Committee, Management Team and Chief Risk Officer on a regular basis

BSRM's Risk Management Framework comprises of:



Risk Management Methodology of BSRM:

Risk

Simply stated risk is the possibility that an event will occur and adversely affect the achievement of objectives. Risks can be thought of as threats, uncertainty or lost opportunity.

Risk Management as a process

The process of Risk Management deals with how the organization

- Identifies risks that affect achievement of goals & objectives
- Measures the significance of each identified risk
- Determines the most appropriate business response to each risk
- Evaluates and reports on how well the chosen responses are being implemented

Risk Management Guidelines

The ERM guidelines provide supporting information to assist Management in the execution of the ERM processes.

ERM process is the systematic application of management policies, procedures and practices to the activity of communicating, consulting and establishing the context for ERM in BSRM Group of Companies. The ERM process comprising of risk identification & assessment, risk treatment and risk monitoring applies across the organizational lifecycle.

Against the given background, the key process constituents of ERM are:



Disclosure of Risk Reporting:

We are following the below process for risk reporting in BSRM Group of Companies:

Documentation	Description	Monitored by
Risk Register and Profile	Record identified Risks and detailed description of risk which needs to be prioritized	Designated Risk Manager
Risk response and mitigation	Detailed current risk response and details of Management actions with timelines	Designated Mitigation owner and Risk Manager
Risk Report at Business unit and corporate level	A report/form of communication intended to inform particular stakeholders by providing information regarding the current state of key risks and its management. It is represented by a "Heat Map" where key risks are plotted and is supported by the detailed risk profiles	Risk Managers, Chief Risk Officer and Risk Steering Committee
Risk report at group level	Executive Summary Report with the selected top risks and responses at group level	Chief Risk Officer.

DISCUSSION ON COST OF GOODS SOLD, GP MARGIN AND NP MARGIN

Cost of Goods Sold (COGS)

Cost of goods sold (COGS) is the expense a company incurs in order to manufacture, create, and sell a product. It includes the purchase price of the raw material as well as the expenses of turning it into a finished product.

COGS vary directly with sales and production, the more items we sell or make, the more stock or components we need to buy.

During the year 2020-2021 Cost of goods sold (COGS) was Tk. 52,779 million against Tk. 42,048 million of 2019-2020.

Gross Profit Margin Ratio

Gross profit is the difference between sales and the cost of goods sold.

Gross Profit = Sales – Cost of Goods Sold

The gross profit margin is one indicator of the financial health of a business. Larger gross profit margins are better for business— the higher the percentage, the more the business retains of each Taka of sales for other expenses and net profit.

Gross Profit Margin % = (Gross Profit ÷ Sales) x 100

During the year 2020-21 Gross Profit Margin was 11.85% which was 8.04% in 2019-20. Due to merger with BSRM Steel Mills Limited which has saved the additional profit included in the purchase price and again decrease in cost of raw materials and other cost of production gross profit margin has been increased.

Net Profit Margin Ratio

Net Profit is calculated by subtracting expenses including Tax and WPP & WF from the gross profit, showing what the business has earned (or lost) in a given period of time.

Net Profit = Gross Profit – Expenses with Tax & WPP & WWF

Net profit has stood Tk. 4,970 Million which was Tk. 921.84 Million in 2019-20. Net profit has increased due to fall in Selling and Marketing expenses as well as decrease in financial expenses on the other hand Non-operating income also been increased during the year.

REMUNERATION PAID TO DIRECTORS IN 2020-21

Members of the Board of Directors were entitled and paid as follows:

Remuneration Paid to Directors in 2020-21

Name	2020-21			2019-20		
	Attendance Fee	Gross Remuneration	Total Paid	Attendance Fee	Gross Remuneration	Total Paid
Mr. Alihussain Akberali FCA	22,000	48,500,000	48,522,000	22,250	36,000,000	36,022,250
Mr. Aameir Alihussain	22,000	43,500,000	43,522,000	22,250	28,500,000	28,522,250
Mr. Zohair Taherali	16,500	21,500,000	21,516,500	22,250	16,500,000	16,522,250
Mrs. Sabeen Aameir	22,000	7,500,000	7,522,000	22,250	7,500,000	7,522,250
Mr. Gobinda Chandra Paul FCA	176,000	-	176,000	178,000	-	178,000
Total	258,500	121,000,000	121,258,500	267,000	88,500,000	88,767,000

KEY OPERATING AND FINANCIAL DATA OF PRECEDING 6 YEARS

Key Operating and Financial Data of Preceding 6 Years

Particulars	Unit	2020-21	2019-20	2018-19	2017-18	2016-17	2016 Jan-Jun	2015
Production (Qty)	MT	828,215	681,038	686,769	562,903	442,511	241,359	45,689
% of Production Growth	%	21.61%	(0.83%)	22.00%	27.21%	83.34%	-	8.48%
Sales (Qty)	MT	874,618	742,621	668,189	549,977	503,705	192,631	54,433
% of Sales Growth (Qty)	%	17.77%	11.14%	21.49%	9.19%	161.49%	-	(29.14%)
Turnover	MLN Tk	59,876	45,722.36	44,408.88	33,238.37	23,648.93	9,713.86	7,801.98
Gross Profit	MLN Tk	7,097	3,674.29	4,992.24	4,828.32	3,236.93	1,362.03	458.01
Gross Profit %	%	11.85%	8.04%	11.24%	14.53%	13.69%	14.02%	5.87%
Earnings before Non Operating Income, interest, WPP&WF and Tax	MLN Tk	5,478	2,059.03	3,637.90	3,864.96	2,571.90	1,057.78	207.15
	%	9.15%	4.50%	8.19%	11.63%	10.88%	10.89%	2.66%
Non-Operating Income	MLN Tk	40.43	16.11	41.3	123.21	113.90	359.36	1,357.07
Net Profit after tax	MLN Tk	4,970	921.84	1,860.63	2,778.78	756.52	588.65	827.67
	%	8.30%	2.02%	4.19%	8.36%	3.20%	6.06%	10.61%
Earnings Per Share (EPS)	Tk	18.96	3.90	7.88	11.77	3.53	3.02	4.78
Current Ratio (Times)		0.88	0.97	1.04	1.04	0.75	0.78	0.73
Net Asset Value	MLN Tk	38,086	2,3581.64	23,007.37	13,671.41	10,876.80	10,309.79	9,803.67
Net Asset Value Per Share	Tk	127.56	99.89	97.46	63.70	55.75	52.84	55.28
Net operating Cash Flow Per Share	Tk	29.24	40.47	2.81	(8.78)	(11.38)	(3.53)	(10.16)
Paid -up Capital-In Crore	Crore Tk	298.58	236.06	236.06	214.60	195.09	195.09	177.36

THE PATTERN OF SHAREHOLDINGS

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

Name	No of Shares Held	
	As on 30 th June 2021	As on 30 th June 2020
H. Akberali & Co. Limited	44,535,044	31,786,839
Karnafully Engineering Works Ltd.	5,325,130	5,325,130
BSRM Steels Limited	28,800,000	-
Total	78,660,174	37,111,969

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

Name	Relation	No of Shares Held	
		As on 30 th June 2021	As on 30 th June 2020
Mr. Alihussain Akberali FCA	Chairman	29,970,251	29,238,249
Mr. Aameir Alihussain	Managing Director	25,409,856	22,720,109
Mr. Zohair Taherali (Nominated Director of H.Akberali & Co. Ltd)	Director	44,535,044	31,786,839
Mrs. Sabeen Aameir (Nominated Director of BSRM Steels Limited)	Director	28,800,000	Nil
Mr. Gobinda Chandra Paul FCA	Independent Director	Nil	Nil
Mr. Zohair Taherali	Sponsor	9,688,256	7,663,012
Mrs. Sabeen Aameir	Wife of Mr. Aameir Alihussain	5,381,000	5,330,122
Mrs. Tehseen Zohair Taherali	Wife of Mr. Zohair Taherali	8,608,212	8,182,750
Mrs. Bilkis Alihussain	Wife of Mr. Alihussain Akberali FCA	24,936,419	21,870,449
Mr. Abdul Qadir Zohair	Son of Mr. Zohair Taherali	15,724	6,122
Mr. Shekhar Ranjan Kar FCA	Company Secretary	31,310	23,310
Mr. Mohammed Reazul Kabir FCA	CFO	2,442	2,442
Mr. Murtaza Zohar Bengali	HIAC	Nil	Nil

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

Name	Relation	No of Shares Held	
		As on 30 th June 2021	As on 30 th June 2020
Mr. Tapan Sengupta	Deputy Managing Director	101,468	43,610
Mr. Kazi Anwar Ahmed	Head of Corporate Affairs & Dhaka Corporate Office	13,310	4,640
Mr. Mohindar Singh Hanspal	Head of Rolling	Nil	Nil
Mr. Anil Kumar Chhabra	Senior Manager Production	Nil	Nil
Mr. Md. Nizamul Haque	Deputy General Manager Plant Operation	5000	Nil

(d) Shareholders holding 10% or more voting interest in the company

Name	Relation	No of Shares Held	
		As on 30 th June 2021	As on 30 th June 2020
Mr. Alihussain Akberali	Chairman	29,970,251	29,238,249
H. Akberali & Co. Limited	Affiliated Company	44,535,044	31,786,839



Building the future with every step – Heavy Industries in Bangladesh



For any country, heavy industries form the foundation of economic development. And Bangladesh has undertaken one heavy industry after another in the last **50** years. From steel to ship-building, ceramics to cement, IT, pharmaceuticals and more, Bangladesh is creating strong foundations for industrial development that will enable us to be more self-reliant and less dependent on imports.

CORPORATE SOCIAL RESPONSIBILITIES

BSRM GROUP CSR VISION

Integrate social responsibility at every step of BSRM Group core business decisions and processes.

BSRM GROUP CSR PRINCIPLES

To engage in activities and use group resources in a set of strategically planned efforts consistent with BSRM aspiration to take metals production technology and process to the next level.

CSR principles are the fundamental guidelines creating the framework within which BSRM group operates businesses. Use available resources embracing social, economic, and environmental considerations for the interest of all stakeholders, for present and future generations. Operate in a transparent manner, conforming to ethical code of conducts for best business practices ensuring sustainability.

BSRM GROUP CSR PLAN

Continue to evolve as a responsible business house fulfilling legal and ethical issues of doing business within a set of values that guide BSRM business processes ranging from procuring materials from genuine suppliers to serving social causes. Retain and uphold BSRM "SIMPLE ACHIEVEMENTS" made since 1952:

- S** - Stands Tall as One of the Leading Business Houses in Steel Industry
- I** - Innovative & Efficient Business Operations
- M** - Makes Huge Investments in Protecting Environment, Preserving the Planet
- P** - Produces Best Quality Steel Products, Contributing in Building 'Safer Nation'
- L** - Largest Tax Payer in the Steel Sector
- E** - Employer of Choice

BSRM CSR PHILANTHROPIC INITIATIVES

CSR programmes/projects are usually of continuous in nature, focus areas: education, health, water, livelihood, conservation of nature. Existing programmes are scaled up and replicated, as felt deemed, new initiatives have been taken during the current fiscal year.



BSRM-SMILE TRAIN-CHAF KEEP SMILING, CLEFT LIP PROJECT

Cleft lip and cleft palate are birth defects, according to medical science. Shockingly, when a child is born with this medical condition in a low-income family, his or her treatment cannot be ensured due to their parents' failure in affording necessary medication: a must do surgery. These children apart, their mothers are blamed for their babies' physiological deformity, worsening the situation in respective families. These children in most cases are deprived of education as they are not welcomed at schools. Their adult life becomes rather tougher as they fail to make a better

living just because of their academic debacle. They are even neglected in the society. Keeping all these issues in mind, Smile Train Inc., USA, BSRM Group and Child Health Awareness foundation (implementing partner) struck a tripartite deal in April 2018 to raise funds, on a cost-sharing basis. As many as 900 children underwent surgeries under first phase of the project, with BSRM funding 85 surgeries at a local private hospital. In 2021, BSRM bear the expenses of 55 surgeries.



Beneficiary with clubfoot deformity before and after

BSRM, SNAD FOUNDATION BANGLADESH, ZERO CLUBFOOT, A PROJECT OF LMRF HEALTHCARE

BSRM have a tripartite partnership with LMRF (Lion Mokhesur Rahman Foundation) and SNADF since September 2015.

BSRM-ZCF Neglected Clubfoot cure project. This project has been supporting a scheme of modified Ponseti treatment (The treatment comprised of serial casting, Tenotomy and long term wearing special shoe for children born with clubfoot deformity of chattogram Division. Under this project, 320 patients have been supported.



CONDITIONAL CASH TRANSFER SUPPORT FOR CHILDREN WITH DISABILITIES

BSRM have partnership with The United Nations Children's Fund (UNICEF) Bangladesh under the project "UNICEF and BSRM Conditional Cash Transfer support for Children with Disabilities" at kamrangirchar of Dhaka, Bhola, Barishal and Chattogram City Corporation. The number of beneficiaries of the project are 160. The duration of the project is Three years (October 2019 to October 2022)

BURHANI BSRM SCHOOL

Burhani BSRM School was established in 2006 in Debar par, Shershab Bangla bazar. The majority of the population in that area falls under the category of the 'poorest of poor', many of them working as Rickshaw pullers, day laborers or employed at menial jobs in small shops. The women, those who work, find jobs as maids in houses or find employment as day laborers. The school provides free education from nursery to grade 8 kids. It also provides free books, extra coaching, computer training, sports/arts facilities and uniforms. It is one of the major CSR activity of BSRM and BSRM also provide them scholarship according to their result. After grade 8, BSRM supports these students financially to continue their study in nearby schools for pursuing higher education. All the funding for the school expenses is provided by BSRM Group of companies. At present more than 500 students taking education from this school.



RESPONSE TO COVID-19

BSRM has taken steps to create awareness among mass people to keep themselves safe during the pandemic situation. BSRM has stood by the country's medical services during difficult times around the world. For the convenience of providing medical services, BSRM financed to set up a HDU unit of eight-bed General Hospital adjacent to Andarkillah. Beside this During this pandemic BSRM donated high flow nasal Cannula, oxygen cylinder, sanitizer, non-rebreathing masks and central oxygen system in all divisional medical colleges and also in various Upazila health complexes of the country. BSRM also provides food support to the distress and underprivileged people all over the country by its admin and support staffs. Besides this BSRM also given fund to renowned NGOs to distribute ready and dry food. BSRM handed over a cheque to Honorable Prime Minister's relief and welfare fund as a donation to control the contagion of Coronavirus.

With thousands left unemployed owing to the Covid-19 crisis, a mounting number of people were forced to be half-fed or starve very often. In such a situation, the financial aid brought at least a little smile on the face of the beneficiaries.



SUSTAINABLE GROWTH- **GREEN ENVIRONMENT, HUMAN RESOURCE AND INFORMATION TECHNOLOGY DEVELOPMENT**

To keep our human resources safe and sound and the environment clean, we have taken number of measures. We always give priority to keep the working environment safe, secure and ensure the green surroundings for all of our employees as well as for our country.

Green Environment

We are using world class Water Treatment Plant (WTP) for recycling the water to keep the environment free from pollution.

The Company has also commissioned Air Pollution Control (APC) system in melting factory to keep the air free from Pollution. In the same way, we are going to implement a rain water harvesting project for our new billet casting plant at Mirsarai. It will have positive impact on the environment.

As recognition of your effort to keep the environment clean and greener, we were awarded the "Divisional Environmental Award" by Poribesh Odhidaptar.

Human Resources Function

We are on a journey to build a safer nation. To make this drive meaningful we always desire to have the best people in our team. Our people are our asset. We truly believe that our employees are integral to our success. We can only be consistent with our values; Sustainable Growth, Quality, Reliability, Trust, Leadership, Social Responsibility and Customer Satisfaction if we foster the right people at the right time, work as a team, develop talents, enhance leadership capabilities and maximise the potential of our human capital.

We at BSRM, always welcome candidates from different disciplines with adequate experience to join us. Our Talent Acquisition team works hard to search for talent for a role on basis of the required competencies. We are an equal opportunity employer where every candidate is judged by their self ability to perform certain job. Our unbiased approach made us an Employer of Choice. We aspire to align our people with our vision and values and make them a key factor for success in business transformation and change process.

Here at BSRM, we believe people join us for a career, not for a job. Our KPI based performance management system helps people to be accountable for their roles and find out their weak areas to develop. It helps us to identify the high performer for a bigger role within the group. Talent Management team strives to maintain a performance based culture, identifying critical positions, finding out the possible successors and helping them develop to future leadership.

In order to nurture talent, we at BSRM, believe that institutionalising a learning culture positively helps safety, sustainability, quality and productivity of the organisation. Our Learning and Development activities are systematic, organised, and ensure that individual training needs are well defined, understood, and catered to. Frequent trainings, local and abroad, are provided to confirm adequate development opportunities for all our people. Pre evaluation and post assessment translate to the training effectiveness and utilisation.

A large number of skilled workforces are working with us to produce the best quality of steel for our customers. We are committed to give our people a safe and compliant workplace. Our Industrial Relation team works closely with our Plant Human Resources to make sure that our people have a place to talk and they must feel their concerns are attended. We pay attention to give a work life balance and engagement to our people. Employee Engagement programs are rolled out to not only engage employees but also develop employee ethics through positive motivation and promote a work environment that is characterised by fair treatment of staff, open communication, personal accountability, trust and mutual respect.

Our HR policies are formulated to give the best to our people, and also at the same time guarantee the control and utilisation of resources. Our HR Operations team is responsible for policy administration and timely review of HR policies. Our people deserve the best of us, and hence we focus on our Benefit Policy to ensure that our talent receives benefits and allowances such as Festival Bonus, Provident Fund, Gratuity, Car Scheme, Children Education Scheme, Employee Education Scheme, Employee Children Achievement Award for distinct academic result, Domiciliary Scheme, Executive Health Check-up Scheme, Hospitalisation Scheme, Maternity Benefit Scheme, Wedding Gifts, WPPF, Pilgrimage Leave etc.

To make our employee more engage and give better HR experience we have already introduced SAP SuccessFactors in BSRM. With this modern software we are ensuring the HR best practices to our people, also it will help our employees to take HR services and communicate with their line manager and subordinate through online.

True motivation comes from achievement, personal development, job satisfaction and recognition and our team ensures that it is not about financial attachment but emotional attachment is developed because when people are financially invested, they want return. When people are emotionally invested, they want to contribute. We have successfully maintained a low employee turnover over the years by engaging our employees and making sure they have a sense of ownership towards our organisation.

We work together, and we achieve together.

Information Technology

Information technology has become the heart of a business organization in this era as it is said by experts “future leadership will be based on information”. BSRM IT has developed several applications during FY 2020-21, which helped businesses in many ways. Supplier and Transporter can process their bill/invoice from the online portal. Also, the billing process has been fully automated with minimum human involvement. Besides, Pre-Sales Activities are also being digitalized to ensure end-to-end tracking and follow-up of sales to enhance and fortify the market share, which will assist for sustainable future growth.

SAP Success Factors, one of the best Human Capital Management (HCM) software in the world, has been implemented for establishing the best practice which will provide more efficiency to HRM systems.

BSRM IT Support Team has proved their efficiency and expertise by implementing ERP in new Organizations named BAPL, BSRM (Hong Kong) Limited, and BSRM Steels Rolling 2.

BSRM IT is adopting state-of-the-art technologies to strengthen and secure it's infrastructure to support the growing business needs and make the work environment more conducive and flexible to encounter future challenges like the current pandemic.

During the period, unconditional support and advice from management smoothened the speed and activities of the team.



On the highway of progress – Roads & Highways of Bangladesh

Since the establishment of the Roads & Highways department, the size of the major road networks in Bangladesh has grown from **2500** kilometers to **22,418.95** kilometers, connecting people in the most remote areas with the rest of the country. The building of necessary culverts, bridges, flyovers and tunnels have also played an important role in binding the country together.

Corporate Governance Report

Corporate governance refers to the structures and processes for the direction and control of companies. Sound corporate governance is a fundamental part of the culture of the Company and ensures long-term success. Corporate governance concerns the relationships among the management, Board of Directors, controlling shareholders, minority shareholders and other stakeholders. Good corporate governance contributes to sustainable economic development by enhancing the performance of companies.

The Board of Directors of Bangladesh Steel Re-Rolling Mills Limited is firmly committed to upholding principles of sound corporate governance. The main objective of corporate governance is a creation of lasting value for stakeholders. Transparency in the business transaction and disclosure of information to regulatory bodies as part of its legal obligations and constitute sound corporate governance. Good corporate governance also means conformity to sound ethical principles and a code of conduct in business dealings.

Board of Directors

Board of Directors are the representatives and trustees of the shareholders of the Company. The Board of Directors of Bangladesh Steel Re-Rolling Mills Limited comprises of five members including Chairman, Managing Director and one Independent Director in compliance with the Corporate Governance Code of BSEC. Board of Directors is performing the responsibilities, among others, setting the Company's strategic objectives, providing leadership, supervision and safeguarding shareholders' interest.

Audit Committee

Bangladesh Steel Re-Rolling Mills Limited has an Audit Committee as a sub-committee of the Board of Directors. This Committee assists the Board of Directors in ensuring that the Financial Statements reflect the true and fair view of the state of affairs of the Company and in ensuring a good monitoring system within the business. The Committee reports to the Board of Directors. Its duties and responsibilities are clearly outlined in writing.

Audit Committee holds regular meetings on the following major issues:

- To review the financial statements (consolidated and separate) and reporting process and monitor the choice of accounting policies and principles;
- To review the financial statements of subsidiaries;
- To review the business risk management;
- To review the internal audit assessment;
- To oversee the good corporate practices;
- To review the adequacy of internal control systems/ audit functions, etc.

A separate report of the audit committee is included in this Annual Report.

Nomination and Remuneration Committee (NRC)

Bangladesh Steel Re-Rolling Mills Limited has a Nomination and Remuneration Committee (NRC) as a sub-committee of the Board of Directors. This committee will assist the Board of Directors in formulation of the nomination criteria or policy to determine qualifications, experiences, remuneration and independence of directors and top level of executives. The NRC is comprising of three members including one Independent Director.

A separate report of the Nomination and Remuneration Committee is included in this Annual Report.

Chairman of the Board and Managing Director

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

Directors' Report to Shareholders

Board of Directors Report the performance, annual achievements and status of the company's activities to the shareholders. They also convey the plan and outlook of the industry and company in their report.

Chief Financial Officer, Company Secretary and Head of Internal Audit & Compliance (HIAC)

Company has appointed qualified Professional Accountants designated as Chief Financial Officer, Company Secretary and HIAC. The CFO & Company Secretary regularly advise and assist the Board on financial strategy and compliance issues of the regulatory bodies. Chief Financial Officer, Company Secretary and HIAC attend Board Meetings as per Corporate Governance notification of the BSEC. Company's internal audit department is headed by a Head of Internal Audit & Compliance having professional expertise and long experiences in the field of internal audit and also holding a degree in Information System Audit. Board of Directors has clearly defined respective roles, responsibilities and duties of the CFO, Company Secretary and Head of Internal Audit & Compliance.

Internal Audit and Control

Bangladesh Steel Re-Rolling Mills Limited has established an Internal Audit Department consisting of professional and knowledgeable employees headed by Head of Internal audit & Compliance. Internal Audit Department directly reports to the Board of Directors. Internal Audit department regularly conducts their audit based on a yearly Internal Audit Plan and checks, verifies and reviews the compliance of Internal Control Procedure, area of risk and other regulatory requirements.

External Auditors

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

Subsidiary Company

BSRM (Hong Kong) Limited is the Subsidiary Company of Bangladesh Steel Re-Rolling Mills Limited. As per Corporate Governance Code of BSEC, the Minutes of the meeting of subsidiary company are reviewed by the Board of holding company. The Audit Committee of Bangladesh Steel Re-Rolling Mills Limited (holding company) also reviews the Financial Statements of subsidiary company.

Key Management Committee

There are other sub-committees to the Board of Directors to assist the Board of Directors in making and formulating company's strategic objectives and policies namely Management Committee. The committee members regularly sit for discussing and reviewing the activities of the Company.

Certification on Compliance on the Corporate Governance Code of BSEC

A certificate regarding compliance of conditions of Corporate Governance Code of the Bangladesh Securities and Exchange Commission issued by M.A. Mallik & Co., Chartered Accountants is included in **Annexure-B** in this Annual Report.

REPORT OF THE AUDIT COMMITTEE FOR THE PERIOD FROM JULY 2020 TO JUNE 2021

The Audit Committee of **Bangladesh Steel Re-Rolling Mills Limited** is pleased to submit the following report on the activities of year 2020-21:

According to the Notification on Corporate Governance Code of Bangladesh Securities & Exchange Commission (BSEC), dated: June 03, 2018, the Board has established an Audit Committee as a sub-committee of the Board.

The Committee:

The present committee members, nominated by the Board are as follows:

Mr. Gobinda Chandra FCA	Chairman
Mr. Aameir Alihussain	Member
Mrs. Sabeen Aameir	Member
Mr. Shekhar Ranjan Kar FCA	Secretary

All Members of the Audit Committee are financially literate and able to analyze the accounting policies and principles, internal audit, internal control and compliance process in discharging their duties and responsibilities.

Terms of Reference:

The terms of reference of the Audit Committee have been determined by the Board as per BSEC notification. The Committee is responsible to the Board of Directors and reports on its activities regularly. The Committee assists the Board in its general oversight of financial reporting, internal controls and functions relating to internal audit, as well as ensures compliance with the Corporate Governance Code of BSEC.

Role of Audit Committee:

Role of Audit Committee of Bangladesh Steel Re-Rolling Mills Limited are appended below:

- Oversee the financial reporting process.
- Monitor choice of accounting policies and principles.
- 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.
- Oversee hiring and performance of external auditors.
- Hold meeting with the external or statutory auditors for review of the annual financial statements before submission to the Board for approval or adoption.
- Review, along with the management, the quarterly, half-yearly & annual financial statements before submission to the Board for approval.
- Review the adequacy of internal audit function.
- Review the Management's Discussion and Analysis.
- Review statement of all related party transactions submitted by the management.
- Review Management Letters or Letter of Internal Control weakness issued by statutory auditors.
- Review the Quarterly and Annual Financial Statements of subsidiary company.
- 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.

Activities of the Audit Committee for the year under report:

The members of Audit Committee met four times during this reporting period. The Committee carried out the following activities among others:

- Reviewed the quarterly, half-yearly and yearly Financial Statements of the Company and recommended to the Board for adoption and circulation.
- Reviewed the quarterly, half-yearly and yearly Financial Statements of the Subsidiary Company.
- Reviewed the Management's Discussion and Analysis before disclosing in the Annual Report.
- Reviewed the internal audit process and effectiveness of internal audit.
- Reviewed the findings of internal audit team and its corrective actions.
- Reviewed the changes have been made as per requirements of the IFRS-16 in the financial statements of the Company.
- Assessed the findings of external auditors and compliance of IAS/ IFRS for preparation of Financial Statements.
- Reviewed the adequate internal control system of the Company are in place.
- Reviewed the compliance requirements of BSEC guidelines, notification and other laws.

Appointment of Auditors:

The Audit Committee has recommended the Board to re-appoint existing external auditor of the Company A. Qasem & Co., Chartered Accountants, Faruk Mahal (3rd Floor), Plot # 93, Agrabad C/A, Chattogram for the position of statutory auditor for the year 2021-2022.

The Audit Committee expresses their sincere thanks to all members of Board, team of internal audit, team of accounts & finance and management of the Company for their support.

On behalf of the Audit Committee



Gobinda Chandra Paul FCA

Independent Director and Chairman of the Audit Committee

Date: October 23, 2021

REPORT OF THE NOMINATION AND REMUNERATION COMMITTEE (NRC) FOR THE PERIOD FROM JULY 2020 TO JUNE 2021

The Nomination and Remuneration Committee (NRC) of Bangladesh Steel Re-Rolling Mills Limited is pleased to submit the following report on the activities for the year 2020-21:

Formation of NRC:

The Nomination and Remuneration Committee (NRC) of Bangladesh Steel Re-Rolling Mills Limited is being formulated in compliance with Notification No. BSEC/CMRRCD/2006-158/207/Admin/80, Date: June 03, 2018 on Corporate Governance Code of Bangladesh Securities & Exchange Commission (BSEC) to assist the Board broadly in formulation of policy on nomination and remuneration mainly for Directors and top level executives of the Company. This is a sub-committee of the Board.

The Nomination and Remuneration Committee (NRC) of Bangladesh Steel Re-Rolling Mills Limited is comprised of the following members:

Mr. Gobinda Chandra Paul FCA	Chairman
Mr. Aameir Alihussain	Member
Mrs. Sabeen Aameir	Member
Mr. Shekhar Ranjan Kar FCA	Secretary

Terms of Reference:

The terms of reference of the Nomination and Remuneration Committee (NRC) have been determined by the Board as per BSEC notification. The NRC assists the Board in formulation of the nomination criteria or policy for determining qualifications, positive attributes, experiences and independence of directors and top level executives as well as a policy for formal process of considering remuneration of directors, top level executives.

Role of The Nomination and Remuneration Committee (NRC):

- NRC shall be independent and responsible or accountable to the Board and to the shareholders;
- To oversee, among others, the following matters and making reports with recommendations to the Board:

I. Formulating 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:

- The level and composition of remuneration is reasonable and sufficient to attract, retain and motivate

suitable directors to run the company successfully;

- The relationship of remuneration to performance is clear and meets appropriate performance benchmarks;
- Remuneration to directors, top-level executives 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;

II. Devising a policy on Board's diversity taking into consideration age, gender, experience, ethnicity, educational background.

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 recommending their appointment and removal to the Board.

IV. Formulating the criteria for evaluation of performance of independent director(s) and the Board.

V. Identifying the company's needs for employees at different levels and determining their selection, transfer or replacement and promotion criteria.

VI. Developing, recommending and reviewing annually the company's human resources and training policies.

Meeting of NRC:

During this reporting period, the Committee met 3 (three) times. The NRC of Bangladesh Steel Re-Rolling Mills Limited carried out the following activities during the year 2020-21:

Members have elaborately discussed about the Nomination and Remuneration Policy of the Company specially about the HR Automation project which will help the organization to manage human capital more effectively. This will also help the organization to engage its employees and give them better HRIS experience.

To make our employee more engage and give better HR experience the Company has already introduced/launched SAP Success Factors in BSRM. With this modern software we are ensuring the HR best practices to our people, also it will help our employees to take HR services and communicate with their line manager and subordinate through online.

Members of NRC have also reviewed the following activities of the Company:

- a) Appointment and Retirement policy of Directors, Top Level Executives and Senior Management including Company Secretary (CS), Chief Financial Officer (CFO) and Head of Internal Audit and Compliance (HIAC).
- b) Term/ Tenure of Independent Director.
- c) Evaluation of performance of Directors and top level executives.
- d) Remuneration policy for Directors and top level Executive.

The Committee also reviewed the following activities of the Company:

- a) Organization Structure where reporting line is clearly defined for the directors and top management team, along with standard manpower planning exercise for each and every position for identifying the total requirements.
- b) Pay structure for each job level based on education, experience, and competency.
- c) A target based on-line Performance Management System to evaluate performance of employees, yearly Increment, Promotion of individual, etc.
- d) Employee Benefit Policy to attract job seekers and retain internal talent.

- e) Succession planning of the company to have our future leaders ready according to the requirements.
- f) Ensuring extensive training and development plan for the individual or group of people.
- g) A transparent recruitment and selection policy where competent candidates get hired.
- h) Practicing a clear career path system for employees which reflect in Organization Structure.

Policy of the NRC

The Nomination and Remuneration Policy for members of the Board of Directors, Key Managerial Personnel and Senior Management of the Company is designed to attract, motivate and retain leadership members in a competitive market. The Policy reflects the Company's objectives for good corporate governance as well as sustained long-term value creation for shareholders.

The objective of the policy is to ensure that-

- The level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors/top management team required to run the company successfully.
- Relationship of remuneration to performance is clear and meets appropriate performance benchmarks.
- Remuneration to directors, top level executives reflecting short and long-term performance objectives appropriate to the working of the company and its goals.

Appointment and Removal of Director, Top Level Executives and Senior Management:

- a) The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Independent Director/Director, top-level executives or at Senior Management level and recommend his/her appointment, as per Company's Policy & BSEC Guideline.
- b) A person should possess adequate qualification, expertise and experience for the position he /she is considered for appointment. The Committee has authority to decide whether qualification, expertise and experience possessed by a person is sufficient/satisfactory for the position.

Evaluation:

The Committee shall carry out evaluation of performance of Director and top-level executives yearly or at such intervals as may be considered necessary based on their qualification, experience etc.

Removal:

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).

Retirement:

The Director or top-level executives shall retire as per policy of the Company. The Board will have the discretion to retain the Director or any top level executive even after attaining the retirement age, for the benefit of the Company.

Policy for Remuneration to Directors/Top Level Executives:

- a) The Remuneration to be paid to Managing Director/other Directors as approved by the NRC committee.
- b) The Nomination and Remuneration Committee shall make such recommendations to the Board of Directors, as it may consider appropriate with regard to remuneration to Managing Director and other Directors.

- c) The Non-Executive / Independent Director may receive meeting fees and such other remuneration as recommended by the Nomination and Remuneration Committee and approved by the Board of Directors.
- d) The remuneration for top-level executives shall be fixed considering their performances and in accordance with the Company's Policy.

Implementation:

The Committee may issue guidelines, procedures, formats, reporting mechanism and manuals in supplement and for better implementation of this policy as considered appropriate.

The NRC expresses their sincere thanks to the members of the Board and the management for their support, guidance and co-operation while carried out the responsibilities.

On behalf of The Nomination and Remuneration Committee



Gobinda Chandra Paul FCA

Independent Director and Chairman of NRC

DIVIDEND DISTRIBUTION POLICY OF BANGLADESH STEEL RE-ROLLING MILLS LIMITED

OBJECTIVE:

The objective of this Dividend Distribution Policy ("the Dividend Distribution Policy") is to ensure the entitlement of shareholders as well as profits to be retained in the business for expansion or other business purposes.

Further, this Policy will also ensure that the dividend is distributed following the applicable legislation in the interests of the shareholders and will also address the management of unclaimed dividends.

Scope and Legal Basis:

This Policy has been prepared pursuant to the Directive No. BSEC/CMRRCD/2021-386/03 as issued on January 14, 2021 by the Bangladesh Securities and Exchange Commission (BSEC) and Income Tax Ordinance 1984. The Policy shall have immediate effect.

Approval of Dividend:

Dividend would continue to be declared/ recommended on percent basis on the Ordinary Equity Shares of the Company having face value Tk. 10/- each. Therefore, dividend approved by the shareholders will be distributed amongst all shareholders, based on their shareholding and whose name would appear in the Register of the Central Depository Bangladesh Ltd. (CDBL) as on the record date.

Factors to be considered:

Before declaring the dividend Board shall consider the following factors:

- (a) Net operating profit after tax, EPS;
- (b) Working capital requirements;
- (c) Capital expenditure requirements for expansion of business including expansion plans and investment in subsidiaries/ associate company;
- (d) Past Dividend Trends
- (e) Income tax implications
- (f) Other factors which the Company's Board may consider.
- (g) Any rules, directive or guideline issued by BSEC or other regulatory authority.

The Board may consider not declaring Dividend or may recommend a lower payout for a given financial year based on its financial performance, challenges, opportunities for which the Board will provide rationale in the Annual Report.

Procedures for Declaration and Distribution of Dividend

1. Based on the financial performance and considering other factors, the Board of Directors of the Company shall declare/ recommend interim or final cash/stock Dividend as decided in the meeting.
2. Where Dividend declaration or recommendation is proposed for consideration of the Board it shall be a specific agenda for consideration.

3. Dividends will generally be recommended by the Board of Directors once a year, after the announcement of the year-end financial results which will be approved in Annual General Meeting (AGM) by the shareholders. The Board may also declare interim dividends as may be permitted by the Companies Act/ BSEC guidelines.
4. The Company shall pay all Dividends in accordance with this Policy through BEFTN.
5. The Company shall ensure compliance to applicable laws and this Policy in relation to Dividend declaration and distribution by the Company.

Other conditions:

The Company Shall Comply the followings with regard to dividend: -

1. The Dividend Distribution Policy shall be disclosed in the annual report and website of the Company.
2. Company shall pay off the annual or final dividend to the entitled shareholders within 30 days of approval/ AGM.
Provided that interim dividend shall be paid off to the entitled shareholders within 30 days of record date.
3. Cash dividend shall be distributed in the following manner and procedures, namely:
 - I. Within 10 (ten) days of declaration/ approval of cash dividend by the Board of Directors of the Company or AGM, as the case may be, an amount equivalent to the declared cash dividend payable for the concerned year shall be kept in a separate bank account of the Company, dedicated for this purpose;
 - II. The Company shall pay off cash dividend directly to the bank account of the entitled shareholders as available in the BO account maintained with the depository participant (DP), or the bank account as provided by the shareholder in paper form, through Bangladesh Electronic Funds Transfer Network (BEFTN):
Provided that the Company may pay off such cash dividend through bank transfer or any electronic payment system as recognized by the Bangladesh Bank, if not possible to pay off through BEFTN;
 - III. The Company, upon receiving the claim on cash dividend from a stock broker or a merchant banker or a portfolio manager for the margin client or customer who has debit balance or margin loan, or as per intention of the client of stock broker or merchant banker or portfolio manager, shall pay off such cash dividend to the Consolidated Customers' Bank Account (CCBA) of the stock broker or to the separate bank account of the merchant banker or portfolio manager through BEFTN based on the information provided by the stock broker or merchant banker or portfolio manager.
 - IV. The Company, in case of non-availability of bank account information or not possible to distribute cash dividend through BEFTN or any electronic payment system, shall issue cash dividend warrant.
 - V. The Company shall pay off cash dividend to non-resident sponsor, director, shareholder, or foreign portfolio investor (FPI) through the security custodian in compliance with the rules or regulations in this regard;
 - VI. The Company, immediately after disbursement of cash dividend and issuance a certificate of tax deducted at source, if applicable, shall intimate to the shareholder or unit holder through a short message service (SMS) to the mobile number or email address as provided in the BO account or as provided by the shareholder ;
 - VII. The Company shall maintain information of unpaid or unclaimed dividend of shareholders and shall also disclose the summary of aforesaid information in the annual report and in the statements of financial position (Quarterly/annually) as a separate line item as "Unclaimed Dividend Account" and publish the year wise unclaimed dividend in the website.
4. The Company shall credit stock dividend directly to the BO account or issue the bonus share certificate of the entitled shareholder, as applicable, within 30 (thirty) days of declaration or approval or record date, as the case may be, subject to clearance of the exchange(s) and the Central Depository Bangladesh Limited (CDBL);
5. The Company shall maintain a Suspense BO Account for undistributed or unclaimed stock dividend or bonus shares and shall also follow the procedure as per BSEC guidelines.

6. The Company shall submit a compliance report to the Commission and the exchange(s) in a specified format provided by Bangladesh Securities and Exchange Commission within 7 (seven) working days of completion of dividend distribution:

Provided that the Company shall publish the compliance report in its website.

7. The Company shall not forfeit any unclaimed cash dividend or stock dividend till the claim becomes barred by the law of land in force.

8. If any cash dividend remains unpaid or unclaimed or unsettled including accrued interest (after adjustment of bank charge, if any) thereon for a period of 3 (three) years from the date of declaration or approval or record date, as the case may be, shall be transferred by the Company to the Fund as directed or prescribed by the Commission:

Provided that the Company shall provide detailed information to the manager of the Fund during transfer of cash dividend as directed or prescribed by the Commission:

Provided further that if any shareholder or unit holder claims his cash dividend after transfer of such dividend to the Fund, within 15 (fifteen) days of receiving such claim, the Company shall, after proper verification of the claim, recommend to the manager of the Fund to pay off such dividend from the Fund and the manager of the Fund shall pay off such cash dividend to the claimant in accordance with the provisions and procedures as directed or prescribed by the Commission.

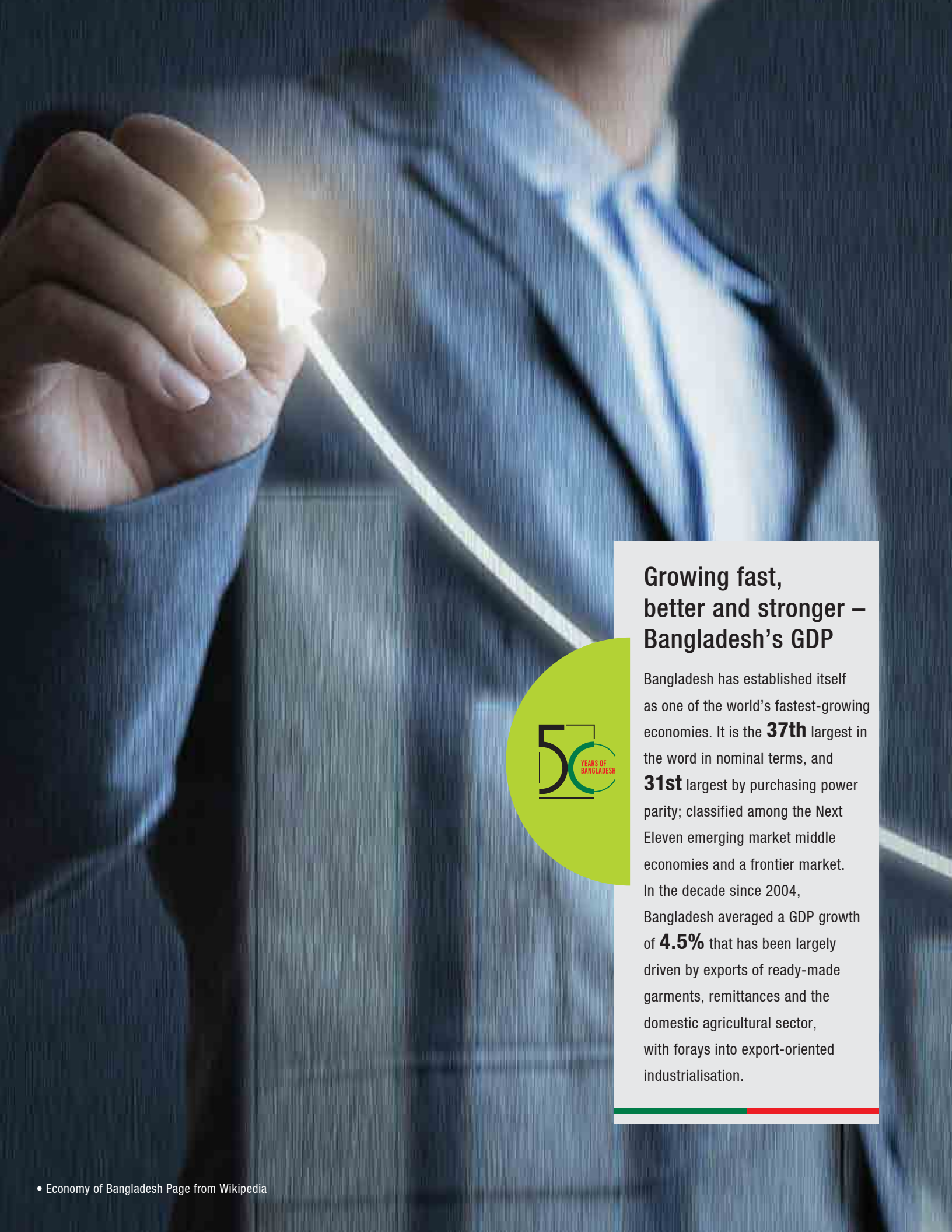
9. If any stock dividend or bonus shares remains unclaimed or unsettled including corporate benefit in terms of bonus shares thereon for a period of 3 (three) years from the date of declaration or approval or record date, as the case may be, shall be transferred in dematerialized form to the BO Account of the Fund:

Provided that the Company shall provide detailed information to the manager of the Fund during transfer of stock dividend or bonus shares as directed or prescribed by the Commission:

Provided further that if any shareholder claims his stock dividend or bonus shares after transfer of such dividend or bonus shares to the BO Account of the Fund, within 15 (fifteen) days of receiving such claim, the Company shall, after proper verification of the claim, recommend to the manager of the Fund to pay off or transfer such stock dividend or bonus shares from the BO Account of the Fund and the manager of the Fund shall pay off or transfer such stock dividend or bonus shares to the claimant's BO Account in accordance with the provisions and procedures as directed or prescribed by the Commission.

This Policy may be reviewed by the Board if and where necessary and will be notified.





Growing fast, better and stronger – Bangladesh's GDP

Bangladesh has established itself as one of the world's fastest-growing economies. It is the **37th** largest in the world in nominal terms, and **31st** largest by purchasing power parity; classified among the Next Eleven emerging market middle economies and a frontier market. In the decade since 2004, Bangladesh averaged a GDP growth of **4.5%** that has been largely driven by exports of ready-made garments, remittances and the domestic agricultural sector, with forays into export-oriented industrialisation.

AUDITOR'S REPORT & AUDITED FINANCIAL STATEMENTS OF

**Bangladesh
Steel Re-Rolling
Mills Limited**

FOR THE YEAR ENDED
JUNE 30, 2021

Independent Auditor's Report
To the Shareholders of Bangladesh Steel Re-Rolling Mills Limited

Report on the Audit of the Consolidated and Separate Financial Statements

Opinion

We have audited the consolidated financial statements of Bangladesh Steel Re-Rolling Mills Limited and its subsidiaries ("the Group") as well as the separate financial statements of Bangladesh Steel Re-Rolling Mills Limited ("the Company") which comprise the consolidated and separate statement of financial position as at 30 June 2021, and the consolidated and separate statement of profit or loss and other comprehensive income, consolidated and separate statement of changes in equity and consolidated and separate statement of cash flows for the year then ended, and notes to the consolidated and separate financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated and separate financial statements give a true and fair view of the consolidated financial position of the Group and the separate financial position of the Company as at 30 June 2021, and of its consolidated and separate financial performance and its consolidated and separate cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

Basis for opinion

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 Consolidated and Separate Financial Statements section of our report. We are independent of the Group and the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code), and the guidelines issued by Bangladesh Securities and Exchange Commission (BSEC) and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code and the Institute of Chartered Accountants of Bangladesh (ICAB) Bye Laws. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our 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 the separate financial statements for 2020-21. These matters were addressed in the context of our audit of the consolidated and the separate financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial statements.



Key Audit Matter	How our audit addressed the key audit matter
<p>Amalgamation of BSRM Steel Mills Limited with Bangladesh Steel Re-Rolling Mills Limited</p> <p>On December 15, 2020, The Honorable High Court Division of the Supreme Court of Bangladesh, approved a verdict on amalgamation of BSRM Steel Mills Limited with Bangladesh Steel Re-Rolling Mills Limited.</p> <p>According to the order of Honorable High Court Division of the Supreme Court of Bangladesh, and on that basis, recorded by the Registrar of Joint Stock Companies and Firms and also approved by the Board of Directors, both the Company's books of account was merged with effect from 1 February, 2021 by issuing 62,516,390 ordinary shares of the company to the previous shareholders of BSRM Steel Mills Limited.</p> <p>Management applied judgment to determine whether the purchase price allocation need to be accounted for as a business combination in accordance with IFRS 3. Hence, there are common control prevailing in the group structure, management determined that this transaction should not be in accordance with IFRS 3.</p> <p>The difference between total consideration and net assets of BDT 1,546 million was recognized as "Share Premium" as there is no guidance in IFRS Standards for business combination under common control.</p> <p>The amalgamation of BSRM Steel Mills Limited is considered to be a key audit matter, in view of the following:</p> <ul style="list-style-type: none"> ▪ The weight of this acquisition, which has a significant impact in the financial statements ▪ The fact that the acquisition was performed with a related party 	<p>Our audit procedures included the following:</p> <ul style="list-style-type: none"> ▪ We obtained, read and understood the merger Scheme and Verdict of The Honorable High Court Division of the Supreme Court of Bangladesh ▪ We performed audit procedures to obtain evidence of the acquisition date balance, as provided for in the terms of merger and audited by Rahman Mostafa Alam & Co., Chartered Accountants. ▪ We assessed the criteria, used for recognition of the transaction ▪ We reviewed the qualitative and quantitative information included in the accompanying notes to the consolidated financial statements relating to merger.



Key Audit Matter	How our audit addressed the key audit matter
<p>Revenue from sale of goods recognition-</p> <p>As described in the Notes 5.00 to the separate and consolidated financial statements of the Group/Company, Revenue from the sale of goods is recognized, when the Group/Company has delivered products to the customers at the shipping point and control has passed. The sales of the Company are derived from factories and various depots located across the country with relatively transactions of small amounts. In determining the sales price, the Group/ Company considers the effect of discounts. During the year ended 30 June 2021, the Group/Company has recognised revenues of BDT 59,905 million and BDT 59,875 million respectively.</p> <p>We focused on the proper cut-off on sales to the Company's customers due to the fact that the documents of confirming the acceptance of the products were provided by numerous customers based in different locations. There is a risk of differences between the timing of acceptance of the products by the Company's customers and when revenue was recorded. Accordingly, there could be potential misstatements that these revenue transactions are not recognized in the proper reporting periods.</p> <p>We identified revenue recognition as a key audit matter because revenue is one of the key performance indicators of the Company and therefore there is an inherent risk of manipulation of the timing of recognition of revenue by management to meet specific targets or expectations.</p>	<p>Our audit procedures included the following:</p> <ul style="list-style-type: none"> ▪ We read the Group/Company's revenue recognition policy and assessed its compliance in terms of IFRS 15 'Revenue from contracts with customers' ▪ We assessed the design and tested the operating effectiveness of internal controls related to revenue recognition and applicable discounts. ▪ Performed sample tests of individual sales transaction and traced to sales invoices, sales orders and other related documents. In respect of the samples selected, we tested recognition of revenue based on underlying sales invoices, sales orders and other related documents. ▪ We selected a sample of invoices on which discounts were given and obtained the discount schemes approved by the management. We noted the accounting of discounts by the Group/Company for the selected sample. ▪ Selected samples of sales transactions recognized shortly before and after the reporting date, including the sales returns recorded after that date, to examine whether sales transactions were recorded in the correct reporting periods. ▪ Assessed the relevant disclosures made within the financial statements

The key audit matter	How the matter was addressed in our audit
<p>Accuracy and completeness of disclosure of related party transactions- see note 26 and 46 to the financial statements</p> <p>We identified the accuracy and completeness of disclosure of related party transactions as set out in respective notes to the separate and consolidated financial statements as a key audit matter due to the high volume of business transactions with related parties during the year ended 30 June 2021.</p>	<p>Our procedures in relation to the accuracy and completeness of disclosure of related parties' transactions included:</p> <ul style="list-style-type: none"> ▪ Obtaining an understanding of the Group/Company's policies and procedures in respect of identifying related parties; approval and recording of related party transactions including how management determines all transactions/ balances with related parties are determined at arm's length and entered into in the normal course of business and further fully disclosed in the financial statement. ▪ We tested, on a sample basis, related party transactions with the underlying contracts and other documents and for appropriate authorization and approval for such transactions. ▪ We read minutes of shareholder meetings, board meetings and minutes of meetings of those charged with governance in connection with transaction with related parties effected during the year. ▪ Evaluating the completeness of the disclosures through review of statutory information, books and records and other documents obtained during the course of our audit



The Key Audit Matter	How the matter was addressed in our audit
<p>Completeness and accuracy of deferred tax liabilities- see note 36 to the financial statements</p> <p>As at 30 June 2021, deferred tax liabilities amounted to BDT 3,670 million</p> <p>Deferred tax is recognised on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements.</p> <p>The calculation of deferred taxes takes into account the expected point in time when, and the manner in which, the assets and liabilities are expected to be realized or settled. The applied tax rates correspond to those that are enacted or substantively enacted at the balance sheet date.</p> <p>Deferred taxes primarily result from Tangible and intangible assets (including revalued tangible assets), Investment in associate, employee benefits and unabsorbed depreciation. Due to merger, there was significant adjustments in the deferred tax calculation.</p> <p>These calculations are complex because of the applicable tax rules and the necessary subjective estimates and accompanying uncertainty.</p> <p>Therefore, we have defined the carrying amount of deferred tax liabilities as a key audit matter.</p>	<p>Our audit procedures in relation to completeness and accuracy of deferred tax liabilities included the following:</p> <ul style="list-style-type: none"> ▪ We obtained an understanding, evaluated the design and tested the operational effectiveness of the Group/Company's key controls over the recognition and measurement of deferred tax liabilities and the assumptions used in estimating the group/company's deductible temporary difference. ▪ We also assessed the completeness and accuracy of the data used for the estimations of deductible temporary difference. ▪ We performed the mathematical accuracy of the deferred tax calculation. ▪ We involved tax specialties to assess key assumptions, controls, recognition and measurement of deferred tax liabilities. ▪ We also assessed the appropriateness of presentation of disclosures against IAS 12 - Income Tax.

Other information included in the Company's 30 June 2021 Annual Report

Management is responsible for the other information. The other information comprises the information included in the annual report, but does not include the consolidated and the separate financial statements and our auditor's report thereon. The annual report is expected to be made available to us after the date of this auditor's report.

Our opinion on the consolidated and the separate financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated and the separate financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated and the separate financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

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

Management is responsible for the preparation of consolidated and separate 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 consolidated and separate financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated and separate financial statements, management is responsible for assessing the Group's and 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 Group and the Company or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Consolidated and Separate Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated and separate 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 consolidated and separate financial statements.

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



- Identify and assess the risks of material misstatement of the consolidated and separate 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 Group's and 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 Group's and 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 consolidated and separate 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 Group and the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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 charged 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.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated and separate financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's

report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matter

The financial statements of Bangladesh Steel Re-Rolling Mills Limited for the year ended 30 June 2020 were audited by Rahman Rahman Huq, Chartered Accountants, who expressed an unmodified opinion on those financial statements on 15 October 2020. The consolidated financial statements of the group were prepared and audited for the year ended 30 June 2020.

Report on other legal and regulatory requirements

In accordance with the Companies Act 1994 and the Securities and Exchange Rules 1987, we also report the following:

- i) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit and made due verification thereof;
- ii) 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 these books;
- iii) 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 and returns; and
- iv) The expenditure incurred was for the purposes of the company's business.

A. Qasem & Co.

Chartered Accountants

RJSC Firm Registration Number: 2-PC7202



Md. Johirul Islam FCA

Partner

Enrolment Number: 1257

DVC: 2110251257AS749528

Place: Chattogram

Date: 25 OCT 2021



Consolidated Statement of Financial Position

Bangladesh Steel Re-Rolling Mills Limited
As at 30 June, 2021

	Notes	2021 BDT	2020 BDT
Assets:			
Non-current assets			
Property, plant and equipment	18.a	38,630,655,777	39,752,029,515.
Capital work-in-progress	19.a	1,295,288,934	526,546,290
Right-of-use assets	44.a	102,089,943	104,354,825
Intangible assets	20.a	21,212,828	27,395,912
Investment in subsidiaries and associate	21.a	7,320,070,740	6,670,318,879
Other investments	22.a	164,500,300	3,500,300
Total non-current assets		47,533,818,522	47,084,145,722
Current assets			
Short term investments	23.a	1,947,709,647	1,587,887,281
Inventories	24.a	14,710,197,317	18,824,750,861
Trade and other receivables	25.a	4,526,507,802	3,788,361,170
Current account with related companies	26.a	3,189,916,578	3,464,207,701
Advances and deposits	27.a	7,026,579,199	6,477,879,301
Cash and cash equivalents	28.a	1,598,183,676	261,944,191
Total Current assets		32,999,094,219	34,405,030,505
Total assets		80,532,912,742	81,489,176,227
Equity and liabilities:			
Shareholder's equity			
Share capital	29.00	2,985,846,260	2,360,682,360
Share premium	30.00	2,057,514,350	511,970,250
General reserve	31.01	30,170,818	30,170,818
Revaluation reserve	31.02	17,076,734,288	12,130,382,922
Fair value reserve		414,531,335	-
Retained earnings		15,521,180,004	8,548,435,479
Equity attributable to owners of the company		38,085,977,055	23,581,641,829
Non- controlling interests		-	7,824,801,021
Total equity		38,085,977,055	31,406,442,850
Non-current liabilities			
Long term borrowings- non-current portion	32.a	728,339,400	2,663,787,828
Defined benefit obligations- gratuity	33.a	366,317,421	315,351,000
Lease liabilities- non-current portion	44.00	81,934,096	84,781,021
Deferred tax liability	36.a	3,670,214,397	5,105,249,789
Total non-current liabilities		4,846,805,314	8,169,169,638
Current liabilities			
Trade payables	37.a	474,552,413	226,537,728
Short term borrowings	38.a	32,537,442,420	29,852,294,869
Long term borrowings of Current portion	38.b	1,294,202,615	3,339,257,469
Current account with related companies	39.a	-	5,729,133,918
Contract liabilities	40.a	646,725,298	300,135,895
Liabilities for expenses	41.a	1,149,329,482	1,524,396,974
Current tax liability	34.a	834,937,333	636,051,682
Provision for WPPF and Welfare Fund	42.a	317,276,646	110,303,052
Lease liabilities- current portion	44.00	27,618,291	23,693,019
Other liabilities	43.a	313,225,843	167,799,986
Unclaimed dividend account	45.00	4,820,032	3,959,148
Total current liabilities		37,600,130,373	41,913,563,739
Total liabilities		42,446,935,686	50,082,733,377
Total equity and liabilities		80,532,912,742	81,489,176,227
Net Assets Value (NAV) per share	15.a	127.56	99.89

Footnotes:

The accompanying notes form an integral part of these financial statements.

A. Qasem & Co.
Chartered Accountants
RJSC Firm Registration Number: 2-PC7202

Md. Johirul Islam FCA
Partner
Enrolment Number: 1257
DVC: 2110251257AS749528

Place: Chattogram
Dated: 25 OCT 2021



Aamer Alhussain
Managing Director

Zohair Taherali
Director

Shekhar Ranjan Kar FCA
Company Secretary

Consolidated statement of profit or loss and other comprehensive income

Bangladesh Steel Re-Rolling Mills Limited
For the year ended 30 June, 2021

	Note	2021 BDT	2020 BDT
Revenue	5.a	59,905,904,343	48,194,730,492
Cost of sales	6.a	(52,806,200,371)	(42,016,475,784)
Gross profit		7,099,703,972	6,178,254,708
Selling and distribution costs	7.a	(1,080,878,244)	(1,233,455,818)
Administrative costs	8.a	(564,833,375)	(588,616,831)
Other operating income	9.a	11,524,981	27,454,639
Operating profit		5,465,517,333	4,383,636,698
Finance costs	10.a	(784,519,817)	(2,346,738,524)
Finance income	11.a	72,947,851	107,957,572
Net finance costs		(711,571,966)	(2,238,780,952)
Non-operating income	12.a	54,792,911	64,367,226
Profit before WPPF and Welfare Fund		4,808,738,279	2,209,222,972
Contribution to WPPF and Welfare Fund	42.01.a	(254,551,352)	(110,303,052)
Share of profit of equity accounted investee, net of tax	13.03	950,337,483	231,504,243
Profit before tax		5,504,524,410	2,330,424,163
Income tax expenses/benefits			
Current Tax	35.a	(486,130,927)	(834,834,689)
Deferred Tax	36.a	(48,030,618)	(250,094,992)
Profit after tax		4,970,362,865	1,245,494,483
Profit attributable to:			
Equity holders of the company		4,970,362,865	921,840,741
Non-controlling interests		-	323,653,742
		4,970,362,865	1,245,494,483
Other comprehensive income			
Other comprehensive income that may be reclassified to profit or loss in subsequent periods (net of tax) :			
Exchange differences on translation of foreign operations		145,860	(2,542,148)
		145,860	(2,542,148)
Other comprehensive income that will not be reclassified to profit or loss in subsequent periods (net of tax) :			
Fair value reserve on financial assets (net of tax)		414,531,335	-
Actuarial gain/(loss) on defined benefit plans (net of tax)		-	(6,497,166)
Actuarial gain/(loss) on defined benefit plans- net of tax (Associate's portion)		-	(473,233)
		414,531,335	(6,970,399)
Other comprehensive income/ (loss) for the year, net of tax		414,677,195	(9,512,547)
Total comprehensive income for the year, net of tax		5,385,040,060	1,235,981,936
Total comprehensive income attributable to:			
Equity holders of the company		5,385,040,060	912,328,194
Non-controlling interests		-	323,653,742
		5,385,040,060	1,235,981,936
Earnings per share			
Basic earnings per share (Taka)	14.a	18.96	3.90

Footnotes:

The accompanying notes form an integral part of these financial statements.

A. Qasem & Co.
Chartered Accountants
RJSC Firm Registration Number: 2-PC7202

Md. Johirul Islam FCA

Partner

Enrolment Number: 1257

DVC: 2110251257AS749528



Aameir Al-Hussain
Managing Director

Zohair Taberati
Director

Shekhar Ranjan Kar FCA
Company Secretary

Place: Chattogram

Dated : 25 OCT 2021

Consolidated Statement of Changes in equity

Bangladesh Steel Re-Rolling Mills Limited
For the year ended 30 June, 2021

	Share capital	Share premium	Fair Value Reserve	General reserve	Revaluation reserve	Retained earnings	Total	Non-controlling interests	Total
Balance at 1 July 2019	2,360,682,360	511,970,250	-	30,170,818	12,151,476,722	7,953,071,846	23,007,371,996	7,501,147,279	30,508,519,275
10% cash dividend paid for 2019	-	-	-	-	-	(261,055,360)	(261,055,360)	-	(261,055,360)
Transfer against difference in depreciation between cost and revalued amount	-	-	-	-	(21,093,800)	28,125,037	7,031,267	-	7,031,267
Transfer of Deferred Tax to Retained Earnings by the equity accounted	-	-	-	-	-	1,346,787	1,346,787	-	1,346,787
Investees due to excess depreciation between cost and revalued model	-	-	-	-	-	(2,542,148)	(2,542,148)	-	(2,542,148)
Exchange differences on translation of foreign operations	-	-	-	-	-	(85,381,057)	(85,381,057)	-	(85,381,057)
Dividend paid by BSRM Steels Limited adjusted against Retained earnings	-	-	-	-	-	(6,497,166)	(6,497,166)	-	(6,497,166)
Actual gain/(loss) on defined benefit plans (net of tax)	-	-	-	-	-	(473,233)	(473,233)	-	(473,233)
Actuarial gain/(loss) on defined benefit plans-net of tax (Associate's portion)	-	-	-	-	-	921,840,741	921,840,741	323,653,742	1,245,494,483
Profit after tax for the year	-	-	-	-	-	-	-	-	-
Balance at 30 June 2020	2,360,682,360	511,970,250	-	30,170,818	12,130,382,922	8,548,435,477	23,551,641,827	7,824,801,021	31,406,442,848
Balance at 1 July 2020	2,360,682,360	511,970,250	-	30,170,818	12,130,382,922	8,548,435,477	23,581,641,827	7,824,801,021	31,406,442,848
Transfer of BSRM Steel Mills Ltd Balance as on 01 Feb 2021	-	-	-	-	8,220,573,719	2,782,073,767	11,002,647,486	-	11,002,647,486
Issue of Shares due to Merger	625,163,900	-	-	-	-	-	625,163,900	-	625,163,900
Share Premium due to Merger	-	1,545,544,100	-	-	-	-	1,545,544,100	-	1,545,544,100
Adjustment of subsidiary company's profit up June 2020	-	-	-	-	-	(1,796,131,696)	(1,796,131,696)	-	(1,796,131,696)
Opening non-controlling balance adjustment	-	-	-	-	-	-	-	8,851,191	8,851,191
Adjustment for Unabsorbed Depreciation arisen due to merger	-	-	-	-	-	774,657,906	774,657,906	-	774,657,906
Adjustment Against BSRM SML Portion for Merger	-	-	-	-	(2,830,956,955)	804,679,539	(2,026,277,416)	(7,833,652,212)	(9,859,929,629)
Adjustment against share of Revaluation Reserve of Associate due to merger	-	-	-	-	(423,134,484)	-	(423,134,484)	-	(423,134,484)
Fair Value Reserve on Financial Assets of BSL	-	-	414,531,335	-	-	-	414,531,335	-	414,531,335
Annual cash dividend paid @15% for 2020	-	-	-	-	-	(354,102,354)	(354,102,354)	-	(354,102,354)
Interim cash dividend @10% for 2020-21	-	-	-	-	-	(236,068,236)	(236,068,236)	-	(236,068,236)
Exchange differences on translation of foreign operations	-	-	-	-	-	145,860	145,860	-	145,860
Transfer against difference in depreciation between cost and revalued amount	-	-	-	-	(20,130,914)	25,975,374	5,844,460	-	5,844,460
Transfer of Deferred Tax to retained earnings by the equity accounted	-	-	-	-	-	1,151,503	1,151,503	-	1,151,503
Investees due to excess depreciation between cost and revalued model	-	-	-	-	-	4,970,362,865	4,970,362,865	-	4,970,362,865
Profit after tax for the year	-	-	-	-	-	-	-	-	-
Revaluation of property, plant and equipment of subsidiary	-	-	-	-	-	-	-	-	-
Balance at 30 June 2021	2,985,846,260	2,057,514,350	414,531,335	30,170,818	17,076,734,288	15,521,180,004	38,085,977,055	-	38,085,977,055

Footnotes:

The accompanying notes form an integral part of these financial statements.

A. Qasem & Co.

Chartered Accountants

RJSC Firm Registration Number: 2-PC7202

Md. Johirul Islam FCA

Partner

Enrolment Number: 1257

DVC: 21102519257AS749528

Place: Chattogram

Dated : 25 OCT 2021

Zohair Taberzai
Director

Ashrair Ahmussain
Managing Director

Shekhar Ranjan Kar FCA
Company Secretary

Consolidated statement of cash flows

Bangladesh Steel Re-Rolling Mills Limited
For the year ended 30 June, 2021

	Note	2021 BDT	2020 BDT
Cash flows from operating activities			
Cash receipts from customers		59,263,732,243	74,270,543,775
Cash payments to suppliers and employees		(49,332,677,702)	(65,208,651,937)
Income tax paid		(549,952,337)	(2,178,458,719)
Interest paid		(639,772,146)	(1,205,612,604)
Net cash from/(used in) operating activities		8,741,330,058	5,677,820,515
Cash flows from investing activities			
Acquisition of property, plant and equipment		(78,052,894)	(538,302,593)
Addition to capital work-in-progress		(1,198,224,289)	(863,331,816)
Disposal of property, plant and equipment		10,886,680	11,537,839
Dividend income		293,133,975	375,000
Investment at BMS Steel Ltd (JV)		-	(3,825,000)
Increase/ (Decrease) in short term investments		(654,138,668)	397,937,440
Net cash from/(used in) investing activities		(1,626,395,195)	(995,609,130)
Cash flows from financing activities			
(Repayments) / Receipts of long term Loans		(3,338,248,412)	(3,803,030,709)
Dividend Paid		(585,350,558)	(261,055,360)
Lease payment	44.00	(26,287,073)	(19,919,381)
Short Term Borrowings/repayment		3,203,711,709	(4,617,316,127)
Loan to/ from Related Companies		(5,009,947,887)	3,495,881,888
Net cash from/(used in) financing activities		(5,756,122,221)	(5,205,439,689)
Net (decrease)/ increase in cash and cash equivalents		1,358,812,641	(523,228,304)
Cash and cash equivalents at 01 July		261,944,191	784,729,225
Adjustment of Cash and Cash equivalents due to merger		(23,618,287)	-
Effect of movements in exchange rates on cash and cash equivalents held		1,045,131	443,269
Cash and cash equivalents at 30 June	28.a	1,598,183,676	261,944,191
Net Operating Cash flow per share	16.a	29.28	24.05

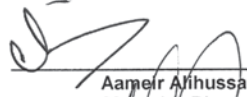
A. Qasem & Co.
Chartered Accountants
RJSC Firm Registration Number: 2-PC7202



Md. Johirul Islam FCA
Partner


Enrolment Number: 1257
DVC: 2110251257AS749528

Place: Chattogram
Dated : 25 OCT 2021




Aamer Alihussain
Managing Director


Zohair Taberati
Director



Shekhar Ranjan Kar FCA
Company Secretary

Statement of financial position

Bangladesh Steel Re-Rolling Mills Limited
As at 30 June, 2021

	Notes	2021 BDT	2020 BDT
Assets:			
Non-current assets			
Property, plant and equipment	18.00	38,630,370,632	15,938,417,359
Capital work-in-progress	19.00	1,295,288,934	267,408,809
Right-of-use assets	44.00	102,089,943	104,354,825
Intangible assets	20.00	21,212,828	15,030,379
Investment in subsidiaries and associate	21.00	7,332,328,183	13,073,131,183
Other investments	22.00	164,500,300	1,000,300
Total non-current assets		47,545,790,820	29,399,342,855
Current assets			
Short term investments	23.00	1,947,709,647	558,883,575
Inventories	24.00	14,710,197,317	9,853,143,743
Trade and other receivables	25.00	4,526,507,802	3,346,575,433
Current account with related companies	26.00	3,200,940,893	1,651,039,056
Advances and deposits	27.00	7,025,537,822	2,015,080,837
Cash and cash equivalents	28.00	1,575,195,160	226,554,453
Total Current assets		32,986,088,641	17,651,277,097
Total assets		80,531,879,462	47,050,619,953
Equity and liabilities:			
Shareholder's equity			
Share capital	29.00	2,985,846,260	2,360,682,360
Share premium	30.00	2,057,514,350	511,970,250
General reserve	31.01	30,170,818	30,170,818
Revaluation reserve	31.02	17,076,734,286	12,130,382,920
Fair value reserve		414,531,335	-
Retained earnings		15,521,180,006	8,548,435,479
Total Equity		38,085,977,055	23,581,641,827
Non-current liabilities			
Long term borrowings- non-current portion	32.00	728,339,400	2,323,136,465
Defined benefit obligations- gratuity	33.00	366,317,421	259,300,000
Lease liabilities- non-current portion	44.00	81,934,096	84,781,021
Deferred tax liability	36.00	3,670,214,397	2,676,575,321
Total non-current liabilities		4,846,805,314	5,343,792,807
Current liabilities			
Trade payables	37.00	474,552,412	5,547,228,084
Short term borrowings	38.01	32,537,442,420	9,332,878,052
Long term borrowings of Current portion	38.02	1,294,202,615	2,008,394,290
Current account with related companies	39.00	-	4,945,797
Contract liabilities	40.00	646,725,298	249,860,229
Liabilities for expenses	41.00	1,149,136,050	671,402,821
Provision for income tax	34.00	834,097,486	86,980,212
Provision for WPPF and Welfare Fund	42.00	317,276,646	43,476,238
Lease liabilities- current portion	44.00	27,618,290	23,693,019
Other liabilities	43.00	313,225,843	152,367,429
Unclaimed dividend account	45.00	4,820,032	3,959,148
Total current liabilities		37,599,097,092	18,125,185,319
Total liabilities		42,445,902,406	23,468,978,126
Total equity and liabilities		80,531,879,462	47,050,619,953
Net Assets Value (NAV) per share	15.00	127.56	99.89

Footnotes:

The accompanying notes form an integral part of these financial statements.

A. Qasem & Co.
Chartered Accountants
RJSC Firm Registration Number: 2-PC7202

Md. Johirul Islam FCA
Partner
Enrolment Number: 1257
DVC: 2110251257AS749528

Place: Chattogram
Dated: 25 OCT 2021



Aameir Aihussain
Managing Director

Zohair Taherali
Director

Shekhar Ranjan Kar FCA
Company Secretary

Statement of profit or loss and other comprehensive income

Bangladesh Steel Re-Rolling Mills Limited
For the year ended 30 June, 2021

	Note	2021 BDT	2020 BDT
Revenue	5.00	59,875,852,466	45,722,355,688
Cost of Sales	6.00	(52,778,622,860)	(42,048,067,068)
Gross profit		7,097,229,606	3,674,288,620
Selling and distribution costs	7.00	(1,080,878,244)	(1,223,320,504)
Administrative costs	8.00	(550,150,219)	(419,390,443)
Other operating income	9.00	11,524,981	27,454,639
Operating profit		5,477,726,124	2,059,032,312
Finance costs	10.00	(783,209,274)	(1,228,909,939)
Finance income	11.00	72,947,851	23,297,335
Net finance cost		(710,261,423)	(1,205,612,604)
Non-operating income	12.00	30,428,372	16,105,053
Profit before WPPF and Welfare Fund		4,797,893,073	869,524,761
Contribution to WPPF and Welfare Fund	42.01	(254,551,352)	(43,476,238)
Share of profit of equity accounted investees, net of tax	13.00	960,517,273	509,569,502
Profit before tax		5,503,858,994	1,335,618,025
Income tax expenses/benefits			
Current Tax	35.00	(485,465,510)	(287,507,544)
Deferred Tax	36.00	(48,030,618)	(126,269,740)
Profit after tax		4,970,362,865	921,840,741
Other comprehensive income			
Other comprehensive income that may be reclassified to profit or loss in subsequent periods (net of tax) :			
Exchange differences on translation of foreign operations		145,860	(2,542,148)
		145,860	(2,542,148)
Other comprehensive income that will not be reclassified to profit or loss in subsequent periods (net of tax) :			
Fair value reserve on financial assets (net of tax)		414,531,335	-
Actuarial gain/(loss) on defined benefit plans (net of tax)		-	(6,497,166)
Actuarial gain/(loss) on defined benefit plans-net of tax (Associate's portion)		-	(473,233)
		414,531,335	(6,970,399)
Other comprehensive income/ (loss) for the year, net of tax		414,677,195	(9,512,547)
Total comprehensive income for the year, net of tax		5,385,040,060	912,328,194
Earnings per share			
Basic earnings per share (Taka)	14.01	18.96	3.90

Footnotes:

The accompanying notes form an integral part of these financial statements.

A. Qasem & Co.

Chartered Accountants
RJSC Firm Registration Number: 2-PC7202

Md. Johirul Islam FCA
Partner

Enrolment Number: 1257

DVC: 211025125746749528

Place: Chattogram

Dated :

25 OCT 2021



Aamer Alirussain
Managing Director

Zohair Zaherati
Director

Shekhar Ranjan Kar FCA
Company Secretary

Statement of changes in equity

Bangladesh Steel Re-Rolling Mills Limited
For the year ended 30 June, 2021

Particulars	Share capital	Share premium	Fair Value Reserve	General reserve	Revaluation reserve	Retained earnings	Total
Balance at 1 July 2019	2,360,682,360	511,970,250	-	30,170,818	12,151,476,720	7,953,071,848	23,007,371,996
10% cash dividend paid for 2019	-	-	-	-	-	(261,055,360)	(261,055,360)
Transfer against difference in depreciation between cost and revalued amount	-	-	-	-	-	28,125,067	7,031,267
Transfer of Deferred Tax to Retained Earnings by the equity accounted investees due to excess depreciation between cost and revalued model	-	-	-	-	(21,093,800)	1,346,787	1,346,787
Exchange differences on translation of foreign operations	-	-	-	-	-	(2,542,148)	(2,542,148)
Dividend paid by BSRM Steels Limited adjusted against Retained earnings	-	-	-	-	-	(85,381,057)	(85,381,057)
Actuarial gain/(loss) on defined benefit plans (net of tax)	-	-	-	-	-	(6,497,166)	(6,497,166)
Actuarial gain/(loss) on defined benefit plans-net of tax (Associate's portion)	-	-	-	-	-	(473,233)	(473,233)
Profit after tax for the year	-	-	-	-	-	921,840,741	921,840,741
Balance as at 30 June 2020	2,360,682,360	511,970,250	-	30,170,818	12,130,382,920	8,548,435,479	23,581,641,827
Balance at 1 July 2020	2,360,682,360	511,970,250	-	30,170,818	12,130,382,920	8,548,435,479	23,581,641,827
Transfer of BSRM Steel Mills Ltd Balance as on 1 Feb 2021 due to Merger	-	-	-	-	8,220,573,719	2,782,073,767	11,002,647,486
Issue of Shares due to Merger	625,163,900	-	-	-	-	-	625,163,900
Share Premium due to Merger	-	1,545,544,100	-	-	-	-	1,545,544,100
Adjustment of subsidiary company's profit upto June 2020	-	-	-	-	-	(1,796,131,696)	(1,796,131,696)
Adjustment for Unabsorbed Depreciation arisen due to merger	-	-	-	-	-	774,657,906	774,657,906
Adjustment Against BSRM SML Portion for Merger	-	-	-	-	(2,830,956,955)	804,679,539	(2,026,277,416)
Adjustment against share of Revaluation Reserve of Associate (BSL) due to merger	-	-	-	-	(423,134,484)	-	(423,134,484)
Fair Value Reserve on Financial Assets of BSL	-	-	414,531,335	-	-	-	414,531,335
Annual cash dividend paid @15% for 2020	-	-	-	-	-	(354,102,354)	(354,102,354)
Interim cash dividend @10% for 2020-21	-	-	-	-	-	(236,068,236)	(236,068,236)
Exchange differences on translation of foreign operations	-	-	-	-	-	145,860	145,860
Transfer against difference in depreciation between cost and revalued amount	-	-	-	-	(20,130,914)	25,975,374	5,844,460
Transfer of Deferred Tax to Retained Earnings by the equity accounted investees due to excess depreciation between cost and revalued model	-	-	-	-	-	1,151,503	1,151,503
Profit after tax for the year	-	-	-	-	-	4,970,362,865	4,970,362,865
Balance as at 30 June, 2021	2,985,846,260	2,057,514,350	414,531,335	30,170,818	17,076,734,286	15,521,180,006	38,085,977,055

Footnotes:

The accompanying notes form an integral part of these financial statements.

A. Qasem & Co.
Chartered Accountants
RJSC Firm Registration Number: 2-PC7202

Aameir Alijossain
Managing Director

Zohair Zaheralli
Director

Md. Johurul Islam FCA
Partner

Enrolment Number: 1257

DVC: 2110251257AS 749528



Place: Chattogram

Dated :

25 OCT 2021

Shekhar Ranjan Kar FCA
Company Secretary

Bangladesh Steel Re-Rolling Mills Limited

Statement of cash flows For the year ended 30 June, 2021

Note	2021 BDT	2020 BDT
Cash flows from operating activities		
Cash receipts from customers	59,208,451,443	45,694,322,545
Cash payments to suppliers, employees and advance tax	(49,289,647,243)	(34,732,516,858)
Income tax paid	(549,952,337)	(201,754,781)
Interest paid	(638,461,603)	(1,205,612,604)
Net cash from operating activities	8,730,390,260	9,554,438,302
Cash flows from investing activities		
Acquisition of Property, plant and equipment	(78,052,894)	(390,816,671)
Addition of capital work-in-progress	(1,198,224,289)	(592,111,326)
Disposal of Property, plant and equipment	10,886,680	11,537,839
Dividend income	293,133,975	-
Investment at BMS Steel Ltd (JV)	-	(3,825,000)
Increase/ (Decrease) in investments	(654,138,668)	(296,275,314)
Net cash used in investing activities	(1,626,395,195)	(1,271,490,472)
Cash flows from financing activities		
(Repayment) / Receipt of Long term loans	(3,338,248,412)	(1,497,364,026)
Dividend paid	(585,350,558)	(261,055,360)
Lease rent payment	(26,287,073)	(19,919,381)
Receipt/(Repayment) of short term borrowings	3,203,434,444	(115,750,864)
Loan to/from related Companies	(5,009,947,887)	(6,924,300,143)
Net cash from financing activities	(5,756,399,486)	(8,818,389,773)
Net increase/(decrease) in cash and cash equivalent	1,347,595,576	(535,441,943)
Cash and cash equivalents at 01 July	226,554,453	761,556,711
Effect of movements in exchange rates on cash and cash equivalents held	1,045,132	439,685
Cash and cash equivalents at 30 June	1,575,195,160	226,554,453
Net Operating Cash flow per share	29.24	40.47


A. Qasem & Co.
Chartered Accountants
RJSC Firm Registration Number: 2-PC7202


Md. Johirul Islam FCA
Partner
Enrolment Number: 1257
DVC: 2110251257AS 749528

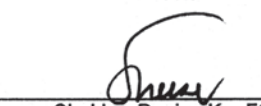
Place: Chattogram
Dated :

25 OCT 2021




Kameir Anhusain
Managing Director


Zohair Taberati
Director


Shekhar Ranjan Kar FCA
Company Secretary

Notes to the Financial Statements

Bangladesh Steel Re-Rolling Mills Limited

1 Reporting entity

A. Legal form of the entity

Bangladesh Steel Re-Rolling Mills Limited is a public company limited by shares is domiciled in Bangladesh. The company was formed and incorporated with the Registrar of Joint Stock Companies and Firms in Bangladesh on 28 December 1960 vide the certificate C/186-No. 1491/92 E.P. of 1960-1961 under Companies Act 1913 (since repealed and substituted by the Companies Act 1994) as a private company limited by share. The company was converted into a public limited company on 03 November 2009 under the Companies Act 1994. The company is listed with Dhaka Stock Exchange Limited (DSE) and Chittagong Stock Exchange Limited (CSE) as a publicly quoted company. Trading of the shares of the company started in two stock exchanges from 27 April 2015.

The company has set up its Re-Rolling Mill and Steel Melting Workshop (SMW previously known as Meghna Engineering Works Limited) at 147/148/149 and 78/79 Baizid Bostami Road, Nasirabad Industrial Area, Chattogram, Bangladesh respectively and commenced commercial production from 1987 after first BMRE. The principal place of business is located at Ali Mansion, 1207/1099, Sadarghat Road, Chattogram, Bangladesh.

The Honourable High Court Division of Supreme Court of Bangladesh has approved the amalgamation of BSRM Steel Mills Limited with Bangladesh Steel Re-Rolling Mills Limited on 15 December 2020, upon application under section 228 and 229 of the Companies Act 1994.

After receiving the approval from The Honourable High Court Division of Supreme Court of Bangladesh and order from the Registrar of Joint Stock Companies and Firms, the Board has decided to merge both the Company's books of account with effect from 1 February, 2021.

Nature of the business

The main activity of the company is to manufacture M.S. products by setting up rolling and re-rolling mills.

M.S. billets are manufactured from scraps and sponge iron etc. at Steel Melting Works (SMW) and BSML and these billets are re-rolled in the next step at Re-Rolling Mills to manufacture M.S. products. The company also deals in sale of M.S. products like Angle, Channel, I-Beam, H-Beam and Ingot etc.

B. Branch office of the company

The company is maintaining branch offices at Kolkata & Agartala, India with approval from Reserve Bank of India vide letter no Ref: FC.CO.FID/455/10.83.493/2014 Dated 28 October 2014 and FE.CO.FID/1707/10.83.493/2014-15 Dated April 24, 2015 respectively. The branch offices are allowed to enjoy short term against SBDC as approved by Bangladesh Bank vide letter Ref No-FEPD(Import policy)/117/2015-11287 Dated December 30, 2015 which was renewed on December 14, 2016 vide their letter Ref: FEPD (Import policy)/117/2016/10636. Kolkata Branch office is now doing business of export/import.

C. BSRM (Hong Kong) Limited- subsidiary

BSRM (Hong Kong) Limited was incorporated on 30 May 2018 in Hong Kong as a private company limited by shares. Registered office of the company is in Hong Kong. The company has share capital of HKD 1 (1 share) which is owned by Bangladesh Steel Re-Rolling Mills Limited.

D. BSRM Steels Limited- associate

BSRM Steels Limited was incorporated on 20 July 2002, vide the certificate C-No. 4392 of 2002 as a private limited company under Companies Act 1994. The company was converted to a public limited company on 20 December 2006. The company is listed with Dhaka Stock Exchange Limited and Chittagong Stock Exchange Limited as a publicly quoted company. Trading of the shares of the company started in two stock exchanges from 18 January 2009. Bangladesh Steel Re-Rolling Mills Limited directly holds 31.19% of ordinary shares in BSRM Steels Limited.

The main objective of BSRM Steels Limited is to manufacture M.S. products by setting up rolling and re-rolling mills. The company has set up its Rolling mill at 4, Fouzderhat Industrial Estate, Latifpur, Sitakunda, Chattogram and commenced commercial production from 01 April 2008.



Notes to the Financial Statements (Continued)

The Honorable High Court Division of Supreme Court of Bangladesh has approved the amalgamation of BSRM Iron & Steel Co. Ltd. (BISCO) with BSRM Steels Limited on 03 August 2017 and after receiving the approval from the Honorable High Court Division of Supreme Court of Bangladesh and order from the Registrar of Joint Stock Companies and Firms, the Board of Directors of BSRM Steels Limited has taken decision to effect the amalgamation from 01 October 2017 and accordingly as per provision of section 228 and 229 of the Companies Act 1994 by transferring all assets and liabilities of BSRM Iron & Steel Co. Ltd. to BSRM Steels Limited.

A new melting unit, located at Mirsharai, Chattogram has started its commercial production of billet on April 16, 2019. This new unit is supplying Billet to the rolling unit of BSRM Steels Limited. The annual production capacity of this plant is 450,000 MT.

E. BMS Steel Limited - Joint Venture Company

BMS Steel Limited was incorporated on 18 December 2018 in Kenya as a private limited company. Registered office of the company is in Nairobi, Kenya. The company has share capital of KES 3,000,000,000 (3,000,000 share) out of which 100 ordinary shares had been issued initially. The parties to the JV company are Bangladesh Steel Re-Rolling Mills Limited (holding 18%), Vortex Investments Limited (holding 22%), MMD Steel Limited (holding 30%), and Safal Investments (Mauritius) Limited (holding 30%). The company is yet to commence operation. Later on, the company issued 14,900 numbers of shares on pro-rata basis.

2 Basis of accounting

A. Statement of compliance

The consolidated 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 direct method as prescribed by the Securities and Exchange Rules 1987.

The consolidated financial statements have been prepared on a historical cost basis, except for financial assets and contingent consideration that have been measured at fair value where applicable. The financial statements provide comparative information in respect of the previous period and have been prepared on going concern basis.

B. Basis of Consolidation

The consolidated financial statements comprise the financial statements of the company and its subsidiaries as at 30 June 2021. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if, and only if, the Group has:

Power over the investee (i.e., existing rights that give it the current ability to direct the relevant activities of the investee)

- Exposure, or rights, to variable returns from its involvement with the investee
- The ability to use its power over the investee to affect its returns

Profit or loss and each component of OCI are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group's accounting policies. All intra-Group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

C. Other regulatory compliances

The Group entities are also required to comply with the following major laws and regulations along with the Companies Act 1994:

- i) The Income Tax Ordinance, 1984
- ii) The Income Tax Rules, 1984
- iii) The Value Added Tax and Supplementary Duty Act, 2012
- iv) The Value Added Tax and Supplementary Duty Rules, 2016
- v) The Customs Act, 1969
- vi) Bangladesh Labour Law, 2006
- vii) The Securities and Exchange Ordinance, 1969
- viii) The Securities and Exchange Rules, 1987
- ix) The Financial Reporting Act 2015



Notes to the Financial Statements (Continued)

D. Basis of measurement

These consolidated financial statements have been prepared on going concern basis under the historical cost convention except for some classes of property, plant and equipment which are measured at revalued amount.

E. Going concern

The Group and the Company have adequate resources to continue operation in foreseeable future (except otherwise stated). For this reason, management continues to adopt going concern basis in preparing the financial statements. The current revenue generations and resources of the Group and the Company provide sufficient fund to meet the present requirements of existing business and operations.

F. Reporting period

The separate financial statements of the company and the consolidated financial statements of the group cover twelve months from 1 July 2020 to 30 June 2021 and is followed consistently.

G. Authorization for issue

These consolidated financial statements for the year ended 30 June, 2021 have been authorized for issue by the Board of Directors on 23 October 2021.

H. Consistency

Unless otherwise stated, the accounting policies and methods of computation used in preparation of the financial statements as at and for the year ended 30 June 2021 are consistent with those policies and methods adopted in preparing the financial statements as at and for the year ended 30 June 2020.

I. Comparative information

Comparative information has been disclosed in respect of 2020 in accordance with IAS 1: Presentation of Financial Statements, for all numeric information in the financial statements and also the narrative and descriptive information where it is relevant for understanding of the current period's financial statements. Prior year's figures have been rearranged wherever considered necessary to ensure comparability with the current year.

Significant deviation against last year's comparative figures in the Statement of Financial Position, Statement of profit and loss and other comprehensive income and Statement of cash flow has risen due to merger of BSRM Steel Mills Limited with the company which came in to effect on 1 February, 2021.

J. Functional and presentation currency

These financial statements are prepared in Bangladesh Taka, which is the functional currency of the Group and the Company. All financial information presented in Taka has been rounded off to the nearest integer except when otherwise indicated.

K. Current versus non-current classification

The Group and the Company presents assets and liabilities in the statement of financial position based on current/non-current classification.

An asset is current when it is:

- a. expected to be realized or intended to be sold or consumed in the normal operating cycle,
 - b. held primarily for the purpose of trading,
 - c. expected to be realized within twelve months after the reporting period
- Or
- d. cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

The Company classifies all other assets as non-current.

A liability is current when:

- a. it is expected to be settled in the normal operating cycle,
- b. it is held primarily for the purpose of trading,
- c. it is due to be settled within twelve months after the reporting period and
- d. there is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Group and the Company classifies all other liabilities as non-current. Deferred tax assets and liabilities are classified as non-current assets and liabilities respectively.



Notes to the Financial Statements (Continued)

3 Use of estimates and judgements

In preparing these consolidated and separate financial statements, management has made judgements and estimates that affect the application of the Group's accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognized prospectively.

Judgements, assumptions and estimation uncertainties

Information about judgements made in applying accounting policies and assumptions and estimation uncertainties that have the most significant effects on the amounts recognized in the financial statements is included in the following notes:

Note	18.00	Property, plant and equipment
Note	20.00	Intangible assets
Note	24.00	Inventories
Note	25.00	Trade and other receivables
Note	33.00	Defined benefit obligations-gratuity
Note	35.00	Current tax expenses
Note	36.00	Deferred tax liability
Note	43.00	Other liabilities
Note	44.00	Lease
Note	47.00	Contingent liabilities

Measurement of fair values

A number of the Group's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

The Group has an established control framework with respect to the measurement of fair values. This includes a valuation team that has overall responsibility for overseeing all significant fair value measurements, including Level 3 fair values, and reports directly to the Chief Financial Officer. The valuation team regularly reviews significant unobservable inputs and valuation adjustments.

Significant valuation issues are reported to the Group's Audit Committee.

When measuring the fair value of an asset or a liability, the entity uses market observable data as far as possible. Fair values are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows.

Level 1: Quoted prices (unadjusted) in active markets for identical assets and liabilities.

Level 2: Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: Inputs for the assets or liabilities that are not based on observable market data.

If the inputs used to measure the fair value of an asset or liability might be categorized in different levels of the fair value hierarchy as the lowest level input that is significant to the entire measurement.



Notes to the Financial Statements (Continued)

4 Summary of significant accounting policies

The specific accounting policies selected and applied by the Group's management for significant transactions and events that have material effect within the framework of IAS 1 "Presentation of Financial Statements", in preparation and presentation of financial statements have been consistently applied throughout the year and were also consistent with those used in earlier years, except otherwise stated.

For a proper understanding of the financial statements, these accounting policies are set out below in one place as prescribed by the IAS 1 "Presentation of Financial Statements". The recommendations of IAS-1 relating to the format of financial statements were also taken into full consideration for fair presentation.

Set out below is an index of the significant accounting policies, the details of which are available on the following:

- A. Basis of consolidation and disclosure of interest in other entities
- B. Foreign currency
- C. Consistency
- D. Property, plant and equipment
- E. Capital work-in-progress
- F. Intangible assets
- G. Inventories
- H. Investment in subsidiary and associate
- I. Financial assets
- J. Financial liabilities
- K. Impairment
- L. Cash flow statement
- M. Provisions, contingent liabilities and contingent assets
- N. Borrowing costs
- O. Taxation
- P. Share capital
- Q. Employee benefits
- R. Revenue recognition
- S. Finance income and costs
- T. Other operating income
- U. Earnings per share (EPS)
- V. Duty drawback
- W. Measurement of fair values
- X. Events after the reporting period
- Y. Leases
- Z. Segment reporting

A. Basis of consolidation and disclosure of interest in other entities

i. *Business combinations*

The Group accounts for business combinations using the acquisition method when the acquired set of activities and assets meets the definition of a business and control is transferred to the Group. In determining whether a particular set of activities and assets is a business, the Group assesses whether the set of assets and activities acquired includes, at a minimum, an input and substantive process and whether the acquired set has the ability to produce outputs.

The Group has an option to apply a 'concentration test' that permits a simplified assessment of whether an acquired set of activities and assets is not a business. The optional concentration test is met if substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or group of similar identifiable assets.

The consideration transferred in the acquisition is generally measured at fair value, as are the identifiable net assets acquired. Any goodwill that arises is tested annually for impairment. Any gain on a bargain purchase is recognised in profit or loss immediately. Transaction costs are expensed as incurred, except if related to the issue of debt or equity securities.

The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts are generally recognised in profit or loss.

Any contingent consideration is measured at fair value at the date of acquisition. If an obligation to pay contingent consideration that meets the definition of a financial instrument is classified as equity, then it is not remeasured and settlement is accounted for within equity. Otherwise, other contingent consideration is remeasured at fair value at each reporting date and subsequent changes in the fair value of the contingent consideration are recognised in profit or loss.



Notes to the Financial Statements (Continued)

If share-based payment awards (replacement awards) are required to be exchanged for awards held by the acquiree's employees (acquiree's awards), then all or a portion of the amount of the acquirer's replacement awards is included in measuring the consideration transferred in the business combination. This determination is based on the market-based measure of the replacement awards compared with the market-based measure of the acquiree's awards and the extent to which the replacement awards relate to pre-combination service.

ii. **Subsidiaries**

Subsidiaries are entities controlled by the Group. The Group 'controls' an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

Subsidiary is an enterprise controlled by the parent entity. Control exists when an investor is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. The financial statements of subsidiary are included in the consolidated financial statements from the date that control commences until the date that control ceases. The consolidated financial statements have been prepared in accordance with IFRS 10: Consolidated Financial Statements.

iii. **Non-controlling interests**

NCI are measured initially at their proportionate share of the acquiree's identifiable net assets at the date of acquisition. Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

iv. **Loss of control**

When the Group loses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary, and any related NCI and other components of equity. Any resulting gain or loss is recognised in profit or loss. Any interest retained in the former subsidiary is measured at fair value when control is lost.

v. **Interests in equity-accounted investees**

The Group's interests in equity-accounted investees comprise interests in associates and a joint venture.

Associates are those entities in which the Group has significant influence, but not control or joint control, over the financial and operating policies. A joint venture is an arrangement in which the Group has joint control, whereby the Group has rights to the net assets of the arrangement, rather than rights to its assets and obligations for its liabilities.

Interests in associates and the joint venture are accounted for using the equity method. They are initially recognised at cost, which includes transaction costs. Subsequent to initial recognition, the consolidated financial statements include the Group's share of the profit or loss and OCI of equity accounted investees, until the date on which significant influence or joint control ceases.

vi. **Transactions eliminated on consolidation**

Intra-group balances and transactions, and any unrealised income and expenses (except for foreign currency transaction gains or losses) arising from intra-group transactions, are eliminated. Unrealised gains arising from transactions with equity-accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

B. **Foreign currency**

i. **Foreign currency transactions**

Foreign currency transactions are recorded in BDT at applicable rates of exchange ruling at the dates of transactions in accordance with IAS-21 "The Effects of Changes in Foreign Exchange Rates." Exchange rate difference at the statement of financial position date are charged/credited to statement of profit or loss and other comprehensive income, to the extent that this treatment does not contradict with the Schedule XI of Companies Act 1994. This Schedule requires all exchange gains and losses arising from foreign currency borrowings, taken to finance acquisition of construction of fixed assets, to be credited/ charged to the cost/value of such assets.

The financial statements are presented in BDT, which is company's functional currency. Transactions in foreign currencies are recorded in the books at the exchange rate prevailing on the date of the transaction. Monetary assets and liabilities in foreign currencies at the date of statement of financial position are translated into BDT at the exchange rate prevailing at that date. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the initial transaction. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rate at the date when the fair value was determined. Exchange differences arising on the settlement of monetary items or on translating monetary items at the end of the reporting period are recognised in profit or loss.



Notes to the Financial Statements (Continued)

When a gain or loss on a non-monetary item is recognised in other comprehensive income, any exchange component of that gain or loss shall be recognised in other comprehensive income. Conversely, when a gain or loss on a non-monetary item is recognised in profit or loss, any exchange component of that gain or loss shall be recognised in profit or

II. Foreign operations

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisition, are translated into BDT at the exchange rates at the reporting date. The income and expenses of foreign operations are translated into BDT at the exchange rates at the dates of the transactions.

Foreign currency differences are recognised in OCI and accumulated in the translation reserve, except to the extent that the translation difference is allocated to NCI.

Translation from the functional currency to the presentation currency when presentation currency other than the functional currency:

An entity may present its financial statements in any currency (or currencies). If the presentation currency differs from the entity's functional currency, it translates its results and financial position into the presentation currency.

The results and financial position of an entity whose functional currency is not the currency of a hyperinflationary economy are translated into a different presentation currency using the following procedures:

- # assets and liabilities for each balance sheet presented (including comparatives) are translated at the closing rate at the date of that statement of financial position.
- # income and expenses for each income statement (including comparatives) are translated at exchange rates at the dates of the transactions; and
- # all resulting exchange differences are recognised in other comprehensive income.

For Practical reasons, a rate that approximates the exchange rates at the dates of the transactions, for example an average rate for the period, is often used to translate income and expense items. However, if exchange rates fluctuate significantly, the use of the average rate for a period is inappropriate. The management of the company has used average rate to translate income and expense items.

The Statement of financial position of **Kolkata Branch** has been translated using the closing rate of Tk 1.1335 and the statement of profit or loss and other comprehensive income has been translated using the average rate of Tk 1.1315.

The Statement of financial position of **BSRM (Hong Kong) Limited** has been translated using the closing rate of Tk 11.0786 and the statement of profit or loss and other comprehensive income has been translated using the average rate of Tk 10.9386.

C. Consistency

Unless otherwise stated, the accounting policies and methods of computation used in preparation of Financial Statements for the period/year are consistent with those policies and methods adopted in preparing the Financial Statements for the previous year.

D. Property, plant and equipment

I. Recognition and measurement

Property, plant and equipment are stated at cost less accumulated depreciation except Land & land development and Factory Building which are carried at revalued amount, being fair values at the date of revaluation less subsequent accumulated depreciation and subsequent impairment losses, if any.

Cost includes expenditures that are directly attributable to the acquisition of an asset. The cost of self-constructed/installed assets includes the cost of materials and direct labor, any other costs directly attributable to bringing the asset to the working condition for its intended use and the cost of dismantling and removing an item and restoring the site on which they are located.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

II. 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 benefit embodied within the part will flow to the Group and its cost can be measured reliably. The costs of the day to day servicing of Property, plant and equipment are recognized in Statement of profit and loss as incurred.



Notes to the Financial Statements (Continued)

III. Depreciation

Land is held on a freehold basis and is not depreciated considering the unlimited life. In respect of all other property, plant and equipment, depreciation is recognized in statement of profit or loss and other comprehensive income on straight line method over the estimated useful lives of property, plant and equipment.

Depreciation is charged on addition when it is ready for use and no depreciation is charged in the month of disposal. The depreciation method used reflects the pattern in which the asset's economic benefits are consumed by the entity. The depreciation charge for the year is recognized as an expense unless it is included in the carrying amount of another asset.

The principal annual rates and useful lives under straight line method were as follows:

<u>Category of assets</u>	<u>Useful lives (years)</u>	<u>Rates</u>
Plant and machinery	7-25	4% - 15%
Motor vehicle	6-15	6% - 16%
Furniture and fixtures	5	20%
Office equipment	5	20%
Factory buildings	20	5%
Roads and pavements	20	5%
Computer & IT equipment	5	20%

Depreciation method, useful lives and residual values are reassessed at the reporting dates.

Upon retirement of assets, the cost and related accumulated depreciation are eliminated from the accounts and resulting gain or loss is charged or credited to statement of profit or loss and other comprehensive income.

IV. Non-current asset held for sale

Non-current assets that are highly probable to be recovered primarily through sale rather than through continuing use are classified as held for sale. Immediately before classification as held for sale the assets are remeasured in accordance with the Group's accounting policies. Thereafter, the assets are generally measured at the lower of their carrying amount and fair value less costs to sell. Impairment losses on initial classification as held for sale are recognized to revaluation reserve to the extent of revaluation surplus, in excess of revaluation surplus and subsequent gains or losses on remeasurement are recognized in the Statement of profit or loss. Gains are not recognized in excess of any cumulative impairment loss.

If criteria for an asset to be classified as held for sale are no longer met, then the asset or disposal group ceases to be held for sale.

In this case, the asset or disposal group should be valued at the lower of the carrying amount before the asset or disposal group was classified as held for sale (as adjusted for any subsequent depreciation, amortization, or revaluation) and its recoverable amount at the date of the decision not to sell.

E. Capital work-in-progress

Property, plant and equipment under construction/acquisition is accounted for and measured at cost as capital work-in-progress until construction/acquisition is completed and it is ready for use.

F. Intangible assets

I. Recognition and measurement

Intangible assets that are acquired by the Group and have finite useful lives are measured at cost less accumulated amortization and accumulated impairment losses, if any. Intangible assets are recognized when all the conditions for recognition as per IAS 38: Intangible Assets are met. The cost of an intangible asset comprises its purchase price and any directly attributable cost of preparing the asset for its intended use.

II. Subsequent costs

Subsequent expenditure is capitalized only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditures are recognized in the Statement of profit or loss as incurred.

III. Amortisation

Amortisation is recognized in profit or loss on a straight line basis over the estimated useful lives of intangible assets, from the date that they are available for use. The estimated useful lives and rates of amortization are as follows:

<u>Category of assets</u>
Oracle eBS software

<u>Useful life</u>
10 years



Notes to the Financial Statements (Continued)

G. Inventories

Nature of inventories

Inventories comprise Raw Materials (Billets and Melting Scrap), Packing Materials, Consumable Stores, Fuel and Lubricants & Finished Goods (MS Rods/Billets) etc.

Valuation of the inventories

Inventories are measured at lower of cost and net realizable value. The cost of inventories includes expenditure incurred in acquiring these inventories and bringing them to their existing location and condition in accordance with IAS 2: Inventories.

Category

Finished goods
Raw materials
Store items

Valuation

Finished goods are valued at cost or net realizable value whichever is lower.
Raw materials are valued at cost or net realizable value whichever is lower.
Based on weighted average method (Subject to impairment review).

Weighted average cost method has been used to determine the cost of inventories.

H. Investment in subsidiary and associate

Investment in subsidiary

The Group's investment in subsidiary is accounted for in the separate financial statements as per IAS 27: Separate Financial Statements' using the Equity method in accordance with IAS 28: Investment in Associates & Joint Ventures. Investment in a subsidiary is initially recognized at cost, and the carrying amount is increased or decreased to recognize the investor's share of the profit or loss of the investee after the date of acquisition. The investor's share of investee's profit or loss is recognized in the investor's profit or loss. Adjustment after the date of acquisition to the carrying amount has been made for changes in the investor's proportionate interest in the investee that arising from the revaluation of property, plant & equipment and from foreign currency translation differences. The investor's share of those changes is recognized in other comprehensive income of the investor.

The excess of company's share of net assets' value over cost of investment is recognized in Statement of profit or loss as per provision of IAS 28: Investment in Associates & Joint Ventures.

Investment in associate

The Group's investment in associates is accounted for in the financial statements using the Equity method in accordance with IAS 28: Investment in Associates & Joint Ventures. Significant influence over an investee (associate) BSRM Steels Limited is presumed to exist in accordance with IAS 28.5-28.9. Investment in an associate is initially recognized at cost, and the carrying amount is increased or decreased to recognize the investor's share of the profit or loss of the investee after the date of acquisition. The investor's share of investee's profit or loss is recognized in the investor's profit or loss. Adjustment after the date of acquisition to the carrying amount has been made for changes in the investor's proportionate interest in the investee that arising from the revaluation of property, plant & equipment and from foreign currency translation differences. The investor's share of those changes is recognized in other comprehensive income of the investor.

The excess of Group's share of net assets' value of associate over cost of investment is recognized in profit or loss as share of associate's profit or loss during acquisition period as per provision of IAS 28.

I. Financial assets

The Group recognizes and measures financial assets as per IFRS 9: Financial Instruments.

The Group initially recognizes loans and receivables and deposits on the date that they are originated. All other financial assets are recognized initially on the trade date, which is the date the Group becomes a party to the contractual provisions of the instrument.

The group derecognizes a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred.

Financial assets include Short term investments; Trade and other receivables; Advances, deposits and prepayments; Loan to related companies and Cash and bank balances etc.

I. Trade and Other Receivables

Trade and other receivables are initially recognized at cost which is the fair value of the consideration given in return. After initial recognition, these are carried at cost less impairment losses, if any, due to un-collectability of any amount so recognized.

Provisions for bad or doubtful debts are shown in other liabilities. Provision for doubtful debts is made based on the Group policy. Bad debts are written off considering the status of individual debtors.



Notes to the Financial Statements (Continued)

II. *Advances, deposits and prepayments*

Advances are initially measured at cost. After initial recognition, advances are carried at cost less deductions, adjustments or charges to other account heads such as property, plant and equipment, inventories or expenses.

Deposits are measured at payment value.

Prepayments are initially measured at cost. After initial recognition, prepayments are carried at cost less charges to Statement of profit or loss.

III. *Cash and cash equivalents*

Cash and cash equivalents comprise cash at bank together with short-term, highly liquid investments that are readily convertible to a known amount of cash, and that are subject to an insignificant risk of changes in value.

J. *Financial liabilities*

The Group recognizes all financial liabilities on the trade date which is the date the group becomes a party to the contractual provisions of the instrument. The group derecognizes a financial liability when its contractual obligations are discharged, cancelled or expired. Financial liabilities comprise Trade Creditors and other financial obligations.

I. *Trade and other payables*

The Group recognizes a financial liability when its contractual obligations arising from past events are certain and the settlement of which is expected to result in an outflow from the Group of resources embodying economic benefits.

II. *Other liabilities*

Other liabilities represents the amounts due to various parties for receiving services. These are initially recognized at cost which is the fair value. After initial recognition these are carried at amortized cost.

K. *Impairment*

I. *Financial assets*

Financial assets are impaired if objective evidence indicates that a loss event has occurred after initial recognition of the assets and that the loss event had a negative effect on the estimated future cash flows of that assets that can be estimated reliably.

Financial assets not classified as fair value through profit or loss, loans, receivables and investment in an equity accounted investee are assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

II. *Non-financial assets*

The carrying amounts of the Group's non-financial assets, other than inventories and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists then the recoverable amount of the asset is estimated. An impairment loss is recognized if the carrying amount of an asset or its related cash-generating unit (CGU) exceeds its estimated recoverable amount.

L. *Cash flow statement*

Statement of cash flows is prepared in accordance with IAS 7: Cash Flow Statement and the cash flow from operating activities have been presented under direct method.

M. *Provisions, contingent liabilities and contingent assets*

A provision is recognized in the Statement of financial position when the group has a legal or contractual obligation as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Contingencies arising from claims, litigations, assessments, fine, penalties etc. are recorded when it is probable that a liability has been incurred and the amount can be reasonably estimated. Contingent assets are not recognized in the financial statements.

N. *Borrowing costs*

Interest and other costs incurred by the Group in connection with the borrowing of funds are recognized as expense in the period in which they are incurred, unless such borrowing cost relates to acquisition / construction of assets in progress that are capitalized as per IAS 23: Borrowing Costs.

O. *Taxation*

I. *Current tax*

The Group and the Company are maintaining provision for taxation using rates enacted at the reporting date. The Company complies with the applicable tax laws in Bangladesh. Currently the applicable rate is 22.5% for the Company.



Notes to the Financial Statements (Continued)

II. *Deferred tax*

Deferred tax liabilities are the amount of income taxes payable in the future periods in respect of taxable temporary differences. Deferred tax assets are the amount of income taxes recoverable in future periods in respect of deductible temporary differences. Deferred tax assets and liabilities are recognized for the future tax consequences of timing differences arising between the carrying values of assets, liabilities, income and expenditure and their respective tax bases. Deferred tax assets and liabilities are measured using tax rates and tax laws that have been enacted or substantially enacted at the Statement of financial position date. The impact of changes on the account in the deferred tax assets and liabilities has also been recognized in the statement of profit or loss and other comprehensive income as per IAS 12: Income Taxes¹.

P. *Share capital*

Paid-up capital represents total amount contributed by the shareholders and bonus shares issued by the company to the ordinary shareholders. Incremental costs directly attributable to the issue of ordinary shares are recognized as expenses as and when incurred. Holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to vote at shareholders' meetings. In the event of a winding up of the company, ordinary shareholders rank after all other shareholders. Creditors are fully entitled to any proceeds of liquidation before all shareholders.

Q. *Employee benefits*

The Group maintains both defined contribution plan and defined benefit plan for its eligible permanent employees.

I. *Defined contribution plan*

A defined contribution plan is a post employment benefit plan under which the company pays fixed contributions into a separate fund and will have no legal or constructive obligation to pay further amount. The company maintains the Recognized Provident Fund for all permanent employees at which both the company and employees contribute @ 10% of basic salary. The Employees' Provident Fund was obtained recognition from Income Tax Authority on August 05, 1975 which was effective from September 30, 1973 and is considered as defined contribution plan as it meets the recognition criteria specified for this purpose in IAS 19: Employee Benefits.

Obligation for contribution to defined contribution plan is recognized as provident fund contribution expenses in Statement of profit or loss in the period during which services are rendered by employees. Advance against PF is recognized as an asset to the extent that a cash refund or a reduction in future payments is available.

II. *Defined Benefit Plan*

The Group maintains an unfunded gratuity scheme and provision in respect of which is made annually for the employees. Gratuity payable at the end of each year is determined on the basis of following rules and regulations of the group.

Service length

Less than five (5) years

For five (5) years and more

Payment basis

Nil

Two (2) times of last month's basic salary multiplied by year of service.

III. *Workers' Profit Participation and Welfare Funds*

The company also recognizes a provision for Workers' Profit Participation and Welfare Funds @ 5% of net profit before tax as per Bangladesh Labour Act 2006.

R. *Revenue recognition*

Revenue is measured based on the consideration specified in a contract with a customer. The Group recognises revenue when it transfers control over a good or service to a customer. The following table provides information about the nature and timing of the satisfaction of performance obligations in contracts with customers, including significant payment terms, and the related revenue recognition policies.

Type of products	Nature and timing of satisfaction of performance	Revenue recognition under IFRS
Local sales	Customers obtain control of products when goods are shipped out at factory gate. Invoices raised as per management approved price list are generated at that point in time. Invoices are usually paid in cash as advance before getting delivery of the goods or customers are allowed a credit period of 30 to 60 days.	Revenue is recognized when (or as) the entity satisfies a performance obligation by transferring the promised good or service to a customer.
Export sales		
By-products		

The Group is in the business of providing M.S. Billet and M.S. Rod. Revenue from contracts with customers is recognised when control of the goods are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods. The Company has generally concluded that it is the principal in its revenue arrangements, because it typically controls the goods before transferring them to the

Revenue from the sale of goods is measured at the fair value of the consideration received or receivable, net of Value Added Tax (VAT). Gross turnover comprises local sales of M.S. Rod, M.S. Billet, By-products, export of M.S. Rod and includes VAT paid to the Government of Bangladesh.



Notes to the Financial Statements (Continued)

The Group considers whether there are other promises in the contract that are separate performance obligations to which a portion of the transaction price needs to be allocated. In determining the transaction price for local sales, the Company considers the effects of variable consideration payable to the customer.

The Group has variable considerations included in the contracts with customers which are netted off against the revenue to determine the transaction price. The variable considerations are pre-determined. The effect of variable considerations on revenue is only from contracts with local customers.

S. Finance income and costs

I. Finance income

Interest income from bank deposits and loan to related companies is recognized in the Statement of profit or loss on cash basis following specific rate of interest in agreement with banks and related companies.

II. Finance costs

Interest expenses except expenses related to acquisition/construction of assets, incurred during the year are charged to Statement of profit or loss and other comprehensive income on accrual basis.

T. Other operating income

Other operating income includes interest income on delayed receipts from customers, gain/(loss) on sale of fixed assets and miscellaneous receipts. Other operating income is recognized as revenue income as and when realized.

U. Earnings per share (EPS)

The Group calculates its earnings per share in accordance with IAS 33: Earnings per share which has been reported on the face of statement of profit or loss and other comprehensive income.

I. Basis of earnings

This represents profit for the year attributable to ordinary shareholders and Non- Controlling shareholders. As there were no preference shares requiring returns or dividends, the net profit after tax for the year has been considered as fully attributable to the ordinary shareholders.

II. Basic earnings per share

This has been calculated by dividing the basic earnings by the weighted average number of ordinary shares outstanding during the year.

III. Diluted earnings per share

Diluted earnings per share is required to be calculated for the year when scope for dilution exists.

V. Duty drawback

Duty drawback claimed on export sales is adjusted against cost of imported raw materials.

W. Measurement of fair values

When measuring the fair value of an asset or liability, the entity uses market observable data as far as possible. Fair values are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows.

Level 1: Quoted prices (unadjusted) in active markets for identical assets and liabilities.

Level 2: Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: Inputs for the assets or liabilities that are not based on observable market data.

If the inputs used to measure the fair value of an asset or liability might be categorized in different levels of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

Property, plant and equipment

The fair value of items of property, plant and equipment has been determined based on the depreciated replacement cost method and net realizable value method as applicable.

Equity and debt securities

Fair values of tradable equity and debt securities are determined by reference to their quoted closing price in active market at the reporting date which are categorized under 'Level 1' of the fair value hierarchy.

X. Events after the reporting period

Events after the reporting period that provide additional information about the group's position at the date of Statement of financial position or those that indicate the going concern assumption is not appropriate are reflected in the financial statements. Events after the reporting period that are not adjusting events are disclosed in the notes when material.



Notes to the Financial Statements (Continued)

Y. Leases

At inception of a contract, the group assesses whether a contract is, or contains a lease. A contract is, or contains a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset.

I. As a lessee

The Group recognizes a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the group by the end of the lease term or the cost of the right-of-use asset reflects that the company will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate.

The Group determines its incremental borrowing rate by obtaining interest rates from various external financing sources and making adjustments to reflect the terms of the lease and type of the asset leased.

Lease payments included in the measurement of the lease liability usually comprise the following:

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- the exercise price under a purchase option that the Group is reasonably certain to exercise, lease payments in an optional renewal period if the Group is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Group is reasonably certain not to terminate early.

The lease liability is measured at amortized cost using the effective interest method. It is re-measured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, if the Group changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment.

When the lease liability is re-measured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to

II. As a lessor

At inception or on modification of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of their relative stand-alone prices.

When the Group acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease.

To classify each lease, the Group makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease. As part of this assessment, the Group considers certain indicators such as whether the lease is for the major part of the economic life of an asset.



Notes to the Financial Statements (Continued)

Z. Segment reporting

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 and some deemed export to EPZ based companies.
- The M.S Billets segment which produces different graded Billets and transfer the same to produce M.S Rod. No operating segments have been aggregated to form the above reportable operating segments.

No operating segments have been aggregated to form the above reportable operating segments.

The Company Secretary and General Manager Finance and Accounts is the Chief Operating Decision Maker (CODM) and monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on profit or loss. Also, the company's financing (including finance costs and finance income) and income taxes are managed on aggregately and are not allocated to operating segments.

Assets and Liabilities of the company are maintained aggregately due to that, those are not provided to the Chief Operating Decision Maker and are not allocated to operating segments.

Transfer prices between operating segments are on an arm's length basis in a manner similar to transactions with third parties.

Year ended	M.S. Rod	M.S.Billet	Trading-Kolkata	Total Segments	Adjustments	Total
30th June, 2021			Amount in Millions			
Revenue:						
External customers	55,849	2,448	2,193	60,489	(613)	59,876
Inter-segment	-	26,625	-	26,625	(26,625)	-
Total Revenue	55,849	29,072	2,193	87,114	(27,238)	59,876
Income/(Expenses):						
Cost of inventories recognised	(48,524)	(25,800)	(2,071)	(76,395)	25,344	(51,051)
Employee benefits expenses	(276)	(433)	(14)	(723)	-	(723)
Depreciation and amortisation	(507)	(498)	(1)	(1,005)	-	(1,005)
Selling and distribution cost	(1,081)	-	-	(1,081)	-	(1,081)
Administrative cost	(465)	-	(85)	(550)	-	(550)
Share of profit of an associate	-	-	-	-	961	961
Segment Profit	4,996	2,342	22	7,360	(933)	6,427

Reconciliation of profit

	2021 Amount in Millions
Segment profit	7,360
Inter-segment sales	(1,894)
Other operating income	12
Finance Costs	(783)
Finance Income	73
Non Operating Income	30
Contribution to WPPF and welfare fund	(255)
Profit on bargain purchase	-
Share of profit of an associate	961
Profit before tax	5,504

Geographic Information

	2021
Revenue from external customers	
Country of Domicile	59,173,470,800
Foreign Countries	702,381,666
Total	59,875,852,466

The revenue information above is based on the locations of the customers.

Revenue from one customer amounted to BDT. 2,461,403,879 arising from sales in the M.S Billets segment which is 8.47% of total sales.

Non-current assets information has not presented in the financial statements and is not available according to the geographical area.



Notes to the Financial Statements (Continued)

		2021	2020
	Note	BDT	BDT
5.00 Revenue			
See accounting policy in note 4(R)			
Bangladesh Steel Re-Rolling Mills Limited-HO	5.01	58,296,410,428	44,298,957,250
Bangladesh Steel Re-Rolling Mills Limited-Kolkata Branch		2,192,619,725	1,490,425,236
Less: Intracompany sales		(613,177,687)	(67,026,798)
		<u>59,875,852,466</u>	<u>45,722,355,688</u>
5.01 Bangladesh Steel Re-Rolling Mills Limited-HO			
Local sales	5.01.01	57,015,085,448	43,491,581,614
Export sales	5.01.02	702,381,666	595,996,114
Sales of Scrap and By-product		578,943,314	211,379,522
		<u>58,296,410,428</u>	<u>44,298,957,250</u>
5.01.01 Local sales			
MS Billet		2,447,596,187	33,505,621
MS Rod		54,567,489,261	43,458,075,993
		<u>57,015,085,448</u>	<u>43,491,581,614</u>
5.01.02 Export sales			
Xtreme 500W		364,880,158	536,733,584
MS Angel		1,101,600	1,049,160
By Products		336,399,908	58,213,370
		<u>702,381,666</u>	<u>595,996,114</u>
Export sales of finished products during 01 July 2020 to 30 June 2021 was USD 4,313,812.85 against export of 5,864.19 Metric Ton of goods and it was USD 6,357,045.85 against export of 9,642.62 Metric Ton of goods during 01 July 2019 to 30 June 2020.			
5.01-A Revenue streams			
Revenue from contracts with customers	5.01	58,296,410,428	44,298,957,250
		<u>58,296,410,428</u>	<u>44,298,957,250</u>
5.01-B Disaggregation of revenue from contracts with customers			
Primary geographical markets			
Bangladesh		57,781,498,791	44,240,743,518
China		185,149,986	32,309,480
South Korea		54,178,047	7,450,205
Thailand		3,390,000	18,454,047
India		272,193,605	-
		<u>58,296,410,428</u>	<u>44,298,957,250</u>
Major products lines or services			
Xtreme 500		39,272,318,652	32,737,227,090
M. S. Products		16,780,267,598	10,869,526,190
By Product & Scrap		857,802,461	211,379,522
H & I Beam		234,338,314	247,516,967
Others		1,151,683,403	233,307,481
		<u>58,296,410,428</u>	<u>44,298,957,250</u>
Timing of revenue recognition			
Products transferred at a point in time		58,296,410,428	44,298,957,250
		<u>58,296,410,428</u>	<u>44,298,957,250</u>
5.01-C Contract balances			
The following table provides information about receivables, contract assets and contract liabilities from contracts with customers.			
Receivables, which are included in 'trade and other receivables'	25.02	4,139,893,593	2,997,594,266
Contract liabilities	40.00	646,725,298	249,860,229
5.a CONSOLIDATED REVENUE			
Bangladesh Steel Re-Rolling Mills Limited	5.00	59,875,852,466	45,722,355,688
BSRM Steel Mills Limited		-	29,552,721,007
BSRM (Hong Kong) Limited		30,916,246	46,564,141
Less: Intra-group elimination		(864,369)	(27,126,910,344)
		<u>59,905,904,343</u>	<u>48,194,730,492</u>



Notes to the Financial Statements (Continued)

	Note	2021	2020
		BDT	BDT
6.00 Cost of sales			
Bangladesh Steel Re-Rolling Mills Limited-HO	6.01	51,320,565,735	40,694,633,736
Bangladesh Steel Re-Rolling Mills Limited-Kolkata Branch		2,071,234,812	1,413,227,987
Adjustment for portion of unrealized profit (PURP)-subsidiary		-	7,232,143
Less: Intra-company sales		(613,177,687)	(67,026,798)
		52,778,622,860	42,048,067,068
6.01 Bangladesh Steel Re-Rolling Mills Limited-HO			
Cost of sales- own production	6.01.01	47,524,244,924	39,946,635,576
Cost of sales- finished goods procured and sold	6.01.02	545,634,242	708,340,702
Cost of sales- scrap and others		401,056,461	4,153,047
Cost of sales- billet		1,999,376,849	35,504,411
Cost of Ribbed Wire	6.01.03	850,253,259	-
		51,320,565,735	40,694,633,736
6.01.01 Cost of sales- own production			
Stock of raw materials-scrap at 1 July		1,390,522,066	2,172,557,571
Raw Materials transfer from BSML due to merger		5,417,575,522	-
Purchase during the year		19,884,007,227	2,774,316,971
		26,692,104,815	4,946,874,542
Cost of scrap and others sales		(401,056,461)	(4,153,047)
Stock of raw materials-scrap at 30 June	24.01	(5,546,106,887)	(1,390,522,066)
Raw materials consumed-scrap		20,744,941,467	3,552,199,429
Factory overhead- Melting Unit	6.02.a	6,053,039,327	1,372,902,873
Cost of billet manufactured		26,797,980,794	4,925,102,302
Stock of billet at 1 July		39,666,437	38,976,977
Billet transfer from BSML due to merger		2,327,748,626	-
Stock of billet available		29,165,395,857	4,964,079,279
Cost of billet sale		(1,999,376,849)	(35,504,411)
Stock of billet at 30 June	24.01	(2,435,306,638)	(39,666,437)
Billet transferred to Re-Rolling Unit		24,730,712,370	4,888,908,431
Stock of billet at 1 July		1,510,977,480	4,217,424,626
Purchase during the year		17,475,924,935	27,349,808,370
Stock of billet at 30 June	24.01	(1,074,287,811)	(1,510,977,480)
Billet consumed		42,643,326,974	34,945,163,947
Cost of packing materials		123,996,651	138,200,936
Factory overhead- Rolling Unit	6.02.b	2,491,483,961	1,967,635,599
Cost of Production of finished goods		45,258,807,586	37,051,000,482
Stock of finished goods at 1 July		4,345,804,002	7,242,677,339
Purchase FG for cut and bend during the year		45,128,284	-
Stock of finished goods at 30 June	24.01	(2,071,570,543)	(4,345,804,002)
Goods available for sale		47,578,169,329	39,947,873,819
Own use		(53,924,404)	(1,238,243)
Cost of sales- own production		47,524,244,924	39,946,635,576
6.01.02 Cost of sales- finished goods procured and sold			
Stock of finished goods at 1 July		421,396,820	430,566,294
Finished goods imported		248,433,044	476,889,762
Finished goods purchased locally		190,293,783	231,086,286
Available for sale/consumption		860,123,647	1,138,542,342
Stock of finished goods at 30 June	24.01	(278,784,216)	(421,396,820)
Goods used by the company		(35,705,190)	(8,804,820)
Cost of sales- finished goods procured and sold		545,634,242	708,340,702
6.01.03 Cost of sales- Ribbed Wire			
Stock of raw materials-Scrap at 1 July		-	-
Purchase during the year		896,160,331	-
Stock of raw materials-scrap at 30 June	24.01	(30,672,236)	-
Raw materials consumed-Wire Rod		865,488,094	-
Cost of Packing Materials		1,673,302	-
Factory overhead	6.02.c	43,138,318	-
Cost of billet manufactured		910,299,715	-
Stock of finished goods at 30 June	24.01	(23,168,247)	-
Goods available for sale		887,131,468	-
Own use		(36,878,208)	-
Cost of sales- Ribbed Wire		850,253,259	-



Notes to the Financial Statements (Continued)

	Note	2021 BDT	2020 BDT
6.02 Factory overhead			
Factory overhead- Melting Unit	6.02.a	6,053,039,327	1,372,902,873
Factory overhead- Rolling Unit	6.02.b	2,491,483,961	1,967,635,599
Factory overhead- Ribbed Wire	6.02.c	43,138,318	-
		8,587,661,606	3,340,538,472
6.02.a Factory overhead- Melting Unit			
Salaries and allowances		432,604,993	150,624,258
Consumption of electrical stores		55,404,927	4,408,435
Consumption of general stores		31,128,197	2,292,628
Consumption of mechanical stores		232,096,768	26,284,667
Conveyance expenses		11,062,952	3,575,249
Depreciation	18.01	512,131,210	157,269,021
Direct materials consumed		1,453,139,016	391,572,593
Electricity expenses		2,071,834	1,566,815
Entertainment		8,835,987	1,478,988
Fees and renewals		1,617,837	41,836
Fuel and lubricants		82,340,072	7,419,491
Gas		27,574,567	6,149,489
Guest house expenses		2,294,385	198,268
Guest house rent		1,206,900	-
Materials and finished goods handling charges		89,118,408	15,472,847
Medical expenses		4,017,376	1,237,015
Motor vehicle expenses		3,856,070	1,885,684
Postage and telegram		1,431	659
Power (factory)		2,971,099,929	582,377,213
Printing and stationery		1,738,516	515,873
Repairs and maintenance		23,952,358	7,653,828
Scrap Processing Expenses		75,645,362	-
Slag Processing Expenses		12,033,182	-
Travelling expenses		208,083	216,723
Testing Charges		224,932	-
Water bill- WASA		111,676	133,317
Depreciation- Right-of-use assets	44.00	14,217,518	10,527,976
Insurance expenses		865,385	-
Rent		2,439,456	-
		6,053,039,327	1,372,902,873
6.02.b Factory overhead- Rolling Unit			
Salaries and allowances		260,000,212	212,557,899
Carrying charges-raw materials		132,875	207,670
Consumption of electrical stores		85,617,751	28,106,687
Consumption of general stores		4,045,009	3,642,406
Consumption of mechanical stores		341,682,027	153,891,587
Conveyance expenses		8,507,414	7,325,814
Depreciation	18.01	498,879,975	486,493,899
Other materials consumed		847,236	988,225
Electricity expenses		9,259,171	7,495,022
Entertainment		2,125,993	3,855,874
Fees and renewals		1,019,075	1,256,008
Fuel and lubricants		26,042,130	28,521,891
Gas		271,830,275	241,857,538
Guest house expenses		212,465	249,614
Guest house rent		1,776,335	2,064,510
Insurance expenses		20,104,824	11,078,842
Materials and finished goods handling charges		288,858,902	275,838,100
Medical expenses		2,391,974	1,629,551
Motor vehicle expenses		929,078	911,671
Postage and telegram		4,755	50,872
Power (factory)		559,544,835	473,360,048
Printing and stationery		5,230,708	5,955,941
Rent		923,136	1,439,442
Ghat Rent		25,952,041	-
Repairs and maintenance		19,408,863	10,959,822
Travelling expenses		321,877	2,090,298
Testing Charges		312,850	-
Water bill- WASA		254,233	26,867
Consumption of MS Roll		49,004,418	185,848
Depreciation- Right-of-use assets	44.00	6,263,523	5,593,653
		2,491,483,961	1,967,635,599



Notes to the Financial Statements (Continued)

		2021	2020
	Note	BDT	BDT
6.02.c Factory overhead- Ribbed Wire			
Carrying charges		5,225	-
Consumption electrical stores		528,285	-
Consumption general stores		147,481	-
Consumption of Mechanical Stores		1,588,865	-
Consumption of MS Roll		90,549	-
Conveyance expenses		243,441	-
Depreciation	18.01	2,257,406	-
Entertainment		333,684	-
Fuel and Lubricants		384,004	-
Insurance expenses		2,883	-
Materials and finished goods handling charges		2,371,799	-
Medical expenses		237,004	-
Office Expenses		17,160	-
Other Materials Consumed		73,403	-
Postage and telegram		1,610	-
Power		3,702,046	-
Printing and stationery		271,255	-
Repairs and Maintenance		769,514	-
Salaries and allowances		30,000,021	-
Testing Charges		66,470	-
Travelling expenses		3,500	-
Water bill-WASA		42,713	-
		43,138,318	-
6.a CONSOLIDATED COST OF SALES			
Bangladesh Steel Re-Rolling Mills Limited	6.00	52,778,622,860	42,048,067,068
BSRM Steel Mills Limited		-	27,043,749,937
BSRM (Hong Kong) Limited		28,441,880	45,727,839
Reversal of unrealized profit elimination separate financial statement		-	(7,232,143)
Portion of unrealized profit (PURP)		-	16,083,330
Adjustment for unrealized profit on opening inventory		-	(3,009,903)
Less: Intra-group elimination		(864,369)	(27,126,910,344)
		52,806,200,371	42,016,475,784



Notes to the Financial Statements (Continued)

	Note	2021 BDT	2020 BDT
7.00 Selling and distribution costs			
Bangladesh Steel Re-Rolling Mills Limited-HO	7.01	1,080,878,244	1,223,320,504
Bangladesh Steel Re-Rolling Mills Limited-Kolkata Branch		-	-
		1,080,878,244	1,223,320,504
7.01 Bangladesh Steel Re-Rolling Mills Limited-HO			
Salary and allowances		170,947,243	149,004,382
Advertisement		155,117,744	81,763,343
Sales promotion expenses		15,766,861	38,602,255
Brokerage and commission		260,115,966	375,441,240
Marketing expenses		71,117,833	26,150,084
Carriage on sales		184,462,781	354,818,828
Telephone expenses		204,442	147,918
Conveyance expenses		815,940	348,571
Depreciation	18.01	45,205,737	44,082,871
Electricity expenses		11,640,076	9,517,370
Entertainment		474,736	173,267
Finished goods handling charges		31,225,096	29,791,757
Export charges		8,332,907	2,168,398
Repair & maintenance		279,954	205,889
Fees and renewals		142,730	78,459
Godown rent		3,126,685	2,668,572
Medical expenses		1,411,113	1,348,640
Motor cycle expenses		11,162,902	9,385,023
Printing and stationeries expenses		3,344,918	3,252,315
Royalty expenses		93,970,589	83,061,813
Testing charges		691,980	259,511
Travelling expenses		1,793,844	2,415,743
Depreciation- Right-of-use assets	44.00	2,332,984	2,332,985
Gratuity expenses		7,193,182	6,301,270
		1,080,878,244	1,223,320,504
7.02 The trademark 'Xtreme 500W' has been registered in the name of 'H. Akberali & Co. Limited' (HACL) from the Department of Patents, Designs and Trademark of Government of Bangladesh under section 20(2) of the Trademark Act 2009. The company is paying royalty to HACL @ Tk. 150 per MT on its sold quantity from 01 January 2016 according to Trademark License Agreement between the Company and HACL effective from the aforesaid date.			
7.a CONSOLIDATED SELLING AND DISTRIBUTION COSTS			
Bangladesh Steel Re-Rolling Mills Limited	7.00	1,080,878,244	1,223,320,504
BSRM Steel Mills Limited		-	10,135,314
BSRM (Hong Kong) Limited		-	-
		1,080,878,244	1,233,455,818
8.00 Administrative costs			
Bangladesh Steel Re-Rolling Mills Limited-HO	8.01	451,078,720	364,312,063
Bangladesh Steel Re-Rolling Mills Limited-Kolkata Branch		99,071,499	55,078,380
		550,150,219	419,390,443
8.01 Bangladesh Steel Re-Rolling Mills Limited-HO			
Salaries and allowances		214,548,551	181,676,297
Directors' remuneration	8.02	121,000,000	88,500,000
Advertisement expenses		605,686	1,114,627
Audit fees		1,544,900	770,500
Board meeting expenses		302,500	267,000
Conveyance expenses		2,388,275	625,903
Insurance expenses		33,638	23,288
CSR expenses		15,750,728	20,137,524
Depreciation	18.01	4,849,281	4,335,228
Amortisation	20.01	4,549,901	3,383,341
Donation and subscriptions		5,010,257	3,334,608
Entertainment		4,833,619	4,488,788
Fees and renewals		5,774,487	5,338,315
Generator and fuel expenses		232,832	304,095
Guest house expenses		1,266,924	566,481
Land revenue, municipal tax		1,279,418	1,277,250
Legal expenses		650,558	445,584
Medical expenses		5,075,837	3,167,425



Notes to the Financial Statements (Continued)

	Note	2021 BDT	2020 BDT
Motor vehicle expenses		11,554,563	10,272,247
Office expenses		1,316,611	757,172
Postage expenses		288,711	316,819
Printing expenses		1,926,135	761,196
Professional expenses		14,431,876	6,314,073
Rent (office, depot and others)		1,489,434	1,676,239
Repair and maintenance		2,633,032	2,720,638
Telephone expenses		4,278,627	3,355,182
Internet expenses		1,881,092	1,394,191
Training expenses		788,383	1,165,378
Travelling expenses		3,040,046	3,716,744
Utility expenses		1,913,722	1,196,559
Gratuity expenses		9,022,822	5,325,389
Depreciation- Right-of-use assets	44.00	6,816,275	5,583,982
		451,078,720	364,312,063

8.02 Directors' remuneration
Details of directors' remuneration paid during the year are as follows:

Director's Name	Gross remuneration	Income tax deducted	Net paid
Mr. Alihussain Akberali- Chairman	48,500,000	12,125,000	36,375,000
Mr. Aameir Alihussain- Managing Director	43,500,000	10,875,000	32,625,000
Mr. Zohair Taherali- Director	21,500,000	5,375,000	16,125,000
Mrs. Sabeen Aameir- Director	7,500,000	1,500,000	6,000,000
	121,000,000	29,875,000	91,125,000

In addition to remuneration, directors avail company vehicles for transportation purposes. These key management personnel are not entitled to any other benefits. No amount is lying as receivable from the directors.

8.a CONSOLIDATED ADMINISTRATIVE COSTS

Bangladesh Steel Re-Rolling Mills Limited	8.00	550,150,219	419,390,443
BSRM Steel Mills Limited		-	153,985,055
BSRM (Hong Kong) Limited		14,683,156	15,241,333
		564,833,375	588,616,831

9.00 Other operating income
See accounting policy in note 4(U).

Bangladesh Steel Re-Rolling Mills Limited-HO	9.01	11,524,981	27,454,639
Bangladesh Steel Re-Rolling Mills Limited-Kolkata Branch		-	-
		11,524,981	27,454,639

9.01 Bangladesh Steel Re-Rolling Mills Limited-HO

Late payment charge		27,377,242	19,139,368
Other item sales		3,615,255	13,075,330
Gain/(loss) on sale of PPE		(19,467,515)	(4,760,059)
		11,524,981	27,454,639

9.a CONSOLIDATED OTHER OPERATING INCOME

Bangladesh Steel Re-Rolling Mills Limited	9.00	11,524,981	27,454,639
BSRM Steel Mills Limited		-	-
		11,524,981	27,454,639

10.00 Finance costs
See accounting policy in note 4(S)

Bangladesh Steel Re-Rolling Mills Limited-HO	10.01	769,705,652	1,217,133,132
Bangladesh Steel Re-Rolling Mills Limited-Kolkata Branch		13,503,622	11,776,807
		783,209,274	1,228,909,939



Notes to the Financial Statements (Continued)

	Note	2021 BDT	2020 BDT
10.01 Bangladesh Steel Re-Rolling Mills Limited-HO			
Interest on LATR		12,836,166	1,165,042
Interest on Demand and Time loan		213,344,455	530,426,616
Interest on Overdraft		59,755,776	161,125,214
Interest on Term loan		332,567,556	580,161,930
Bank charges		24,313,538	17,526,490
Bank guarantee commission		809,417	92,227
Agency fee		2,300,000	575,000
Interest on balance due to inter companies		218,898,926	199,929,987
Interest on balance due from inter companies		(178,230,922)	(286,178,250)
Interest on stimulus fund		74,590,174	80,293
Interest on lease liabilities	44.00	10,050,440	9,803,899
Foreign currency exchange rate fluctuation (gain)/loss	10.02	(1,529,875)	2,424,684
		769,705,652	1,217,133,132
10.02 Foreign currency exchange loss/(gain)			
Realized foreign currency transaction loss/(gain)		(445,407)	3,264,646
Unrealized foreign currency translation loss/(gain)		(1,084,468)	(839,962)
		(1,529,875)	2,424,684
Foreign currency transaction loss/(gain)			
This represents net gain on transaction in foreign currency during the year.			
Foreign currency translation loss/(gain)			
This represents net gain on translation of foreign currencies into Bangladeshi Taka at the rate prevailing on reporting date.			
10.a CONSOLIDATED FINANCE COSTS			
Bangladesh Steel Re-Rolling Mills Limited	10.00	783,209,274	1,228,909,939
BSRM Steel Mills Limited		-	1,116,959,075
BSRM (Hong Kong) Limited		1,310,543	869,509
		784,519,817	2,346,738,523
11.00 Finance income			
See accounting policy in note 4 (S)			
Bangladesh Steel Re-Rolling Mills Limited-HO	11.01	72,947,851	23,297,335
Bangladesh Steel Re-Rolling Mills Limited-Kolkata Branch		-	-
		72,947,851	23,297,335
11.01 Bangladesh Steel Re-Rolling Mills Limited-HO			
Interest income on STD		51,632	52,938
Interest income from FDR		72,896,219	23,244,397
		72,947,851	23,297,335
11.a CONSOLIDATED FINANCE INCOME			
Bangladesh Steel Re-Rolling Mills Limited	11.00	72,947,851	23,297,335
BSRM Steel Mills Limited		-	84,660,237
BSRM (Hong Kong) Limited		-	-
		72,947,851	107,957,572
12.00 Non-operating income			
Bangladesh Steel Re-Rolling Mills Limited-HO	12.01	30,428,372	16,105,053
Bangladesh Steel Re-Rolling Mills Limited-Kolkata Branch		-	-
		30,428,372	16,105,053
12.01 Bangladesh Steel Re-Rolling Mills Limited-HO			
Changes in fair value of tradable securities	23.03	-	18,714
PF forfeiture		121,966	424,339
Rental income		26,640,950	15,662,000
Profit on sale of shares		3,665,456	-
		30,428,372	16,105,053
12.a CONSOLIDATED NON-OPERATING INCOME			
Bangladesh Steel Re-Rolling Mills Limited	12.00	30,428,372	16,105,053
BSRM Steel Mills Limited		-	23,984,425
BSRM (Hong Kong) Limited		24,364,539	24,277,748
		54,792,911	64,367,226



Notes to the Financial Statements (Continued)

	Note	2021 BDT	2020 BDT
13.00 Share of (loss)/profit of equity accounted investees (Net of tax)			
Share of profit of subsidiary (BSML)	13.01	-	269,224,390
Share of profit of subsidiary (BSRM HK)	13.02	10,179,789	8,840,869
Share of profit of associate (BSL)	13.03	950,337,483	231,504,243
		960,517,273	509,569,502
13.01 Share of profit of subsidiary (BSML)			
Net profit attributable to the shareholders' of BSML		-	598,719,417
Percentage of holding		-	44.97%
Net profit attributable to BSRM Ltd.		-	269,224,390
13.02 Share of profit of subsidiary (BSRM HK)			
Net profit/(loss) attributable to the shareholders' of BSRM (HK)		10,179,789	8,840,869
Percentage of holding		100.00%	100.00%
Net profit attributable to BSRM Ltd.		10,179,789	8,840,869
13.03 Share of profit of associate (BSL)			
Net profit attributable to the shareholders' of BSL		3,047,085,826	742,276,623
Percentage of holding		31.19%	31.19%
Net profit attributable to BSRM Ltd.		950,337,483	231,504,243
13.04 Share of other comprehensive income of associate (BSL) (Net of tax)			
Other comprehensive income attributable to the shareholders' of BSL		(27,584,445)	(1,517,336)
Percentage of holding		31.19%	31.19%
Other comprehensive income attributable to BSRM Ltd.		(8,603,149)	(473,233)
14.00 Earnings per share (EPS)			
See accounting policy in note 4(U)			
14.01 Basic EPS			
Profit attributable to the ordinary shareholders		4,970,362,865	921,840,741
Number of ordinary shares at the year end		298,584,626	236,068,236
Weighted average no. of shares outstanding during the year (Nos.)		262,116,732	236,068,236
		18.96	3.90
14.a CONSOLIDATED EARNING PER SHARE			
Net profit after tax attributable to owners of the company (Taka)		4,970,362,865	921,840,741
Number of ordinary shares at the period end		298,584,626	236,068,236
Weighted average number of ordinary shares outstanding during the year (Nos.)		262,116,732	236,068,236
		18.96	3.90
Earning per share (EPS) has been computed by dividing the basic earnings by the number of ordinary shares outstanding as of 30 June 2021 in terms of International Accounting Standard (IAS-33).			
15.00 Net asset value per share (NAV)			
Total assets		80,531,879,462	47,050,619,953
Total liabilities		(42,445,902,406)	(23,468,978,126)
Net asset value (NAV)		38,085,977,055	23,581,641,827
Number of ordinary shares outstanding during the year		298,584,626	236,068,236
		127.56	99.89
15.a CONSOLIDATED NET ASSET VALUE PER SHARE (CNAV)			
Total assets		80,532,912,742	81,489,176,227
Total liabilities		(42,446,935,686)	(50,082,733,377)
Consolidated net asset value (CNAV)		38,085,977,055	31,406,442,850
Less: Non-controlling interest		-	(7,824,801,021)
Assets attributable to owners of the company		38,085,977,055	23,581,641,829
Number of ordinary shares outstanding during the year		298,584,626	236,068,236
		127.56	99.89
16 Net operating cash flow per share			
Net operating cash flow		8,730,390,260	9,554,438,302
Number of ordinary shares outstanding during the year		298,584,626	236,068,236
Net operating cash flow per share		29.24	40.47



Notes to the Financial Statements (Continued)

Note	2021	2020
	BDT	BDT
16.a CONSOLIDATED NET OPERATING CASH FLOW PER SHARE		
Consolidated net operating cash flow	8,741,330,058	5,677,820,515
Number of ordinary shares outstanding during the year	298,584,626	236,068,236
Net operating cash flow per share	<u>29.28</u>	<u>24.05</u>
17 Reconciliation of net income with cash flows from operating activities:		
Net Profit before Tax	5,503,858,994	1,335,618,025
Adjustments to reconcile net income with cash flows from operating activities:		
Amortisation	4,549,901	3,383,341
Gain/(loss) on sale of PPE	19,467,515	4,760,059
Depreciation	1,064,122,337	692,935,044
Depreciation on right-of-use-assets	29,630,300	24,038,596
Interest on finance lease	10,050,440	9,803,899
Unrealized foreign currency translation loss/(gain)	(1,084,467)	(2,981,833)
Share of (loss)/profit of equity accounted investee, net of tax	(960,517,273)	(509,569,502)
	<u>166,218,754</u>	<u>222,369,604</u>
(Increase)/decrease in current assets:		
Inventories	4,197,132,637	6,342,468,941
Trade and other receivables	(1,143,450,242)	224,237,798
Advances and deposits	899,307,428	(138,897,369)
Increase/(decrease) in current liabilities:		
Trade payables	(1,878,736,350)	2,106,848,058
Other liabilities	117,811,927	(181,879,246)
Defined benefit obligations - gratuity	41,960,317	18,729,431
Advance against sales	387,549,130	(300,590,693)
Liabilities for expenses	451,640,716	187,613,483
Current Tax liability of SML	367,210,459	-
Provision for WPPF and Welfare Fund	179,889,269	(50,521,051)
	<u>3,620,315,289</u>	<u>8,208,009,353</u>
Income tax paid	(549,952,337)	(201,754,781)
Interest paid on finance lease	(10,050,440)	(9,803,899)
Net cash flow from operating activities	<u>8,730,390,260</u>	<u>9,554,438,302</u>
17.a Reconciliation of consolidated net income with cash flows from operating activities:		
Net profit before tax	5,504,524,410	2,330,424,163
Adjustments to reconcile net income with cash flows from operating activities:		
Amortisation	4,549,901	6,183,085
Gain/(loss) on sale of PPE	19,467,515	4,760,059
Depreciation	1,093,903,684	1,563,996,749
Interest on finance lease	10,050,440	9,803,899
Unrealized foreign currency translation loss/(gain)	(1,084,467)	(2,981,833)
Unrealized loss/(gain), PURP etc.	-	2,859,451
Consolidation impact	(1,195)	(9,003,209)
Share of (loss)/profit of equity accounted investee, net of tax	(950,337,483)	(231,504,243)
	<u>176,548,393</u>	<u>1,344,113,956</u>
(Increase)/decrease in current assets:		
Inventories	4,197,132,637	2,294,363,951
Trade and other receivables	(1,143,450,242)	(1,402,887,193)
Advances and deposits	899,232,262	(243,799,186)
Increase/(decrease) in current liabilities:		
Trade payables	(1,878,736,350)	2,067,850,992
Other liabilities	117,831,836	(901,595,915)
Defined benefit obligations - gratuity	41,960,317	29,045,310
Advance against sales	387,549,130	(285,328,877)
Liabilities for expenses	451,640,716	1,323,252,133
Current Tax liability of SML	367,210,459	-
Provision for WPPF and Welfare Fund	179,889,269	(84,066,613)
	<u>3,620,260,033</u>	<u>2,796,834,603</u>
Income tax paid	(549,952,337)	(783,748,309)
Interest paid on finance lease	(10,050,440)	(9,803,899)
Net cash flow from operating activities	<u>8,741,330,058</u>	<u>5,677,820,515</u>



Notes to the Financial Statements (Continued)

18.00 Property, plant and equipment (PPE) - revalued model
See accounting policy in note 4(D)

Bangladesh Steel Re-Rolling Mills Limited-HO
Bangladesh Steel Re-Rolling Mills Limited-Kolkata Branch

Note	30 June 2021	30 June 2020
	BDT	BDT
18.01	38,628,459,022	15,935,658,045
	1,911,610	2,759,314
	38,630,370,632	15,938,417,359

18.01 Bangladesh Steel Re-Rolling Mills Limited-HO

Particulars	Land and land development	Plant and machinery	Motor vehicles	Factory building and shed	Boundary wall, road & pavements	Furniture and fixtures	Office equipment	Computer & IT equipment	Total
At Revaluation									
Balance at 1 July 2019	7,441,664,394	7,630,134,903	57,663,353	3,289,262,060	252,816,790	41,372,381	39,917,094	23,082,214	18,775,913,187
Additions	52,194,522	638,523,775	4,024,105	74,803,978	3,042,494	2,875,475	2,568,856	3,417,463	781,450,668
Disposal/transfer	-	(34,966,656)	(1,719,819)	-	-	(29,300)	(151,608)	(423,521)	(37,290,905)
Balance at 30 June 2020	7,493,858,916	8,233,692,021	59,967,638	3,364,066,038	255,859,284	44,218,556	42,334,342	26,076,156	19,520,072,950
Balance at 1 July 2020	7,493,858,916	8,233,692,021	59,967,638	3,364,066,038	255,859,284	44,218,556	42,334,342	26,076,156	19,520,072,950
Balance at 31 January 2021 (SML)	9,861,528,162	12,276,661,197	25,636,481	4,314,225,708	1,088,384,139	77,698,541	113,111,574	22,638,215	27,779,884,014
Additions	21,041,519	138,991,091	7,211,486	20,613,644	795,642	2,960,855	3,628,279	3,171,320	198,413,834
Disposal/transfer	-	(91,236,924)	(12,516,122)	-	-	(6,300)	(93,000)	(219,209)	(104,071,555)
Balance at 30 June 2021	17,376,428,596	20,558,107,385	80,299,483	7,698,905,390	1,345,039,065	124,871,651	158,981,194	51,666,481	47,394,299,243
Accumulated depreciation									
Balance at 1 July 2019	-	1,996,389,942	37,570,001	707,302,820	92,586,948	30,934,777	31,204,929	17,237,476	2,913,226,892
Charged for the year	-	525,874,292	6,283,948	131,639,874	16,531,391	4,997,629	4,401,745	2,452,140	692,181,019
Adjustment for disposal	-	(18,748,883)	(1,648,444)	-	-	(29,300)	(142,858)	(423,521)	(20,993,006)
Balance at 30 June 2020	-	2,503,515,351	42,205,505	838,942,694	109,118,339	35,903,106	35,463,816	19,266,095	3,584,414,905
Balance at 1 July 2020	-	2,503,515,351	42,205,505	838,942,694	109,118,339	35,903,106	35,463,816	19,266,095	3,584,414,905
Balance at 31 January 2021 (SML)	-	3,061,672,677	22,136,804	734,007,374	225,487,063	54,997,328	78,405,542	15,112,279	4,191,819,066
Charged for the year	-	802,410,070	6,986,167	204,713,821	29,126,550	8,232,206	7,806,216	4,048,579	1,063,323,610
Adjustment for disposal	-	(61,184,401)	(12,263,041)	-	-	(6,300)	(89,000)	(174,617)	(73,717,360)
Balance at 30 June 2021	-	6,306,413,697	59,065,435	1,777,663,889	363,731,952	99,126,339	121,586,575	38,252,335	8,765,840,221
Carrying amount									
As at 30 June 2020	7,493,858,916	5,730,176,670	17,762,133	2,525,123,344	146,740,945	8,315,451	6,870,526	6,810,061	15,935,658,045
As at 30 June 2021	17,376,428,596	14,251,693,688	21,234,048	5,921,241,501	981,307,113	25,745,312	37,394,619	13,414,146	38,628,459,022
Depreciation allocation:									
Cost of sales									
Selling & distribution costs									
Administrative costs									

Note	2021	2020
6.02	1,013,268,591	643,762,920
7.01	45,205,737	44,082,871
8.01	4,849,281	4,335,228
	1,063,323,610	692,181,019



Notes to the Financial Statements (Continued)

18.02 Property, plant and equipment (PPE) - cost model

Bangladesh Steel Re-Rolling Mills Limited-HO
Bangladesh Steel Re-Rolling Mills Limited-Kolkata Branch

Note	2021	2020
18.03	24,766,963,234	10,523,005,151
	1,911,610	2,759,314
	24,768,874,844	10,525,764,465

18.03 Bangladesh Steel Re-Rolling Mills Limited-HO

Particulars	Land and land development	Plant and machinery	Motor vehicles	Factory building and shed	Boundary wall, road & pavements	Furniture and fixtures	Office equipment	Computer & IT equipment	Total
At cost									
Balance at 1 July 2019	1,978,116,973	8,479,002,582	87,494,301	3,418,971,374	252,816,790	55,608,766	56,915,590	23,082,214	14,352,008,590
Additions	52,194,522	638,523,775	4,024,105	74,803,978	3,042,494	2,875,475	2,568,856	3,417,463	781,450,668
Disposal/Transfer	-	(30,586,552)	(1,647,547)	-	-	(29,300)	(151,608)	(423,521)	(32,838,528)
Balance at 30 June 2020	2,030,311,495	9,086,939,805	89,870,859	3,493,775,352	255,859,284	58,454,941	59,332,838	26,076,156	15,100,620,730
Balance at 1 July 2020	2,030,311,495	9,086,939,805	89,870,859	3,493,775,352	255,859,284	58,454,941	59,332,838	26,076,156	15,100,620,730
Balance at 31 January 2021 (SML)	1,386,709,894	12,276,661,197	25,636,481	4,314,225,708	1,088,384,139	77,698,541	113,111,574	22,638,215	19,305,065,747
Additions	21,041,519	138,991,091	7,211,486	20,613,644	795,642	2,960,855	3,628,279	3,171,320	198,413,834
Disposal/Transfer	-	(88,632,936)	(12,516,122)	-	-	(6,300)	(93,000)	(219,209)	(101,467,567)
Balance at 30 June 2021	3,438,062,908	21,413,959,157	110,202,704	7,828,614,704	1,345,039,065	139,108,036	175,979,690	51,666,481	34,502,632,744

Accumulated depreciation

Balance at 1 July 2019	-	2,795,481,016	54,618,347	881,829,668	92,586,948	45,191,108	43,155,706	17,237,464	3,930,100,257
Charged for the year	-	500,819,572	5,971,609	128,907,043	16,531,391	4,997,829	4,376,568	2,452,140	664,055,952
Adjustment for disposal	-	(14,368,779)	(1,576,172)	-	-	(29,300)	(142,858)	(423,521)	(16,540,630)
Balance at 30 June 2020	-	3,281,931,809	59,013,784	1,010,736,711	109,118,339	50,159,437	47,389,416	19,266,083	4,577,615,579
Balance at 1 July 2020	-	3,281,931,809	59,013,784	1,010,736,711	109,118,339	50,159,437	47,389,416	19,266,083	4,577,615,579
Balance at 31 January 2021 (SML)	-	3,091,672,677	22,136,804	734,007,374	225,487,063	54,997,328	78,405,542	15,112,279	4,191,819,067
Charged for the year	-	779,229,122	6,924,573	201,980,990	29,126,550	8,232,206	7,806,216	4,048,579	1,037,348,236
Adjustment for disposal	-	(58,580,413)	(12,263,041)	-	-	(6,300)	(89,000)	(174,617)	(71,113,371)
Balance at 30 June 2021	-	7,064,253,195	75,812,120	1,946,725,075	363,731,952	113,382,671	133,512,175	38,252,323	9,735,669,510

Carrying amount

As at 30 June 2020	2,030,311,495	5,805,007,996	30,857,075	2,483,038,641	146,740,945	8,295,504	11,943,422	6,810,073	10,523,005,151
As at 30 June 2021	3,438,062,908	14,349,705,962	34,390,584	5,881,889,629	981,307,113	25,725,365	42,467,515	13,414,158	24,766,963,234



Notes to the Financial Statements (Continued)

18.a CONSOLIDATED PROPERTY, PLANT AND EQUIPMENT (PPE) - REVALUATION MODEL

Particulars	Land and land development	Plant and machinery	Motor vehicles	Factory building and shed	Boundary wall, road & pavements	Furniture and fixtures	Office equipment	Computer & IT equipment	Total
At revaluation									
Balance at 1 July 2019	17,230,902,278	19,530,218,671	84,481,745	7,383,456,829	1,337,904,711	114,740,160	149,702,740	41,436,846	45,872,843,980
Additions	124,484,800	818,322,087	4,024,105	220,830,709	3,042,494	8,918,121	6,170,351	7,462,485	1,193,255,152
Disposal/Transfer	-	(34,966,656)	(1,719,819)	-	-	(29,300)	(151,608)	(423,521)	(37,290,904)
Balance at 30 June 2020	17,355,387,078	20,313,574,102	86,786,031	7,604,287,538	1,340,947,205	123,628,981	155,721,483	48,475,810	47,028,808,228
Balance at 1 July 2020	17,355,387,078	20,313,574,102	86,786,031	7,604,287,538	1,340,947,205	123,628,981	155,721,483	48,475,810	47,028,808,228
Additions (BSRM Ltd)	21,041,519	138,991,091	7,211,486	20,613,644	795,642	2,960,855	3,628,279	3,171,320	198,413,834
Additions (Kolkata)	-	-	-	-	-	-	-	15,472	15,472
Additions -SML-7 Month	-	196,843,405	-	74,336,595	3,296,218	1,190,640	402,226	669,440	276,738,524
Disposal/Transfer	-	(91,236,924)	(12,516,122)	-	-	(6,300)	(93,000)	(219,209)	(104,071,555)
Balance at 30 June 2021	17,376,428,597	20,558,171,674	81,481,395	7,699,237,777	1,345,039,065	127,774,176	159,658,988	52,112,833	47,399,904,503
Accumulated depreciation									
Balance at 1 July 2019	-	4,075,725,839	56,938,228	1,187,533,452	259,858,916	65,763,424	84,751,891	27,094,161	5,757,665,911
Charged for the year	-	1,142,259,287	8,789,401	289,520,326	53,290,145	18,195,269	22,016,946	6,034,434	1,540,105,808
Adjustment for disposal	-	(18,748,883)	(1,648,444)	-	-	(29,300)	(142,858)	(423,521)	(20,993,006)
Balance at 30 June 2020	-	5,199,236,243	64,079,185	1,477,053,778	313,149,061	83,929,393	106,625,979	32,705,074	7,276,778,713
Balance at 1 July 2020	-	5,199,236,243	64,079,185	1,477,053,778	313,149,061	83,929,393	106,625,979	32,705,074	7,276,778,713
Charged for the year-BSRM	-	802,410,070	6,986,167	204,713,821	29,126,550	8,232,206	7,806,216	4,048,579	1,063,323,610
Charged for the year-HK	-	-	-	-	-	-	-	157,823	157,823
Charged for the year-Kolkata	-	-	86,360	-	-	566,265	142,493	68,058	863,177
Charged for the year-SML- 7 month	-	365,951,786	1,217,976	96,042,712	21,456,341	7,571,192	7,610,338	1,992,418	501,842,763
Adjustment for disposal	-	(61,184,401)	(12,263,041)	-	-	(6,300)	(89,000)	(174,617)	(73,717,360)
Balance at 30 June 2021	-	6,306,413,698	60,106,647	1,777,810,311	363,731,952	100,292,756	122,096,027	38,797,335	8,769,248,726
Carrying amount									
As at 30 June 2020	17,355,387,078	15,114,337,859	22,706,846	6,127,233,760	1,027,798,144	39,699,588	49,095,504	15,770,736	39,752,029,515
As at 30 June 2021	17,376,428,597	14,251,757,976	21,374,748	5,921,427,466	981,307,113	27,481,420	37,562,961	13,315,498	38,630,655,777



Notes to the Financial Statements (Continued)

18.a.i CONSOLIDATED PROPERTY, PLANT AND EQUIPMENT (PPE)- COST MODEL

Bangladesh Steel Re-Rolling Mills Limited-HO
BSRM Steel Mills Limited
BSRM (Hong Kong) Limited

Bangladesh Steel Re-Rolling Mills Limited-Kolkata Branch

18.a.ii Bangladesh Steel Re-Rolling Mills Limited-HO, BSRM Steel Mills Limited and BSRM (Hong Kong) Limited

	Note	2021	2020
	18.03	24,766,963,234	10,523,005,151
		-	15,597,488,403
		302,091	442,967
		24,767,265,325	26,120,936,521
		1,911,610	2,759,314
	18.a.ii	24,769,176,935	26,123,695,835

Particulars	Land and land development	Plant and machinery	Motor vehicles	Factory building and shed	Boundary wall, road & pavements	Furniture and fixtures	Office equipment	Computer & IT equipment	Total
At cost									
Balance at 1 July 2019	3,292,536,589	20,379,086,350	114,312,693	7,513,166,143	1,337,904,711	128,976,545	166,701,236	41,436,847	32,974,121,114
Additions	124,484,800	818,322,087	4,024,105	220,830,709	3,042,494	8,918,121	6,170,351	7,462,485	1,193,255,152
Disposal	-	(30,586,552)	(1,647,547)	-	-	(29,300)	(151,608)	(423,521)	(32,838,528)
Balance at 30 June 2020	3,417,021,389	21,166,821,885	116,689,251	7,733,996,852	1,340,947,205	137,865,366	172,719,979	48,475,811	34,134,537,738
Balance at 1 July 2020	3,417,021,389	21,166,821,885	116,689,251	7,733,996,852	1,340,947,205	137,865,366	172,719,979	48,475,811	34,134,537,738
Additions	21,041,519	138,991,091	7,211,486	20,613,644	795,642	2,960,855	3,628,279	3,171,320	198,413,834
Additions -SML-7 Month	-	196,843,405	-	74,336,595	3,296,218	1,190,640	402,226	669,440	276,738,524
Additions (Kolkata)	-	-	-	-	-	-	-	15,472	15,472
Disposal	-	(88,632,936)	(12,516,122)	-	-	(6,300)	(93,000)	(219,209)	(101,467,567)
Balance at 30 June 2021	3,438,062,908	21,414,023,445	111,384,615	7,828,947,091	1,345,039,065	142,010,561	176,657,484	52,112,834	34,508,238,001

Accumulated depreciation

Balance at 1 July 2019	-	4,874,816,913	73,986,574	1,362,060,300	259,858,916	80,019,755	96,702,667	27,094,149	6,774,539,274
Charged for the year	-	1,117,204,567	8,477,062	286,787,495	53,290,145	18,195,269	21,991,769	6,034,434	1,511,980,741
Adjustment for disposal	-	(14,368,779)	(1,576,172)	-	-	(29,300)	(142,858)	(423,521)	(16,540,630)
Balance at 30 June 2020	-	5,977,652,701	80,887,464	1,648,847,795	313,149,061	98,185,724	118,551,578	32,705,062	8,269,979,385
Balance at 1 July 2020	-	5,977,652,701	80,887,464	1,648,847,795	313,149,061	98,185,724	118,551,578	32,705,062	8,269,979,385
Charged for the year	-	779,229,122	6,924,573	201,980,990	29,126,550	8,232,206	7,806,216	4,048,579	1,037,348,236
Charged for the year-HK	-	-	-	-	-	-	-	157,823	157,823
Charged for the year-Kolkata	-	-	86,360	-	-	566,265	142,493	68,058	863,177
Charged for the year-SML- 7 month	-	365,951,786	1,217,976	96,042,712	21,456,341	7,571,192	7,610,338	1,992,418	501,842,763
Adjustment for disposal	-	(58,580,413)	(12,263,041)	-	-	(6,300)	(89,000)	(174,617)	(71,113,371)
Balance at 30 June 2021	-	7,064,253,196	76,853,332	1,946,871,497	363,731,952	114,549,087	134,021,626	38,797,323	9,739,078,013

Carrying amount

As at 30 June 2020	3,417,021,389	15,189,169,184	35,801,787	6,085,149,057	1,027,798,144	39,679,642	54,168,401	15,770,749	25,864,558,353
As at 30 June 2021	3,438,062,908	14,349,770,249	34,531,283	5,882,075,594	981,307,113	27,461,474	42,635,858	13,315,511	24,769,159,988



Notes to the Financial Statements (Continued)

18.04 Revaluation of Property, plant and equipment

All the revaluations made against Property, plant and equipment are summarized below:

Revaluation period	Class of assets revalued	Valuation method	Effective date	Valuer	Recognized into FS	Net revaluation gain
2008	All Property, plant and	Replacement cost and net	31-Dec-06	Hoda Vasi Chowdhury & Co.,	Beginning of 2008	1,673,400,176
2012			31-Dec-12		Beginning of 2012	2,004,256,895
2019	Land and land developments	Net realizable value/fair market value method	30-Jun-19	ACNABIN, Chartered Accountants.	30 June 2019	3,480,930,388

Replacement cost and net realizable value method, as applicable, have been used by the independent valuer in re-valuation of Property, plant and equipment.

Difference of depreciation between revalued carrying amount and depreciation based on carrying amount as per assets' original cost has been transferred from Revaluation Reserve to Retained Earnings as shown in Statement of Changes in Equity.



Notes to the Financial Statements (Continued)

		30 June 2021	30 June 2020
	Note	BDT	BDT
19.00	Capital work-in-progress		
	See accounting policy in note 4 (E)		
	Bangladesh Steel Re-Rolling Mills Limited-HO	1,295,288,934	267,408,809
	Bangladesh Steel Re-Rolling Mills Limited-Kolkata Branch	-	-
		<u>1,295,288,934</u>	<u>267,408,809</u>

19.01	Bangladesh Steel Re-Rolling Mills Limited-HO		
	Opening balance	267,408,809	68,813,135
	Add: Additions during the year	1,148,241,066	592,111,326
		<u>1,415,649,875</u>	<u>660,924,461</u>
	Less: Capitalized during the year	(120,360,941)	(393,515,652)
		<u>1,295,288,934</u>	<u>267,408,809</u>

19.02 Details of Capital work-in -progress

Particulars	Opening Balance	Additions	Capitalized during the year	Closing Balance
Factory building and shed	29,167,443	358,975,616	(32,831,510)	355,311,549
Plant and machineries	229,249,804	717,673,796	(79,745,357)	867,178,243
Boundary wall, drainage System, roads and pavement	8,057,594	65,537,190	(795,642)	72,799,142
Motor vehicles	933,968	6,054,465	(6,988,433)	-
	267,408,809	1,148,241,066	(120,360,941)	1,295,288,934

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

19.a CONSOLIDATED CAPITAL WORK IN PROGRESS

Bangladesh Steel Re-Rolling Mills Limited	1,295,288,934	267,408,809
BSRM Steel Mills Limited	-	259,137,481
BSRM (Hong Kong) Limited	-	-
	<u>1,295,288,934</u>	<u>526,546,290</u>



Notes to the Financial Statements (Continued)

	Note	30 June 2021	30 June 2020
		BDT	BDT
20.00 Intangible assets			
See accounting policy in note 4 (F)			
Bangladesh Steel Re-Rolling Mills Limited-HO	20.01	21,212,828	15,030,379
Bangladesh Steel Re-Rolling Mills Limited-Kolkata Branch		-	-
		<u>21,212,828</u>	<u>15,030,379</u>
20.01 Bangladesh Steel Re-Rolling Mills Limited-HO			
<u>At Cost</u>			
Balance as at July 01		33,833,413	33,833,413
Addition due to Merger (SML)		26,646,812	-
Addition during the year		-	-
Balance as at Jun 30		<u>60,480,225</u>	<u>33,833,413</u>
<u>Accumulated Amortisation</u>			
Balance as at July 01		18,803,034	15,419,693
Amortisation due to Merger (SML)		15,914,462	-
Amortisation during the year		4,549,901	3,383,341
Balance as at Jun 30		<u>39,267,397</u>	<u>18,803,034</u>
<u>Carrying Amounts</u>		<u>21,212,828</u>	<u>15,030,379</u>
20.a <u>CONSOLIDATED INTANGIBLE ASSETS</u>			
Bangladesh Steel Re-Rolling Mills Limited	20.00	21,212,828	15,030,379
BSRM Steel Mills Limited		-	12,365,533
BSRM (Hong Kong) Limited		-	-
		<u>21,212,828</u>	<u>27,395,912</u>



Notes to the Financial Statements (Continued)

	Note	30 June 2021 BDT	30 June 2020 BDT
21.00 Investment in subsidiaries and associate See accounting policy in note 4 (H)			
Subsidiary company			
BSRM Steel Mills Limited (BSML)	21.01	-	6,400,734,650
BSRM (Hong Kong) Limited (BSRM HK)	21.01	12,257,443	2,077,654
Joint-Venture			
BMS Steel Limited (BMS)	21.01	6,106,500	6,106,500
Associate company			
BSRM Steels Limited (BSL)	21.01	7,313,964,240	6,664,212,379
		<u>7,332,328,183</u>	<u>13,073,131,183</u>

BSRM Steel Mills Limited (BSML) as Transferor Company and Bangladesh Steel Re-Rolling Mills Limited, the transferee company (together, "petitioner companies") filed an application under section 228 and 229 of the Companies Act 1994 before the Honorable High Court Division of the Supreme Court of Bangladesh for sanction of a scheme of amalgamation for merger of BSRM Steel Mills Limited with Bangladesh Steel Re-Rolling Mills Limited as approved by the Board of Directors of both the petitioner companies on 10 October 2019. The Honorable High Court Division of the Supreme Court of Bangladesh was pleased to admit the petition by an order dated 14 October 2019 and register the petition as Company matter no 225 of 2019. The Honorable High Court Division of the Supreme Court of Bangladesh, approved a verdict on 15 December 2020. As per order of the Honorable High Court, the judgement and the order shall take effect after filling of the certified copy of the same to the Registrar of Joint Stock Companies and Firms(RJSC) by BSRM Ltd. The certified copy of the court order has been filled to RJSC on 20th January 2021 and the Board has decided to merge both the Company's books of account with effect from 1 February, 2021.

21.01 Movement of Investment in Associate and Subsidiary

	BSL	BSML	BSRM HK	BMS
Balance at 1 July 2020	6,664,212,379	6,400,734,650	2,077,654	6,106,500
Investment made	-	-	-	-
Addition/adjustments during the year:				
Share of profit/(loss) of equity accounted Investees	950,337,482	-	10,179,789	-
Share of other comprehensive income-net of tax	-	-	-	-
Transfer of Deferred Tax to Retained Earnings by the equity accounted investees due to excess depreciation between cost and revalued	1,151,503	-	-	-
Share of Revaluation Reserve of Associate	(423,134,483)	-	-	-
Fair Value Reserve	414,531,335	-	-	-
Forgone dividend	(293,133,975)	-	-	-
Elimination of BSML(subsidiary) portion due to merger	-	(6,400,734,650)	-	-
Balance at 30 June 2021.	<u>7,313,964,240</u>	<u>-</u>	<u>12,257,443</u>	<u>6,106,500</u>
Balance at 1 July 2019	6,517,215,641	6,131,510,260	(6,763,215)	2,281,500
Investment made	-	-	-	3,825,000
Addition/adjustments during the year:				
Share of profit/(loss) of equity accounted Investees	231,504,243	269,224,390	8,840,869	-
Share of other comprehensive income-net of tax	(473,233)	-	-	-
Transfer of Deferred Tax to Retained Earnings by the equity accounted investees due to excess depreciation between cost and revalued model	1,346,787	-	-	-
Forgone dividend	(85,381,059)	-	-	-
Balance at 30 June 2020	<u>6,664,212,379</u>	<u>6,400,734,650</u>	<u>2,077,654</u>	<u>6,106,500</u>



Notes to the Financial Statements (Continued)

21.02 Investment in subsidiary company- BSRM Steel Mills Limited (BSML)

BSRM Limited was holding 52.88% equity interest in BSRM Steel Mills Limited till 31 January 2021 that consists of 44.97% direct holding (177,364,600 Ordinary shares of Tk. 10 each) and 7.91% indirect investment through investment in associate (BSL) at the reporting date.

However, upon application of BSRM Steel Mills Limited (BSML) as Transferor Company and Bangladesh Steel Re-Rolling Mills Limited, the transferee company (together, "petitioner companies"), under section 228 and 229 of the Companies Act 1994, The Honourable High Court Division of Supreme Court of Bangladesh has approved amalgamation of BSRM Steel Mills Limited with Bangladesh Steel Re-Rolling Mills Limited on 15 December 2020. As per order of the Honorable High Court, the judgement and the order shall take effect after filing of the certified copy of the same to the Registrar of Joint Stock Companies and Firms(RJSC) by BSRM Ltd. The certified copy of the court order has been filled to RJSC on 20th January 2021 and the Board has decided to merge both the Company's books of account with effect from 1 February, 2021.

Summary of financial information of subsidiary:

	31-Jan-21	30-Jun-20
	BDT	BDT
Non-current assets	23,883,712,100	24,087,172,204
Current assets	22,378,196,633	22,677,179,133
Total assets	46,261,908,733	46,764,351,337
Share capital	3,944,354,000	3,944,354,000
Retained earnings	2,782,073,767	2,069,459,142
Revaluation reserve	8,220,573,719	8,220,573,719
Total equity	14,947,001,486	14,234,386,861
Non-current liabilities	2,595,847,464	2,825,376,831
Current liabilities	28,719,059,783	29,704,587,645
Total liabilities	31,314,907,247	32,529,964,476
Total equity & liabilities	46,261,908,733	46,764,351,337
Net asset value (NAV) per share	37.89	36.09
Revenue	17,769,419,856	29,552,721,007
Other income	46,044,187	108,644,662
Expenses	(17,102,849,418)	(29,062,646,252)
Total comprehensive income for the year	712,614,625	598,719,417

21.03 Investment in associate company BSRM Steels Limited (BSL)

BSRM Limited has 31.19% equity interest in BSRM Steels Limited (BSL) i.e. 117,253,590 Ordinary Shares of Tk. 10 each. BSRM Steels Limited has been considered as an equity accounted investee of the Company and has been accounted for according to IAS 28: Investments in Associates and Joint Ventures. Reporting date of BSL is 30 June.

Summary of financial information of associate:

	30-Jun-21	30-Jun-20
	BDT	BDT
Non-current assets	25,673,501,788	27,641,776,745
Current assets	46,711,698,535	36,966,274,894
Total assets	72,385,200,323	64,608,051,639
Share capital	3,759,525,000	3,759,525,000
Retained earnings	10,447,946,298	9,681,036,891
Fair Value Reserve	1,329,120,000	-
Revaluation reserve	7,915,259,084	7,927,976,273
Total Equity	23,451,850,382	21,368,538,164
Non-current liabilities	8,791,516,968	9,975,913,581
Current liabilities	40,141,832,973	33,263,599,894
Total liabilities	48,933,349,941	43,239,513,475
Total equity & liabilities	72,385,200,323	64,608,051,639
Net asset value (NAV) per share	62.38	56.84



Notes to the Financial Statements (Continued)

	30-Jun-21	30-Jun-20
	BDT	BDT
Revenue	54,982,957,715	38,681,377,223
Other income	150,158,414	232,188,145
Expenses	(52,086,030,303)	(38,171,288,745)
Profit for the year	3,047,085,826	742,276,623
Other comprehensive income	(27,584,445)	(1,517,336)
Total Comprehensive income attributable to owners of the company	3,019,501,381	740,759,287

The market price of the Ordinary shares of BSRM Steels Limited (BSL) was Tk. 56.00 per share on 30 June 2021. Fair value of investments in BSL for 117,253,590 numbers of share has been estimated at Tk. 6,566,201,040

Out of 117,253,590 nos. ordinary shares of BSL, 3,000,000 nos., 8,000,000 nos., 2,562,112 nos., 10,000,000 nos. of ordinary shares are pledged against bridge finance and term loans from IPDC Limited, South Bangla Agriculture and Commerce Bank Limited, One Bank Limited, Prime Bank Limited respectively.

21.04 Investment in subsidiary company- BSRM (Hong Kong) Limited

The company has incorporated a fully owned new subsidiary company in Hong Kong on 30 May 2018. The paid up capital of this subsidiary company was 1 Hong Kong Dollar i.e. Tk. 10 on the reporting date.

Summary of financial information of subsidiary:

	30-Jun-21	30-Jun-20
	HKD	HKD
Non-current assets	27,268	40,902
Current assets	2,182,820	1,187,927
Total assets	2,210,088	1,228,829
Share capital	1	1
Retained earnings	1,121,719	191,089
Total equity	1,121,720	191,090
Non-current liabilities	995,100	-
Current liabilities	93,268	1,037,739
Total liabilities	1,088,368	1,037,739
Total equity & liabilities	2,210,088	1,228,829
Revenue	5,053,735	6,535,230
Expenses	(4,123,105)	(5,719,651)
Profit for the year	930,630	815,579

21.a CONSOLIDATED EQUITY ACCOUNTED INVESTEEES

BSRM Steel Limited (BSL)	21.01	7,313,964,240	6,664,212,379
BMS Steel Limited (BMS)	21.01	6,106,500	6,106,500
BSRM (Hong Kong) Limited		-	-
		7,320,070,740	6,670,318,879



Notes to the Financial Statements (Continued)

			30 June 2021	30 June 2020		
	Note		BDT	BDT		
22.00 Other investments						
Bangladesh Steel Re-Rolling Mills Limited-HO	22.01		164,500,300	1,000,300		
Bangladesh Steel Re-Rolling Mills Limited-Kolkata Branch			-	-		
			164,500,300	1,000,300		
22.01 Bangladesh Steel Re-Rolling Mills Limited-HO						
Investment in non-tradable shares at cost	22.02		164,500,300	1,000,300		
			164,500,300	1,000,300		
22.02 Investment in non-tradable shares at cost						
Islamic Steamship Co. Limited			300	300		
BSRM Wires Limited			164,500,000	-		
STS Holdings Limited			-	1,000,000		
			164,500,300	1,000,300		
22.a CONSOLIDATED OTHER INVESTMENTS						
Bangladesh Steel Re-Rolling Mills Limited	22.01		164,500,300	1,000,300		
BSRM Steel Mills Limited			-	2,500,000		
BSRM (Hong Kong) Limited			-	-		
			164,500,300	3,500,300		
23.00 Short term investments						
See accounting policy in note 4 (I)						
Bangladesh Steel Re-Rolling Mills Limited-HO	23.01		1,947,709,647	558,883,575		
Bangladesh Steel Re-Rolling Mills Limited-Kolkata Branch			-	-		
			1,947,709,647	558,883,575		
23.01 Bangladesh Steel Re-Rolling Mills Limited-HO						
Investment in tradeable securities at fair value	23.02		-	600,890		
Investment in fixed deposit receipts	23.04		1,947,709,647	558,282,685		
			1,947,709,647	558,883,575		
23.02 Investment in tradable securities at fair value						
Balance at 1 July			600,890	582,176		
Sold during the year			-	-		
Change in fair value of tradable securities	23.03		(600,890)	18,714		
Balance at 30 June			-	600,890		
23.03 Fair value of tradable securities						
	Cost	Fair value as at 30 June 2020	Fair value as at 30 June 2021	Increase/ (Decrease)		
Eastern Insurance Co. Limited	179,550	62,580	-	(62,580)		
Pragati Life Insurance Limited	497,480	180,309	-	(180,309)		
Progressive Life Insurance Co. Limited	319,605	358,001	-	(358,001)		
	996,635	600,890	-	(600,890)		
23.04 Investment in fixed deposit receipts						
	Name of financial company	Tenure	Purpose	Rate of Interest	30 June 2021	30 June 2020
	AB Bank Limited	3 Months	L/C Margin	6.00%	29,254,656	-
	Agrani Bank Limited	3 Months	L/C Margin	5.75%	127,216,746	3,329,258
	Bank Asia Limited	3 Months	L/C Margin	4.00%	21,462,000	-
	Commercial Bank of Ceylon PLC	3 Months - 1 year	L/C Margin	2.50% to 7.00%	67,820,543	26,141,515
	Dhaka Bank Limited	6 Months	L/C Margin	4.00% to 8.75%	162,869,584	6,405,047
	Dutch Bangla Bank Limited	3 Months	L/C Margin	1.50% to 4.25%	54,442,924	1,862,591
	Fareast Finance and Investment Limited	1 Year	Security Deposit	10.00%	4,611,597	5,611,597
	Habib Bank Limited	3-6 Months	L/C Margin	2.50% to 5.75%	19,126,361	6,210,378
	IFIC Bank Limited	3 Months- 1 year	L/C Margin	5.50% to 9.75%	100,710,922	43,312,621
	International Leasing and Financial Services Limited	1 Year	Security Deposit	12.50%	33,110,975	32,553,234



Notes to the Financial Statements (Continued)

Jamuna Bank Limited	3 Months	Investment	2.00% to 6.00%	82,808,278	-
Mercantile Bank Limited	3 Months	L/C Margin	4.00 to 8.00%	258,219,443	58,432,278
Mutual Trust Bank Ltd	3 Months	L/C Margin	3.50% to 5.50%	12,466,651	-
National Bank Limited	3-6 Months	L/C Margin	5.50% to 6.00%	13,738,181	-
NCC Bank Limited	3 Months	L/C Margin	1.00% to 6.00%	385,015,142	261,315,214
Pubali Bank Limited	6 Months	L/C Margin	1.25% to 7.50%	-	14,456,770
Shahjalal Islami Bank Limited	3 Months	L/C Margin	2.00% to 5.00%	31,251,351	17,695,386
Southeast Bank Ltd	1 Year	L/C Margin	5.50%	12,156,346	-
Standard Bank Limited	6 Months	L/C Margin	5.25%	3,571,147	-
Standard Chartered Bank Ltd.	1 Year	L/C Margin	3.50%	58,443,985	56,688,072
The City Bank Limited	6 Months	L/C Margin	1.00% to 6.00%	173,398,291	12,466,534
Trust Bank Limited	3-6 Months	L/C Margin	2.00% to 5.50%	38,076,120	1,160,284
United Commercial Bank Limited	3 Months	L/C Margin	3.25% to 6.00%	216,208,359	10,641,905
Uttara Bank Limited	3 Months	L/C Margin	4.50% to 5.25%	41,730,044	-
				1,947,709,647	558,282,685

23.a CONSOLIDATED SHORT TERM INVESTMENTS

Bangladesh Steel Re-Rolling Mills Limited	23.00	1,947,709,647	558,883,575
BSRM Steel Mills Limited		-	1,029,003,706
		1,947,709,647	1,587,887,281

24.00 Inventories

See accounting policy in note 4(G)

Bangladesh Steel Re-Rolling Mills Limited-HO	24.01	14,693,006,789	9,841,264,822
Bangladesh Steel Re-Rolling Mills Limited-Kolkata Branch		17,190,528	19,111,064
Portion of unrealized profit (PURP)- Subsidiary		-	(7,232,143)
		14,710,197,317	9,853,143,743

24.01 Bangladesh Steel Re-Rolling Mills Limited-HO

Raw material

Raw Materials- Billets	3,509,594,449	1,550,643,917
Raw Materials- Scraps	5,576,779,124	1,390,522,066
	9,086,373,573	2,941,165,983

Work-in-process

	-	68,541
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Finished goods

Finished goods- own production	2,094,738,789	4,345,804,002
Finished goods- procured	278,784,216	421,396,820
	2,373,523,005	4,767,200,822

Stores and spares

Mechanical stores	1,507,208,825	1,119,829,735
M.S. Roll	43,778,102	120,275,721
Electrical stores	645,780,070	438,888,851
General stores	33,228,759	25,702,255
Consumable stores	973,473,475	409,013,505
	3,203,469,230	2,113,710,067

Fuel and lubricants

	29,640,981	19,119,409
	14,693,006,789	9,841,264,822

24.a CONSOLIDATED INVENTORIES

Bangladesh Steel Re-Rolling Mills Limited	24.00	14,710,197,317	9,853,143,743
BSRM Steel Mills Limited		-	8,980,458,305
Unrealized profit elimination (added as subsidiaries portion which was deducted in separate FS)		-	7,232,143
Portion of unrealized profit (PURP)		-	(16,083,330)
		14,710,197,317	18,824,750,861



Notes to the Financial Statements (Continued)

	Note	30 June 2021 BDT	30 June 2020 BDT
25.00 Trade and other receivables See accounting policy in note 4(l)			
Bangladesh Steel Re-Rolling Mills Limited-HO	25.01	4,305,742,030	3,155,160,385
Bangladesh Steel Re-Rolling Mills Limited-Kolkata Branch		220,765,772	191,415,048
		4,526,507,802	3,346,575,433
25.01 Bangladesh Steel Re-Rolling Mills Limited-HO			
Trade receivables	25.02	4,139,893,593	2,997,594,265
Other receivables	25.03	165,848,437	157,566,120
		4,305,742,030	3,155,160,385
25.02 Trade receivables			
BSRM Steels Limited		764,178,680	3,898,400
BSRM Wires Limited		5,470,010	1,767,129
BSRM Logistics Limited		-	8,320
BSRM Steel Mills Limited		-	521,593
H. Akberali & Co. Limited		178,160	-
Other parties		3,371,157,745	2,992,489,825
		4,140,984,595	2,998,685,267
Provision for doubtful debt		(1,091,002)	(1,091,002)
		4,139,893,593	2,997,594,265
25.03 Other receivables			
Interest receivables		122,168,077	70,342,139
DEDO and other receivables		43,680,360	62,477,264
Interest receivable on blocked accounts		-	24,746,717
		165,848,437	157,566,120
25.04 Ageing of trade receivables is as follows:			
Not yet due		2,812,082,351	1,375,781,867
Less than 3 months		1,059,167,114	831,042,056
Over 3 months but less than 6 months		110,103,629	493,117,578
Over 6 months		159,631,501	298,743,766
		4,140,984,595	2,998,685,267
25.a CONSOLIDATED TRADE AND OTHER RECEIVABLES			
Bangladesh Steel Re-Rolling Mills Limited	25.00	4,526,507,802	3,346,575,433
BSRM Steel Mills Limited		-	5,799,695,605
Less: Intra group receivables		-	(5,357,909,868)
		4,526,507,802	3,788,361,170
26.00 Current account with related companies			
BSRM Logistics Limited		399,201,537	58,008,194
BSRM Ispat Limited		1,001,798,302	-
BSRM Wires Limited		1,068,118,494	64,961,593
Chittagong Power Company Limited		523,737,926	21,237,926
H. Akberali & Co. Limited		118,524,322	113,816,271
BSRM Steel Mills Limited		-	558,744,564
BSRM Steels Limited		-	822,902,651
BSRM Metal Ltd		78,535,996	-
BSRM Real Estates Limited		-	582,500
BSRM (Hong Kong) Limited (BSRM HK)		11,024,315	10,785,358
		3,200,940,893	1,651,039,056
All transactions among the related companies have been made through account payee cheques or bank transfers and interests were charged on all related companies' balances.			
26.a CONSOLIDATED CURRENT ACCOUNT WITH RELATED COMPANIES			
Bangladesh Steel Re-Rolling Mills Limited	26.00	3,200,940,893	1,651,039,056
BSRM Steel Mills Limited		-	2,382,698,567
BSRM (Hong Kong) Limited		-	-
Less: Intra group elimination		(11,024,315)	(569,529,922)
		3,189,916,578	3,464,207,701



Notes to the Financial Statements (Continued)

		30 June 2021	30 June 2020
		BDT	BDT
27.00 Advances and deposits			
See accounting policy in note 4 (I)			
Bangladesh Steel Re-Rolling Mills Limited-HO	27.01	6,867,774,842	1,930,343,149
Bangladesh Steel Re-Rolling Mills Limited-Kolkata Branch		157,762,979	84,737,688
		7,025,537,822	2,015,080,837
27.01 Bangladesh Steel Re-Rolling Mills Limited-HO			
Advances	27.02	6,727,646,022	1,883,748,522
Deposits	27.03	140,128,820	46,594,627
		6,867,774,842	1,930,343,149
27.02 Advances			
Advance tax (VAT)		-	20,582
For capital expenditure		20,464,019	230,871,488
For revenue expenses		103,401,332	38,871,993
For scrap purchase and others		2,207,456	4,893,582
For store and spares		122,503,444	131,030,524
Godown rent		1,248,201	1,309,129
Income tax		3,870,585,697	860,768,485
L/C margin		141,428,785	60,158,555
Against L/C		135,992,701	-
Land		900,789,719	352,981,945
Staff loan against salary		4,071,047	4,614,120
VAT current account		1,404,953,620	178,228,119
Western Marine Shipyard Limited		20,000,000	20,000,000
		6,727,646,022	1,883,748,522
27.03 Deposits			
Bangladesh Ansar and VDP		825,682	373,993
Bank guarantee to Customs authority		4,226,535	2,592,101
Bureau of Indian Standards		2,418,000	2,418,000
Customs authority against claim		552,890	552,890
Karnaphuli Gas Distribution Co. Limited (KGDC)		21,932,805	21,932,805
Linde Bangladesh Limited		879,900	879,900
Meghna Petroleum Limited		40,000	40,000
Chittagong Club Limited		40,000	-
Maxicon Shipping Agencies (BD) Pvt. Limited		650,000	-
Others		2,385,696	1,664,126
Power Development Board		104,949,368	14,949,368
Refundable security deposits for IPO		500,000	500,000
T & T and others		227,944	191,444
WASA		500,000	500,000
		140,128,820	46,594,627
27.04	The directors consider that all the above advances, deposits and prepayments are either adjustable or recoverable in cash or in kind and that no provision against these are required at this stage.		
27.a CONSOLIDATED ADVANCE, DEPOSITS AND PREPAYMENTS			
Bangladesh Steel Re-Rolling Mills Limited	27.00	7,025,537,822	2,015,080,837
BSRM Steel Mills Limited		-	4,461,704,664
BSRM (Hong Kong) Limited		1,041,377	1,093,800
		7,026,579,199	6,477,879,301
28.00 Cash and cash equivalents			
See accounting policy in note 4(I)			
Bangladesh Steel Re-Rolling Mills Limited-HO	28.01	1,563,830,880	206,920,129
Bangladesh Steel Re-Rolling Mills Limited-Kolkata Branch		11,364,281	19,634,324
		1,575,195,160	226,554,453
28.01 Bangladesh Steel Re-Rolling Mills Limited-HO			
Cash in hand	28.02	10,250,451	1,539,486
Cash at banks	28.03	1,253,580,429	205,380,643
Fixed deposit receipts	28.05	300,000,000	-
		1,563,830,880	206,920,129
28.02 Cash in hand			
Corporate office		149,445	195,834
Factory office		9,258,080	1,234,998
Dhaka office		742,926	8,654
Mirsarai office (Warehouse)		100,000	100,000
		10,250,451	1,539,486



Notes to the Financial Statements (Continued)

					30 June 2021	30 June 2020
					BDT	BDT
28.03 Cash at banks						
Name of the Banks	Branch	Account type	Currency	Note		
AB Bank Limited	Agrabad	CD	BDT		3,331,082	96,432
AB Bank Limited	Agrabad	CD	USD		125,652	125,652
Agrani Bank Limited	Laldighi East	CD	BDT		44,709,629	1,418,993
Agrani Bank Limited	Laldighi East	CD	USD		267,189,520	121,183,364
Al-Arafah Islami Bank Limited	Agrabad	CD	BDT		53,533,867	13,786,720
Bank Alfalah Limited	Agrabad	CD	BDT		(22,824,669)	(103,716,202)
Bank Asia Limited	Agrabad	CD	BDT		7,281,578	4,468,886
BASIC Bank Limited	Dewanhath	CD	BDT		388,337	37,928
BRAC Bank Limited	Agrabad	CD	BDT		6,929,247	48,954
Commercial Bank of Ceylon PLC	Agrabad	CD	BDT		83,702	(838)
Commercial Bank of Ceylon PLC	Agrabad	FCY CD	USD		96,507	98,460
Dhaka Bank Limited	Jubilee Road	CD	BDT		2,581,894	575,890
Dutch Bangla Bank Limited	Jubilee Road	CD	BDT		3,270,920	326,316
Eastern Bank Limited	Agrabad	Escrow	BDT		-	104,622
Eastern Bank Limited	Agrabad	CD	BDT		5,020,098	175,313
EXIM Bank Limited	CDA Avenue	CD	BDT		1,835,327	3,722,152
Habib Bank Ltd	Laldighi East	CD	BDT		1,431,436	-
HSBC	Agrabad	CD	BDT		(57,098,612)	7,830,286
HSBC	Agrabad	ERQ	USD		31,976	33,026
IFIC Bank Limited	Agrabad	CD	BDT		19,490,378	2,236,101
Islami Bank Bangladesh Limited	Jubilee Road	CD	BDT		15,647,340	9,523,131
Jamuna Bank Limited	Khatunjonj	CD	BDT		(100,932)	62,960
Janata Bank Limited	Laldighi East	CD	BDT		5,473,649	855,942
Meghna Bank Ltd	Agrabad	CD	BDT		91,136	-
Mercantile Bank Limited	Jubilee Road	CD	BDT		3,791,680	12,877
Midland Bank Limited	Agrabad	CD	BDT		1,858,527	13,489
Mutual Trust Bank Limited	Jubilee Road	CD	BDT		4,677,802	151,494
National Bank Limited	Jubilee Road	CD	BDT		92,870	54,417
NCC Bank Limited	Agrabad	CD	BDT		764,235,891	31,762,884
NRB Commercial Bank Limited	Agrabad	CD	BDT		7,560,632	1,748,594
NCC Bank Limited	Agrabad	ERQ	USD		5,904,861	5,904,861
NCC Bank Limited	Agrabad	FCY CD	USD		197,564	254,851
One Bank Limited	Agrabad	CD	BDT		(98,011,683)	4,983,167
Premier Bank Limited	O.R Nizam Road	CD	BDT		1,551,633	904,686
Prime Bank Limited	O.R Nizam Road	CD	BDT		10,373,393	1,193,825
Prime Bank Limited	Agrabad	Escrow	BDT		609,134	367,899
Prime Bank Limited	Agrabad	FCY CD	USD		1,351,830	-
Pubali Bank Limited	Agrabad	CD	BDT		53,492	-
Pubali Bank Limited	Dhaka	CD	BDT		81,741	-
Shahjalal Islami Bank Limited	Jubilee Road	CD	BDT		5,623,942	91,571
Social Islami Bank Limited	Jubilee Road	CD	BDT		10,820,086	5,949,184
Sonali Bank Limited	Kalibari	CD	BDT		158,063	1,664
Sonali Bank Limited	Laldighi East	CD	BDT		50,769	1,866,459
Southeast Bank Limited	CDA Avenue	CD	BDT		1,440,770	506,115
Southeast Bank Limited	Pahartali	CD	BDT		2,628,593	8,100,980
Standard Bank Limited	Sadarghat Road	CD	BDT		4,405,856	26,142
Standard Chartered Bank	Dhaka	CD	BDT		24,692	73,025
Standard Chartered Bank	Agrabad	CD	BDT		612,065	-
State Bank of India	Agrabad	CD	BDT		354,250	88,824
The City Bank Limited	Agrabad	CD	BDT		22,328,466	30,378,928
The City Bank Limited	Agrabad	FCY CD	USD		114,249,915	44,507,986
Trust Bank Limited	CDA Avenue	CD	BDT		2,217,710	91,577
Uttara Bank Limited	Agrabad	CD	BDT		60,328	37,585
United Commercial Bank Limited	Jubilee Road	CD	BDT		21,574,504	(1)
United Commercial Bank Limited	Jubilee Road	Escrow	BDT		6,801	7,491
					1,249,405,238	202,074,662
Name of the Banks	Branch	Account type	Currency			
Mutual Trust Bank Limited	Dilkusha	CD	USD	28.04	696,218	696,218
Mutual Trust Bank Limited	Dilkusha	CD	Pound	28.04	49,988	44,486
Mutual Trust Bank Limited	Dilkusha	Escrow	BDT	28.04	452,015	446,508
Mutual Trust Bank Limited	Dilkusha	CD	EURO	28.04	16,444	15,547
Standard Chartered Bank	Agrabad	CD	BDT	28.04	2,960,526	2,103,222
					4,175,191	3,305,981
					1,253,580,429	205,380,643

All Bank balances are reconciled with bank statements and negative balances shown in the bank book represent book overdraft.



Notes to the Financial Statements (Continued)

28.04 These accounts were opened for deposit of Share Money (IPO) and payment of dividend. Balances in these accounts represent amount refundable to the applicants to whom shares were not allotted and unclaimed dividend.

28.05 Fixed deposit receipts

<u>Name of the Banks</u>	<u>Tenure</u>	<u>Rate of interest</u>		
Sonali Bank Limited	3 Months	5.5%-6%	300,000,000	-
			<u>300,000,000</u>	<u>-</u>

28.a CONSOLIDATED CASH AND CASH EQUIVALENTS

Bangladesh Steel Re-Rolling Mills Limited	28.00	1,575,195,160	226,554,453
BSRM Steel Mills Limited		-	23,618,286
BSRM (Hong Kong) Limited		22,988,516	11,771,452
		<u>1,598,183,676</u>	<u>261,944,191</u>



Notes to the Financial Statements (Continued)

	30 June 2021	30 June 2020	
	BDT	BDT	
29.00 Share capital			
See accounting policy in note 4 (P)			
Authorized capital			
500,000,000 Ordinary shares @ Tk. 10 each	5,000,000,000	5,000,000,000	
	<u>5,000,000,000</u>	<u>5,000,000,000</u>	
Issued, Subscribed and Paid-up capital			
64,345,491 Ordinary shares @ Tk. 10 each issued in cash	643,454,910	643,454,910	
64,345,491 Ordinary shares @ Tk. 10 each fully paid-up as Bonus Shares	643,454,910	643,454,910	
27,160,056 Ordinary shares @ Tk. 10 each fully paid up (other than cash)	271,600,560	271,600,560	
17,500,000 Ordinary shares @ Tk. 10 each issued through Initial Public	175,000,000	175,000,000	
4,010,523 Ordinary shares @ Tk. 10 each issued against 12% Convertible	40,105,230	40,105,230	
17,736,156 Ordinary shares @ Tk. 10 each fully paid-up as Bonus Shares	177,361,560	177,361,560	
19,509,771 Ordinary shares @ Tk. 10 each fully paid-up as Bonus Shares	195,097,710	195,097,710	
2,146,074 Ordinary shares @ Tk. 10 each fully paid-up as Bonus Shares	214,607,480	214,607,480	
62,516,390 share issued @Tk. 10 each merger with BSRM Steel Mills Ltd with	625,163,900	-	
	<u>2,985,846,260</u>	<u>2,360,682,360</u>	
29.01 Classification of shares by holding at 30 June 2021			
<u>Class by number of shares</u>	<u>No. of holders</u>	<u>No. of Shares</u>	<u>Holding (%)</u>
Less than 500	4,163	769,081	0.26%
From 500 to 5,000	2,686	4,698,148	1.57%
From 5,001 to 10,000	351	2,624,064	0.88%
From 10,001 to 20,000	190	2,657,169	0.89%
From 20,001 to 30,000	58	1,451,819	0.49%
From 30,001 to 40,000	25	850,618	0.28%
From 40,001 to 50,000	33	1,554,681	0.52%
From 50,001 to 100,000	49	3,573,222	1.20%
From 100,001 to 1,000,000	52	14,527,416	4.87%
From 1,000,001 and above	32	265,878,408	89.05%
	<u>7,639</u>	<u>298,584,626</u>	<u>100%</u>
29.02 Composition of Shareholders at 30 June 2021			
<u>Name of shareholders</u>	<u>No. of shares</u>	<u>Holding (%)</u>	
Directors:			
Mr. Alihussain Akberali	29,970,251	10.04%	
Mr. Aameir Alihussain	25,409,856	8.51%	
Mr. Zohair Taherali	44,535,044	14.92%	
Mrs. Sabeen Aameir	28,800,000	9.65%	
Shareholders other than Directors	169,869,475	56.89%	
	<u>298,584,626</u>	<u>100.00%</u>	
29.03 Composition of Shareholders at 30 June 2021			
<u>Nature of shareholders</u>	<u>No. of holders</u>	<u>No. of shares</u>	<u>Holding (%)</u>
Sponsor/Director Shareholders	5	138,403,407	46.35%
Foreign Shareholders	11	52,231,666	17.49%
Other Shareholders	7,623	107,949,553	36.15%
	<u>7,639</u>	<u>298,584,626</u>	<u>100%</u>
29.04 Dividends			
The following dividends were declared and paid/payable by the company for the year:	Date of board meeting		
15% annual cash dividend (Tk. 1.5) per qualifying ordinary share (For Jul'19-Jun'20)	15-Oct-20	354,102,354	-
10% Interim cash dividend (Tk.1.00) per qualifying ordinary share (For Jul'20-Jun'21)	28-Jan-21	236,068,236	-
25% annual cash dividend (Tk. 2.5) per qualifying ordinary share (For Jul'18-Jun'19)	16-Sep-19		590,170,590
30.00 Share Premium			
Balance As at July 01		511,970,250	511,970,250
Add: Addition during the year due to merger	30.01	1,545,544,100	-
Balance As at June 30		<u>2,057,514,350</u>	<u>511,970,250</u>



Notes to the Financial Statements (Continued)

		30 June 2021	
		BDT	
30.01 Addition during the year (on Merger)			
Total paid up share capital of BSRM Steel Mills Limited (Transferor Company)		3,944,354,000	
Less: cost of investment of Transferee Company in the Transferor Company		(1,773,646,000)	
Net amount on which shares to be issued		2,170,708,000	
Value of Share issued as per directives of Honourable High Court as purchase consideration		(625,163,900)	
Share Premium		1,545,544,100	
31.00 Reserves			
31.01 General reserve			
The general reserve is created from time to time by transferring profits from retained earnings for appropriation purposes and to meet future known or unknown requirements. There is no policy of regular transfer. As the general reserve is created by a transfer from one component of equity to another and is not an item of other comprehensive income, items included in the general reserve will not be reclassified subsequently to profit or loss.			
31.02 Revaluation reserve			
Revaluation reserve relates to the revaluation of property plant and equipment.			
32.00 Long term borrowings- non-current portion			
See accounting policy in note 4 (J)			
Bangladesh Steel Re-Rolling Mills Limited-HO	32.01	728,339,400	2,323,136,465
Bangladesh Steel Re-Rolling Mills Limited-Kolkata Branch			-
		728,339,400	2,323,136,465
32.01 Bangladesh Steel Re-Rolling Mills Limited-HO			
Lanka Bangla Finance Limited	32.03	130,445,718	225,740,579
Prime Bank Limited- Syndicated term loan	32.04	597,893,682	2,097,395,886
		728,339,400	2,323,136,465
32.02 United Commercial Bank Limited			
Due within one (1) year		-	668,475,153
Due after more than one (1) year		-	-
		-	668,475,153

The above loan amount was fully settled on 16 March 2021.

Terms of loan:**Lenders:**

The United Commercial Bank Limited- Syndicate term loan facility has been converted to a term loan facility following a mutual agreement between the Company and the bank with effect from January 2020.

Total loan facilities: Tk. 82.58 crore.

Interest rate:

Interest rate is 9.00% per annum calculated on quarterly basis and variable depending on the situation of money market.

Repayments:

This term loan is repayable in 5 (five) quarterly instalments starting from March 2020 quarter.

Securities:

- First ranking pari-passu charge by way of registered mortgage of 811.50 decimal of project land and/or other immovable assets of the Borrower along with an irrevocable General Poer of Attorney to sell the said properties.
- First priority fixed and floating charge over all plant, machinery, equipment and other fixed & floating assets (both present and future) of the Borrower along with a Power of Attorney to sell the said assets.
- Agreement for Assigning (Insurance) along with Power of Attorney.
- Corporate Guarantee of H. Akberali & Co. Limited.
- Personal guarantee of the Directors of Bangladesh Steel Re-Rolling Mills Limited.
- Undated cheque(s) covering the full value of the limit.

Purpose:

For acquisition of plant and machineries to enhance the production capacity to 450,000 metric tons per year, improve product quality, undertake civil construction etc. for BMRE.



Notes to the Financial Statements (Continued)

32.03 Lanka Bangla Finance Limited

Due within one (1) year
Due after more than one (1) year

30 June 2021	30 June 2020
BDT	BDT
94,202,615	82,850,840
130,445,718	225,740,579
224,648,333	308,591,419

Terms of loan:

Total loan facilities: Tk. 40 crore.

Interest rate:

Interest rate is 8.99% per annum calculated on monthly basis variable depending on money market situation.

Disbursement:

The disbursement of the loan was made on 18 August 2018.

Repayment:

The loan is repayable in 60 (sixty) monthly instalments with 06 (six) months grace period.

Securities:

- Personal guarantee of the Directors of Bangladesh Steel Re-Rolling Mills Limited.
- Subsequent charge/hypothecation on all present and future fixed and floating assets of the company to be filled or registered with RJSC along with IGPA to sell the hypothecated assets in favor of LBFL.
- Corporate Guarantee of H. Akberali & Co. Limited supported by Board Resolution.
- At least 100% insurance coverage of the finance amount in favor of LBFL.
- 06 nos. of post dated cheques covering the monthly interest payments, 54 nos of post dated cheques covering equal monthly instalment amount and 03 nos security cheques covering total receivables.

Purpose:

For land development, civil works, electrical works, refurbishment, machine repair and maintenance & other cost for expansion of business.

32.04 Prime Bank Limited - Syndicated term loan

Due within one (1) year
Due after more than one (1) year

1,200,000,000	1,200,000,000
597,893,682	2,097,395,886
1,797,893,682	3,297,395,886

Terms of loan:

Lenders:

The company entered into a syndicated loan agreement for balance sheet restructuring on 20 December 2017 with Prime Bank Limited, the lead arranger and 7 (seven) other Banks.

Total loan facilities: Tk. 600 crore.

Interest rate:

Indicative rate of interest for term loan is 7.75% p.a. with quarterly rests which may be reviewed semi-annually after first disbursement based on negotiation considering prevailing money market situation.

Disbursement:

The first disbursement of the loan was made on 03 January 2018.

Repayment:

The principal plus interest amount will be repaid in 20 (twenty) quarterly instalments starting from the immediate next quarter end of first disbursement date.

Securities:

- Pari-passu 1st charge over existing fixed assets including registered mortgage charge over project land and construction there on with relevant IGPA.
- 1st ranking pari-passu charge over balance of existing ESCROW account.
- Personal guarantee of all directors.
- Corporate Guarantee of H. Akberali Co. Ltd.
- Pledge & Lien on 10 Million shares of BSRM Steels Limited. This security will be released upon completion of aforesaid security documentation.
- Negative pledge over assets of BSRM Limited till perfection of documentation.
- Other charge document as per opinion of lenders common counsel and standard practice.

Purpose:

Restructuring of liabilities through refinancing of its short term loan and/or loan from its sisters concern.



Notes to the Financial Statements (Continued)

32.05 IPDC of Bangladesh Limited

Due within one (1) year
Due after more than one (1) year

30 June 2021	30 June 2020
BDT	BDT
-	57,068,297
-	-
-	57,068,297

The above loan amount was fully settled on 22 March 2021.

Terms of loan:

Total loan facilities: Tk. 20 crore.

Interest rate: Interest rate varies between 9.50% -13.50% per annum calculated monthly basis variable depending on money market situation.

Disbursement:

Disbursement of the loan was made on 28 April 2016.

Repayment:

Different loans are created with different payment schedules under this facility.

Securities:

- Corporate guarantee of H. Akberali & Co. Ltd.
- Personal guarantee of all the sponsor directors of Bangladesh Steel Re-Rolling Mills Limited.
- Lien on 3,000,000 demitted sponsor shares of BSRM Steels Ltd (BSL).
- 01 (One) security cheque for the entire facility amount along with interest to be obtained.
- Demand promissory note along with Letter of Continuation.

Purpose:

To meet the working capital requirement of the business.

32.a CONSOLIDATED LONG TERM BORROWING- NON CURRENT PORTION

Bangladesh Steel Re-Rolling Mills Limited	32.00	728,339,400	2,323,136,465
BSRM Steel Mills Limited		-	340,651,363
		728,339,400	2,663,787,828

33.00 Defined benefit obligations - gratuity

See accounting policy in note 4 (Q)

Balance at 1 July	259,300,000	231,907,679
Transferred on 01 Feb 2021 (BSRM SML)	65,057,104	-
Transferred on 30 June 2021 (BSRM Wires Ltd)	10,498,674	-
Current service cost	47,299,755	23,667,505
	382,155,533	255,575,184
Payment made during the year	(15,838,112)	(4,938,072)
	366,317,421	250,637,112
Actuarial loss	-	8,662,888
Balance at 30 June	366,317,421	259,300,000

The Company had an actuarial valuation of its defined benefit obligation as on 30 June 2020 which was valued at Tk. 259,300,000. Accordingly the company made the provision to the extent to match the actuarial valuation. The valuation was conducted by Z. Halim & Associates who is a reputed Actuarial & Pension Consultants in Bangladesh.

A funded gratuity scheme has been created which has obtained approval from National Board of Revenue vide Letter Ref: 08.01.0000.035..02.347.20/57 dated 18 February 2021.

33.a CONSOLIDATED DEFINED BENEFIT OBLIGATIONS-GRATUITY

Bangladesh Steel Re-Rolling Mills Limited	33.00	366,317,421	259,300,000
BSRM Steel Mills Limited		-	56,051,000
BSRM (Hong Kong) Limited		-	-
		366,317,421	315,351,000



Notes to the Financial Statements (Continued)

Notes to the Financial Statements (Continued)

	Note	30 June 2021 BDT	30 June 2020 BDT			
34.00 Provision for Income Tax See accounting policy in note 4 (J)						
Bangladesh Steel Re-Rolling Mills Limited-HO	34.01	834,097,486	86,980,212			
Bangladesh Steel Re-Rolling Mills Limited-Kolkata Branch		-	-			
		834,097,486	86,980,212			
34.01 Bangladesh Steel Re-Rolling Mills Limited-HO						
Opening Balance		86,980,212	306,310,048			
Add: Transfer from SML as on 01 Feb 2021 due to Merger		367,210,460	-			
Add: Provision during the year		466,887,027	266,292,561			
Add/(Less): Previous year tax Adjustment		-	12,801,999			
Less: Advance Income Tax Adjusted during the year		(86,980,213)	(498,424,396)			
Closing Balance		834,097,486	86,980,212			
34.a CONSOLIDATED PROVISION FOR INCOME TAX						
Bangladesh Steel Re-Rolling Mills Limited	34.00	834,097,486	86,980,212			
BSRM Steel Mills Limited		-	548,909,280			
BSRM (Hong Kong) Limited		839,848	162,190			
		834,937,333	636,051,682			
35.00 Current Tax Expenses See accounting policy in note 4 (O)						
Bangladesh Steel Re-Rolling Mills Limited-HO		466,887,027	266,292,561			
Bangladesh Steel Re-Rolling Mills Limited-Kolkata Branch		-	8,412,984			
Add/(Less): Previous year tax Adjustment		18,578,483	12,801,999			
		485,465,510	287,507,544			
35.01 Year wise income taxes assessment status is as follows:						
Accountin g Year	Assessment Year	Opening balance	Charged/ (credited) to profit or loss	Adjusted/ paid during the year	30 June 2021	Remarks
2013	2014-2015	-	-	-	-	Reference to High Court.
2014	2015-2016	-	-	-	-	Reference to High Court.
2015	2016-2017	-	-	-	-	Appeal to CT.
2016	2016-2017	-	-	-	-	Appeal to CT.
2017	2017-2018	-	-	-	-	Tribunal completed
2018	2018-2019	-	-	-	-	Appeal to CT.
2019	2019-2020	-	-	-	-	Assessment completed.
2020	2020-2021	-	266,292,561	(179,312,349)	86,980,212	Assessment completed.
2021	2021-2022	86,980,212	834,097,487	(86,980,213)	834,097,486	Return due by 15 January 2022



35.02 Reconciliation of effective tax rate

	2021		2020	
	Rate	Taka	Rate	Taka
Profit before tax		5,503,858,994		1,335,618,026
Tax using the applicable tax rate	22.5%	1,238,368,274	25%	333,904,507
Tax effect of:				
Share of loss/ (profit) of equity accounted investee	-3.93%	(216,116,386)	-9.54%	(127,392,376)
Difference between accounting and fiscal depreciation	-0.81%	(44,508,358)	-3.95%	(52,701,210)
Non-operating income	-	-	0.08%	1,079,252
Inadmissible expenses	0.63%	34,496,025	-	-
Unrealized foreign currency translation gain	-	-	-0.02%	(209,990)
Rebate on export sales	-0.11%	(5,991,740)	-0.09%	(1,239,666)
Unabsorbed depreciation	-10.92%	(600,895,071)	-	-
Rebate on CSR	-0.01%	(292,271)	-0.02%	(293,529)
Implication for minimum tax	-	-	8.66%	115,731,088
Bangladesh Steel Re-Rolling Mills Ltd. (Kolkata Branch)	-0.04%	(1,982,203)	0.42%	5,576,328
Effect of deferred tax	0.87%	48,030,619	9.45%	126,269,740
Prior year income tax	0.34%	18,578,483	0.98%	13,053,139
Gain/(loss) on sale of Non-current asset	0.08%	4,380,191	-	-
Loss carried over	-0.01%	(320,040)	-	-
Impact on cash dividend received	1.07%	58,626,795	-	-
Profit on sale of shares	-0.01%	(824,728)	-	-
Piscal profit on sale of shares	0.03%	1,430,995	-	-
Capital gain on sales of Listed shares	0.001%	68,546	-	-
Capital gain on sales of Non-Listed shares	0.01%	447,000	-	-
	9.67%	533,496,128	30.98%	413,777,284

35.a CONSOLIDATED CURRENT TAX EXPENSES

Bangladesh Steel Re-Rolling Mills Limited	35.00	485,465,510	287,507,544
BSRM Steel Mills Limited		-	547,164,805
BSRM (Hong Kong) Limited		665,417	162,340
		<u>486,130,927</u>	<u>834,834,689</u>



Notes to the Financial Statements (Continued)

36.00 Deferred tax liability See accounting policy in note 4 (O)

Deferred tax liability has been calculated below at the applicable tax rate on the temporary difference between the carrying value and tax base.

	30 June 2021 BDT	30 June 2020 BDT
Balance at 1 July	2,676,575,321	2,559,502,570
Transfer from SML as on 31 January 2021 due to Merger	2,530,790,361	-
Adjustment for unabsorbed depreciation of SML	(774,657,906)	-
Provided/ (adjusted) during the year:		
Investments in associates	134,487,109	85,765,394
Unabsorbed depreciation	684,037,431	(16,516,616)
Adjusted for gratuity	5,712,861	(6,848,080)
Adjustment in investment due to merger	(804,679,539)	-
Deferred tax on actuarial gain/(loss)- gratuity	-	(2,165,722)
For temporary difference of PPE and software (excluding land)	(776,038,214)	63,910,310
Adjusted for impact of excess depreciation on revaluation surplus	(5,844,459)	(7,031,267)
Deferred tax of overseas branch	(168,568)	(41,268)
Balance at 30 June	3,670,214,397	2,676,575,321

Reconciliation of Deferred tax liabilities/(assets) is as follows:

	Rate applied	Carrying amount	Tax base	Taxable/ (Deductible) temporary difference	Deferred tax Liability/ (Asset)
As on 30 June 2021					
Property, plant and equipment (other than land)	22.50%	21,252,030,426	9,269,910,602	11,982,119,823	2,695,976,960
Intangible assets (Software)	22.50%	21,212,828	25,014,933	(3,802,104)	(855,473)
Provision for gratuity	22.50%	366,317,421	-	(366,317,421)	(82,421,420)
Unabsorbed depreciation	22.50%	655,049,184	-	(655,049,184)	(147,386,066)
Investment in Associate	5% - 20%	-	-	-	1,561,389,895
Adjustment in investment due to merger	0%	-	-	-	(804,679,539)
DT on Revaluation Reserve	0%	-	-	-	254,244,548
Deferred tax on land revaluation	0%	-	-	-	194,425,905
Deferred tax of overseas branch	0%	-	-	-	(480,414)
Deferred tax liability					3,670,214,397

	Rate applied	Carrying amount	Tax base	Taxable/ (Deductible) temporary difference	Deferred tax Liability/ (Asset)
As on 30 June 2020					
Property, plant and equipment (other than land)	25%	8,441,799,131	3,726,164,827	4,715,634,304	1,178,908,576
Intangible assets (Software)	25%	15,030,379	13,405,531	1,624,848	406,212
Provision for gratuity	25%	(259,300,000)	-	(259,300,000)	(64,825,000)
Actuarial gain/(loss)	25%	(8,662,888)	-	(8,662,888)	(2,165,722)
Unabsorbed depreciation	25%	(227,062,364)	-	(227,062,364)	(56,765,591)
Investment in Subsidiaries and Associate	5% - 20%	-	-	-	1,426,902,786
Deferred tax on land revaluation	3% to 4%	-	-	-	194,425,905
Deferred tax of overseas branch		-	-	-	(311,845)
Deferred tax liability					2,676,575,321

	Rate applied	Carrying amount	Tax base	Taxable/ (Deductible) temporary difference	Deferred tax Liability/ (Asset)
As on 31 January 2021 (SML)					
PPE	32.5%	13,737,269,138	6,667,455,690	7,069,813,448	2,297,689,371
Gratuity Provision	32.5%	65,057,103	-	65,057,103	(21,143,559)
DT on Land revaluation					254,244,548
					2,530,790,360



Notes to the Financial Statements (Continued)

	Rate applied	Carrying amount	Tax base	Taxable/ (Deductible) temporary difference	Deferred tax Liability/ (Asset)
As on 30 June 2020 (with SML)					
Property, plant and equipment (other than land)	25%	22,179,068,269	10,393,620,517	11,785,447,752	3,476,597,947
Intangible assets (Software)	25%	15,030,379	13,405,531	1,624,848	406,212
Provision for gratuity	25%	(324,357,103)	-	(324,357,103)	(85,968,559)
Actuarial gain/(loss)	25%	(8,662,888)	-	(8,662,888)	(2,165,722)
Unabsorbed depreciation SML	25%	(227,062,364)	-	(227,062,364)	(56,765,591)
Unabsorbed depreciation BSRM Ltd	25%	(3,098,631,624)	-	(3,098,631,624)	(774,657,906)
Investment in Subsidiaries and Associate	5% - 20%	-	-	-	1,426,902,786
DT on Revaluation Reserve	0%	-	-	-	254,244,548
Deferred tax on land revaluation	0%	-	-	-	194,425,905
Deferred tax of overseas branch	0%	-	-	-	(311,845)
Deferred tax liability					4,432,707,775
36.a CONSOLIDATED DEFERRED TAX LIABILITY					
Bangladesh Steel Re-Rolling Mills Limited			36.00	3,670,214,397	2,676,575,321
BSRM Steel Mills Limited				-	2,428,674,468
BSRM (Hong Kong) Limited				-	-
				3,670,214,397	5,105,249,789
37.00 Trade payables					
See accounting policy in note 4 (J)					
Bangladesh Steel Re-Rolling Mills Limited-HO			37.01	361,777,439	5,495,951,665
Bangladesh Steel Re-Rolling Mills Limited-Kolkata Branch				112,774,974	51,276,419
				474,552,412	5,547,228,084
37.01 Bangladesh Steel Re-Rolling Mills Limited-HO					
BSRM Logistics Limited				25,982,222	18,065,422
BSRM Steel Mills Limited				-	5,357,388,276
Goods & supplies				21,087,161	8,006,403
Labor cost				1,752,945	990,297
Payables for stores and spares				312,925,245	109,660,255
BSRM Steels Limited				-	1,841,012
BSRM Wires Limited				29,866	-
				361,777,439	5,495,951,665
These balances represent amounts payable against supply of raw materials and services.					
37.a CONSOLIDATED TRADE PAYABLES					
Bangladesh Steel Re-Rolling Mills Limited			37.00	474,552,412	5,547,228,084
BSRM Steel Mills Limited				-	37,219,512
BSRM (Hong Kong) Limited				-	-
Less: Intra group elimination				-	(5,357,909,868)
				474,552,412	226,537,728
38.00 Short term borrowings					
See accounting policy in note 4 (J)					
Short term borrowings			38.01	32,537,442,420	9,332,878,052
Long term borrowings- current portion			38.02	1,294,202,615	2,008,394,290
				33,831,645,035	11,341,272,342
38.01 Short term borrowings					
Loan against trust receipt (LATR)			38.01.01	-	46,142,916
Time loan			38.01.02	1,530,953,800	3,450,537,695
Bank overdraft, SOD and cash credit			38.01.03	1,921,838,965	3,018,509,550
Demand Loan			38.01.04	1,140,403,657	-
Liability for accepted bills for payment (ABP)			38.01.05	25,453,483,820	2,530,914,213
Stimulus Loan - Trust Bank Limited			38.01.06	2,490,762,178	160,665,983
Blocked interest			38.01.07	-	126,107,695
				32,537,442,420	9,332,878,052
38.01.01 Loan against trust receipt (LATR)					
Pubali Bank Limited				-	46,142,916
				-	46,142,916
38.01.02 Time loan					
Bangladesh Steel Re-Rolling Mills Limited-HO			38.01.02.01	1,308,251,389	3,252,359,892
Bangladesh Steel Re-Rolling Mills Limited-Kolkata Branch				222,702,411	198,177,803
				1,530,953,800	3,450,537,695



Notes to the Financial Statements (Continued)

		30 June 2021	30 June 2020
		BDT	BDT
38.01.02.01 Bangladesh Steel Re-Rolling Mills Limited-HO			
Al-Arafah Islami Bank Limited		-	49,906,375
BRAC Bank Limited		50,000,000	-
Dhaka Bank Limited		-	251,875,000
Habib Bank Limited		180,000,000	132,582,492
HSBC		220,000,000	722,828,012
Industrial and Infrastructure Development Finance Company Limited		-	150,043,589
Jamuna Bank Limited		350,077,778	157,667,955
Midland Bank Limited		-	559,299,632
Standard Chartered Bank		-	492,732,484
The City Bank Limited		508,173,611	631,620,328
Trust Bank Limited		-	103,804,025
		1,308,251,389	3,252,359,892
38.01.03 Bank overdraft, SOD and cash credit	Type		
Agrani Bank Limited	CC Hypo	(7,401,788)	16,158,608
Agrani Bank Limited	CC Pledge	2,256	427,870,804
Agrani Bank Limited	CC	64,076	-
Dhaka Bank Limited	OD	(95,844)	-
Habib Bank Limited	OD	9,398,099	7,973,547
IFIC Bank Limited	OD	77,315	-
Jamuna Bank Limited	CC	221,422	(47,008)
Mercantile Bank Limited	CC	356,883,363	-
National Bank Limited	CC	(1,407,872)	22,246,714
Prime Bank Limited	Bai-Muazzal	-	151,125,000
Pubali Bank Limited	CC	109,636,658	50,861,828
Pubali Bank Limited	OD	1,174,967,179	745,345,195
Shahjalal Islami Bank Limited	Bai-Muazzal	17,288,120	762,922,993
Sonali Bank Limited	CC	148,007,773	296,032,383
Sonali Bank Limited	CC	3,999,893	19,751,638
Southeast Bank Limited	OD	10,867,113	-
Standard Bank Limited	CC	-	328,532,234
Standard Chartered Bank	OD	3,782,618	18,326,653
State Bank of India	CC	148,531,829	137,517,777
The City bank Limited	OD	(31,577,212)	-
Trust Bank Limited	OD	(13,997,764)	33,891,184
Uttara Bank Limited	OD	(8,592,983)	-
United Commercial Bank	CC	1,184,713	-
		1,921,838,965	3,018,509,550
38.01.04 Demand Loan			
BRAC Bank Limited		500,827,180	-
Eastern Bank Limited		603,083,917	-
Islami Bank Bangladesh Limited		36,492,560	-
		1,140,403,657	-
38.01.05 Liability for accepted bills for payment (ABP)			
Bank Alfalah Limited		32,719,512	21,689,577
Al-Arafah Bank Limited		627,668,531	-
Bank Asia Limited		1,335,201,896	74,444,024
Dhaka Bank Limited		2,819,990,952	59,405,020
Dutch Bangla Bank Limited		49,225,842	4,170,378
HSBC		1,520,714,160	56,633,562
Mutual Trust Bank Limited		267,183,576	-
Mercantile Bank Limited		1,719,562,654	138,534,738
NCC Bank Limited		1,315,541,456	66,964,651
Jamuna Bank Limited		965,842,059	-
Prime Bank Limited		380,327,770	42,876,722
Pubali Bank Limited		1,771,243,742	289,819,327
Standard Chartered Bank		1,147,354,770	672,944,490
The City Bank Limited		1,281,731,648	413,029,934
Trust Bank Limited		652,448,432	24,443,076
United Commercial Bank Limited		2,140,561,252	115,716,541
Uttara Bank Limited		1,097,546,819	-
Agrani Bank Limited		1,807,761,752	69,415,063
Commercial Bank of Ceylon PLC		482,549,928	15,235,485
IFIC Bank Limited		997,715,979	68,478,408
Shahjalal Islami Bank Limited		515,199,503	397,113,217
BRAC Bank Limited		862,606,121	-
Eastern Bank Limited		1,045,607,198	-
Southeast Bank Limited		273,172,727	-
National Bank Limited		275,181,246	-
State Bank of India		68,824,294	-
		25,453,483,820	2,530,914,213



Notes to the Financial Statements (Continued)

	30 June 2021	30 June 2020
	BDT	BDT
38.01.06 Stimulus Loan		
AB Bank Limited	151,707,938	-
Prime Bank Limited	151,682,876	-
The City Bank Limited	130,851	-
Trust Bank Limited	-	160,665,983
Bank Asia Limited	197,211,250	-
Agrani Bank Limited	132,960,425	-
Al-Arafah Islami Bank Limited	101,121,918	-
Bank Alfalah Limited	182,047,500	-
Dhaka Bank Limited	49,619,766	-
Habib Bank Limited	31,023,750	-
Islami Bank Bangladesh Limited	109,291,671	-
Jamuna Bank Limited	99,998,868	-
Mercantile Bank Limited	479,830,970	-
One Bank Limited	104,280,554	-
Pubali Bank Limited	74,298,052	-
Shahjalal Islami Bank Limited	205,063,331	-
Southeast Bank Limited	49,996,089	-
Standard Bank Limited	108,656,495	-
United Commercial Bank limited	201,839,860	-
LankaBangla Finance Limited	60,000,015	-
	2,490,762,178	160,665,983



Notes to the Financial Statements (Continued)

	Note	30 June 2021 BDT	30 June 2020 BDT
38.01.07 Blocked interest			
Agrani Bank Limited		-	6,565,759
Al-Arafah Islami Bank Limited		-	3,979,355
Bank Alfalah Limited		-	1,545,855
Islami Bank Limited		-	14,485
Dhaka Bank Limited		-	5,348,026
Habib Bank Limited		-	6,235,214
HSBC		-	5,263,471
Jamuna Bank Limited		-	9,121,159
Mercantile Bank Limited		-	3,310,855
Midland Bank Limited		-	7,240,826
National Bank Limited		-	31,753
NCC Bank Limited		-	6,621,711
One Bank Limited		-	4,117,324
Prime Bank Limited		-	13,530,224
Pubali Bank Limited		-	10,234,146
Shahjalal Islami Bank Limited		-	14,169,260
Sonali Bank Limited		-	2,142,428
Standard Bank Limited		-	405,598
Standard Chartered Bank		-	1,926,866
State Bank of India		-	1,947,861
The City Bank Limited		-	6,619,477
Trust Bank Limited		-	5,593,378
United Commercial Bank Limited		-	10,142,664
		-	126,107,695
38.02 Long term borrowings- current portion			
These balances represent current portion of long term loans from financial institutions which are repayable within next twelve months from reporting date and consist of as follows:			
Lanka Bangla Finance Limited	32.03	94,202,615	82,850,840
Prime Bank Limited- Syndicated term loan	32.04	1,200,000,000	1,200,000,000
IPDC of Bangladesh Limited	32.05	-	57,068,297
United Commercial Bank Limited	32.02	-	668,475,153
		1,294,202,615	2,008,394,290
38.a CONSOLIDATED SHORT TERM BORROWINGS			
Bangladesh Steel Re-Rolling Mills Limited	38.01	32,537,442,420	9,332,878,052
BSRM Steel Mills Limited		-	20,519,286,858
BSRM (Hong Kong) Limited		-	129,960
		32,537,442,420	29,852,294,869
38.b CONSOLIDATED LONG TERM BORROWINGS CURRENT PORTION			
Bangladesh Steel Re-Rolling Mills Limited	38.02	1,294,202,615	2,008,394,290
BSRM Steel Mills Limited		-	1,330,863,179
BSRM (Hong Kong) Limited		-	-
		1,294,202,615	3,339,257,469
39.00 Current account with related companies			
Karnafully Engineering Works Limited		-	4,400,000
BD Steel Limited		-	545,797
		-	4,945,797
These balances represent short term financial arrangement availed from related companies as and when required to meet working capital and interest was charged on outstanding balances. All transactions were made through account payee cheques.			
39.a CONSOLIDATED CURRENT ACCOUNT WITH RELATED COMPANIES			
Bangladesh Steel Re-Rolling Mills Limited	39.00	-	4,945,797
BSRM Steel Mills Limited		-	6,282,941,110
BSRM (Hong Kong) Limited		11,024,315	10,776,933
Less: Intra group elimination		(11,024,315)	(569,529,922)
		-	5,729,133,918



Notes to the Financial Statements (Continued)

		30 June 2021	30 June 2020
		BDT	BDT
40.00 Contract liabilities			
Bangladesh Steel Re-Rolling Mills Limited-HO		646,725,298	249,860,229
Bangladesh Steel Re-Rolling Mills Limited-Kolkata Branch		-	-
		646,725,298	249,860,229
These balances represent advances received from different parties against sale of finished goods. Goods have not been delivered to them within the reporting date.			
40.a CONSOLIDATED CONTRACT LIABILITIES			
Bangladesh Steel Re-Rolling Mills Limited	40.00	646,725,298	249,860,229
BSRM Steel Mills Limited		-	50,275,666
		646,725,298	300,135,895
41.00 Liabilities for expenses			
See accounting policy in note 4(J)			
Bangladesh Steel Re-Rolling Mills Limited-HO	41.01	1,149,136,050	671,402,821
Bangladesh Steel Re-Rolling Mills Limited-Kolkata Branch		-	-
		1,149,136,050	671,402,821
41.01 Bangladesh Steel Re-Rolling Mills Limited-HO			
Brokerage and commission		78,893,850	32,051,203
C & F bill and others		3,696,368	113,432
Carriage on sales		178,792,419	223,568,822
Contractors		9,585,067	4,630,151
Karnaphuli Gas Distribution Co. Limited		152,086,775	122,528,190
Liability for fixed assets		3,027,491	2,980,125
Others		66,123,960	36,499,827
Power Development Board for electricity (Factory)		588,722,522	232,712,251
Professional expenses		523,750	36,000
Repair and maintenance		1,691,271	402,997
Salary and allowances		22,079,900	10,247,108
Sales promotion		32,458,083	292,497
Unclaimed cheque		2,965,164	1,636,028
Audit fees		756,000	603,000
CSR expenses		-	1,200,000
Insurance expenses		4,340,846	1,310,407
Rent expenses		238,388	19,040
Travelling and conveyance		13,580	565,255
WASA		7,841	6,488
Printing and stationeries		3,129,274	-
Training expenses		3,500	-
		1,149,136,050	671,402,821
41.a CONSOLIDATED LIABILITIES FOR EXPENSES			
Bangladesh Steel Re-Rolling Mills Limited	41.00	1,149,136,050	671,402,821
BSRM Steel Mills Limited		-	852,832,659
BSRM (Hong Kong) Limited		193,432	161,494
		1,149,329,482	1,524,396,974
42.00 Provision for WPPF and Welfare Fund			
See accounting policy in note 4 (Q)			
Balance at 1 July		43,476,238	93,997,289
Transfer from SML as on 31 January 2021 due to Merger		93,911,140	-
Provided during the year	42.01	254,551,352	43,476,238
Paid during the year		(74,662,084)	(93,997,289)
Balance at 30 June		317,276,646	43,476,238
42.01 Contribution to WPPF and Welfare Fund			
Profit before tax and WPPF and Welfare Fund		4,797,893,073	869,524,761
Cash dividend received from investment in associates		293,133,976	-
Profit applicable for WPPF and Welfare Fund		5,091,027,049	869,524,761
Contribution to WPPF and Welfare Fund at 5%		254,551,352	43,476,238



Notes to the Financial Statements (Continued)

		30 June 2021	30 June 2020
		BDT	BDT
42.a CONSOLIDATED PROVISION FOR WPPF AND WELFARE FUND			
Bangladesh Steel Re-Rolling Mills Limited	42.00	317,276,646	43,476,238
BSRM Steel Mills Limited		-	66,826,814
BSRM (Hong Kong) Limited		-	-
		317,276,646	110,303,052
42.01.a CONSOLIDATED CONTRIBUTION TO WPPF AND WELFARE FUND			
Bangladesh Steel Re-Rolling Mills Limited		254,551,352	43,476,238
BSRM Steel Mills Limited		-	66,826,814
BSRM (Hong Kong) Limited		-	-
		254,551,352	110,303,052
43.00 Other liabilities			
See accounting policy in note 4 (J)			
Bangladesh Steel Re-Rolling Mills Limited-HO	43.01	288,669,618	128,641,729
Bangladesh Steel Re-Rolling Mills Limited-Kolkata Branch		24,556,225	23,725,700
		313,225,843	152,367,429
43.01 Bangladesh Steel Re-Rolling Mills Limited-HO			
Against paid-up capital of BSRM (Hong Kong) Limited		10	10
Duty drawback		110,738,498	94,589,645
Income tax deducted at source	43.01.01	7,295	13,699,816
Interest Payable		976,273	-
IPO over subscription money payable	43.01.02	7,864,673	7,864,673
Retention money		58,240,388	10,997,585
Security deposit		1,990,000	1,490,000
Interest on intercompany loan		108,852,480	-
		288,669,618	128,641,729
Income tax deducted at source have subsequently been deposited to the Government Exchequer.			
43.01.02	The total amount of Tk. 7,864.673 has been transferred to Capital Market Stabilization Fund on August 29,2021 as per directive of Bangladesh Securities and Exchange Commission mentioned above.		
43.a CONSOLIDATED OTHER LIABILITIES			
Bangladesh Steel Re-Rolling Mills Limited	43.00	313,225,843	152,367,429
BSRM Steel Mills Limited		-	15,432,567
BSRM (Hong Kong) Limited		-	-
Less: Intra group elimination		-	(10)
		313,225,843	167,799,986



Notes to the Financial Statements (Continued)

44.00 Leases as a Lessee

See accounting policy in note 4 (Y)

Set Out below are the carrying amounts of right of use assets recognised and the movements during the year:

	Land	Warehouse / Godown / Shed	Office Space	Total
As at 01 July 2019	45,493,184	58,283,113	24,617,124	128,393,421
Additions	-	-	-	-
Depreciation expense	(7,335,678)	(11,118,936)	(5,583,982)	(24,038,596)
As at 30 June 2020	<u>38,157,506</u>	<u>47,164,177</u>	<u>19,033,142</u>	<u>104,354,825</u>
As at 01 July 2020	38,157,506	47,164,177	19,033,142	104,354,825
An amount of Tk. 1,750,860 has been transferred to C	13,025,146	-	2,967,542	15,992,688
Addition due to lease modification	-	4,353,501	7,019,230	11,372,731
Depreciation expense	(11,369,909)	(11,623,839)	(6,636,552)	(29,630,300)
As at 30 June 2021	<u>39,812,743</u>	<u>39,893,839</u>	<u>22,383,362</u>	<u>102,089,943</u>

Depreciation allocation:

		2021	2020
Cost of sales	6.02	20,481,041	16,121,629
Selling & distribution costs	7.01	2,332,984	2,332,985
Administrative costs	8.01	6,816,275	5,583,982
		<u>29,630,300</u>	<u>24,038,596</u>

Set out below are the carrying amounts of lease liabilities and the movements during the year:

As on 01 July 2020	108,474,040	128,393,421
Additions	15,992,688	-
Addition due to lease modification	11,372,731	-
Accretion of interest	10,050,440	9,803,899
Payments	(36,337,513)	(29,723,280)
As on 30 June 2021	<u>109,552,386</u>	<u>108,474,040</u>
Current	<u>27,618,290</u>	<u>23,693,019</u>
Non-current	<u>81,934,096</u>	<u>84,781,021</u>

44.01 Amounts recognized in statement of profit or loss

Interest on lease liabilities	10,050,440	9,803,899
Depreciation charge on right-of-use assets	29,630,300	24,038,596
	<u>39,680,740</u>	<u>33,842,495</u>

44.02 Amount recognized in statement of cash flows

Interest paid on lease liabilities	<u>(10,050,440)</u>	<u>(9,803,899)</u>
Principal paid on lease liabilities	<u>(26,287,073)</u>	<u>(19,919,381)</u>

44.03 Maturity analysis

The following figures sets out a maturity analysis of lease payments, showing the undiscounted lease payments to be made after the reporting date.

Less than one year	36,043,746	32,252,280
One to two years	33,111,240	30,065,280
Two to three years	30,115,240	29,336,280
Three to four years	18,768,840	24,196,780
Four to five years	9,334,980	8,546,880
More than five years	2,400,000	6,600,000
	<u>129,774,046</u>	<u>130,997,500</u>

44.a CONSOLIDATED RIGHT OF USE ASSETS

Bangladesh Steel Re-Rolling Mills Limited	102,089,943	104,354,825
BSRM Steel Mills Limited	-	-
BSRM (Hong Kong) Limited	-	-
	<u>102,089,943</u>	<u>104,354,825</u>



Notes to the Financial Statements (Continued)

Set out below are the carrying amounts of lease liabilities and the movements during the year:
44.04 Leased Land

Lessor	Lessee	Location	Rental start date	Tenure	Discount rate	Monthly rent	Total yearly rent	Tax deducted at source	VAT	Gross yearly rent
M/S Haleem Engineering Works Limited		Plot no# 147-149, Nasirabad I/A, Bayezid Bostami Road, Chattogram	01-Oct-19	2 years		243,000	2,916,000	145,800	437,400	3,353,400
Arco Industries Limited		Plot no# 23-26, Nasirabad I/A, Bayezid Bostami Road, Chattogram	01-Jul-17	10 years		200,000	2,400,000	120,000	360,000	2,760,000
H. Akberali & Co. Limited	Bangladesh Steel Re-Rolling Mills Limited	Plot JL# 13 at Sonapahar Mouza, Zorargoni, Mirsarai, Chattogram	01-Jul-16	10 years		150,000	1,800,000	90,000	270,000	2,070,000
Kamafully Engineering Works Limited		Plot no# 8/D, Sholoshahar Light Industrial Area, Chattogram	01-Nov-19	5 years	9.00%	350,000	4,200,000	210,000	630,000	4,830,000
Kamafully Engineering Works Ltd.		Plot no# 8/D, Sholoshahar Light Industrial Area, Chattogram	1-Sep-20	5 years		264,000	2,640,000	132,000	396,000	3,036,000
BSRM Logistics Ltd	BSRM Ltd_SML	4000 sq ft Spaces under Plot no# 180,3995,3979,3978,4001,3997,3998,3946,3 972,3996,4002 , Mouza- jahanabad, Bhatary, Sitakunda, Chattogram	1-Jan-17	5 years		20,000	100,000	5,000	15,000	115,000
							14,056,000	702,800	2,108,400	16,164,400

44.05 Leased warehouse/godown/factory shed

Lessor	Lessee	Location	Rental start date	Tenure	Discount rate	Monthly rent	Total yearly rent	Tax deducted at source	VAT	Gross yearly rent
Chittagong Power Company Limited		Plot no# 297, Nasirabad I/A, Bayezid Bostami Road, Chattogram	01-Jul-19	5 years		150,000	1,800,000	90,000	270,000	2,070,000
Section Steel Industries Limited		Shiromoni Industrial Area, Khulna	01-Jan-19	5 years		100,000	1,200,000	60,000	180,000	1,380,000
Bangladesh Steels Limited	Bangladesh Steel Re-Rolling Mills Limited	Plot no# 297, Nasirabad I/A, Bayezid Bostami Road, Chattogram	01-Apr-19	5 years		280,000	3,360,000	168,000	504,000	3,864,000
BSRM Logistics Limited		50 No. Kagojpur, P.S.- Benapole Port, Sharsa, Jessore	01-Sep-14	5 years	9.00%	193,440	2,321,280	116,064	348,192	2,669,472
Kamafully Engineering Works Limited		Plot no# 8/D, Sholoshahar Light Industrial Area, Chattogram	01-Jan-15 to 31 Dec 20	5 years		360,000	2,160,000	108,000	324,000	2,484,000
H. Akberali & Co. Limited		Plot no# 8/D, Sholoshahar Light Industrial Area, Chattogram	01-Jan-21	5 years		390,000	2,340,000	117,000	351,000	2,691,000
			01-Nov-19	5 years		100,000	1,200,000	60,000	180,000	1,380,000
							14,381,280	719,064	2,157,192	16,538,472



Notes to the Financial Statements (Continued)

44.06 Leased office spaces

Lessor	Lessee	Location	Rental start date	Tenure	Discount rate	Monthly rent	Total yearly rent	Tax deducted at source	VAT	Gross yearly rent
H. Akberali & Co. Limited	Bangladesh Steel Re-Rolling Mills Limited	Nasir Uddin Tower, 4th floor, 104/1 Kakrail, Ramna, Dhaka	01 Oct 18	5 years	9.00%	204,000	2,448,000	122,400	367,200	2,815,200
H. Akberali & Co. Limited		1st, Mezzanine & 3rd Floor, Ali Mansion, 1207/1099 Sadarghat, Chattogram	01 Jan 19 to 31 Dec 2020	5 years		357,250	2,143,500	107,175	321,525	2,465,025
H. Akberali & Co. Limited	BSRM Ltd. SML	3rd floor, Habib City Tower, 822/835, Sadarghat, Chittagong	01 Jan 21	5 years		377,830	2,286,980	113,349	340,047	2,607,027
			1-May-17			208,351	1,041,753	52,088	156,263	1,198,016
							7,900,233	395,012	1,185,035	9,085,268
Grand Total							36,337,513	1,816,876	5,450,627	41,788,140



Notes to the Financial Statements (Continued)

45.00 Unclaimed dividend account

Year wise unclaimed dividend as on June 30 2021

	30 June 2021 BDT
Year- 2020-21 (Interim)	415,562
Year- 2019-20	612,218
Year- 2018-19	1,288,688
Year- 2017-18	339,801
Cheque Issued to the shareholders	412,903
Year- 2014 to Year 2017	1,604,514
Untraced/ Others	146,346
	4,820,032

An amount of Tk. 1,750,860 has been transferred to Capital Market Stabilization Fund on August 29, 2021 as per Bangladesh Securities and Exchange Commission Letter No: SEC/SRMIC/65-2020/Part-1/182 dated July 19,2021.

46.00 Related party transactions

46.01 Transactions with key management personnel

Name of personnel	Relationship	Nature of transactions	Transactions values for the year		Balance outstanding as at 30 June	
			2021	2020	2021	2020
Mr. Alihussain Akberali	Chairman	Remuneration and other benefits	48,500,000	36,000,000	-	-
Mr. Aameir Alihussain	Managing Director		43,500,000	28,500,000	-	-
Mr. Zohair Taherali	Director		21,500,000	16,500,000	-	-
Mrs. Sabeen Aameir	Director		7,500,000	7,500,000	-	-
			121,000,000	88,500,000	-	-

46.02 Other related party transactions

During the year the company carried out a number of transactions with related parties in the normal course of business and on arm's length basis. The name of the related parties, nature of relationship, nature of transactions, transactions value at the reporting date and balance as at reporting date have been set out in accordance with the provisions of IAS 24: Related Party Disclosures.

Name of the party	Relationship	Nature of transactions	Transactions values for the year		Balance outstanding as at 30 June	
			2021	2020	2021	2020
BSRM (Hong Kong) Limited	Subsidiary	Short term loan, purchase, etc.	-	1,326,000	10,785,358	10,785,358
Chittagong Power Company Limited	Sister Company	Short term loan, purchase, etc.	522,662,553	(2,300,000)	543,900,479	21,237,926
BSRM Logistics Ltd.	Investee	Short term loan,	339,901,528	(132,059,155)	379,852,620	39,951,092
BSRM Steels Limited		loan,	(169,633,838)	9,801,257,661	655,326,200	824,960,038
BSRM Wires Limited	Sister Company	Short term loan,	1,042,634,014	(170,286,050)	1,109,362,736	66,728,722
BSRM Steel Mills Limited	Subsidiary	purchase etc.	4,798,122,118	(4,826,687,003)	-	(4,798,122,118)
BSRM Ispat Limited		Short term loan	1,030,822,625	-	1,030,822,625	-
BSRM Real Estates Limited		loan	(582,500)	582,500	-	582,500
Karnafully Engineering Works Limited	Sister Company	Purchase	4,400,000	(4,400,000)	-	(4,400,000)
BD Steel Limited			545,797	(545,797)	-	(545,797)
H. Akberali & Co. Ltd.		Short term loan, sales , purchase, etc	11,267,441	90,351,178	115,853,874	104,586,433
BSRM Metal Limited	Sister Company	Short term Loan	80,811,358	1,276,532,253	80,811,358	-

47.00 Contingent liabilities

See accounting policy in note 4 (M).

Contingent liabilities at the reporting date are as follows:



Notes to the Financial Statements (Continued)

	30 June 2021	30 June 2020
	BDT	BDT
47.01 Bank guarantee		
Karnaphuli Gas Distribution Co. Limited	594,939	594,939
Deposit to Customs authority against claim under appeal	552,890	552,890
Customs authority	1,997,162	1,997,162
Bureau of Indian Standards	2,418,000	2,418,000
Mercantile Bank Limited (SML)	18,578,713	-
	24,141,704	5,562,991

The above guarantees have been issued against 100% cash margin.

47.02 Corporate guarantee

The company has a policy to extend corporate guarantee for the financial arrangements of the sister companies within the Group. The guarantee is issued to sister companies without any fee or premium. In addition, there is no interest rate benefit for the borrower as a result of the said guarantee. At the reporting date, status of such guarantees were as follows:

Maximum limit in million

BSRM Steels Limited	L/C liability	15,290	15,290
BSRM Wires Limited	L/C liability	1,100	1,100
H. Akberali & Co. Limited	L/C liability	300	300
BSRM Steel Mills Ltd.	L/C liability	7,298	7,298
		23,988	23,988

The company has not recognized a liability in respect of the financial guarantees as no liability is expected to arise, hence disclosed as a contingent liability where there is a present obligation but payment is not probable. The associated companies are in strong position to settle their financial obligations with the banks and financial institutions with no history of defaulting on their respective obligations. This is further supported by their respective credit ratings which is as follows:

	30 June 2021	Credit rating	30 June 2020
BSRM Steels Limited	AA+		AA+
BSRM Wires Limited	BBB+		BBB+
H. Akberali & Co. Limited	A+		A+
BSRM Steel Mills Ltd.	A		A

47.03 Status of pending litigation with the Valued Added Tax (VAT) authority:

Subject matter	Current status
Claimed by VAT Commissionerate Office against Duty Drawback from 01 January 2015 to 31 August 2018.	Before Customs, Excise and VAT Appellate Tribunal (appeal no. 55 of 2019).
Claimed by VAT Commissionerate Office against Duty Drawback from 01 September 2018 to 31 December 2018	Before Customs, Excise and VAT Appellate Tribunal (appeal no. 56 of 2019).
Trade VAT of K. Rahman warehouse regarding sale of wastage items (packing materials).	Before Customs, Excise and VAT Appellate Tribunal for a demand of BDT 322,566.
Claim by VAT Commissionerate office against export of January 2019 to garments and projects.	Before Customs, Excise and VAT Appellate Tribunal (appeal no. 02 of 2020).

48.00 Capital expenditure commitment

The Company has no capital expenditure commitment at the reporting date.

49.00 Production capacity

(i) MS product- finished

	30 June 2021	30 June 2020
Installed Capacity (In M.Ton)	800,000	750,000
Production (In M.Ton)	813,781	680,157
Capacity utilized (%)	101.72%	90.69%

(ii) MS billet

	30 June 2021	30 June 2020
Installed Capacity (In M.Ton)	509,167	150,000
Production (In M.Ton)	514,845	102,735
Capacity utilized (%)	101.12%	68.49%

(iii) Wires Unit

	30 June 2021	30 June 2020
Installed Capacity (In M.Ton)	24,000	-
Production (In M.Ton)	14,434	-
Capacity utilized (%)	60.14%	0.00%



Notes to the Financial Statements (Continued)

50.00 No. of employees

Number of employees whose salary was below Tk. 3,000
Number of employees whose salary was above Tk. 3,000

30 June 2021	30 June 2020
-	-
1,832	1,046
1,832	1,046

The above mentioned number of employees represent employees working at the company (i.e. Parent Company) only.

51.00 Financial summary of Kolkata Branch office on 30 June 2021 as per audited financial statements:

	30 June 2021	30 June 2020
	INR	INR
Non-current assets	3,691,441	4,114,301
Current assets	357,557,420	269,997,150
Total assets	361,248,861	274,111,451
Head Office Account	10,225,039	13,003,640
Retained earnings	33,393,818	25,607,878
	43,618,857	38,611,518
Non-current liabilities	196,473,234	170,842,934
Current liabilities	121,156,770	64,656,999
Total liabilities	317,630,004	235,499,933
Total equity & liabilities	361,248,861	274,111,451
Revenue	1,937,799,138	1,249,622,903
Expenses	(1,930,013,198)	(1,240,951,768)
Profit for the year	7,785,940	8,671,135

51-A Events after the reporting period

The Board of Directors of the Bangladesh Steel Re-Rolling Mills Limited at its 430th meeting held on 23 October 2021 recommended a final cash dividend amounting to BDT 1,194,338,504 being 40% of the paid up capital (i.e. BDT 4 Per Share) for the year ended 30 June 2021. Total cash dividend including this final cash dividend stands at 50% of the paid up capital for the year ended 30 June 2021. These dividend is subject to final approval by the shareholders at the forthcoming annual general meeting of the Company.

51-B Minimum amount to be distributed as dividend as per tax law

As per Section 16G of ITO 1984, as a listed company, BSRM Limited shall declare and distribute at least 30% of its net profit after tax as dividend (as per section 16F stock and cash) to its shareholders, otherwise 10% tax shall be imposed on the total amount of retained earnings, fund, reserve or surplus.

Distributable Profit

Net profit after tax
Un-realized share of profit from Associates under equity method
Realized profit from Associates as dividend received during this year
Distributable profit for the year

4,970,362,865
(960,517,273)
293,133,975
4,302,979,567

Rate Minimum dividend on current year's profit

30%

Minimum Dividend payable during the year u/s 16G of the ITO 1984
Interim dividend paid during the year

1,290,893,870
(236,068,236)

Net Minimum dividend payable

1,054,825,634

Paid up share capital

2,985,846,260

Applicable Minimum Rate of Final Dividend

35.33%

The Net Profit after tax of Tk. 4,970,362,865 includes Tk. 960,517,273 which is "share of profit of equity accounted investees". This Tk. 960,517,273 is an unrealized gain but included in the profit and loss statement as per International Accounting Standards-28: Investments in Associates and Joint Ventures. As dividend cannot be declared and distributed from the unrealized gain/profit, hence Tk. 960,517,273 has been excluded in computing distributable profit for this year. Again dividend declared and received from associate company of Tk. 293,133,975 is not included in profit of Tk. 4,970,362,865. As this declared and distributed dividend by the Associated Company is realized gain for the company and hence Tk. 293,133,975 has been included while computing distributable profit for the year.



Notes to the Financial Statements (Continued)

52.00 Financial risk management

International Financial Reporting Standard IFRS 7: Financial Instruments: Disclosures - requires disclosure of information relating to both recognized and unrecognized financial instruments, their significance and performance, accounting policies, terms and conditions, net fair values and risk information- the Group's policies for controlling risks and exposures.

The Group and the Company management has overall responsibility for the establishment and oversight of the group and the Company's risk management framework. The management policies are established to identify and analyze the risks faced by The Group and the Company to set appropriate risk limits and controls and to monitor risks and adherence to limit. Risk management policies, procedures and systems are reviewed regularly to reflect changes in market conditions and the company's activities. The Group and the Company has exposure to the following risks from its use of financial instruments:

- a) Credit risk 52.01
- b) Liquidity risk 52.02
- c) Market risk 52.03

52.01 Credit risk

Credit risk is the risk of a financial loss to the group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the group's receivables and investments.

Management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis.

In monitoring credit risk, debtors are grouped according to their risk profile, i.e. their legal status, financial condition, ageing profile etc. Accounts receivable are related to sale of steels (MS Rod and allied products).

The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the statement of financial position.

52.01.01 Exposure to credit risk

The carrying amount of financial assets represents the maximum credit exposure.

The maximum exposure to credit risk at the reporting date was:

	Note	30-Jun-21	30-Jun-20
Investment in tradeable securities	23.02	-	600,890
Investment in non-tradable shares	22.02	164,500,300	1,000,300
Investments in FDRs (Short term & long term)		2,247,709,647	558,282,684
Advances and deposits	27.00	7,025,537,822	2,015,080,837
Trade and other receivables	25.00	4,526,507,802	3,346,575,434
Due from sister companies	26.00	3,200,940,893	1,651,039,057
Cash at bank	28.03	1,253,580,429	205,380,643
		18,418,776,893	7,777,959,845

52.01.01.a CONSOLIDATED EXPOSURE TO CREDIT RISK

The carrying amount of financial assets represents the maximum credit exposure.

The maximum exposure to credit risk at the reporting date was:

Investment in tradeable securities	-	600,890
Investment in non-tradable shares	164,500,300	1,000,300
Investments in FDRs (Short term & long term)	2,247,709,647	1,587,286,390
Advances and deposits	7,026,579,199	6,464,674,928
Trade and other receivables	4,526,507,802	9,146,271,039
Due from sister companies	3,189,916,578	4,033,737,624
Cash at bank	1,276,532,253	228,720,749
	18,431,745,779	21,462,291,920

52.01.02 Ageing of trade receivables

Not yet due	2,812,082,352	1,375,781,867
Dues within 3 months	1,059,167,114	831,042,056
Dues over 3 months but less than 6 months	110,103,629	493,117,578
Dues over 6 months	159,631,501	298,743,766
	4,140,984,596	2,998,685,267

52.01.02.a AGING OF CONSOLIDATED TRADE RECEIVABLES

Not yet due	2,812,082,352	820,620,390
Dues within 3 months	1,059,167,114	1,690,499,464
Dues over 3 months but less than 6 months	110,103,629	697,233,203
Dues over 6 months	159,631,501	575,737,949
	4,140,984,596	3,784,091,004



Notes to the Financial Statements (Continued)

52.02 Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or other financial assets. The Company's approach to manage liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. Typically, the Company ensures that it has sufficient cash and cash equivalents to meet expected operational expenses, including financial obligations through preparation of the cash flow forecast, based on time line of payment of financial obligations and accordingly arrange for sufficient liquidity/fund to make the expected payments within due dates. Moreover, the Company has short term credit facilities with scheduled commercial banks to ensure payment of obligation in the event that there is insufficient cash to make the required payment. The requirement is determined in advance through cash flow projections and credit lines with banks are negotiated accordingly.

52.02.01 Exposure to Liquidity risk

The followings are the contractual maturities of financial liabilities:

Non-derivative financial liabilities	Carrying amount	Interest Rate	Contractual cash flows		
			Within 12 months	2 to 5 years	More than 5 years
As At 30 June 2021					
Long term borrowings	2,022,542,015	7.75%-8.99%	1,294,202,615	728,339,400	-
Defined benefit obligations - Gratuity	366,317,421	N/A	-	-	366,317,421
Trade payables	474,552,412	N/A	474,552,412	-	-
Short term borrowings	32,537,442,420	4%-9%	32,537,442,420	-	-
Liabilities for expenses	1,149,136,050		1,149,136,050	-	-
Provision for WPPF and Welfare Fund	317,276,646	N/A	317,276,646	-	-
Lease liabilities	109,552,386	9%	27,618,290	81,934,096	-
Other liabilities	313,225,843	N/A	313,225,843	-	-
	37,290,045,193		36,113,454,276	810,273,496	366,317,421

Non-derivative financial liabilities	Carrying amount	Interest Rate	Contractual cash flows		
			Within 12 months	2 to 5 years	More than 5 years
As At 30 June 2020					
Long term borrowings	4,331,530,755	9%-13.5%	2,008,394,290	2,323,136,465	-
Defined benefit obligations - Gratuity	259,300,000	7%	-	-	259,300,000
Trade payables	5,547,228,084	N/A	5,547,228,084	-	-
Short term borrowings	9,332,878,052		9,332,878,052	-	-
Liabilities for expenses	671,402,821	N/A	671,402,821	-	-
Provision for WPPF and Welfare Fund	43,476,238		43,476,238	-	-
Lease liabilities	108,474,040	9%	23,693,019	84,781,021	-
Other liabilities	156,326,577	N/A	156,326,577	-	-
	20,450,616,567		17,783,399,081	2,407,917,486	259,300,000

52.02.01.a CONSOLIDATED EXPOSURE TO LIQUIDITY RISK

The followings are the contractual maturities of financial liabilities:

Non-derivative financial liabilities	Carrying amount	Interest Rate	Contractual cash flows		
			Within 12 months	2 to 5 years	More than 5 years
As At 30 June 2021					
Long term borrowings	2,022,542,015	7.75%-8.99%	1,294,202,615	728,339,400	-
Defined benefit obligations - Gratuity	366,317,421	N/A			366,317,421
Trade payables	474,552,413	N/A	474,552,413		-
Short term borrowings	32,537,442,420	4%-9%	32,537,442,420		-
Liabilities for expenses	1,149,329,482		1,149,329,482		-
Provision for WPPF and Welfare Fund	317,276,646	N/A	317,276,646		-
Lease liabilities	109,552,386	9%	27,618,291	81,934,096	-
Other liabilities	313,225,843	N/A	313,225,843		-
	37,290,238,626		36,113,647,709	810,273,496	366,317,421



Notes to the Financial Statements (Continued)

Non-derivative financial liabilities	Carrying amount	Interest Rate	Contractual cash flows		
			Within 12 months	2 to 5 years	More than 5 years
As At 30 June 2020					
Long term borrowings	6,003,045,297	9%-13.5%	3,339,257,469	2,663,787,828	-
Defined benefit obligations - Gratuity	315,351,000	7%	-	-	315,351,000
Trade payables	226,537,728	N/A	226,537,728	-	-
Short term borrowings	29,852,164,910		29,852,164,910	-	-
Liabilities for expenses	1,524,396,974		1,524,396,974	-	-
Provision for WPPF and Welfare Fund	110,303,052	N/A	110,303,052	-	-
Lease liabilities	108,474,040	9%	23,693,019	84,781,021	-
Other liabilities	171,759,134	N/A	171,759,134	-	-
	38,312,032,135		35,248,112,286	2,748,568,849	315,351,000

52.03 Market risk

Market risk is the risk that changes in market prices such as foreign exchange rates, will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

52.03.01 Currency risk exposure and its management

The Group and the Company is exposed to currency risk on sales, purchases, borrowings, payables, bank balances and investments that are denominated in a currency other than the functional currencies of the company. To manage this exposure, the company has adopted direct risk reduction methods based on matching receipts and payments on assets and liabilities.

As at 30 June 2021, The Group and the Company was exposed to foreign currency risk in respect of financial assets and liabilities denominated in the following currencies:

52.03.01.01	Exposure to currency risk	GBP	EURO	USD	Taka
	30 June 2021				
	Foreign currency denominated assets:				
	Cash and cash equivalents	420	161	4,589,100	389,910,474
	Short term investment	-	-	2,960,755	251,516,137
		420	161	7,549,855	641,426,611
	Foreign currency denominated liabilities:				
	Liability for accepted bills for payment (ABP)	-	671,232	298,834,271	25,453,483,820
		-	671,232	298,834,271	25,453,483,820
	Net exposure	420	(671,071)	(291,284,416)	(24,812,057,209)
	30 June 2020				
	Foreign currency denominated assets:				
	Cash and cash equivalents	420	161	2,034,190	172,864,451
	Short term investment	-	-	2,931,441	249,025,913
	Trade and other receivables	-	-	377,700	32,085,615
		420	161	5,343,331	453,975,979
	Foreign currency denominated liabilities:				
	Liability for accepted bills for payment (ABP)	-	3,839,897	25,418,352	2,530,914,213
		-	3,839,897	25,418,352	2,530,914,213
	Net exposure	420	(3,839,736)	(20,075,021)	(2,076,938,234)

The following significant exchange rates are applied during the year:

	30 June 2021	30 June 2020
US dollar	84.95	84.95
EURO	102.37	96.78
GBP	119.02	105.92

52.03.01.02 Sensitivity analysis

A reasonably possible strengthening/weakening of foreign currencies against the Bangladesh Taka at the reporting date would have affected the measurement of financial instruments denominated in a foreign currency and affected equity and profit or loss by the amounts shown below. The analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecast sales and purchases.



Notes to the Financial Statements (Continued)

		30 June 2021			
		Profit or loss		Equity- net of tax	
		Strengthening	Weakening	Strengthening	Weakening
USD (2% movement)		(494,892,223)	494,892,223	(111,350,750)	111,350,750
EURO (2% movement)		(1,373,896)	1,373,896	(309,127)	309,127
GBP (2% movement)		1,000	(1,000)	225	(225)
		30 June 2020			
		Profit or loss		Equity- net of tax	
		Strengthening	Weakening	Strengthening	Weakening
USD (2% movement)		(34,107,461)	34,107,461	(8,526,865)	8,526,865
EURO (2% movement)		(7,432,193)	7,432,193	(1,858,048)	1,858,048
GBP (2% movement)		890	(890)	222	(222)
52.03.01.01.a CONSOLIDATED EXPOSURE TO CURRENCY RISK		GBP	EURO	USD	BDT
30 June 2021					
Foreign currency denominated assets:					
Cash and cash equivalents		420	161	4,589,100	389,910,474
Short term investment		-	-	2,960,755	251,516,137
		420	161	7,549,855	641,426,611
Foreign currency denominated liabilities:					
Liability for accepted bills for payment (ABP)			671,232	298,834,271	25,454,682,589
			671,232	298,834,271	25,454,682,589
Net exposure		420	(671,071)	(291,284,416)	(24,813,255,978)
CONSOLIDATED EXPOSURE TO CURRENCY RISK		GBP	EURO	USD	BDT
30 June 2020					
Foreign currency denominated assets:					
Cash and cash equivalents		420	161	2,052,594	174,427,871
Short term investment		-	-	2,931,441	249,025,913
Trade and other receivables		-	-	576,067	48,936,892
		420	161	5,560,102	472,390,675
Foreign currency denominated liabilities:					
Liability for accepted bills for payment (ABP)			4,779,381	235,160,348	20,439,420,034
Syndicate loan				10,909,091	926,727,280
			4,779,381	246,069,439	21,366,147,314
Net exposure		420	(4,779,220)	(240,509,337)	(20,893,756,639)
The following significant exchange rate is applied during the year:					
		30 June 2021		30 June 2020	
US dollar		84.95		84.95	
EURO		102.37		96.78	
GBP		119.02		105.92	

52.03.01.02.a CONSOLIDATED EXPOSURE TO SENSITIVITY ANALYSIS

A reasonably possible strengthening/weakening of foreign currencies against the Bangladesh Taka at the reporting date would have affected the measurement of financial instruments denominated in a foreign currency and affected equity and profit or loss by the amounts shown below. The analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecast sales and purchases.

		30 June 2021			
		Profit or loss		Equity- net of tax	
		Strengthening	Weakening	Strengthening	Weakening
USD (2% movement)		(494,892,136)	494,892,310	(111,350,750)	111,350,750
EURO (2% movement)		(1,373,797)	1,373,995	(309,127)	309,127
GBP (2% movement)		1,000	(1,000)	225	(225)



Notes to the Financial Statements (Continued)

30 June 2020

	Profit or loss		Equity- net of tax	
	Strengthening	Weakening	Strengthening	Weakening
USD (2% movement)	(34,107,374)	34,107,548	(8,526,865)	8,526,865
EURO (2% movement)	(7,432,094)	7,432,292	(1,858,048)	1,858,048
GBP (2% movement)	890	(890)	222	(222)

52.03.02 Transaction risk

Transaction risk is the risk that the Company will incur exchange losses when the accounting results are translated into the home currency.

52.03.03 Economic risk

Economic risk refers to the effect of exchange rate movements on the international competitiveness of the Company.

52.03.04 Interest risk

Interest rate risk arises from movement in interest rates. The Company needs to manage interest rate risk so as to be able to re-pay debts as they fall due and to minimize the risks surrounding interest payments and receipts.

Exposure to interest rate risk

The interest rate profile of the company's interest-bearing financial instruments as reported to the management of the Company is as follows.

Fixed-rate instruments

	30 June 2021	30 June 2020
Financial assets	5,448,650,540	2,209,321,741
Financial liabilities	(34,559,984,435)	(13,664,408,807)
	<u>(29,111,333,895)</u>	<u>(11,455,087,066)</u>

Variable-rate instruments

Financial assets	-	-
Financial liabilities	-	-
	<u>-</u>	<u>-</u>

52.03.04.a CONSOLIDATED EXPOSURE TO INTEREST RATE RISK

The interest rate profile of the company's interest-bearing financial instruments as reported to the management of the Company is as follows.

Fixed-rate instruments

Financial assets	5,437,626,225	5,621,024,014
Financial liabilities	(34,559,984,435)	(35,855,210,207)
	<u>(29,122,358,210)</u>	<u>(30,234,186,193)</u>

Variable-rate instruments

Financial assets	-	-
Financial liabilities	-	-
	<u>-</u>	<u>-</u>




Notes to the Financial Statements (Continued)

53.00 Financial Instruments- Accounting classifications and fair values

The following table shows the carrying amounts of financial assets and financial liabilities. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

Note	Carrying amount				Fair Value					
	Fair value through profit or loss	Fair value through comprehensive income- debt instruments	Fair value through other comprehensive income- equity instruments	Financial assets at amortized costs	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total
30 June 2021										
Financial assets measured at fair value:										
23.03	-	-	-	-	-	-	-	-	-	-
Investment in tradeable securities										
Financial assets not measured at fair value:										
25.00	-	-	-	4,526,507,802	-	4,526,507,802	-	-	-	-
26.00	-	-	-	3,200,940,893	-	3,200,940,893	-	-	-	-
	-	-	-	2,247,709,647	-	2,247,709,647	-	-	-	-
27.03	-	-	-	140,128,820	-	140,128,820	-	-	-	-
28.03	-	-	-	1,253,580,429	-	1,253,580,429	-	-	-	-
	-	-	-	11,368,867,591	-	11,368,867,591	-	-	-	-
Financial liabilities not measured at fair value:										
37.00	-	-	-	-	474,552,412	474,552,412	-	-	-	-
38.01	-	-	-	-	32,537,442,420	32,537,442,420	-	-	-	-
	-	-	-	-	2,022,542,015	2,022,542,015	-	-	-	-
43.00	-	-	-	-	313,225,843	313,225,843	-	-	-	-
	-	-	-	-	35,347,762,690	35,347,762,690	-	-	-	-
Financial liabilities measured at fair value:										
23.02	600,890	-	-	-	-	600,890	600,890	-	-	-
	600,890	-	-	-	-	600,890	600,890	-	-	-
Financial assets not measured at fair value:										
25.00	-	-	-	3,346,575,434	-	3,346,575,434	-	-	-	-
26.00	-	-	-	1,651,039,057	-	1,651,039,057	-	-	-	-
	-	-	-	558,282,684	-	558,282,684	-	-	-	-
27.03	-	-	-	46,594,627	-	46,594,627	-	-	-	-
28.03	-	-	-	205,380,643	-	205,380,643	-	-	-	-
	-	-	-	5,807,872,445	-	5,807,872,445	-	-	-	-
Financial liabilities not measured at fair value:										
37.00	-	-	-	-	5,547,228,084	5,547,228,084	-	-	-	-
38.01	-	-	-	-	9,332,878,052	9,332,878,052	-	-	-	-
	-	-	-	-	4,331,530,755	4,331,530,755	-	-	-	-
39.00	-	-	-	-	4,945,797	4,945,797	-	-	-	-
43.00	-	-	-	-	152,367,429	152,367,429	-	-	-	-
	-	-	-	-	19,368,950,117	19,368,950,117	-	-	-	-





Notes to the Financial Statements (Continued)

53.a CONSOLIDATED FINANCIAL INSTRUMENTS--ACCOUNTING CLASSIFICATIONS AND FAIR VALUES

The following table shows the carrying amounts of financial assets and financial liabilities. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

Note	Carrying amount					Fair Value				
	Fair value through profit or loss	Fair value through other comprehensive income- debt instruments	Fair value through other comprehensive income- equity instruments	Financial assets at amortized costs	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total
30 June 2021										
Financial assets measured at fair value:										
23.03	-	-	-	-	-	-	3	-	-	3
	-	-	-	-	-	-	3	-	-	3
Financial assets not measured at fair value:										
25.a	-	-	-	4,526,507,802	-	4,526,507,802	-	-	-	-
26.a	-	-	-	3,189,916,578	-	3,189,916,578	-	-	-	-
	-	-	-	2,247,709,647	-	2,247,709,647	-	-	-	-
27.03 & 27.a	-	-	-	141,170,197	-	141,170,197	-	-	-	-
28.03 & 28.a	-	-	-	1,276,568,945	-	1,276,568,945	-	-	-	-
	-	-	-	11,381,873,169	-	11,381,873,169	-	-	-	-
Financial liabilities not measured at fair value:										
37.a	-	-	-	-	474,552,413	474,552,413	-	-	-	-
38.a	-	-	-	-	32,537,442,420	32,537,442,420	-	-	-	-
	-	-	-	-	2,022,542,015	2,022,542,015	-	-	-	-
43.a	-	-	-	-	313,225,843	313,225,843	-	-	-	-
	-	-	-	-	35,347,762,690	35,347,762,690	-	-	-	-
30 June 2020										
Financial assets measured at fair value:										
23.02	600,890	-	-	-	-	600,890	600,890	-	-	600,890
	600,890	-	-	-	-	600,890	600,890	-	-	600,890
Financial assets not measured at fair value:										
25.a	-	-	-	3,788,361,171	-	3,788,361,171	-	-	-	-
26.a	-	-	-	3,464,207,702	-	3,464,207,702	-	-	-	-
	-	-	-	1,587,286,390	-	1,587,286,390	-	-	-	-
27.03 & 27.a	-	-	-	138,866,616	-	138,866,616	-	-	-	-
28.03 & 28.a	-	-	-	240,492,201	-	240,492,201	-	-	-	-
	-	-	-	9,219,214,080	-	9,219,214,080	-	-	-	-
Financial liabilities not measured at fair value:										
37.a	-	-	-	-	226,537,728	226,537,728	-	-	-	-
38.a	-	-	-	-	29,852,294,870	29,852,294,870	-	-	-	-
	-	-	-	-	6,003,045,297	6,003,045,297	-	-	-	-
39.a	-	-	-	-	5,729,133,918	5,729,133,918	-	-	-	-
43.a	-	-	-	-	167,799,986	167,799,986	-	-	-	-
	-	-	-	-	41,978,811,799	41,978,811,799	-	-	-	-



AUDITOR'S REPORT & FINANCIALS OF SUBSIDIARY



**BSRM
(HONG KONG)
LIMITED**

Reporting Documents
FOR THE FINANCIAL
YEAR ENDED
30TH JUNE, 2021

HERMAN CHAN FCPA & CO
CERTIFIED PUBLIC ACCOUNTANTS (PRACTISING)

BSRM (HONG KONG) LIMITED
REPORTING DOCUMENTS
FOR THE FINANCIAL YEAR ENDED 30TH JUNE, 2021

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BSRM (HONG KONG) LIMITED

DIRECTORS' REPORT

The directors present their report and the annual financial statements of the Company for the financial year ended 30th June, 2021.

PRINCIPAL ACTIVITIES

The Company's principal activity is trading of steel products, procurements and inspection of raw materials.

PROPERTY, PLANT AND EQUIPMENT

Particulars of movement in property, plant and equipment are set out in note 15 to the financial statements.

DIRECTORS

The names of persons who were the directors of the Company during the financial year are as follows:-

Alihussain Aameir
Ali Zohair Taher

PERMITTED INDEMNITY PROVISION

The Schedule 2 (Model Articles) of the Companies Ordinance, which forms part of the Company's Articles, provides that every director for the time being or former director of the Company shall be indemnified out of the assets of the Company against any liability incurred by him in relation to the Company in defending any proceedings, whether civil or criminal, in which judgment is given in his favour or in which he is acquitted or in connection with any application under the Companies Ordinance in which relief is granted to him by the Court. This permitted indemnity provision is in force during the financial year and at the time of approval of this report.

MANAGEMENT CONTRACTS

No other substantial contracts concerning the management and administration of the Company were entered into or existed during the financial year.

BUSINESS REVIEW

The Company falls within reporting exemption for the financial year. Accordingly, the Company is exempted from preparing a business review.

EQUITY-LINKED AGREEMENTS

During the financial year, the Company has not entered into any equity-linked agreement.

RECOMMENDED DIVIDENDS

The directors do not recommend the payment of dividend for the financial year.

ISSUE OF SHARES

During the financial year, the Company did not issue any shares.


ISSUE OF DEBENTURES

During the financial year, the Company did not issue any debentures.

APPROVAL OF DIRECTORS' REPORT

This report was approved by the board of directors on 27 SEP 2021

On behalf of the Board of Directors



Alihussain Aameir
Director
Hong Kong, 27 SEP 2021

陳志明資深會計師事務所
HERMAN CHAN FCPA & CO
CERTIFIED PUBLIC ACCOUNTANTS (PRACTISING)

Rm 2804, 28/F, Rykadan Capital Tower,
135 Hoi Bun Road, Kwun Tong, Kowloon, Hong Kong
Tel : (852) 2951 0881
Fax : (852) 2951 0001



Your Ref :

Our Ref :

Date :

INDEPENDENT AUDITORS' REPORT

**TO THE SHAREHOLDERS OF BSRM (HONG KONG) LIMITED
(Incorporated in Hong Kong with limited liability)**

OPINION

We have audited the financial statements of BSRM (Hong Kong) Limited (the "Company") set out on pages 5 to 17, which comprise the statement of financial position as at 30th June, 2021, and the income statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements of the Company are prepared, in all material respects, in accordance with the Hong Kong Small and Medium-sized Entity Financial Reporting Standard ("SME-FRS") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and have been properly prepared in compliance with the Hong Kong Companies Ordinance.

BASIS FOR OPINION

We conducted our audit in accordance with Hong Kong Standards on Auditing ("HKSA") and with reference to Practice Note 900 (Revised), Audit of Financial Statements Prepared in Accordance with the SME-FRS issued by the HKICPA. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the HKICPA's Code of Ethics for Professional Accountants ("the Code"), and we have fulfilled our other responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

OTHER INFORMATION

The directors are responsible for the other information. The other information comprises the information included in the directors' report set out on page 1, but does not include the financial statements and our auditors' report thereon.

Our opinion on the financial statements 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 there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

RESPONSIBILITIES OF THE DIRECTORS FOR THE FINANCIAL STATEMENTS

The directors are responsible for the preparation of the financial statements in accordance with the SME-FRS issued by the HKICPA and the Hong Kong Companies Ordinance, and for such internal control as the directors determine 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, the directors are 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 the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

陳志明資深會計師事務所
HERMAN CHAN FCPA & CO
CERTIFIED PUBLIC ACCOUNTANTS (PRACTISING)

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Fax : (852) 2951 0001



Your Ref :

Our Ref :

Date :

INDEPENDENT AUDITORS' REPORT - CONTINUED

**TO THE SHAREHOLDERS OF BSRM (HONG KONG) LIMITED
(Incorporated in Hong Kong with limited liability)**

AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

It is our responsibility to form an independent opinion, based on our audit, on those financial statements and to report our opinion solely to you, as a body, in accordance with section 405 of the Hong Kong Companies Ordinance and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

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 auditors' 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 HKSA's 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 HKSA's, 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 the directors.
- Conclude on the appropriateness of the directors' 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 auditors' 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 auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.

陳志明資深會計師事務所
HERMAN CHAN FCPA & CO
CERTIFIED PUBLIC ACCOUNTANTS (PRACTISING)

Rm 2804, 28/F, Rykadan Capital Tower,
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Your Ref :

Our Ref :

Date :

INDEPENDENT AUDITORS' REPORT - CONTINUED

**TO THE SHAREHOLDERS OF BSRM (HONG KONG) LIMITED
(Incorporated in Hong Kong with limited liability)**

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.

HERMAN CHAN FCPA & CO
Certified Public Accountants (Practising)
Hong Kong, 27 SEP 2021

Chan Chi Ming, Herman
Practising Certificate Number: P05441

BSRM (HONG KONG) LIMITED

INCOME STATEMENT

FOR THE FINANCIAL YEAR ENDED 30TH JUNE, 2021

	<u>NOTE</u>	<u>2021</u> <u>HK\$</u>	<u>2020</u> <u>HK\$</u>
Turnover	4	2,826,344	4,295,585
Cost of sales		<u>(2,600,139)</u>	<u>(4,218,435)</u>
Gross profit		226,205	77,150
Other revenue and net gains	4	2,227,391	2,239,645
Administrative expenses		<u>(1,342,325)</u>	<u>(1,406,027)</u>
Finance costs	5	<u>(119,809)</u>	<u>(80,213)</u>
Profit before taxation	8	991,462	830,555
Taxation	6	<u>(60,832)</u>	<u>(14,976)</u>
Profit for the year		<u>930,630</u>	<u>815,579</u>

The notes on pages 6 to 17 form an integral part of these financial statements.

BSRM (HONG KONG) LIMITED


STATEMENT OF FINANCIAL POSITION

AS AT 30TH JUNE, 2021

	<u>NOTE</u>	<u>2021</u> HK\$	<u>2020</u> HK\$
NON-CURRENT ASSETS			
Property, plant and equipment	15	27,268	40,902
CURRENT ASSETS			
Deposits and prepayments	12	107,782	100,997
Cash and bank balances	11	2,075,038	1,086,930
		<u>2,182,820</u>	<u>1,187,927</u>
CURRENT LIABILITIES			
Accruals	13	17,460	15,663
Amount due to the holding company	17	-	995,100
Loan payable	14	-	12,000
Tax payable	6	75,808	14,976
		<u>93,268</u>	<u>1,037,739</u>
NET CURRENT ASSETS		<u>2,089,552</u>	<u>150,188</u>
NON-CURRENT LIABILITIES			
Amount due to the holding company	17	995,100	-
NET ASSETS		<u>1,121,720</u>	<u>191,090</u>
CAPITAL AND RESERVES			
Share capital	9	1	1
Retained profits		1,121,719	191,089
TOTAL EQUITY		<u>1,121,720</u>	<u>191,090</u>

The financial statements on pages 5 to 17 were approved and authorized for issue by the board of directors on 27 SEP 2021 and are signed on its behalf by:


 Alihussain Aameir
 Director


 Ali Zohair Taher
 Director

The notes on pages 7 to 17 form an integral part of these financial statements

BSRM (HONG KONG) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30TH JUNE, 2021

1. GENERAL

a. Definition

In these reporting documents, the following terms shall have the following meanings:-

The Company	BSRM (Hong Kong) Limited
The Directors	All the directors of the Company
Hong Kong Companies Ordinance	Hong Kong Companies Ordinance (Cap. 622), including all amendments made under the Companies (Amendment) (No. 2) Ordinance 2018
HKICPA	Hong Kong Institute of Certified Public Accountants
SME-FRS	Revised Small and Medium-sized Entity Financial Reporting Standard issued and revised in February 2019 by the HKICPA
Cash equivalents	Short-term, highly liquid investments those are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value
Fair value	The price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between a knowledgeable, willing buyer and a knowledgeable, willing seller in an arm's length transaction
Related company	A company in which one or more related parties have beneficial interests thereon or are in a position to exercise significant influence

b. Corporate information

The Company is a company incorporated in Hong Kong under Hong Kong Companies Ordinance with limited liability. At the date of issue of these financial statements, the registered office and principal place of business of the Company is located at Suite No. 9, 29th Floor, Pacific Plaza, 410 Des Voeux Road West, Hong Kong. The principal activity of the Company is trading of steel products, procurements and inspection of raw materials.

c. Reporting currency and level of rounding

Unless stated otherwise, all currency figures in these financial statements are presented in Hong Kong Dollars (HK\$) rounded to the nearest one dollar.

2. BASIS OF PREPARATION

a. Statement of compliance

These financial statements comply with all applicable sections of SME-FRS and have been prepared under the accrual basis of accounting and on the basis that the Company is a going concern.

BSRM (HONG KONG) LIMITED

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

FOR THE FINANCIAL YEAR ENDED 30TH JUNE, 2021

2. BASIS OF PREPARATION (CONTINUED)

b. Basis of measurement

The measurement base used in preparing these financial statements is the historical cost convention; the specific measurements of the elements in the financial statements are set out in note 3 to the financial statements.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Company qualifies for the reporting exemption as a small private company under sections 359(1)(a) and 361 of the Hong Kong Companies Ordinance and is therefore entitled to prepare and present its annual financial statements in accordance with SME-FRS. These financial statements have been prepared in accordance with SME-FRS.

The followings are the specific accounting policies that are necessary for a proper understanding of the financial statements.

a. Revenue

Revenue consists of turnover and other revenue but excludes the reversal of impairment and/or provisions. Turnover comprises revenue generated from the principal activities of the Company.

Revenue is recognised as income when it is probable that the economic benefits associated with transaction will flow to the Company and when the amount of revenue as well as costs incurred for the transaction can be measured reliably. Revenue is measured at fair value of the consideration received or receivable and is shown net of discounts, rebates, returns and sales-related taxes on the following bases.

Sale of goods is recognised when the goods are delivered and the significant risks and rewards of ownership have been passed to the buyer and the Company retains neither continuing managerial involvement to the degree usually associated with the ownership nor effective control over the goods sold.

Interest income is recognised on a time proportion basis taking into account the principal outstanding and the interest applicable.

Dividend income is recognised when the shareholder's right to receive payment is established.

Commission income from inspecting materials is recognised when the services are rendered.

b. Income taxes

Current tax is recognised as income or expense, except to the extent that the tax arises from a transaction or event that is recognised other than in the income statement, based on estimated taxable profit using the tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. Current tax for current and prior reporting periods is, to the extent unpaid (or refundable), recognised as a liability (or an asset).

Deferred tax is not recognised.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

c. Employee benefit

Salaries, annual bonuses, paid annual leave, contributions to defined contribution retirement plans and the cost of non-monetary benefits are accrued during the year in which the associated services are rendered by employees. Where payment or settlement is deferred and the effect would be material, these amounts are stated at their present value.

d. Impairment of assets

An assessment is made at the end of each reporting period to determine whether there is any indication of impairment or reversal of previous impairment, including items of property, plant and equipment, intangible assets and long-term investments. In the event that an asset's carrying amount exceeds its recoverable amount, the carrying amount is reduced to recoverable amount and an impairment loss is recognised in profit or loss. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the recoverable amount, however not to an amount higher than the carrying amount that would have been determined (net of amortisation or depreciation), had no impairment losses been recognised for the asset in prior years.

e. Foreign currency transactions

The reporting currency of the Company is Hong Kong dollars. Foreign currency transactions are translated into the reporting currency at the approximate rates of exchange ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies at the end of the reporting period are translated at the approximate rates of exchange ruling at that date. Exchange differences arising on the settlement of monetary items or on translation of foreign currency monetary assets and liabilities are recognised as income or expenses.

f. Related parties

Two parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered to be related if they are subject to common control or common significant influence.

g. Cash equivalents

Cash equivalents represents short-term highly liquid investments which are readily convertible into known amounts of cash and which were within three months of maturity when acquired; less advances from banks repayable within three months from the date of the advance.

h. Current assets and liabilities

Current assets are expected to be realized within twelve months at the end of the reporting period or in the normal course of the Company's operating cycle. Current liabilities are expected to be settled within twelve months at the end of the reporting period or in the normal course of the Company's operating cycle.

i. Leases

Leases that transfer substantially all the rewards and risks of ownership of assets to the company, are accounted for as finance leases. At the inception of a finance lease, the cost of the leased asset is capitalised at the fair value of the leased asset or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged to the income statement.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

i. Leases (Continued)

Capitalised leased assets are depreciated over the shorter of the estimated useful life of the asset or the lease term.

Leases where substantially all the risks and rewards of ownership of assets are not transferred to the lessee are accounted for as operating leases. Annual rents applicable to such operating leases are charged to the income statement on a straight-line basis.

j. Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses.

The depreciable amount of an item of property, plant and equipment is allocated on a systematic basis over its estimated useful life using the straight-line method. The estimated useful lives used for depreciation are as follows:

Furniture, fixtures and equipment	20%
Leasehold improvement	20%

The asset's residual values and useful lives are reviewed, and adjusted if appropriate, at the end of the reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

k. Trade and other receivables

Trade and other receivables are stated at estimated realisable value after each debt has been considered individually. Where the payment of a debt becomes doubtful a provision is made and taken in the income statement.

m. Trade and other payables

Trade and other payables are initially measured at fair value and, after initial recognition, at amortised cost, except for short-term payables with no stated interest rate and the effect of discounting being immaterial, that are measured at their original invoice amount..

BSRM (HONG KONG) LIMITED

NOTES TO FINANCIAL STATEMENTS - CONTINUED

FOR THE FINANCIAL YEAR ENDED 30TH JUNE, 2021

4. TURNOVER AND OTHER REVENUE

Turnover which also represents the revenue recognized by category is as follows:-

	<u>2021</u> HK\$	<u>2020</u> HK\$
Turnover		
Sales	<u>2,826,344</u>	<u>4,295,585</u>
Other revenue		
Consultancy fee income	2,080,544	-
Commission on inspecting materials	-	2,239,594
Bank interest income	5	51
Demurrage charges income	8,842	-
Government's subsidies	<u>138,000</u>	<u>-</u>
	<u>2,227,391</u>	<u>2,239,645</u>
Total revenue	<u>5,053,735</u>	<u>6,535,230</u>

5. FINANCE COSTS

	<u>2021</u> HK\$	<u>2020</u> HK\$
Bank Charges	119,809	35,069
Exchange loss	-	5,891
Interest expense on bank loans and overdraft	-	39,253
	<u>119,809</u>	<u>80,213</u>

BSRM (HONG KONG) LIMITED

NOTES TO FINANCIAL STATEMENTS - CONTINUED

FOR THE FINANCIAL YEAR ENDED 30TH JUNE, 2021

6. TAXATION

Hong Kong profits tax has been provided at the rate of 8.25% on the estimated assessable profits arising in Hong Kong during the year.

	<u>2021</u> HK\$	<u>2020</u> HK\$
Taxation in the financial position represent:-		
Tax payable for the previous year	(14,976)	-
Provision for Hong Kong profits tax for the year	(70,832)	-
Tax reduction during year	10,000	(14,976)
Tax payable	<u>(75,808)</u>	<u>(14,976)</u>

	<u>2021</u> HK\$	<u>2020</u> HK\$
Taxation in the income statement represent:-		
Provision for Hong Kong profits tax at 8.25% on the estimated assessable profit for the year	70,832	14,976
Reduction during the year	(10,000)	-
Taxation	<u>60,832</u>	<u>14,976</u>

7. DIRECTORS' REMUNERATION AND LOANS

Remuneration of the directors of the Company disclosed pursuant to section 383(1) of the Hong Kong Companies Ordinance and Part 2 of the Companies (Disclosure of Information about Benefits of Directors) Regulation are as follows:-

	<u>2021</u> HK\$	<u>2020</u> HK\$
Emoluments (including benefit in kind)		
Acting as directors	240,000	228,000
Provision of management services	<u>-</u>	<u>-</u>
Aggregate amount of consideration provided to or receivable by third parties for making available the qualifying services of persons as the directors or in other capacity while directors	<u>-</u>	<u>-</u>

There were no loans, quasi-loans and other dealings in favour of directors (including shadow directors) of the Company and its holding company disclosed pursuant to section 383(1) (d) of the Hong Kong Companies Ordinance and Part 3 of the Companies (Disclosure of Information about Benefits of Directors) Regulation.

BSRM (HONG KONG) LIMITED

NOTES TO FINANCIAL STATEMENTS - CONTINUED

FOR THE FINANCIAL YEAR ENDED 30TH JUNE, 2021

8. PROFIT BEFORE TAXATION

Profit before taxation is arrived at:-

	2021 HK\$	2020 HK\$
<i>After charging the following items:-</i>		
Audit fee	16,980	15,650
Business registration fee	250	250
Consultancy fee	-	116,250
Courier expense	7,841	-
Directors' remuneration	240,000	228,000
Depreciation	13,634	13,634
Exchange loss	3,432	5,891
Electricity	2,364	2,512
Entertainment expense	1,934	-
Insurance	4,382	4,074
Legal and professional fees	18,287	29,450
Management fee	57,216	-
Mandatory provident fund	36,000	72,000
Printing and stationery	1,779	389
Rent and rates	203,148	288,676
Salary and allowances	600,000	576,000
Sundry expense	5,018	53,072
Stamp duty	1	-
Telephone charges	4,227	6,070
Travelling expense	4,542	-
Transportation	121,290	-
Interest expense	-	39,253
Cost of sales	2,600,139	4,218,435
<i>After (crediting) the following items:-</i>		
Sales	(2,826,344)	(4,295,585)
Consultancy fee income	(2,080,544)	-
Commission on inspecting materials	-	(2,239,594)
Bank interest Income	(5)	(51)
Demurrage charges income	(8,842)	-
Government's Subsidies	(138,000)	-

BSRM (HONG KONG) LIMITED

NOTES TO FINANCIAL STATEMENTS - CONTINUED

FOR THE FINANCIAL YEAR ENDED 30TH JUNE, 2021

9. SHARE CAPITAL

	2021		2020	
	No. of shares	HK\$	No. of shares	HK\$
Issued and fully paid:-				
Balance at beginning of year	1	1	1	1
Allotment during the year	-	-	-	-
Balance at end of year	1	1	1	1

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at the general meeting of the Company. All ordinary shares rank equally with regard to the Company's residual assets.

10. CHANGES IN EQUITY

	<u>Share Capital</u> HK\$	<u>Retained Profits</u> HK\$	<u>Total</u> HK\$
Balance as at 30th June, 2020	1	191,089	191,090
Profit for the year	-	930,630	930,630
Balance as at 30th June, 2021	1	1,121,719	1,121,720

Total income and expenses for the year amounted to HK\$ 930,630.

11. CASH AND CASH EQUIVALENTS

Cash and cash equivalents consist of cash on hand and balance with banks. Cash and cash equivalents at the end of the reporting period are shown as follows:-

	<u>2021</u> HK\$	<u>2020</u> HK\$
Cash and bank balances	2,075,038	1,086,930

BSRM (HONG KONG) LIMITED

NOTES TO FINANCIAL STATEMENTS - CONTINUED

FOR THE FINANCIAL YEAR ENDED 30TH JUNE, 2021

12. DEPOSITS AND PREPAYMENTS

	<u>2021</u> HK\$	<u>2020</u> HK\$
Deposits	83,814	77,029
Prepayments	<u>23,968</u>	<u>23,968</u>
	<u>107,782</u>	<u>100,997</u>

The carrying amounts of the deposits and prepayments at the end of the reporting period approximated their fair values.

13. TRADE AND OTHER PAYABLES

	<u>2021</u> HK\$	<u>2020</u> HK\$
Accruals	<u>17,460</u>	<u>15,663</u>

The amount due was unsecured, interest-free and repayable on demand.

14. LOAN PAYABLES

	<u>2021</u> HK\$	<u>2020</u> HK\$
Yusuf Jangbarwala	<u>-</u>	<u>12,000</u>

The amount due was unsecured, interest-free and repayable on demand.

BSRM (HONG KONG) LIMITED

NOTES TO FINANCIAL STATEMENTS - CONTINUED

FOR THE FINANCIAL YEAR ENDED 30TH JUNE, 2021

15. PROPERTY, PLANT AND EQUIPMENT

	<u>Cost</u> HK\$	<u>Accumulated Depreciation</u> HK\$	<u>Carrying Amount</u> HK\$
Furniture, fixtures and equipment			
Balance at beginning of year	34,370	(13,748)	20,622
Depreciation	-	(6,874)	(6,874)
Balance at end of year	<u>34,370</u>	<u>(20,622)</u>	<u>13,748</u>
Leasehold improvement			
Balance at beginning of year	33,800	(13,520)	20,280
Depreciation	-	(6,760)	(6,760)
Balance at end of year	<u>33,800</u>	<u>(20,280)</u>	<u>13,520</u>
Total			
As at 30th June, 2021	<u>68,170</u>	<u>(40,902)</u>	<u>27,268</u>
As at 30th June, 2020	<u>68,170</u>	<u>(27,268)</u>	<u>40,902</u>

16. COMMITMENTS UNDER OPERATING LEASES

The Company had the following total future minimum lease payments payable under non-cancellable operating leases:-

	<u>2021</u> HK\$	<u>2020</u> HK\$
Not later than one year	230,400	76,800
Later than one year	<u>68,748</u>	<u>-</u>
	<u>299,148</u>	<u>76,800</u>

17. AMOUNT DUE TO THE HOLDING COMPANY

	<u>2021</u> HK\$	<u>2020</u> HK\$
BSRM Limited	<u>995,100</u>	<u>995,100</u>

The amount due was unsecured, interest free and had no fixed repayment terms.

BSRM (HONG KONG) LIMITED

NOTES TO FINANCIAL STATEMENTS - CONTINUED

FOR THE FINANCIAL YEAR ENDED 30TH JUNE, 2021

18. RELATED PARTY DISCLOSURES

	<u>2021</u> HK\$	<u>2020</u> HK\$
<u>Related party transactions</u>		
<i>Directors and other key management personnel</i>		
Total remuneration	240,000	228,000
<i>Related companies</i>		
Goods sold to related companies	<u>1,790,041</u>	<u>6,925</u>
<u>Amount due to the holding company</u>	<u>995,100</u>	<u>995,100</u>

The balance of amount due to the holding company was unsecured, interest-free and had no fixed repayment terms.

19. CONTINGENT LIABILITIES

The Company had no significant contingent liabilities at the end of the reporting period.

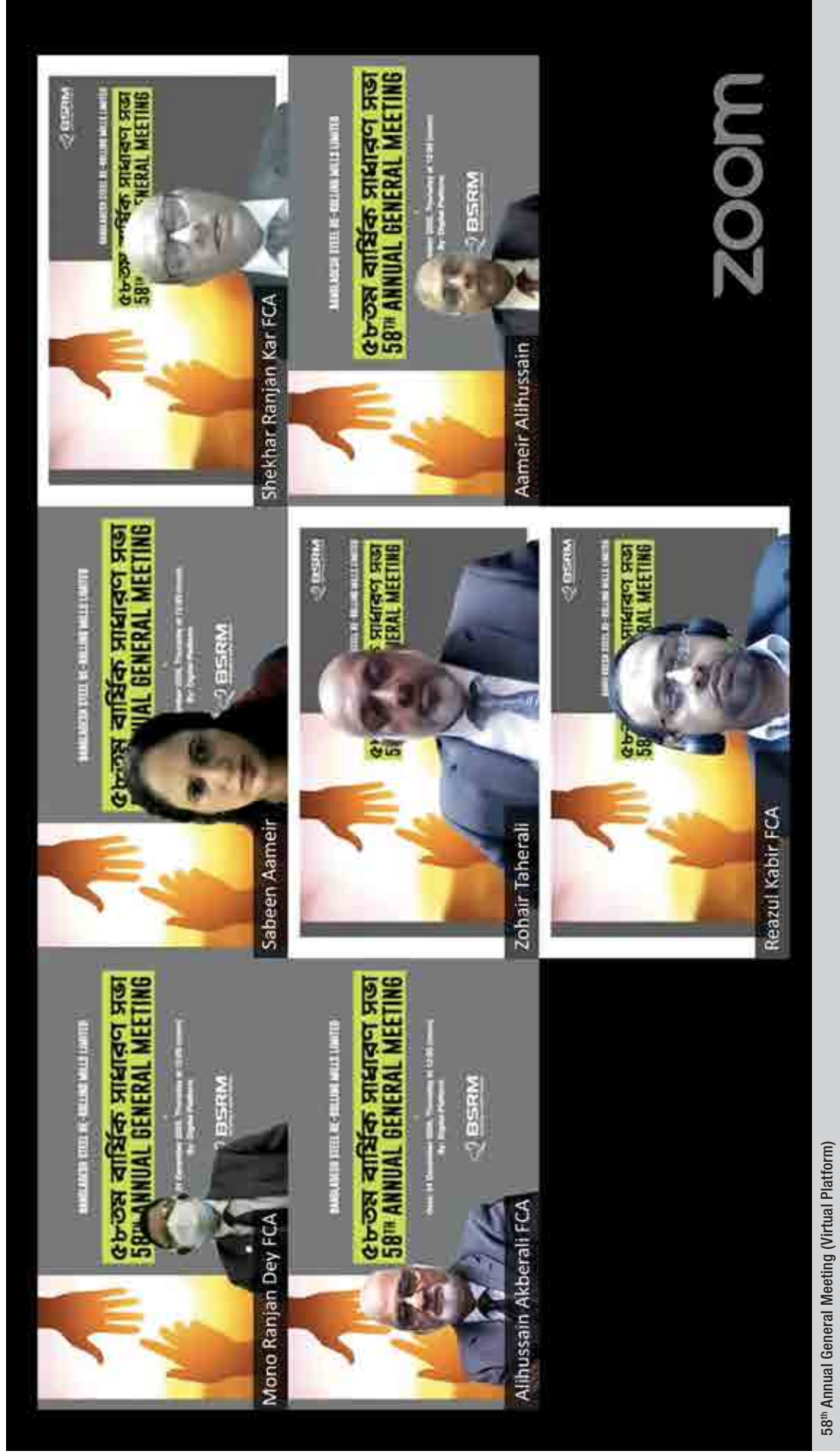
20. COMPARATIVE FIGURES

Certain comparative figures have been reclassified to conform to the current year's presentation.

21. APPROVAL AND ISSUE OF FINANCIAL STATEMENTS

The statement of financial position was approved and the financial statements were authorised for issue by the board of directors on 27 SEP 2021.

EVENTS AND IMAGES



58th Annual General Meeting (Virtual Platform)



Mr. Alihussain Akberali FCA, Chairman receiving the award for 'Best CSR in Environment' at the 'A Better Tomorrow CSR Awards' from the Daily Star and CSR Awards Bangladesh



Mr. Tapan Sengupta, Deputy Managing Director receiving National Productivity and Quality Excellence Award-2017 (3rd Position in Large Industry Category)



National Export Award, 2016-2017 BSRM achieved the "National Export Trophy (Silver), 2016-2017". Honorable Prime Minister Shiekh Hasina inaugurated the ceremony as chief guest and handed over the esteemed award to General Manager Corporate Affairs Mr. Kazi Anwar Ahmed

Mr. Alihussain Akberali FCA,
Chairman receiving
The Award for "1st Highest Tax
Payer" in engineering category



Mr. Aameir Alihussain,
Managing Director
Nominated Commercially
Important Person (CIP) in
Large Industry (Manufacturing)
Category for the year 2016



Mr. Tapan Sengupta,
Deputy Managing Director
receiving the National Export
Award 2015-2016





BSRM awarded for being the best electricity consumer of 2015 under industrial category in Power & Energy week 2015. President Mr. M Abdul Hamid inaugurated the ceremony as chief guest and handed over the esteemed award to Managing Director Mr. Aameer Alihussain



Kazi Anwar Ahmed, General Manager Corporate Affairs Reciving the award of "Best Brand of Bangladesh in Steel Category in -2017"



BSRM achieved the "National Export Trophy Silver, 2013-14". Honorable Prime Minster Sheik Hasina handed over the esteemed award to Finance Director Mr. Zohair Taherali



"16th ICAB National Award for Best Presented Annual Report 2015"

SHAREHOLDERS' INFORMATION

ANNUAL GENERAL MEETING

No. of AGM : 59th AGM
Date : December 23, 2021
Venue : Digital Platform
Time : 12:00 Noon

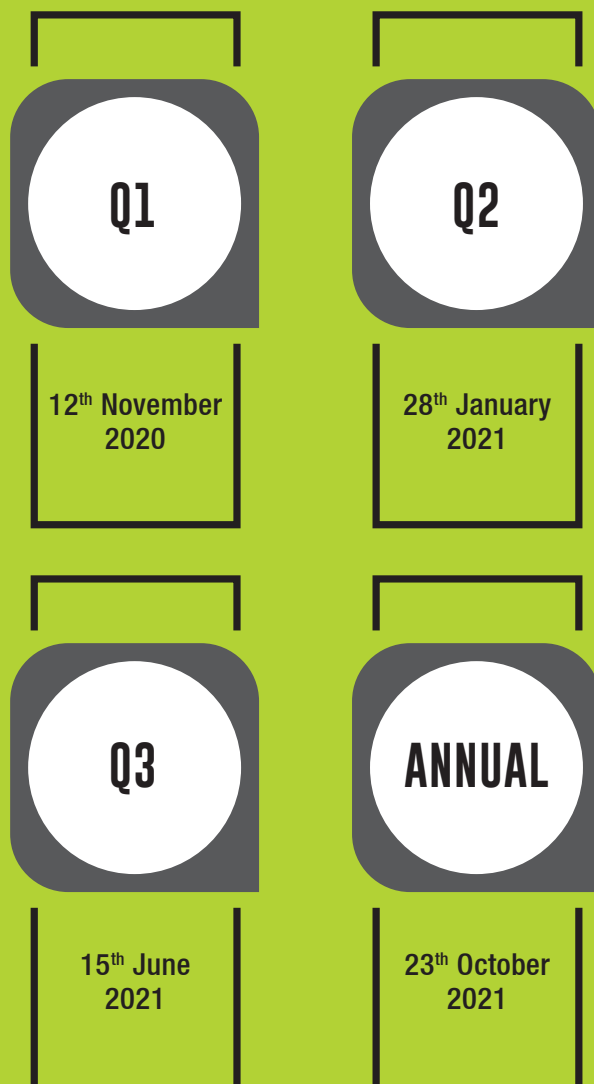
RECORD DATE

The record date is 18th November, 2021

FINANCIAL CALENDAR

Financial Period : 1st July 2020 to 30th June 2021

During the year 2020-21 operational results of the company were announced on:



BSRMLTD SHARE PERFORMANCE ON STOCK EXCHANGES

Movement of share price on **Dhaka Stock Exchange Ltd. (DSE)** during the year 2020-21:



DIVIDEND RATE

The Board in its 423rd meeting held on 28th January 2021 declared 10% interim cash dividend for the year ended on June 30, 2021 and that has already been distributed to all eligible shareholders. Further the Board in its 430th meeting held on 23rd October, 2021 recommended final dividend 40% cash per share for the year ended 30th June 2021 (total 50% cash dividend for the year 2020-21).

LISTING: The Company's shares are listed at the Stock Exchanges at Dhaka and Chattogram of Bangladesh.

FACE VALUE PER SHARE: Tk. 10/=

CLOSING PRICE PER SHARE

Closing Price of per share of your company as at 30th June 2021 was Taka 86.60

DIVIDEND		
Year	Rate of Dividend	Form of Dividend
2020-21	40%	Cash (Recommended)
2020-21	10%	Cash (Interim)
2019-20	15%	Cash
2018-19	25%	Cash
2017-18	10% & 10%	Cash & Stock
2016-17	10%	Stock
2016-17	10%	Cash (Interim)
2015	10% & 5%	Stock & Cash
2014	10%	Cash
2013	Nil	N/a
2012	15	Cash
2011	100%	Stock
2010	15%	Cash

EPS	
Year	Taka
2020-21	18.96
2019-20	3.90
2018-19	7.88
2017-18	11.77
2016-17	3.53
2015-16	6.12
2015	4.78
2014	0.70
2013	6.06
2012	2.91
2011	17.88
2010	4.43

MARKET CAPITALIZATION	
Year	Taka in million
2020-21	25,857
2019-20	12,630
2018-19	16,737
2017-18	21,032
2016-17	26,260
2015	23,340

PLANT LOCATION

Re-Rolling Unit: 147-149, Nasirabad I/A, Baizid Bostami Road, Chattogram.

Steel Melting Works: 78/79, Nasirabad I/A, Baizid Bostami Road, Chattogram.

Melting Unit-2 (SML): Sonapahar, 03 No. Zorargonj, Mirsharai, Chattogram.

INVESTOR CORRESPONDENCE

Mail to: Bangladesh Steel Re-Rolling Mills Limited, Ali Mansion, 1207/1099, Sadarghat Road, Chattogram, Bangladesh

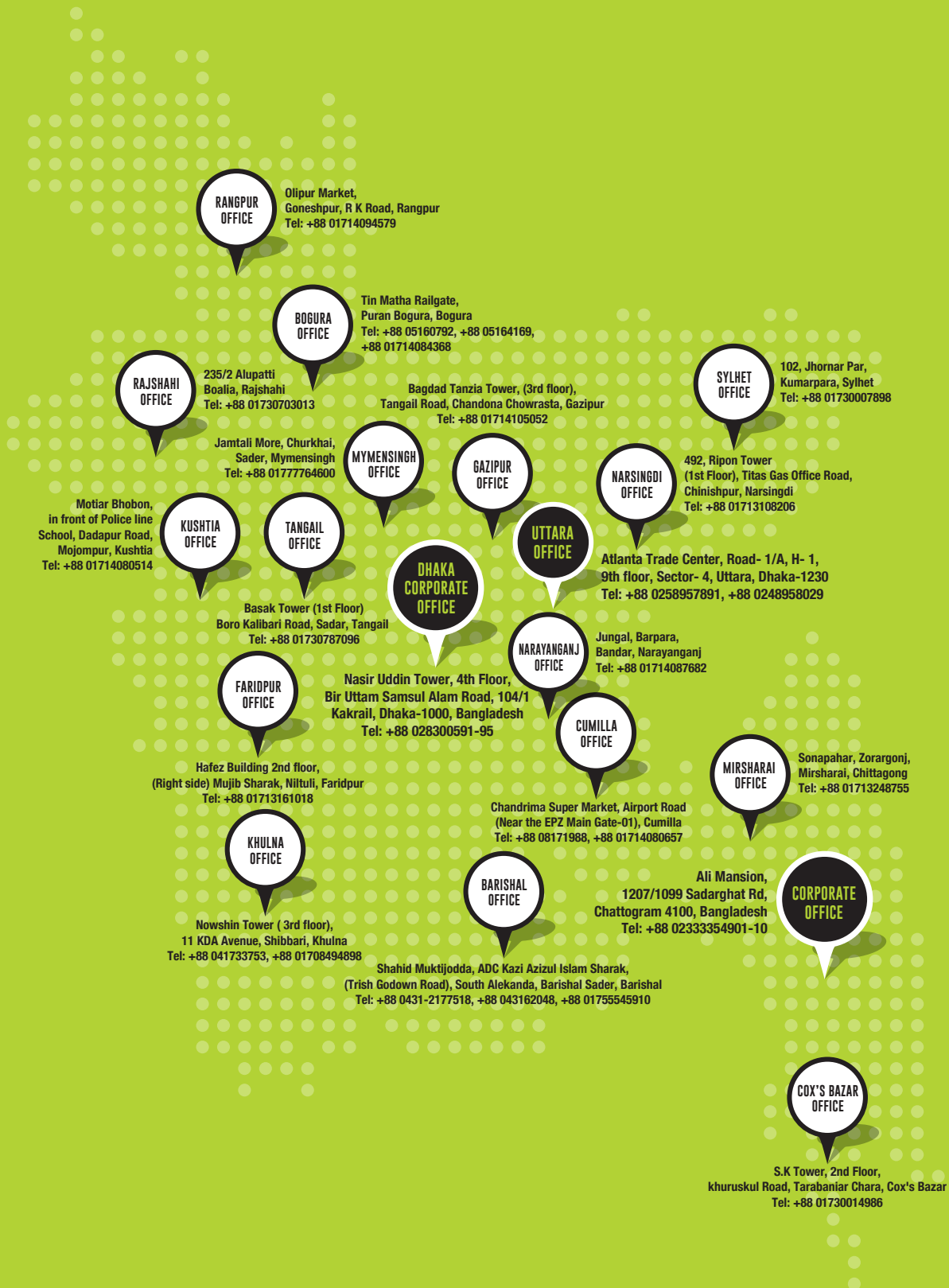
Voice: +88 02333354901-10, **E-mail:** share@bsrm.com, **Fax:** +88 02333360301

Web: www.bsrm.com

GLOSSARY OF TERMS

Terms	Brief Description
The Company/BSRMLTD	Bangladesh Steel Re-Rolling Mills Limited
Subsidiary Company	BSRM (Hong Kong) Limited
Associate Company	BSRM Steels Limited
Revenue	Turnover or Sales
Profit	Income
Profit attributable to the shareholders'	Net profit after tax
Basic EPS	Basic Earnings per Share (Profit attributable to the Ordinary shareholders divided by weighted average number of Ordinary Shares)
Diluted EPS	Diluted Earnings or Income per Share
Deferred Tax	Difference between the carrying value of property, plant & equipment as per financial statements and tax written down value and financial position liability method for gratuity obligation.
Equity	Shareholders' Fund or Owners' Fund
Net Current Assets	Current Assets Less Current Liabilities
Capital Employed	Non-Current Assets plus Net Current Assets
Revaluation Reserve	Reserve created from assets re-valuation
EBITDA	Earnings before Interest, Tax & Depreciation Allowance
Return on Shareholders' Equity	Net Profit after Tax divided by Shareholders' Equity
Return on Capital Employed	Net Profit after Tax divided by Capital Employed
Current	Ratio Current Assets divided by Current Liabilities
Quick / Acid Test Ratio	Current Assets less Inventories divided by Current Liabilities
Inventory Turnover Ratio	Revenue divided by Inventories
Total Assets Turnover Ratio	Revenue divided by Total Assets
P/E Ratio	Market value per share as at reporting date divided by EPS
Price/Equity Ratio	Market price divided by face value per share
Dividend Payout Ratio	Yearly dividend per share divided by EPS
Dividend Covered Ratio	Net Profit after Tax divided by declared Dividend
Debt-equity Ratio	Current plus long term liabilities divided by shareholders' equity
Interest Coverage Ratio	EBIT divided by Interest expenses
Market Capitalization	Market price per share multiplied by Ordinary number of Shares

BSRM OFFICE MAP



NOTES

NOTES

Bangladesh Steel Re-Rolling Mills Limited
Registered office: Ali Mansion, 1207/1099 Sadarghat Road, Chattogram.

PROXY FORM

I/We(Name)

Of(Address)

a Shareholder of Bangladesh Steel Re-Rolling Mills Limited ("the company") hereby appoint,

Mr./Ms.(Name)

Of(Address)

as my/our proxy, to attend on my/our behalf at the 59th Annual General Meeting (AGM) of the Company to be held on December 23, 2021 and at any adjournment thereof or any poll that may be taken in consequence thereof and to vote on my/our behalf as he/she thinks appropriate on all resolutions.

Dated thisday of.....2021.

.....
Signature of the Shareholder

Folio /BO ID No:

Dated

.....
Signature of the Shareholder

Folio /BO ID No:

Dated

.....
Signature of the witness

Note: The Proxy Form, dully filled in and stamped, must be deposited at the Registered Office of the Company, Ali Mansion, 1207/1099 Sadarghat Road, Chattogram or mail to **share@bsrm.com** not later than 48 hours before the time fixed for the holding of the meeting.

Signature Verified

.....
Authorized Signature
Bangladesh Steel Re-Rolling Mills Limited

Bangladesh Steel Re-Rolling Mills Limited
Registered office: Ali Mansion, 1207/1099 Sadarghat Road, Chattogram.

ATTENDANCE SLIP

I hereby record my presence at the 59th Annual General Meeting of Bangladesh Steel Re-Rolling Mills Limited on December 23, 2021.

I/We

BO ID

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Signature

.....
Signature

.....
Bangladesh Steel Re-Rolling Mills Limited

Corporate Office:

Ali Mansion

1207/1099 Sadarghat Road

Chattogram-4000 Bangladesh.

Tel: +88 02333354901-10

Fax: +88 02333360301

Email: mail@bsrm.com