

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.

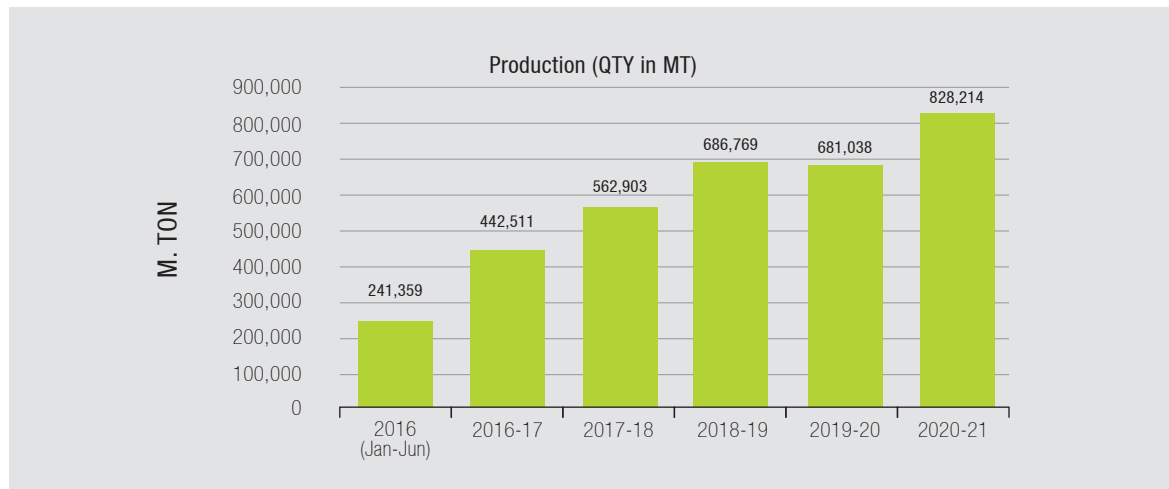
Bangladesh is expected to get upper middle income country status by 2031.

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:

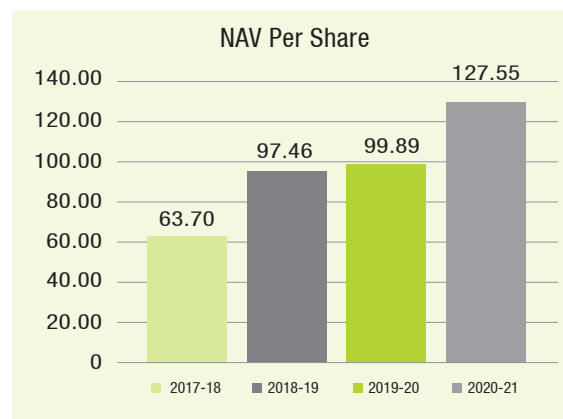
Particulars	Production & Procurement (M. Ton)				Sales (M. Ton)			
	2020-21	2019-20	2018-19	2017-18	2020-21	2019-20	2018-19	2017-18
Xtreme 500W, Angle, Channel (Owned Product)	828,215	681,038	686,769	562,903	865,218	730,832	651,935	536,864
Imported & Locally Procured Items	7,037	13,248	21,977	11,437	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.

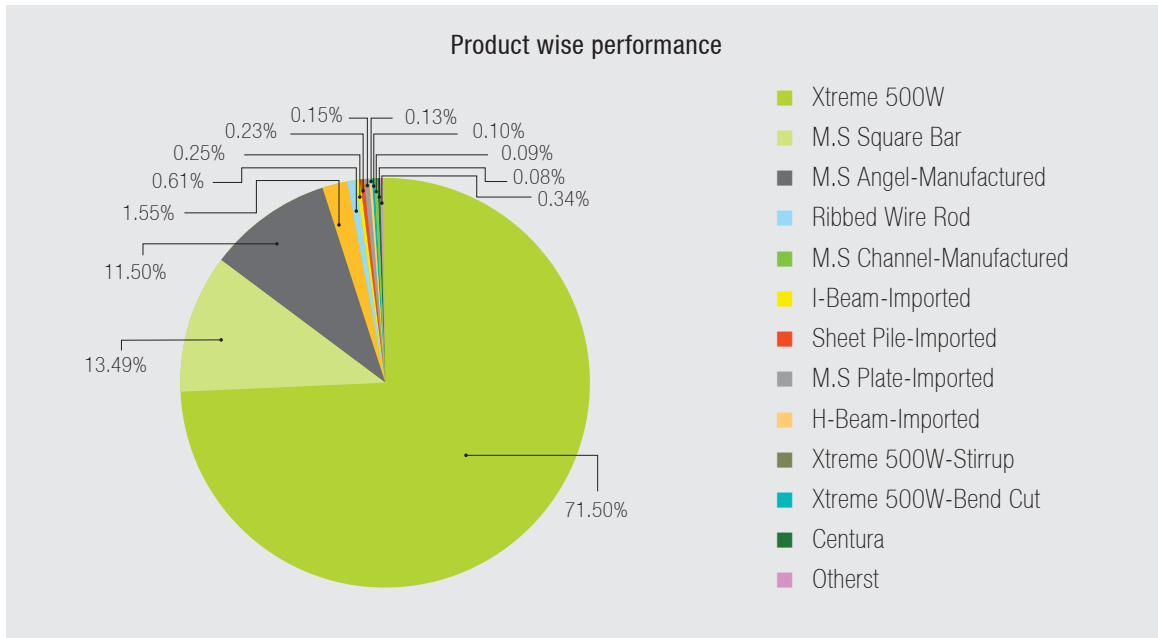
Financial Performance:	Amount in BDT in million					
	2020-21	2019-20	2018-19	2017-18	2016-17	2016 Jan-Jun
Turnover	59,875.85	45,722.36	44,408.88	33,238.37	23,648.93	9,713.86
Gross Profit	7,097.23	3,674.29	4,992.24	4,828.32	3,236.93	1,362.03
Earnings before Non-Operating Income, interest, WPP&WF and 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
Income 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.

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 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

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

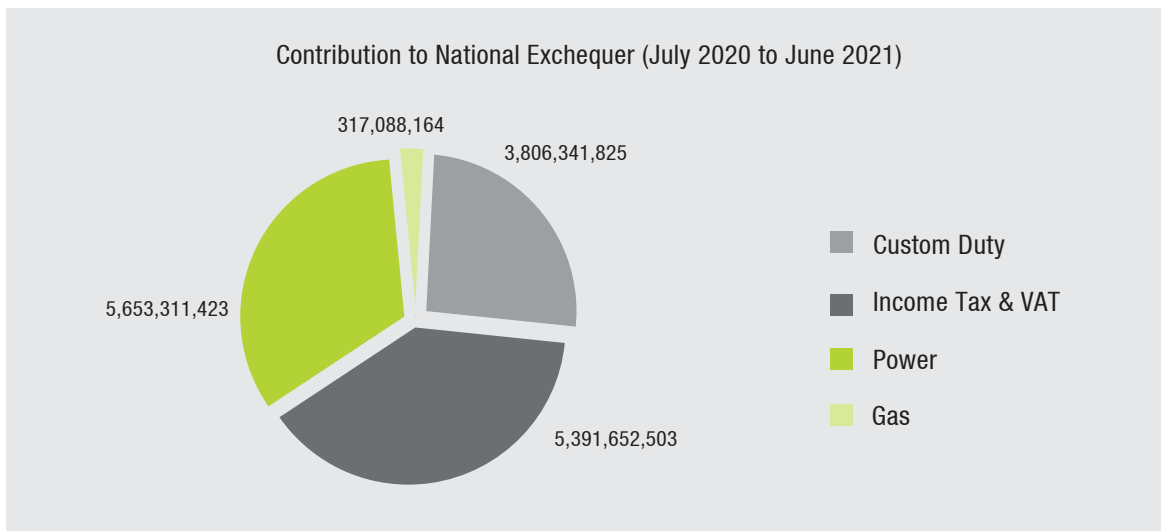
An amount of Tk. 1,750,860 has been transferred to Capital Market Stabilization Fund on August 29, 2021 as per Bangladesh Securities and Exchange Commission Letter No: SEC/SRMIC/65/2020/Part-1/182, Dated July 19, 2021. The dividend remains unpaid for a period of 3 years from the date of approval will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