



WEAVING A SAFER FUTURE WITH MEGASTRUCTURES

ANNUAL REPORT 2020-21

BSRM Steels Limited





**ANNUAL
REPORT
2020-21**
BSRM STEELS LIMITED

Weaving a Safer Future with Megastructures

Bangladesh: a small country with mega dreams of growth, prosperity and progress towards a better future. For any nation, the most visible signs of growth and development are the buildings, landmarks and megastructures that dominate the landscape. The megastructures we have built, and the ones under construction, stand testament to that progress.

From the Karnaphuli Tunnel that connects both sides of Chattogram to the mighty Padma Bridge and the expressways, BSRM's iconic landmarks are changing the very landscape of Bangladesh, taking it towards a middle-income country and a better, brighter future. Let's showcase and celebrate those iconic megastructures and their role in helping the country towards the path of a stronger and safer nation.

Letter of Transmittal

Date: December 01, 2021

All Valued Shareholders
Bangladesh Securities and Exchange Commission
Registrar of Joint Stock Companies & Firms
Dhaka Stock Exchange Limited
Chittagong Stock Exchange Limited

Dear Sir (s)

Annual Report for the year ended June 30, 2021

We are pleased to enclose herewith a copy of the Annual Report of **BSRM Steels Limited** together with the Audited Financial Statements, Auditors' Report thereon and Report of the Board of Directors for the year ended June 30, 2021 for your information and record.

Yours sincerely,



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

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Padma Bridge

5 years ago, the Bengali nation stepped onto a new page in history when Prime Minister Sheikh Hasina inaugurated the foundation stone of the Padma Bridge. Built using BSRM steel, this is the most challenging construction project in the history of Bangladesh. The bridge links the country's Southwest to the Northern and Eastern regions and is expected to boost GDP more than 1.0 %, helping us towards a brighter and safer future.

OUR VISION

WE AT BSRM GROUP ASPIRE TO.....

- Maintain our leadership positions 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 and 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.

OUR VALUES

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.



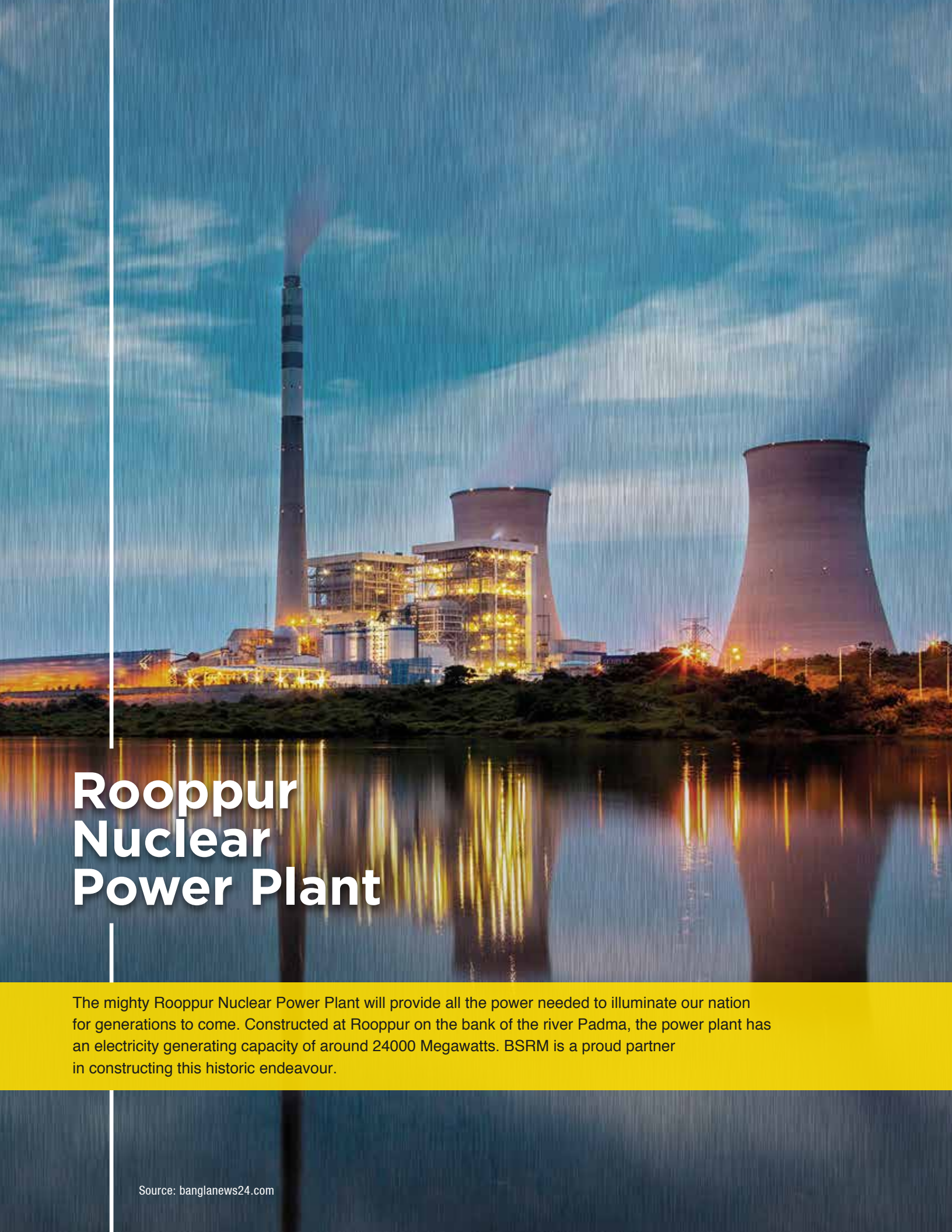
CODE OF CONDUCT



BSRM always adopts best, ethical and transparent business practices to be fair and honest in all its dealings.



We always acknowledge and fulfill our obligations towards the society and offer our best services to our customers and treat them with respect and honor.

A photograph of the Rooppur Nuclear Power Plant at dusk. The plant's complex of buildings and piping is brightly lit with yellow lights, reflecting on the calm water in the foreground. Three large, white, hourglass-shaped cooling towers are visible, with the one on the right being the most prominent. A tall, dark smokestack with a white band near the top stands on the left, emitting a plume of white steam that rises into the sky. The sky is a deep blue with some light clouds. The entire scene is reflected in the still water of the river Padma.

Rooppur Nuclear Power Plant

The mighty Rooppur Nuclear Power Plant will provide all the power needed to illuminate our nation for generations to come. Constructed at Rooppur on the bank of the river Padma, the power plant has an electricity generating capacity of around 24000 Megawatts. BSRM is a proud partner in constructing this historic endeavour.

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

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

• 2010

BSRM Iron and Steel Co. Ltd. the then largest billet making plant in the country started commercial production on June 01, 2010.

• 2012

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

• 2013

A syndicated term loan of US\$ 40 million and BDT 5,908 million, raised by a consortium of 25 banks and financial institutions, for BSRM Steel Mills Limited. It was 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 ensure the accuracy, accountability and reliability of the Group.

• 2015

1. Enhanced capacity of BSRM Steels Limited from 600,000 MT to 700,000 MT per annum.
2. Announced a new product namely **"BSRM Maxima"**
3. Increased capacity of Bangladesh Steel Re-Rolling Mills from 120,000 MT to 450,000 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. BSRM Steel Mills Limited, the largest billet making plant in the country started commercial production in June 2016.
2. EPOXY coated bars CENTURA & Ultima are introduced in the market.
3. For the first time, sales of BSRM cross **ONE MILLION** M. Ton

• 2017-18

1. Started to set-up a state-of-the-art Galvanized Iron (GI) wire and Low Relaxation Pre-stressed Concrete (LRPC) wire manufacturing plant.
2. Business Intelligence (BI) Analytics Tool for BSRM Group goes live in May 2018.

• 2018-19

Second melting unit of BSRM Steels Limited has successfully announced its commercial production on April 16, 2019 with a capacity of 430,000 MT billets per annum.

• 2019-20

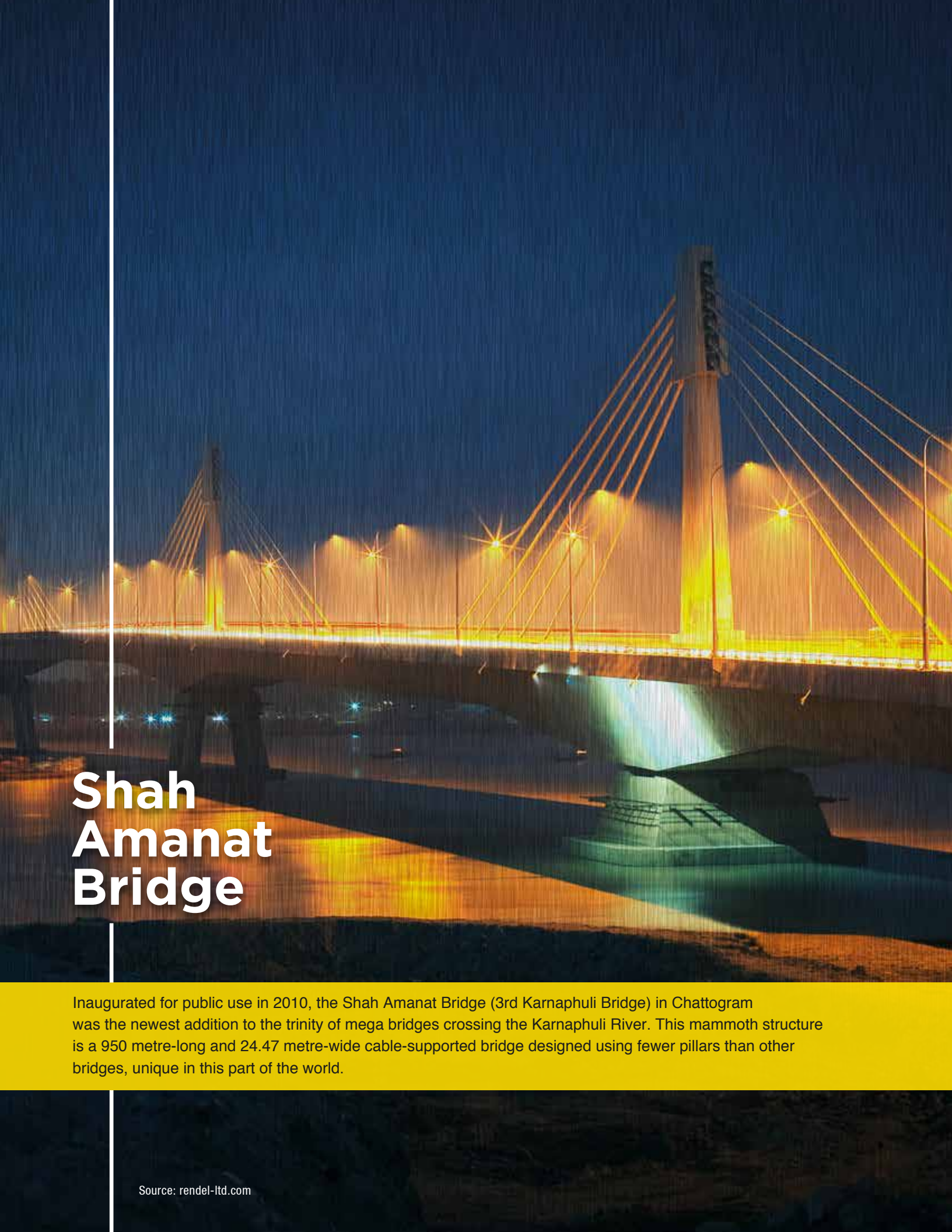
Introduced a new product called **"FastBuild & SecuRing"** - customized Steel solutions.

• 2020-21

1. The new Grade B500DWR has introduced in the market with a brand name of **"XTREME B500DWR"**
2. Successful Trial Production of BSRM Wires Limited has started on 15th November 2020 for Galvanized Iron (GI) wire, LRPC wire, Welding Electrode and CO₂ wire.

• WHAT'S NEXT

An investment of BDT 1,850 Crore will take part for setting up of a new bar and wire rolling and expansion of melting unit to enhance capacity of rolling by 6.00 lac M. ton per annum and melting 2.5 lac M. Ton per annum to cater the growing market demand for quality steel products.



Shah Amanat Bridge

Inaugurated for public use in 2010, the Shah Amanat Bridge (3rd Karnaphuli Bridge) in Chattogram was the newest addition to the trinity of mega bridges crossing the Karnaphuli River. This mammoth structure is a 950 metre-long and 24.47 metre-wide cable-supported bridge designed using fewer pillars than other bridges, unique in this part of the world.

Awards & Recognitions

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

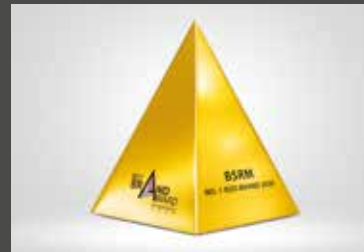
Awards & Recognitions

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

Awards & Recognitions

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



Bangabandhu Tunnel (Karnaphuli Tunnel)

The Bangabandhu Tunnel (Karnaphuli Tunnel) will shine a beacon of light on the road to becoming a middle-income prosperous country. When built, the Anwara Upazila on the other side of the Karnaphuli will be connected to the main Chattogram City, and the regions held back will finally move forward in trade and industry. Using a special kind of steel from BSRM, around 900 workers from this country and abroad are working on the construction of this 3.43 km long tunnel in the 150 feet deep Karnaphuli river.

Performance at a Glance for 2020-21

Revenue

Tk.
54,983
Million

Gross
profit

Tk.
7,231
Million

Operating
Profit

Tk.
5,596
Million

Profit
before
Tax

Tk.
3,919
Million

Net
Profit after
Tax

Tk.
3,047
Million

Earnings
per Share
(EPS)

Tk.
8.10

NAV
per share

Tk.
62.38

NOCF
per share

Tk.
20.87

Key Financial Highlights

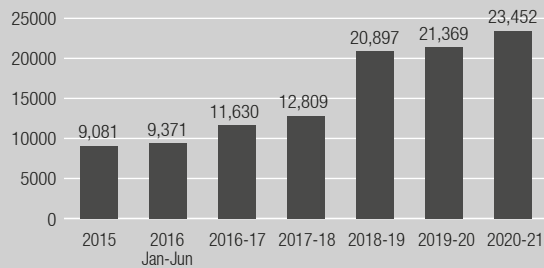
Taka in Million

	2020-2021	2019-2020	2018-2019	2017-2018	2016-2017*	Jan'16-June'16	2015
Assets Employed							
Non-current Assets	25,673.50	27,641.78	26,793.86	13,995.01	12,104.11	9,608.70	9,676.30
Net Current Assets	6,569.87	3,702.68	5,126.14	1,886.17	1,953.94	2,207.59	840.35
Total Assets Employed	32,243.37	31,344.45	31,920.00	15,881.18	14,058.05	11,816.28	10,516.64
Financed by							
Share Capital	3,759.53	3,759.53	3,759.53	3,417.75	3,417.75	3,417.75	3,417.75
Revaluation Reserve	7,915.26	7,927.98	7,940.93	2,613.85	2,602.00	2,123.84	2,131.59
Non Controlling Interest	-	-	-	-	107.08	-	-
Fair Value Reserve	1,329.12	-	-	-	-	-	-
Retained Earnings	10,447.95	9,681.04	9,196.76	6,777.30	5,503.47	3,829.60	3,531.28
Shareholders' Equity	23,451.85	21,368.54	20,897.22	12,808.90	11,630.30	9,371.19	9,080.62
Long Term borrowings	6,680.61	7,590.43	9,067.95	1,777.56	1,117.90	1,547.13	548.39
Retirement benefit obligations - Gratuity	231.00	199.57	164.44	136.97	98.76	57.37	55.88
Deferred Tax Liabilities	1,799.73	2,112.33	1,790.40	1,157.75	1,211.09	840.59	831.76
Finance Lease Obligations- non Current Portion	80.17	73.58	-	-	-	-	-
Total Capital Employed	32,243.37	31,344.45	31,920.00	15,881.18	14,058.05	11,816.28	10,516.64
Operational Results							
Revenue	54,982.96	38,681.38	61,060.15	48,289.93	37,996.41	17,265.18	32,316.10
Gross Profit	7,230.86	5,172.54	5,051.91	4,879.17	4,557.30	3,114.69	4,368.65
Profit from Operations	5,596.03	3,573.15	3,369.05	3,180.65	3,273.59	2,379.86	3,257.93
Profit before Interest, Taxes & Depreciation Allowances	6,672.08	4,539.63	3,993.81	3,644.34	3,746.02	2,509.49	3,500.74
Profit before Tax	3,919.06	1,825.71	2,338.26	2,308.53	2,360.49	2,114.92	2,593.95
Profit after Tax	3,047.09	742.28	1,728.13	1,800.80	1,705.41	1,313.32	2,081.88
Ratios							
Gross Profit ratio - %	13.15%	13.37%	8.27%	10.10%	11.99%	18.04%	13.52%
Net Profit ratio - %	5.54%	1.92%	2.83%	3.73%	4.49%	7.61%	6.44%
EBITDA margin to Sales - %	12.13%	11.74%	6.54%	7.55%	9.86%	14.53%	10.83%
Return on Shareholders Equity - %	12.99%	3.47%	8.27%	14.06%	14.66%	14.01%	22.93%
Return on Capital Employed - %	9.45%	2.37%	5.41%	11.34%	12.13%	11.11%	19.80%
Current Ratio - Times	1.16	1.11	1.15	1.06	1.08	1.13	1.06
Quick / Acid test ratio	0.82	0.67	0.71	0.58	0.70	0.80	0.57
Inventory turnover ratio - Times	4.03	2.61	4.07	3.34	4.23	3.12	4.69
Total Assets turnover ratio - Times	0.76	0.60	0.93	1.06	1.17	0.60	1.31
Earnings per Share (EPS) - Taka	8.10	1.97	4.60	4.79	4.98	3.84	6.09
Price/Earnings (P/E) ratio - Times	6.91	17.02	12.68	14.63	18.25	24.46	15.81
Price/Equity ratio - Times	5.60	3.36	5.83	7.01	9.09	9.40	9.63
Dividend per share (DPS) - Taka	4.00	1.50	2.50	2.00	2.00	1.50	3.00
Dividend Payout ratio	0.49	0.76	0.54	0.42	0.40	0.39	0.49
Dividend Cover ratio	2.03	1.32	1.84	2.39	2.49	2.56	2.03
Net Assets Value (NAV) per share - Taka	62.38	56.84	55.58	37.48	34.03	27.42	26.57
Net Operating Cash Flow per share - Taka	20.87	5.81	(12.43)	2.90	1.07	9.05	16.87
Debt Equity ratio - Times	1.72	1.61	1.57	1.73	1.93	1.72	1.48
Interest coverage ratio	13.83	1.97	2.76	3.14	5.94	17.75	5.37
Market price per share at 30 June/ 31 December - Taka	56.00	33.60	58.30	70.10	90.90	94.00	96.30
Market Capitalization at 30 June/31 December	21,053	12,632	21,918	23,958	31,067	32,127	32,913
Contribution to National Exchequer	9,873	5,969	4,708	4,954	2,936	2,149	2,009
Average Number of Employees	1416	1384	1255	974	624	596	578

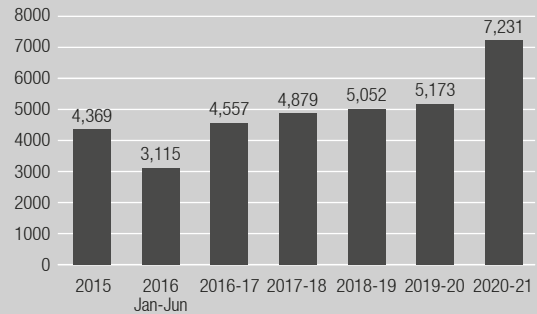
*Information of 2016-2017 shows consolidated financial data.

Key Performance Indicators

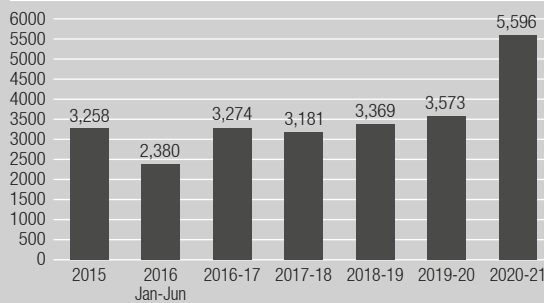
Shareholders' Equity (Taka in Million)



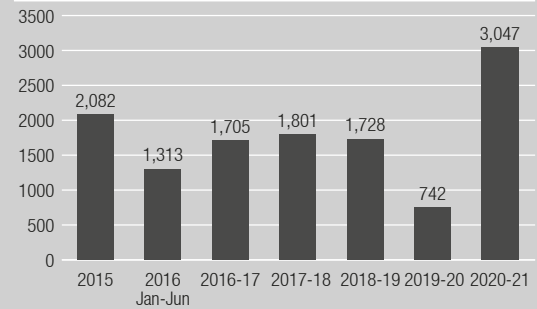
Gross Profit (Taka in Million)



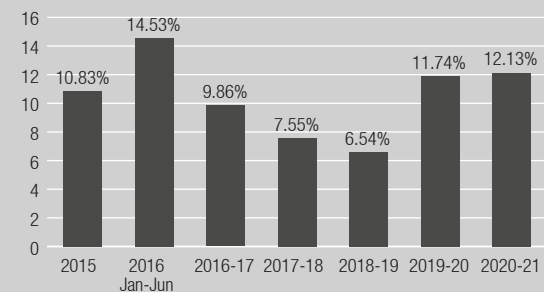
Operating Profit (Taka in Million)



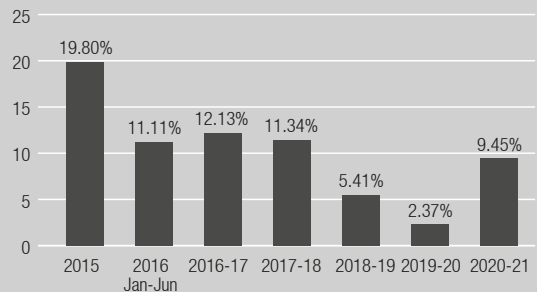
Net Profit after Tax (Taka in Million)



EBITDA to Sales (%)



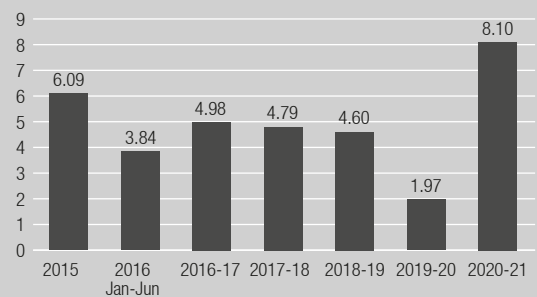
Return on Capital Employed (%)



Return on Shareholders' Equity (%)

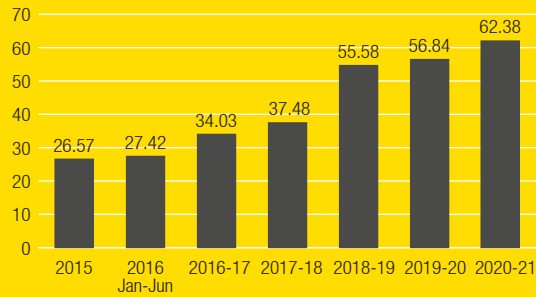


Earnings per Share (Taka)

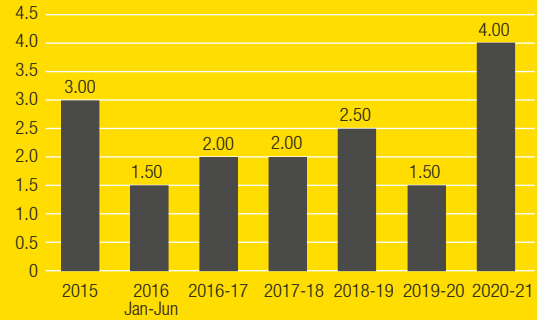


Key Performance Indicators

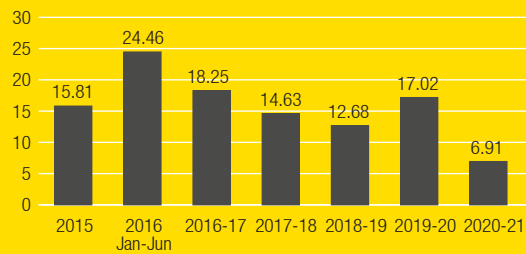
Net Assets Value (Taka)



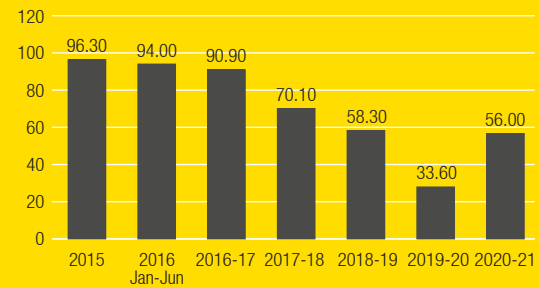
Dividend per Share (Taka)



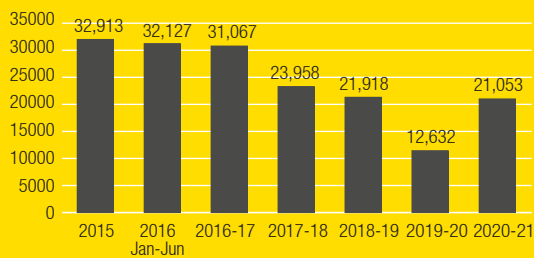
Price Earnings Ratio (Times)



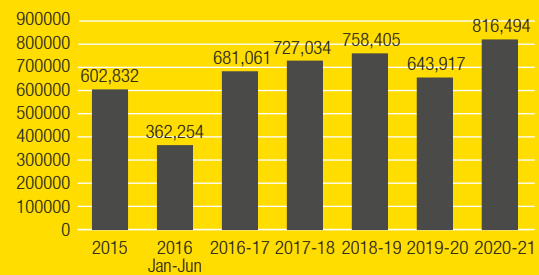
Market price per share (Taka)



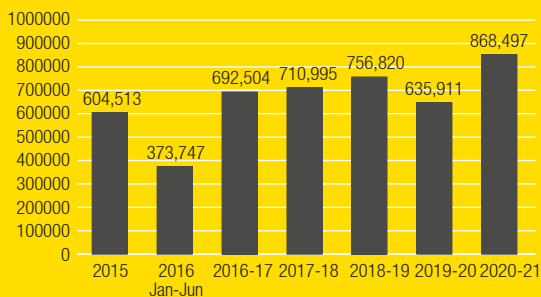
Market Capitalization (Taka in Million)



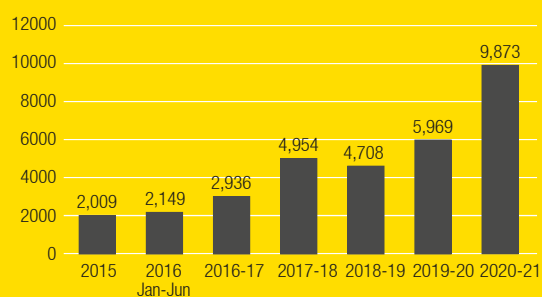
Production Qty (MT)



Sales Qty (MT)



Contribution to National Exchequer (Taka in Million)



Value Added Statement

Value Added:

Revenue
Other Income

Less : Paid to suppliers for materials and services

Distributed as follows:

EMPLOYEES

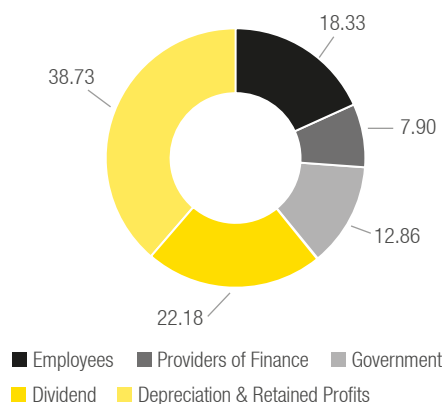
Wages, Salaries, bonus, commissions, pensions and other benefits
Providers of Finance
Government
Dividend

RETAINED FOR REINVESTMENT & FUTURE GROWTH

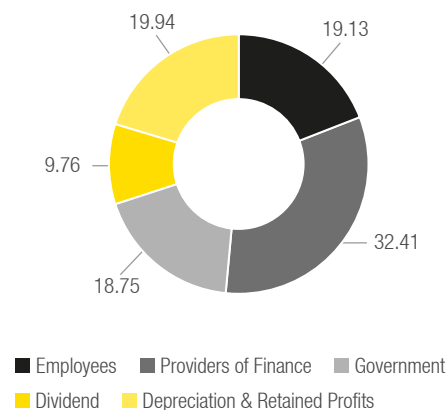
Depreciation & Amortization
Retained Profit

July'20 - June'21 TK	%	July'19 - June'20 TK	%
54,982,957,715		38,681,377,223	
150,158,414		80,396,643	
55,133,116,129		38,761,773,866	
48,352,743,764		32,984,770,498	
6,780,372,365	100	5,777,003,368	100
1,242,529,676	18.33	1,105,412,503	19.13
535,847,981	7.90	1,872,525,590	32.41
871,975,933	12.86	1,083,428,541	18.75
1,503,810,000	22.18	563,928,750	9.76
4,154,163,590	61.27	4,625,295,384	80.06
1,082,932,949	15.97	973,360,111	16.85
1,543,275,826	22.76	178,347,873	3.09
2,626,208,775	38.73	1,151,707,984	19.94
6,780,372,365	100	5,777,003,368	100

2020-21 (%)



2019-20 (%)



ECONOMIC VALUE ADDED (EVA)

Economic value added attempts to capture the true economic profit of a company. It also provides a measurement of a company's economic success (or failure) over a period of time.

Calculation of EVA

Net Operating profit after Tax (NOPAT)
Total Capital Employed
Cost of Capital in %
Cost of Capital (COC)
EVA = NOPAT - COC

	2020-21	2019-20
Net Operating profit after Tax (NOPAT)	4,336,923,822	2,679,862,118
Total Capital Employed	32,019,299,884	31,216,308,957
Cost of Capital in %	10.00%	10.00%
Cost of Capital (COC)	3,201,929,988	3,121,630,896
EVA	1,134,993,834	(441,768,778)

The positive number of EVA reveals that the Company is more than covered its cost of capital.

Products & Markets

Founded in 1952, BSRM Group broadened its business to produce advanced technology based steel products in Bangladesh. BSRM Steels Limited is the flagship company of BSRM Group. It is a high grade steel manufacturing company. The main product of BSRM Steels is Xtreme500W which is the only **EMF tested** and **Fatigue tested ductile rod** in Bangladesh.

QUALITY is the measure of something as measured against agreed standards. It means conforming to specifications. **RELIABILITY** has two related definitions. One is the state of being dependable. The other is consistency i.e. the degree to which something yields the same or compatible result time after time. **RELIABILITY** is a function of the design; **QUALITY** is a result of the manufacturing. Therefore, we can state while the **Tensile Test** is the measure of Quality of the steel, the **Fatigue Test** is the measure of **Reliability** of Steel.

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

A GLIMPSE OF OUR PROJECTS



- 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 ever 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).

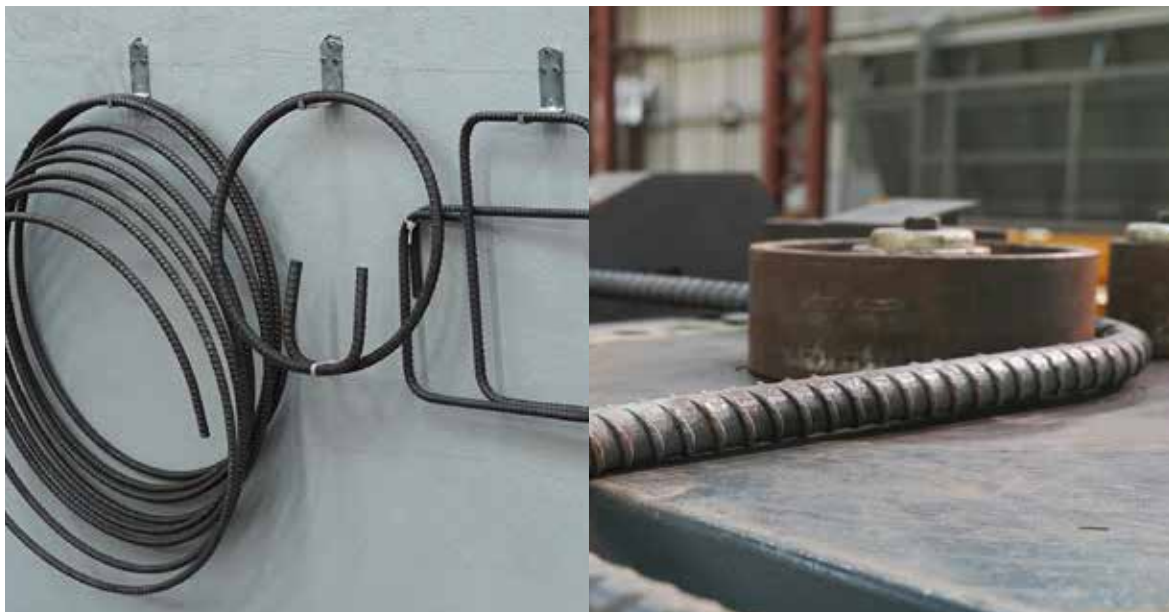
FEATURES OF XTREME B500DWR:

- 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

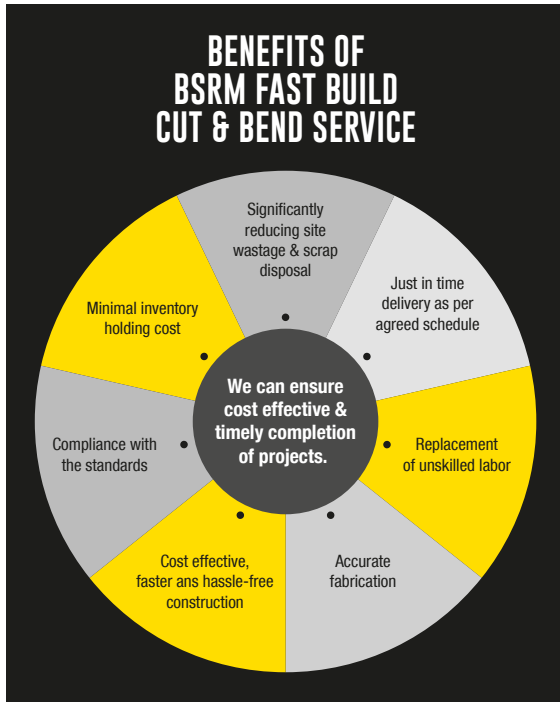
In 2019, BSRM introduced its new Service Centre, BSRM Fast Build, to provide customised rebar solutions for all construction related needs. Under this value adding service centre, BSRM offers BBS (Bar Bending Schedule) Development, Cut & Bend, WWR (welded wire reinforcement), Coupler, Spiral Ring and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

An aerial photograph of a complex multi-level highway interchange. The expressway features several flyovers and underpasses, with multiple lanes of traffic visible. The surrounding landscape is a mix of green fields and some urban development in the distance. The sky is filled with soft, white clouds.

Dhaka-Bhanga Expressway

Bangladesh's first-ever expressway, the Dhaka-Bhanga expressway opened up a new era of connectivity since its inauguration in March 2020 by Prime Minister Sheikh Hasina. This six-lane expressway from Dhaka to Faridpur's Bhanga Upazila has 2 service lanes, 5 flyovers, 16 underpasses, 2 interchanges, 4 railway overbridges, 4 large bridges, 25 small bridges and 54 culverts. It will one day connect to the Padma Bridge, opening gateways to new possibilities for industries and export in Bangladesh.

Notice of the 19th Annual General Meeting

Notice is hereby given that the 19th Annual General Meeting of shareholders of **BSRM Steels Limited** will be held on **Thursday, December 23, 2021** at 10:30 AM by using **Digital Platform** in accordance with the Bangladesh Securities and Exchange Commission (BSEC) Order No- SEC/SRMIC/94-231/91, dated: March 31, 2021 to transact the following business and to adopt necessary resolutions:

Agenda

1. To receive, consider and adopt the Audited 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 approve Dividend for the year ended 30th June 2021.
4. To appoint Statutory Auditors and fix their remuneration.
5. 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.
6. To approve the Inter Company loan/ business transactions/ Corporate Guarantee for the year ended on 30th June, 2021 as per Notification No- SEC/CMRRCD/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://bsrmsteel.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 10:30 AM 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.

Corporate & Contact Information

COMPANY NAME

BSRM Steels Limited

DATE OF INCORPORATION

20th July, 2002

DATE OF COMMERCIAL OPERATION

1st April, 2008

SHARE CAPITAL

Authorized capital

BD Tk. 500.00 Crore

Paid Up Capital

BD Tk. 375.95 Crore

BORAD OF DIRECTORS

Mr. Alihussain Akberali FCA, **Chairman**

Mr. Aameir Alihussain, **Managing Director**

Mr. Zohair Taherali, **Director**

Mrs. Tehseen Zohair Taherali, **Director**

Mr. Mono Ranjan Dey FCA, **Independent Director**

COMPANY SECRETARY

Mr. Shekhar Ranjan Kar FCA

AUDIT COMMITTEE

Mr. Mono Ranjan Dey FCA, **Chairman**

Mr. Aameir Alihussain, **Member**

Mr. Zohair Taherali, **Member**

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

NOMINATION & REMUNERATION COMMITTEE (NRC)

Mr. Mono Ranjan Dey FCA, **Chairman**

Mr. Aameir Alihussain, **Member**

Mr. Zohair Taherali, **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

Hussain Farhad & Co.

Chartered Accountants

Younusco City Center (9th Floor), 807, CDA Avenue,

Nasirabad, Chattogram

LOCATIONS

CORPORATE OFFICE

Ali Mansion 1207/1099, Sadarghat Road

Chattogram, Bangladesh.

Tel: **+88 02 3333 54901-10**

Email: mail@bsrm.com

Web: www.bsrm.com

ROLLING PLANT:

4, Fouzderhat Industrial Estate Chattogram,

Tel: **+88(031) 2770192-3**

MELTING PLANT 1:

202-205, Nasirabad Industrial Estate, Baizid Bostami Road,

Chattogram.

Tel: **+88-031-2581361-3**

MELTING PLANT 2:

Khilmurari, Zorawarjonj, Mirsarai, Chattogram.

Tel: **+88-031-626312-3**

DHAKA CORPORATE OFFICE

Nasir Uddin Tower, 4th Floor, Bir Uttam Samsul Alam Road
104/1 Kakrail, Dhaka-1000.

Tel: **88 02 8300591-595**,

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, Jhonar Par, Eidgah Road, Kumarpara, Sylhet.

Tel: **+88 01730-007898**

Email: sylhet@bsrm.com

Bogra

Tin Matha Rail Gate (near to North Bengal Petrol Pump),

Puran Bogra, Bogra.

Tel: **+88051-60792**

E-mail: bogra@bsrm.com

Comilla

Chandrima Super Market,

Airport Road (Near to EPZ Main Gate), Comilla.

Tel: **081-71988**

E-mail: comilla@bsrm.com

Khulna

Naushin Tower (3rd Floor) 11, KDA Avenue, Khulna

Tel: **+88-041-733753**

E-mail: khulna@bsrm.com

Barishal

Shohid Mukhtojoddha ADC Kazi Azizul Islam Sarak,

(30 go-down road), South Alekanda, Barishal.

Tel: **0431-2177518**

Narayangonj

Jungal, Barpara, Bandar, Narayangonj.

Tel: **+88 01755-538356**

Rangpur

Ulipur Market, Goneshpur , RK Road, Rangpur.

Tel: **+88 01714-094579**

Benapole

50 Kagojpukur Benapole Port, Sharsa, Jessore.

Tel: **+88 01730-703045**

Mirsharai

Sonaphar, Zorargonj, Mirsarai, Chattogram.

Tel: **+88 01713-248755**

Mymensingh

Jamtoli, Churkhaj, Mymensingh.

Tel: **+88 01777-764600**

Cox's Bazar

S.K Tower, 2nd floor, Taraboinarchora Khurushkul

Road, Cox's Bazar.

Tel: **+88 01730-014986**

Gazipur

Amanta S. H. Tower (4th Floor), Naljani, Joydebpur Road,

Chowrasta, Gazipur-1702

Mobile: **+88 01714-105052**

Narsingdi

Ripon Tower (1st Floor)

House # 492, Titas Gas Office Road, Chinishpur, Narsingdi.

Mobile: **+88 01713-108206**

Kushtia

Motiar Bhaban (1st Floor), Opposite of Police Line School Gate,

Dadapur Road, Majompur, Kushtia.

Mobile: **+88 01714-080514**

Faridpur

Hafez Building (2nd floor), Mujib Sharak, Niltuli, Faridpur.

Mobile: **+88 01713-161018**

Rajshahi

Shefali Tower (5th Floor), Bindur More, Gourhanga, Ghoramara,

Boalia, Rajshahi.

Mobile: **+88 01730-703013**

Tangail

Basak Tower (1st Floor) Boro Kalibari Road, Sadar, Tangail.

Mobile: **+88 01730-787096**

Standing from left:

Mr. Zohair Taherali

Mr. Mono Ranjan Dey FCA

Mr. Alihussain Akberali FCA

Mr. Aameir Alihussain

Mrs. Tehseen Zohair Taherali



Board of Directors

Mr. Alihussain Akberali FCA Chairman

Mr. Alihussain Akberali, FCA is a Company Director since 1980. He was born in 1949 as the 3rd son of Late Akberali Alibhai Africawala 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 the highest tax to the national exchequer.

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 600 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 joined the family business in 2001 with an aim to set high industry standards for the performance of the Company. He actively supports the operation of the Company as Managing Director. He has introduced modern management practices in the Company and is 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.

Mr. Zohair 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 responsibilities for the management of Financial and Administrative aspects of the Company. He is also a member of the Audit Committee 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 in national exchequer.

Mrs. Tehseen Zohair Taherali

Director

Mrs. Tehseen Zohair Taherali was born in 1970. She completed her Bachelor of Arts and Bachelor of English Language Teaching from Chattogram Bangladesh. She was recognized as highest tax payer in 2015-2016 under women entrepreneur category in Chattogram.

She guides and directs the company regularly in strategic policy making decisions as a Director. She is involved with many charitable organizations and is a highly regarded personality in the society.

Mr. Mono Ranjan Dey FCA

Independent Director

Mr. Mono Ranjan Dey FCA is a Qualified Chartered Accountant and Fellow Member of the Institute of Chartered Accountants of Bangladesh (ICAB). He possesses 3 decades of experience in internal and external audit and assurance, developing internal control system, company related matters and taxation and VAT.

He is a Managing Partner of the reputed Chartered Accountancy firm MRH Dey & Co. He is 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. Tehseen Zohair Taherali	Mr. Mono Ranjan Dey FCA
Bangladesh Steel Re-Rolling Mills Limited	Chairman	Managing Director	Director	---	---
BSRM Wires Limited	Managing Director	Director	Chairman	Director	---
H. Akberali & Co. Limited	Chairman & Managing Director	Director	Director	Director	---
BSRM Logistics Limited	Chairman	Director	Managing Director	---	---
BSRM Recycling Industries Limited	Managing Director	Director	Chairman	Director	---
Chittagong Power Company Ltd.	Chairman & Managing Director	Director	Director	---	---
Bangladesh Steels Limited	Director	Managing Director	Chairman	Director	---
East Bengal Trading & Industrial Corporation Limited	Director	Managing Director	Chairman	Director	---
BSRM Ispat Limited	Director	Managing Director	Chairman	Director	---
Bangladesh Agriculture Products Ltd	Chairman	Managing Director	Director	Director	---
BSRM Real Estates Limited	Chairman	Managing Director	Director	Director	---
BSRM Metals Limited	Chairman	Managing Director	Director	Director	---
Karnafully Engineering Works Limited	Chairman	Director	Managing Director	Director	---
Section Steel Industries Limited	Managing Director	Chairman	---	---	---
Arco Industries Limited	Director	Director	Managing Director	Director	---
Polyhose Bangladesh Ltd.	---	Director	Chairman	---	---

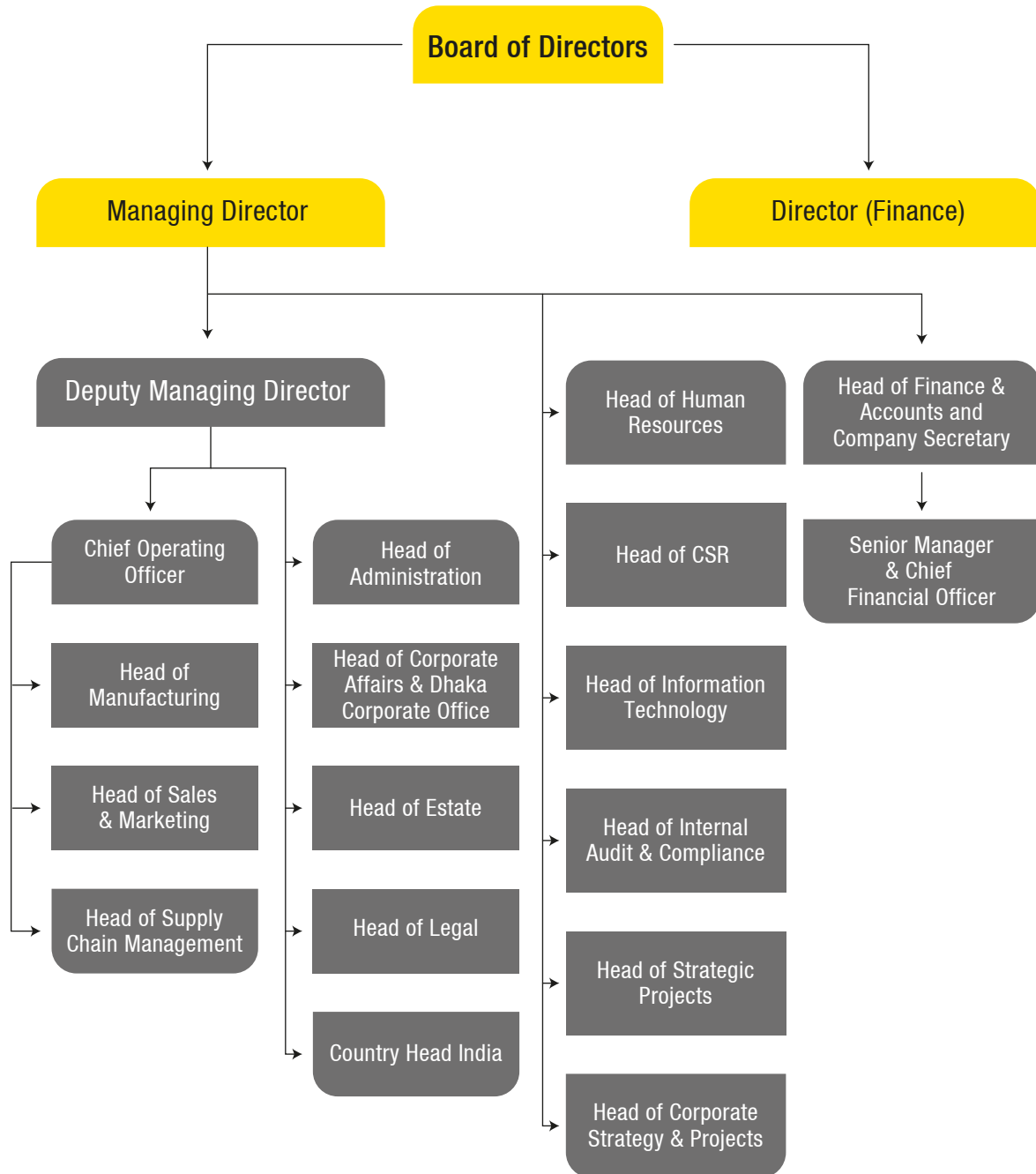
Key Management

• 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

Corporate Structure





MESSAGE FROM THE CHAIRMAN

Assalamualikum

My Dear Shareholders, Members of the Board,
Distinguished Guests, Ladies & Gentlemen,

It is a great honor and privilege for me to address all of you on behalf of the Board of Directors and I am delighted to welcome all the shareholders to the 19th Annual General Meeting of your Company. I hope that this finds you & your families, safe and in good health. Your presence in this important meeting is your strong support and faith in us and this inspires us to achieve newer milestones of success.

The World Bank pegs Bangladesh's real GDP growth at 6.4% in FY 2021-22 comparing to last year 2020-2021 at 3.6%

Financial Performance:

I take this opportunity to share the Company's performance for the fiscal year 2020-21 by presenting the following operational and financial results of the company:

Particulars	Unit	July'20 to June'21	July'19 to June'20	Change
Production	M. ton	816,494	643,917	26.80%
Sales	M. ton	868,497	635,911	36.58%
Capacity utilization	%	102.1%	85.9%	-
Revenue	Tk. Million	54,983	38,681	42.14%
Gross Profit	Tk. Million	7,231	5,173	39.78%
Net Profit after Tax	Tk. Million	3,047	742	310.65%
Final Dividend Declared	Per Share	10% (I) & 30% (F) Cash	15% Cash	-

All the indicators mentioned above shows that the Company is progressing and doing well. We hope it will perform even better in the years to come.

Bangladesh Economy:

The last 15 months have been perhaps the most eventful in living memory. The COVID-19 pandemic has impacted the lives and livelihoods of people across the world in what might be one of the most significant black swan events of our time. However, through these unpredictable times, we have witnessed remarkable progress, multilateral cooperation, government responsiveness, and rapid global transformation – many of which will impact the way we live and interact with each other.

Bangladesh has bounced back strongly and much better than several other economies. The World Bank pegs Bangladesh's real GDP growth at 6.4% in FY 2021-22 comparing to last year 2020-2021 at 3.6%, as the vaccine rollout accelerates, and economic activities continue to normalise. The economic and business sentiment has substantially improved, and investor sentiment is robust. Oil prices are on a rise. The recovery in the steels sector is note able in last financial year. Going forward, the economic scenario can be expected to be driven by pent-up positive savings, rapid vaccine deployment, expanding stimulus, low interest rates, accommodative monetary policy and commodity-intensive public expenditure. 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.

Sustainability:

To achieve our sustainability targets on each front, year after year, the strategic framework and efficiencies need to be communicated and implemented across our entire value chain. To this end, we work closely with our supply chain partners encouraging them to integrate sustainability practices into their everyday operations while engaging with our customers on how to build efficiencies of scale further downstream. We are taking care of our people, products, operations and communities that actively support our growth, improve employee engagement, address our major risks and compliance requirements and those are important to our shareholders, customers and suppliers. We offer competitive price for our products for sustainability and growth of the Company.

Social Welfare:

In order to deliver on our Corporate Social Responsibility promise, we mobilised our resources, both human capital and infrastructure, to help support communities, governments and front-line workers. BSRM dispatched a good number of liquid medical oxygen from March 2019 through June 2021 to hospitals across Bangladesh. Our cross-functional teams moved swiftly to set up High Flow Nasal Cannula & oxygen concentrator at different govt. hospitals at Chattogram, Khulna, Bogura, Rangpur, Barisal and Sylhet. We continue to offer holistic medical support to our employees and their families while honoring our commitment to take care of their entire family, in the event of death from COVID-19 during their time in service. The group has a separate wing to follow up and coordinate CSR related activities. CSR programs or projects are usually continuous in nature and focus areas are education, health, water, livelihood, and conservation of nature.

Finally I would like to offer my immense gratitude to our board, shareholders, bankers and the broader BSRM family. I would also like to thank external authorities that have put their trust in us and with whom we work closely. I look forward to your continued support to build a stronger future for Bangladesh but also contribute to a cleaner, greener planet for generations to come.

Sincerely yours,



Alihussain Akberali FCA
Chairman



MANAGING DIRECTOR'S ROUND UP

Dear Fellow Shareholders, Ladies and Gentlemen:

It is with great pleasure that I present to you our annual report of 19th Annual General Meeting. We accorded the highest priority to human life and safety of all our employees as well as our various stakeholders like vendors, customers, dealers, business partners as we worked to meet the challenges and opportunities of the pandemic.

However, global economy has been recovering, driven by fiscal stimulus and accommodative monetary policies, followed by good progress in vaccination. Despite the challenges, uncertainties and complexities due to the pandemic, BSRM Steels Limited delivered a strong performance in FY 2020-21. The Company registered production of 816,494 MT and sold 868,497 MT this year. Net profit stood Tk. 3,047 Million and EPS, NAV stood Tk. 8.10 and 62.38 per share respectively.

Our revenues increased by 42% to BDT 54,983 million, driven by strong underlying performance.

Our revenues increased by 42% to BDT 54,983 million, driven by strong underlying performance. Despite a slow start in the first quarter of FY 2020-21, we delivered a strong performance for the year. Most of the steel consuming sectors rebounded with support from government spending, pent-up demand and easing liquidity. The government declared stimulus loan package for working capital financing of industries amid the pandemic. Average interest expense of this year also decreased by 4-5 percent compared to last year which increases our net earnings. Due to above reasons, your company was financially flexible during this year.

Overall, we achieved net profit after tax of BDT 3,047 million, driven by multiple factors including improved market environment, a better product mix, continued cost control programs and benefits derived through operational and financial efficiency. The increase was mainly due to a significant improvement in the underlying business performance resulting a robust level of earnings for the year.

We are also focusing on enhancing our footprint in the country. The Board has approved investment of BDT 1,846 crore for setting up i) a new steel plant to raise capacity by another 6 lac M. Ton MS Products; ii) expansion of billet manufacturing capacity by 2.5 lac per annum to cater the market demand. After setting up new plants, total capacity of MS rod will be 14 lac M. Ton. The new plant is expected to start its operation by the middle of 2023-2024. We are also leveraging technology to enhance our environmental responsiveness and are on course to establishing best-in-class manufacturing and distribution facilities to improve our operational and environmental performance.


We have also made progress in our steel recycling business initiative, which is a definitive step towards sustainable steel production. It will enable us to achieve lower carbon emissions, resource consumption and energy utilization. We will continue our quest to remain industry leaders in sustainability by setting new benchmarks for a better tomorrow.

The government is working to improve ease of doing business policies and attract foreign direct investment. These structural initiatives are important for enhancing the country's future competitiveness. A number of medium and large scale infrastructure projects are in progress. We must appreciate the initiatives taken by the government to revive the economy due to pandemic and timely decision to carefully re open the economy. Bangladesh is fortunate to be in a much better economic condition than its peers and this shows the strength of the people of our country and the capable leadership.

Our employees continue to be our strength and our management strategy of building trust and partnerships with all our associates has stood the test of time.

Lastly, I would like to express my sincere thanks to all our shareholders, business partners, regulatory authorities, bankers for their consistent support during these difficult days. Wishing a safe, healthy and a prosperous year ahead.

Thanking you,



Aameir Alihussain
Managing Director



Dhaka Elevated Expressway

Dhaka Elevated Expressway is Bangladesh's maiden public-private partnership project and the first of its kind in the region. One of the largest governmental infrastructure projects, it will connect Shahjalal Airport with Kutubkhali via Mohakhali, Tejgaon and Kamalapur in Dhaka. Including connecting roads, the expressway will be 46.73 km (153,300 ft) long when complete. It will help ease traffic congestion and provide a release valve for the escalating pressure on the streets below.

Directors' Report

Dear Shareholders

Assalamualikum.

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

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

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

Segment wise or product wise performance:

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

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

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

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

Detailed product-wise performances are as follows:

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

New Product: BSRM Xtreme B500 DWR

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

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

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

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

Risks & Concerns:

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

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

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

BDT in million

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

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

Extraordinary gain or loss:

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

Related Party Transactions:

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

Utilization of IPO proceeds and Financial Result after IPO:

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

Explanation on Significant Deviation between quarterly and annual financial performance:

BDT in Million

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

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

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

Remuneration of Directors including Independent Director:

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

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

Directors' Responsibilities Statements:

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

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

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

Significant deviations from the last years operating results:

Operational Performance:

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

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

Operating Results:

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

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

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

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

Operational Performance:

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

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

Board of Directors:

I. Composition and size of the Board:

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

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

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

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

iv. Board Meeting and attendance:

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

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

The pattern of shareholding position on June 30, 2021:

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

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

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

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

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

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

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

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

Management Discussion & Analysis:

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

Certification by the CEO & the CFO:

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

Credit Rating:

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

Long Term	Short Term
AA+	ST-2

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

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

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

Internal Control system:

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

Dividend:

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

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

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

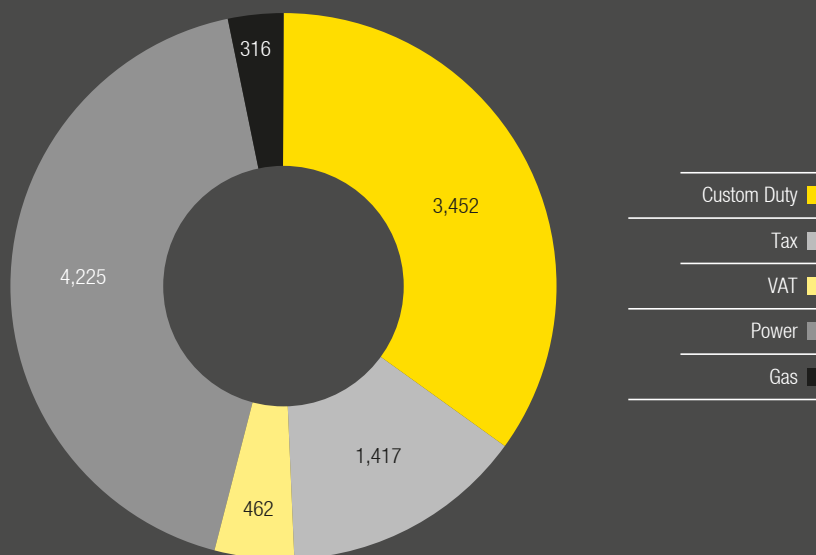
The dividend remains unpaid for a period of 3 years from the date of approval will be transferred to fund as directed by the Commission. Subsequently Tk. 17,846,490 has been paid to Bangladesh Security Exchange Commission (BSEC) for capital market stabilization Fund and Tk. 205,349 ordinary shareholders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

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

Contribution to National Exchequer

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

Contribution to National Exchequer (Million)



Corporate Social Responsibilities:

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

Awards and Recognition:

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

- 1) Gold Award - ICMAB Best Corporate Award, 2019
- 2) Bronze Award – ICSB National Award, 2019
- 3) Certificate of Merit – 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 in 2016-17 – (BSRM Steels Ltd.)
- 17) Best Brand of Bangladesh in Steel Category in 2011, 2012, 2013, 2014, 2015, 2016, 2017, 2018 & 2019 – (BSRM Group).
- 18) Best Enterprise of the year 2010 – (BSRM Group).
- 19) D & B Corporate Awards 2010 & 2012 – (BSRM Steels Limited).
- 20) Pride of Chittagong (Chattagramer Ahonkar) 2012 (Mr. Alihussain Akberali FCA).
- 21) Divisional Environment Award 2013 – (BISCO Ltd.).
- 22) 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

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

Human Resource Management

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

Code of Conduct:

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

Auditors:

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

Reporting and Compliance of Corporate Governance:

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

Subsequent Events:

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

Acknowledgements:

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

Allah Hafiz.

Thank you very much

On behalf of Board of Directors.



Alihussain Akberali FCA
Chairman

Declaration by CEO and CFO

Dated: October 23, 2021

The Board of Directors
BSRM Steels Limited
Ali Mansion, 1207/1099 Sadarghat Road,
Chattogram

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

Dear Sir (s),

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 BSRM Steels 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 the Bangladesh and any departure there from has been adequately disclosed;
2. The estimates and judgments related to the 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 been 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 material 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 the financial statements for the year ended on June 30, 2021 and that to the best of our knowledge and belief:
 - a) these financial statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - b) these 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 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



Md. Moklesur Rahman Akhtar FCMA
Senior Manager & Chief Financial Officer

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 BSRM Steels Limited on compliance on the Corporate Governance Code

We have examined the compliance status to the Corporate Governance Code by **BSRM Steels 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.

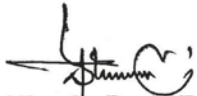
This is a scrutiny and verification and an independent audit on compliance of the conditions of the Corporate Governance Code as well as the provisions of relevant Bangladesh Secretarial Standards (BSS) as adopted by Institute of Chartered Secretaries of Bangladesh (ICSB) in so far as those standards 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		Remarks
		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 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.	√		
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 the business.	√		

Condition No.	Title	Compliance Status		Remarks
		Complied	Not Complied	
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 Tk. 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	√		
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);	√		

Condition No.	Title	Compliance Status		Remarks
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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;			N/A
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:-			
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:			

Condition No.	Title	Compliance Status		Remarks
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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;	√		
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;			N/A
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;			N/A
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			N/A
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;			N/A

Condition No.	Title	Compliance Status		Remarks
		Complied	Not Complied	
2(e)	The Audit Committee of the holding company shall also review the financial statements, in particular the investments made by the subsidiary company			N/A
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.	√		
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;	√		

Condition No.	Title	Compliance Status		Remarks
		Complied	Not Complied	
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.	√		
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;	√		

Condition No.	Title	Compliance Status		Remarks
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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
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;	√		

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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.	√		
	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;	√		
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	√		
	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	√		

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6(5)(b)(vi)	developing, recommending and reviewing annually the company's human resources and training policies;	√		
6(5)(c)	The company shall disclose the nomination and remuneration policy and the evaluation criteria and activities of NRC during the year at a glance in its annual report.	√		
7	EXTERNAL OR STATUTORY AUDITORS			
7(1)	The issuer company shall not engage its external or statutory auditors to perform the following services of the company, namely:-			
7(1)(i)	appraisal or valuation services or fairness opinions;	√		
7(1)(ii)	financial information systems design and implementation;	√		
7(1)(iii)	book-keeping or other services related to the accounting records or financial statements;	√		
7(1)(iv)	broker-dealer services;	√		
7(1)(v)	actuarial services;	√		
7(1)(vi)	internal audit services or special audit services;	√		
7(1)(vii)	any service that the Audit Committee determines;	√		
7(1)(viii)	audit or certification services on compliance of corporate governance as required under condition No. 9(1); and	√		
7(1)(ix)	any other service that creates conflict of interest.	√		
7(2)	No partner or employees of the external audit firms shall possess any share of the company they audit at least during the tenure of their audit assignment of that company; his or her family members also shall not hold any shares in the said company:	√		
7(3)	Representative of external or statutory auditors shall remain present in the Shareholders' Meeting (Annual General Meeting or Extraordinary General Meeting) to answer the queries of the shareholders.	√		
8	MAINTAINING A WEBSITE BY THE COMPANY			
8(1)	The company shall have an official website linked with the website of the stock exchange.	√		
8(2)	The company shall keep the website functional from the date of listing.	√		
8(3)	The company shall make available the detailed disclosures on its website as required under the listing regulations of the concerned stock exchange(s).	√		
9	REPORTING AND COMPLIANCE OF CORPORATE GOVERNANCE			
9(1)	The company shall obtain a certificate from a practicing Professional Accountant or Secretary (Chartered Accountant or Cost and Management Accountant or Chartered Secretary) other than its statutory auditors or audit firm on yearly basis regarding compliance of conditions of Corporate Governance Code of the Commission and shall such certificate shall be disclosed in the Annual Report.	√		
9(2)	The professional who will provide the certificate on compliance of this Corporate Governance Code shall be appointed by the shareholders in the annual general meeting.	√		
9(3)	The directors of the company shall state, in accordance with the Annexure-C attached, in the directors' report whether the company has complied with these conditions or not.	√		

* The company do not 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

BSRM Steels 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 14th 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. 3.00 of the statement of financial position" for the fiscal year 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 and position of the Company:

BSRM Steels Limited					Taka in Million	
Financial performance:	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	54,983	38,681	61,060	48,289	37,996	17,265
Cost of goods sold	47,752	33,509	56,008	43,411	28,445	14,150
Gross Profit	7,231	5,173	5,052	4,879	4,557	3,114
Selling and Distribution Expenses	1,169	1,112	1,227	1,304	939	591
Administrative Expenses	485	506	472	409	367	146
Net Finance Cost	405	1,811	1,221	1,012	551	134
Income tax expenses	872	1,083	610	508	655	801
Profit after Tax	3,047	742	1,728	1,800	1,705	1,313
EPS (BD TK.)	8.10	1.97	4.6	4.79	4.98	3.84

*Information of 2016-2017 shows consolidated financial data.

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, the Company recorded a profit after tax of Tk. 3,047 Million against previous years of Tk. 742 Million. The increase is primarily for increased in sales volume and selling price and decreased financial expenses. The basic earnings per share for the Financial Year 2020-21 were Tk. 8.10 against Tk. 1.97 per share of previous year.

This year **Revenue** from sale of products was higher as compared to the previous year sales. **Cost of goods sold** was higher as compared to the previous year by 40% due to same reasons. The Company's **operating expenses** (Selling, Distribution, Marketing, Administrative, Net Finance Cost and Income Tax expenses) decreased by 35% to BDT 2,931 mn in 2020-21 from BDT 4,512 mn in 2019-20 due to COVID-19 impact and lower interest rate.

Comparative Analysis on Financial position of the Company:

BSRM Steels Limited				Taka in Million		
Particulars	July'20 to June'21	July'19 to June'20	July'18 to June'19	July'17 to June'18	July'16 to June'17*	Jan'16 to Jun'16
Paid Up Capital	3,760	3,760	3,760	3,418	3,418	3,418
Share Holders' Equity	23,452	21,369	20,897	12,809	11,630	9,371
Current Liabilities	40,142	33,270	33,888	29,799	23,550	16,993
Non-current Liabilities	8,792	9,976	11,023	3,072	2,428	2,445
Addition to fixed assets & CWIP	236	1,534	5,872	2,321	1,164	84
Net Assets Value per share (BD Tk.)	62.38	56.84	55.58	37.48	34.03	27.42

*Information of 2016-2017 shows consolidated financial data.

Shareholders' fund increased by 9.75% to BDT 23,452 mn in 2020-21, from BDT 21,369 mn in 2019-20. The major additions to the fixed assets were land, building, purchase of plant and machinery etc. The Capital work-in-progress includes construction work for factory building, and machineries. **Inventory** comprises finished goods of BDT 3,314 mn, raw materials of BDT 8,435 mn, stores and consumables spares of BDT 1,876 mn. The Company has a policy of maintaining adequate inventory of key inputs 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 12.52 mn, balances in bank accounts of BDT 2,810 mn and fixed deposits of BDT 13,595 mn. Liquid balances of cash and bank are necessary for the smooth functioning of the business.

Equity capital comprised 375,952,500 no equity shares of BDT 10 each. The market value of the share is BDT 56 is (as on 30 June 2021, DSE) resulting market capitalization stood BDT 21.05 bn. **Non-current borrowings** include BDT 4,571 mn in 2020-21 for new melting unit plant at Mirsarai. **Current liabilities** include current portion of long term loan of BDT 959 mn for new melting unit plant at Mirsarai. **Current liabilities** increased by 1.84% to BDT 40,142 mn in 2020-21 from BDT 33,270 mn in 2019-20.

Comparative Analysis on Cash Flow of the Company:

BSRM Steels Limited				Taka in Million		
Cash Flow Movement:	July'20- June'21	July'19- June'20	July'18- June'19	July'17- June'18	Jul'16- June'17*	Jan'16- June'16
Cash generate from operating activities	9,232	4,708	(2,748)	2,687	1,588	4,011
Interest Paid	(318)	(1,804)	(1,221)	(1,012)	(849)	(110)
Income Tax Paid	(1,069)	(810)	(703)	(685)	(375)	(808)
Net Cash Flow from operating activities	7,846	2,094	(4,672)	990	364	3,093
Net Cash Flow used in investing activities	(1,647)	(1,644)	(6,099)	(2,152)	(1,596)	(608)
Net Cash Flow used in financing activities	9,273	(19)	11,161	1,612	1,133	(2,774)
Net Increase in Cash & Cash Equivalent	15,472	431	390	451	(98)	(288)
Cash & Cash Equivalent Opening	946	513	525	74	176	469
Effect of foreign exchange rate changes	(0.34)	1.70	-	-	-	-
Cash & Cash Equivalent Closing	16,417	946	915	525	78	180

*Information of 2016-2017 shows consolidated financial data.

Cash flow from operating activities: Due to increase in cash sales, sales volume and price, Cash inflow has been increased by BDT 14,737 mn. Purchase also have increased by BDT 10,212 mn during the year 2020-21. Hence, net operating cash flow per share increased to BDT 20.87 in 2020-21 from BDT 5.57 in 2019-20.

Cash flow from investing activities: Net cash used in investing activities have increased to BDT (1,647) mn in 2020-21 from BDT (1,644) mn in 2019-20.

Cash flow from financing activities: Net cash used in financing activities have increased to BDT 9,273 mn in 2020-21 from BDT (19) mn in 2019-20. The company also paid cash dividend (i.e. @ 15%) in 2020-21 for the year 2019-20 and 10% interim dividend also paid in this year.

Financial Performance of Peer Industry:

Bangladesh Steel Re-Rolling Mills 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	59,876	45,722	44,409	33,238	23,649	9,713
Gross Profit	7,097	3,674	4,992	4,828	3,237	1,362
Profit after Tax	4,970	922	1,861	2,778	756	588
EPS (Tk)	18.96	3.9	7.88	11.77	3.83	3.02
Net Assets Value (NAV) (Tk)	127.56	99.89	97.46	63.75	55.75	52.84
Net Operating Cash Flow (Tk)	29.24	40.47	2.81	(8.78)	(11.38)	(3.53)

GPH Ispat 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	28,166	9,406	13,269	9,814	7,839	5,744
Gross Profit	4,201	1,554	2,158	1,603	1,373	960
Profit after Tax	1661	299	806	666	571	290
EPS (Tk)	4.18	0.79	2.24	2.03	1.83	2.06
Net Assets Value (NAV) (Tk)	29.86	17.01	17.59	16.89	16.15	15.45
Net Operating Cash Flow (Tk)	(4.05)	(8.1)	1.44	0.49	3.83	1.00

Global and Local Economic Scenario:

The global COVID-19 pandemic is an unprecedented event that the world is reacting to and learning to deal with. Even at this time, though the world is in early stages of vaccination, the virus is mutating and spreading and this is expected to have an impact going into the future. Currently, government policies are still evolving to reduce the outbreak and support economic recovery. The World Bank and IMF forecast that our GDP growth would be below 4.6 per cent. The steel industry plays a fundamental role in not only driving economic growth, but also other complementary industries such as transportation, energy, heavy engineering and construction. Bangladesh has bounced back strongly and much better than several other economies. The recovery in the steels sector was notable in last financial year.

Risk and mitigation:

Details of risks and concerns facing the Company are discussed in detail in the "Risk management and control" on page 68 of this annual report.

Future planning:

The Board has approved investment of BDT 1,846 crore for setting up i) a new steel plant to raise capacity by another 6 lac M. Ton MS Products; ii) expansion of billet manufacturing capacity by 2.5 lac per annum to cater the market demand. After setting up new plants, total capacity of MS rod will be 14 lac M. Ton and MS Billet 10.50 lac M. Ton. Bangladesh has stepped into a new journey as it qualified to graduate into a developing nation from a Least Developed Country (LDC) after 45 years, which promise further structural economic developments. We remain committed to the strategic goals and will continue to focus on improving the operational performance to ensure a sustaining enterprise. Our future is PROMISING.



Aameir Alihussain
Managing Director

Risk Factors and Concerns

1. Business Risks

a) Risks associated with sourcing of Raw Materials

against our production capacity of 8,00,000 M.T MS Rod, we have our two billet manufacturing plants with capacity of 6,80,000 MT. On the other hand Bangladesh Steel Re-Rolling Mills Limited one of the sister concern of the group can meet rest of the required billets for the company. So group is self-sufficient for basic raw materials of billets.

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. Moreover, now more than 10,000 MW power can be produced in Bangladesh. The government is also planning on setting up some big power stations. There is another regular risk of having an adequate and regular supply of gas. The Company is also aware of such risks and its mitigation through alternative supplies 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
- 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 BSRM Steels Limited 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 the significant steps to reducing funding costs.

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 caused 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 are continuously in attempts to 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 went go live in May 2018 which help senior management and Board members to have information from one central place.

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 our steel plants which has helped BSRM to recycle every drop of used water and achieve zero water wastage.

iii. BSRM plants 15,000 trees in its factories. We have undertaken a plan for reforestation effort in collaboration with partner organizations which conducts tree plantation programs around main steel plants.

We firmly believe that-ZERO can save lives.

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 also been incorporated to further the 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 risk and opportunity, enhancing the capacity to build value.

- Promoting risk awareness throughout the BSRM Steels Ltd 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

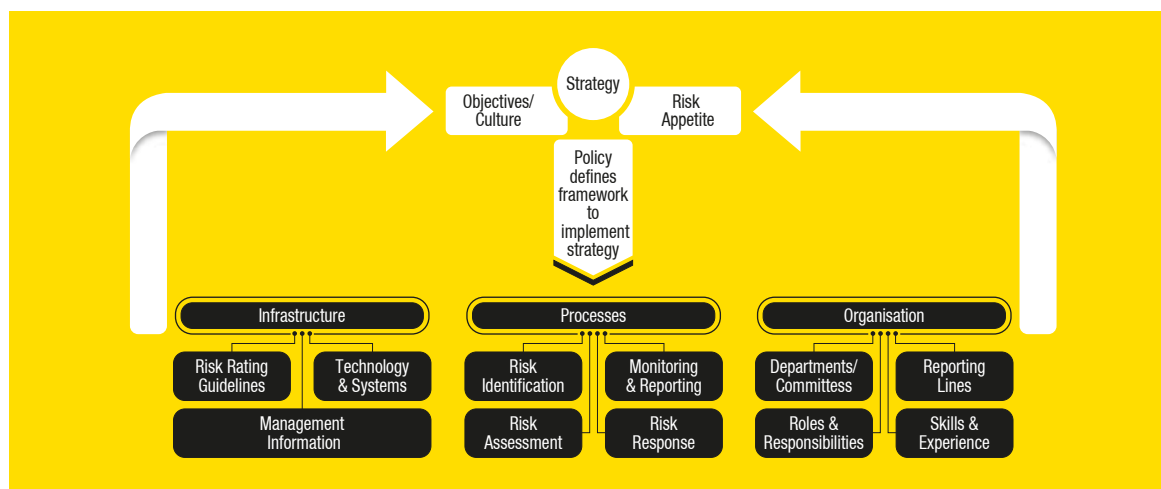
ERM will help BSRM Steels Ltd in managing risks in a proactive manner towards achieving its business objectives, performance & profitability targets and prevent loss of resources. BSRM's ERM is directed to help ensure effective reporting and compliance with laws and regulations, avoid damage to the entity's 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 of each BU will monitor it.
Risk response and mitigation	Detailed current risk response and details of Management actions with timelines	Designated Mitigation owner and Risk Manager will monitor it.
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 will monitor it.
Risk report at group level	Executive Summary Report with the selected top risks and responses at group level	Chief Risk Officer will monitor it.

EVERYONE CAN MAKE RODS, BUT **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



Zillur Rahman Flyover

A new era in Dhaka's road communications began with the inauguration of the Zillur Rahman Flyover. The flyover has eased the traffic movement in Mirpur, Shahjalal International Airport and Gulshan areas. The 200 Crore Taka megastructure stretches from Matikata at Dhaka Cantonment to Airport Road at Zia Colony.

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 STEELS LIMITED, SNAD FOUNDATION BANGLADESH, ZERO CLUBFOOT, A PROJECT OF LMRF HEALTHCARE

BSRM Steels Ltd (BSRM) have a tripartite partnership with LMRF (Lion Mokhesur Rahaman 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 Steels Limited 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, Shersha 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.





Hatirjheel- Begunbari Lake Project

From a slum area before 2009 to the beautiful lakefront it is today, Hatirjheel-Begunbari has been transformed into a popular recreational area for people in Dhaka City, as well as an alternate way of easing traffic congestion. Hatirjheel is a vision of Dhaka we could dream of and a small piece of the capital that stands apart from the rest.

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 a number of measures. We always give priority to keep the working environment safe and secure, and ensure 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 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 a positive impact on the environment. As recognition of efforts 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 and maximize 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 jobs. 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 institutionalizing a learning culture positively helps safety, sustainability, quality and productivity of the organization. Our Learning and Development activities are systematic, organized, 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 training effectiveness and utilization.

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 characterized 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 utilization of resources. Our HR Operations team is responsible for policy administration and timely review of HR policies. Our people deserve the best from 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, Hospitalization 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 Success Factors in BSRM. With the 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 organization.

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.

Regulatory Compliance Report

Corporate Governance Report

We take pride in doing the right things the right way, and are committed to the highest standards and practices of corporate governance, professionalism as well as business integrity, accountability, transparency and ethics in our quest and commitment at all levels to the continuous enhancement of stakeholders value; which is evident by how we have awarded several times by ICSB for the best practices of corporate governance in our organization. Good Governance is the cornerstone of sustainability and creation of long term value – both inherently underlying the structures and work processes of BSRM Steels Limited in its history of being a pioneer of the industry we operate in, and in turn one of the best steel industrial operations in Bangladesh. 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 BSRM Steels Limited is firmly committed to upholding principles of sound corporate governance. The main objective of corporate governance is creation of lasting value for stakeholders. Transparency in business transaction and disclosure of information to regulatory bodies as part of its legal obligations 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

The Board of Directors are the representatives and trustees of the shareholders of the company. The Board of Directors of BSRM Steels Limited comprises of five members including Chairman, Managing Director and the Board also has one Independent Director in compliance with the corporate Governance Guidelines of BSEC. The

Directors possess a wide range of experience, expertise and specialized skills to assist in decision-making and leading the Company for the benefit of its shareholders. The Board of Directors is performing the responsibilities, among others, setting the company's strategic objectives, providing leadership, supervision and safeguarding shareholders' interest.

Selection and appointment of new Directors

Directors should ensure that the Company is properly managed to protect and enhance shareholder value and to meet the Company's obligations to shareholders, to the industry and to the law. In carrying out this duty, the Board should always be mindful of the need for establishing a Board that enhances the efficient and effective running of the Company. In relation to the selection and appointment of new Directors (if any), the existing Board of Directors has the following duties and responsibilities:

- Regularly review the size and composition of the Board and the mix of expertise, skills, experience and perspectives that may be desirable to permit the Board to execute its functions.
- Identify any competencies not adequately represented and agree to the process necessary to be assured that a candidate nominated by the board members/ shareholders with those competencies is selected.
- Ensure that the Board maintains at least 5 Directors, with an independent Director and have a reputable standing in the industry.

The Directors are appointed by the shareholders in the Annual General Meeting (AGM). Casual vacancies, if any, are filled by the Board in accordance with the stipulations of the Companies Act, 1994 and the Articles of the Company.

Retirement and re-election of Directors

As per the Articles of Association of the Company, one-third of the Directors are required to retire from the

Board every year, comprising those who have been in the office the longest since their last election. A retiring Director shall be eligible for re-election.

Qualification of Board members

The Board of Directors of BSRM Steels Limited consists of members who possess a wide variety of knowledge and experience in different arena of corporate world. This ensures that together, they formulate the right policy for the development of the business. Two of the Directors in the Board are Chartered Accountants with elevated experience across key positions of finance and accounts, and who normally provides guidance in matters applicable to accounting and auditing-related issues to ensure compliance and reliable financial reporting. Respective qualification of Directors is appended in Directors' profile on page no 31 of this annual report.

The Role of the Board

The Board is responsible for the overall governance conduct and implementation of sound business strategies within the Company and has the powers and duties afforded within the milieu of relevant laws/ regulations of the country, regulatory authorities, and professional institutes. In addition, the Board of Directors, both individually and collectively, strive to comply with best practices on environmental, health, safety and ethical standards whilst ensuring that the interest of all stakeholder groups are considered when taking decision

Audit Committee

BSRM Steels Limited has an Audit Committee as a sub-committee of the Board of Directors. This committee is assisting the Board of Directors 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. This committee is responsible

to the Board of Directors and its duties and responsibilities are clearly set forth in writing. Audit Committee is reconstituted as per the guidelines of BSEC. Audit Committee holds regular meetings on the following major issues:

- To review the financial statements and reporting process and monitor the choice of accounting policies and principles;
- To review the business risk management;
- To review the internal audit assessment;
- To ensure good corporate practices.

A separate report of the audit committee is included in the annual report.

Nomination and Remuneration Committee (NRC)

BSRM Steels Limited has formed 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 NRC committee is included in the annual report.

Chairman of the Board and Managing Director

In BSRM Steels Limited, 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.

Directors' report to Shareholders

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

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

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. Board of Directors clearly defined respective roles, responsibilities and duties of the CFO, Company Secretary and Head of Internal Audit & Compliance.

Internal Audit and Control

BSRM Steels Limited established an Internal Audit Department consisting of professional and knowledgeable employees. 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 and other regulatory requirements.

External Auditors

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

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 sit regularly for discussing and reviewing the activities of the company.

Certification on the Compliance of Corporate Governance Guidelines of BSEC

A certificate regarding compliance of conditions of Corporate Governance Guidelines of the Bangladesh Securities and Exchange Commission issued by M/s M.A. Mallick & Co., Chartered Accountants is included in the annual report.

Report of the Audit Committee

For the period from July 2020 to June 2021

The Audit Committee of BSRM Steels 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. Mono Ranjan Dey FCA	Chairman
Mr. Aameir Alihussain	Member
Mr. Zohair Taherali	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 References:

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 BSRM Steels Limited are appended below:

- a) Oversee the financial reporting process.
- b) Monitor choice of accounting policies and principles.
- 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.
- d) Oversee hiring and performance of external auditors.
- 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.
- f) Review, along with the management, the quarterly, half-yearly & annual financial statements before submission to the Board for approval.
- g) Review the adequacy of internal audit function.
- h) Review the Management's Discussion and Analysis.
- i) Review statement of all related party transactions submitted by the management.
- j) Review Management Letters or Letter of Internal Control weakness issued by statutory auditors.
- k) 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:

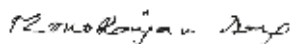
- Reviewed the quarterly, half-yearly and yearly Financial Statements of the Company and recommended to the Board for adoption and circulation.
- Reviewed the Management's Discussion and Analysis before disclosing in the Annual Report.
- Reviewed the internal audit process and effectiveness of internal 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 Hussain Farhad & Co., Chartered Accountants (A Member Firm of ASNAF International), Yunusco City Center (9th Floor), 807, CDA Avenue, Nasirabad, 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



Mono Ranjan Dey 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 **BSRM Steels 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 BSRM Steels 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 **BSRM Steels Limited** is comprised of the following members:

Mr. Mono Ranjan Dey FCA	Chairman
Mr. Aameir Alihussain	Member
Mr. Zohair Taherali	Member
Mr. Shekhar Ranjan Kar FCA	Secretary

Terms of References:

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):

- 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:
 - a) The level and composition of remuneration is reasonable and sufficient to attract, retain and motivate suitable directors to run the company successfully;
 - b) The relationship of remuneration to performance is clear and meets appropriate performance benchmarks;
 - c) 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.
- NRC shall be independent and responsible or accountable to the Board and to the shareholders;

Meeting of NRC:

During this reporting period, the Committee met 2 (two) times. The NRC of BSRM Steels 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.

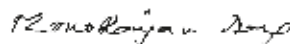
- b) The Nomination and Remuneration Committee shall make such recommendations to the Board of Directors, as it may consider appropriate with regard to remuneration to Managing Director and other Directors.
- c) The Non-Executive / Independent Director may receive meeting fees and such other remuneration 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



Mono Ranjan Dey FCA

Independent Director and Chairman of NRC

Dividend Distribution Policy

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 Limited (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.

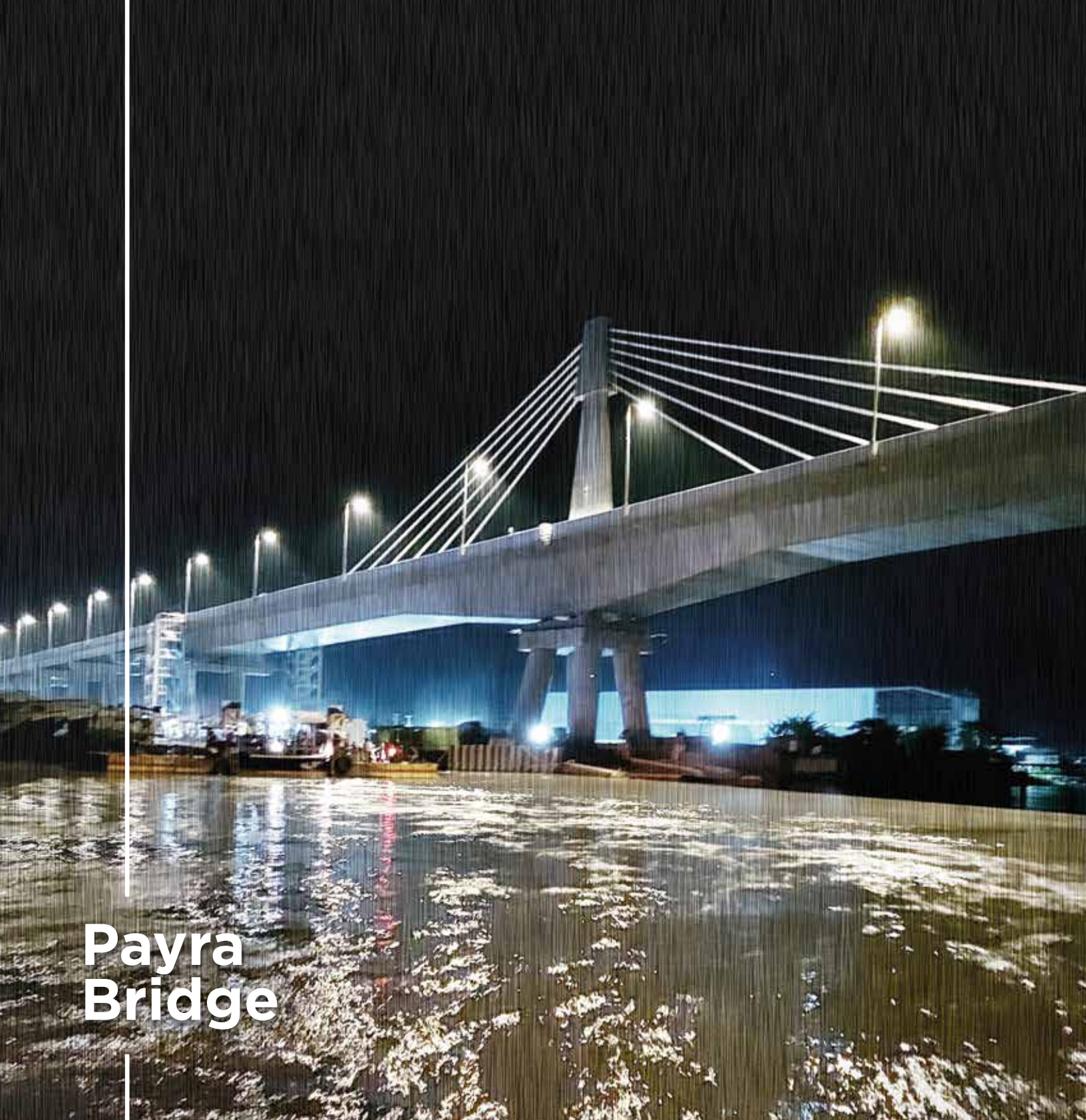
9. If any stock dividend or bonus shares remains unclaimed or unsettled including corporate benefit in terms of bonus shares thereon for a period of 3 (three) years from the date of declaration or approval or record date, as the case may be, shall be transferred in dematerialized form to the BO Account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



Payra Bridge

The long awaited dream of the nation has come true with the inauguration of the Payra Bridge. Constructed over the Payra River at Lebukhali in Patuakhali district, the 1,470m long and 19.76m wide bridge will help the people from the remote areas of the Southern region get access to essential public services and pave the way for travelling from Barisal to Patuakhali.

Certificate of Membership of BAPLC





Moghbazar- Mouchak Flyover Project

The 2nd largest flyover in Bangladesh, the Moghbazar-Mouchak Flyover laid its foundations in 2011. Inaugurated in October 2017, it was the fulfillment of a long-cherished dream by Dhaka city dwellers and a new milestone in the country's road communication system. The 8.7 km flyover has loops and onramps connecting several important Dhaka thoroughfares - Tejgaon Satrasta, Sonargaon Hotel, Moghbazar, Ramna, Bangla Motor, Malibagh, Rajarbagh Police Lines and Shantinagar.

AUDITORS' REPORT & FINANCIALS 2020-21

BSRM STEELS LIMITED INDEPENDENT AUDITORS' REPORT AND FINANCIAL STATEMENTS

AS AT AND FOR THE YEAR ENDED
JUNE 30, 2021

INDEPENDENT AUDITORS' REPORT to the Shareholders of BSRM STEELS LIMITED

Opinion

We have audited the accompanying financial statements of **BSRM Steels Limited** (the Company), which comprise the Statement of Financial Position as at 30 June 2021, the Statement of Profit or loss and Other Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the period from 1 July 2020 to 30 June 2021, and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to explanations given to us, the accompanying financial statements, prepared in accordance with International Financial Reporting Standards (IFRSs), give a true and fair view of the financial position of the company as at 30 June 2021 and of its financial performance and cash flows for the period from 1 July 2020 to 30 June 2021 and comply with the Companies Act, 1994, the Securities and Exchange Rules, 1987 and other applicable laws and regulations.

Basis of opinion

We conducted our audit in accordance with International Standard on Auditing (ISAs) as adopted by the Institute of Chartered Accountants of Bangladesh (ICAB). Our responsibilities under those standards are further described in "Auditors responsibilities for the audit of the financial statements" section of our report.

We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) that are relevant to our audit of the financial statements in Bangladesh and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Key Audit Matters

Key audit matters are those matters that, in the auditors' professional judgment, were of most significance in the audit of the financial statements for the year ended 30 June 2021. These matters, and any comments we make on the results of our procedures thereon, were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. 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.

1.	Inventory	How our audit addressed the key audit matter
	The Company has closing inventory BDT 13,647 million. Inventory is carried in the financial statements at the lower of cost and net realisable value.	<ul style="list-style-type: none"> • Verified a sample of inventory items to ensure that costs have been appropriately recorded. • Tested on a sample basis the net realisable value by comparing costs to recent selling prices and assessing the reasonableness of any resulting write down of inventory items.

1. Inventory (Continued)	How our audit addressed the key audit matter
The exercise for the assessment of the net realisable value involves the use of judgement and assumptions that may vary depending on technological and socio-economical conditions and is therefore considered a significant key audit matter. Please refer to note 3.09 and 10 to the financial statements.	<ul style="list-style-type: none"> Assessed whether appropriate provisions have been recognised for aged, damaged, slow moving or obsolete inventories by reviewing the age of inventories held and evaluating management's basis for determining the usability of inventories. Performed cut-off tests to determine that the purchases and sales of the inventories have been captured in the correct accounting period. Reviewed the historical accuracy of inventory provisions and the level of write-downs.
2. Revenue Recognition	How our audit addressed the key audit matter
<p>Appropriateness of revenue recognition and disclosures. Revenue recognition has significant and wide influence on financial statements.</p> <p>As described in the accounting policy note 3.14 to the financial statements, the company recognises revenue upon transfer of control as per IFRS 15 – Revenue from Contracts with Customers. The company has reported total revenue of BDT 54,982 million. Refer to note 29 to the financial statements.</p> <p>This material item is subject to considerable inherent risk due to the complexity and identifying revenue and the high number of transactions from multiple locations from which revenue is being recognised. Against this background, the proper application of the accounting standards is considered to be complex and assumptions made by management.</p>	<ul style="list-style-type: none"> Assessed the environment of the measurement as well as other relevant systems supporting the accounting of revenue. Assessed manual as well as application controls supporting revenue recognition. Assessed the invoicing and measurement systems up to entries in the general ledger. Examined customer invoices and receipts of payment on a test basis. Tested the revenue charging model against the regulatory guidelines, contractual provisions and accounting standards, on a sample basis.
3. Identification and completeness of disclosure of related party transactions	How our audit addressed the key audit matter
We determined the identification and completeness of disclosure of related party transactions as set out in respective notes to the financial statements as a key audit matter due to high volume of business transactions with numerous related parties during the year ended 30 June 2021.	<ul style="list-style-type: none"> Obtained an understanding of the Company's processes 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 disclosed in the financial statement.



3.	Identification and completeness of disclosure of related party transactions	How our audit addressed the key audit matter
	Refer to note 12, 22, and 41 to the financial statements.	<ul style="list-style-type: none"> • We tested, on a sample basis, related party transactions with the underlying contracts and other documents and for authorization and approval for such transactions. • We have obtained balance confirmation from the related parties on sample basis. • 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. • We have recalculated interest on due balance to confirm during the year's interest income or expenses. • Evaluated the completeness of the disclosures through reading of statutory information, books and records and other documents obtained during the course of our audit.
4.	Key Audit Matter	How our audit addressed the key audit matter
	Derecognition of investment in associates and recognition of financial asset at fair value. BSRM Steel Mills Limited (BSML) was treated as investment in associate with 25.35% shareholding under IAS 28 (Investments in Associates and Joint Ventures) has amalgamated under the verdict of The Hon'ble High Court Division of the Supreme Court of Bangladesh, Company Matter no. 225 of 2019 dated 15 December 2020 with Bangladesh Steel Re-Rolling Mills Limited (BSRML). Under this amalgamation, the Company has been allotted 28,800,000 equity shares of BSRML with the exchange ratio 1:0.288 of investment in BSML 100,000,000 equity shares as a result interest in BSML come down to 9.65% from 25.35%. Following upon the amalgamation, investment in associate has been discontinued and subsequently recognised as financial asset at fair value. Refer to note 8, 9 and 37 to the financial statements.	<ul style="list-style-type: none"> • Obtained minutes copy of Extraordinary General Meeting (EGM) to confirm the amalgamation process. • Obtained scheme of amalgamation for merger, verdict of court to confirm share exchange ratio between transferee company and transferor company. • Obtained Form XV (Return of allotment and confirmed shares allotted to BSRM Steels Limited). • Verified entries for derecognition of investment in associates considering IAS 28 (Investments in Associates and Joint Ventures). • Evaluated the completeness of the disclosure related to the recognition of investment as financial asset at fair value.

Reporting on other information

Management is responsible for the other information. The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. Our opinion on the financial statements of the Company does not cover the other information and, accordingly, we do not express any form of assurance 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 of the Company 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. Based on the information read and reviewed, we have nothing to report in this regard.

Responsibilities of management and those charged with governance for the financial statements

Management is responsible for the preparation and fair presentation of these financial statements of the Company in accordance with International Financial Reporting Standards (IFRSs), the Companies Act, 1994, the Securities and Exchange Rules, 1987 and other applicable laws and regulations and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an 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 ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- (a) 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.
- (b) 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.
- (c) evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- (d) conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our 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.

Corporate Office:

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- (e) evaluate the overall presentation, structure, and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- (f) obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the Company 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 communicate with 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.

We determine those matters, from the matters communicated with those charged with governance, that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' 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 the Company for the year ended 30 June 2020 were audited by A. Qasem & Co., Chartered Accountants and issued unqualified opinion on 15 October 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.

Chattogram, 25 October 2021

Hussain Farhad Beco

Hussain Farhad & Co.

Chartered Accountants

Signed by:

Sarwar Uddin FCA (779)

Partner

DVC: 2110250779AS972364

**Chattogram Office:**

Yunusco City Center (9th Floor), 807, CDA Avenue, Nasirbad, Chattogram ☎ +880-31-2859281, 2859282 ✉ ctg@hfc-bd.com

BSRM STEELS LIMITED
Statement of Financial Position
As at 30 June 2021

		30 June 2021	30 June 2020
	Notes	Taka	Taka
ASSETS:			
Non-Current Assets:			
Property, plant and equipment	4	22,994,760,900	23,835,688,707
Right of use assets	5	124,548,128	131,497,069
Intangible assets	6	34,744,529	41,623,907
Capital work-in-progress	7	42,648,231	24,166,519
Investment in associates	8	-	3,608,800,543
Financial assets at fair value	9	2,476,800,000	-
Total Non-Current Assets		25,673,501,788	27,641,776,745
Current Assets:			
Inventories	10	13,647,000,125	14,841,815,068
Trade and other receivables	11	7,704,517,200	7,647,181,033
Due from related companies	12	2,706,381,082	8,831,716,675
Advances, deposits and prepayments	13	3,926,493,428	3,620,663,887
Short term investments	14	2,310,041,175	1,085,506,724
Cash and cash equivalents	15	16,417,265,525	945,892,317
Total Current Assets		46,711,698,535	36,972,775,704
Total Assets		72,385,200,323	64,614,552,449
EQUITY:			
Share capital	16.02	3,759,525,000	3,759,525,000
Revaluation reserve		7,915,259,084	7,927,976,272
Fair value reserve		1,329,120,000	-
Retained earnings		10,447,946,298	9,681,036,891
Total Equity		23,451,850,382	21,368,538,163
LIABILITIES:			
Non-Current Liabilities:			
Long term loans - non-current portion	17.03	6,680,612,343	7,590,427,251
Defined benefit obligations - gratuity	18	231,003,711	199,570,002
Finance lease obligations - non-current portion	5	80,169,166	73,582,072
Deferred tax liabilities	19	1,799,731,748	2,112,334,257
Total Non-Current Liabilities		8,791,516,968	9,975,913,582
Current Liabilities:			
Trade payable	20	908,266,517	138,807,541
Short term loan	21	32,836,067,730	26,655,065,746
Long term loans - current portion	17.02	1,886,837,159	2,249,335,011
Finance lease obligations- current portion	5	51,566,988	63,479,681
Due to related companies	22	-	822,902,651
Liabilities for expenses	23	964,341,758	1,063,799,629
Provision for income tax	24	1,266,472,987	970,071,795
Provision for WPPF and Welfare Fund	25	259,565,233	88,100,719
Unclaimed dividend	26	26,258,072	24,873,805
Other liabilities	27	684,087,793	739,716,423
Contract liabilities	28	1,258,368,736	453,947,703
Total Current Liabilities		40,141,832,973	33,270,100,704
Total Liabilities		48,933,349,941	43,246,014,286
Total Equity & Liabilities		72,385,200,323	64,614,552,449
Net asset value (NAV) per share	39	62.38	56.84

The accompanying notes 1 to 47 form an integral part of these financial statements.

Managing Director

Director

Company Secretary

Signed as per our separate report of same date.

Chattogram, 25 October 2021



Hussain Farhad & Co.
Hussain Farhad & Co.
Chartered Accountants
Signed by:
Sarwar Uddin FCA (779)
Partner
DVC: 2110250779AS972364

BSRM STEELS LIMITED

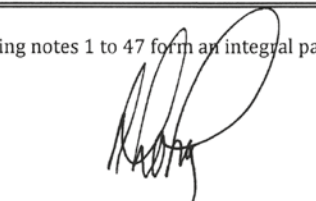
Statement of Profit or Loss and Other Comprehensive Income For the year ended 30 June 2021

		01 July 2020 to 30 June 2021	01 July 2019 to 30 June 2020
	Note(s)	Taka	Taka
Revenue from contracts with customers	29	54,982,957,715	38,681,377,223
Cost of goods sold	30	(47,752,093,821)	(33,508,838,131)
Gross profit for the year		7,230,863,894	5,172,539,092
Selling and distribution expenses	31	(1,168,843,931)	(1,111,965,100)
Administrative expenses	32	(485,025,737)	(506,430,664)
		5,576,994,226	3,554,143,328
Other operating income	33	19,036,512	19,006,162
Net Operating profit for the year		5,596,030,738	3,573,149,490
Finance costs	34	(535,847,981)	(1,872,525,590)
Finance income	35	131,121,902	61,390,481
Net Profit Before Tax and WPPF and Welfare Fund		5,191,304,659	1,762,014,381
Contribution to WPPF and Welfare Fund	25	(259,565,233)	(88,100,719)
		4,931,739,426	1,673,913,662
Share of profit of associates (Net of tax)	36	-	151,791,502
Loss on derecognition of investment in associate	37	(1,012,677,667)	-
Net Profit before Tax		3,919,061,759	1,825,705,164
Income tax expenses/benefits:			
Current tax	24	(1,089,147,924)	(756,665,322)
Deferred tax	19	217,171,991	(326,763,219)
Net Profit after Tax		3,047,085,826	742,276,623
Other comprehensive income not to be reclassified to profit or loss			
Actuarial (loss)/gain on defined benefit obligations (Net of tax)	18	-	(1,517,336)
Revaluation reserve on associates (Net of tax)		(1,356,704,445)	-
Fair value reserve on financial asset (Net of tax)	9	1,329,120,000	-
Total comprehensive income for the year, net of tax		3,019,501,381	740,759,286

Earnings per share (EPS)	38	8.10	1.97
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The accompanying notes 1 to 47 form an integral part of these financial statements.


Managing Director


Director


Company Secretary

Signed as per our separate report of same date.

Chattogram, 25 October 2021




Hussain Farhad & Co.
Chartered Accountants
Signed by:
Sarwar Uddin FCA (779)
Partner
DVC: 2110250779AS972364

BSRM STEELS LIMITED
Statement of Changes in Equity
For the year ended 30 June 2021

Particulars	Share Capital	Fair Value Reserve	Revaluation Reserve	Retained Earnings	Total Equity
					Amount in Taka
Balance as at 01 July 2019	3,759,525,000	-	7,940,930,965	9,196,763,654	20,897,219,619
Net profit after tax for the year ended 30 June 2020	-	-	-	742,276,623	742,276,623
Transfer against difference in depreciation between cost and revalued amount	-	-	(12,954,692)	17,272,923	4,318,231
Actuarial (loss)/gain on defined benefit plans	-	-	-	(1,517,336)	(1,517,336)
Final cash dividend 2019	-	-	-	(273,758,973)	(273,758,973)
Balance as at 30 June 2020	3,759,525,000	-	7,927,976,273	9,681,036,891	21,368,538,164
Balance as at 01 July 2020	3,759,525,000	-	7,927,976,273	9,681,036,891	21,368,538,164
Net profit after tax for the year ended 30 June 2021	-	-	-	3,047,085,826	3,047,085,826
Fair value reserve on financial asset	-	1,329,120,000	-	-	1,329,120,000
Share of Revaluation Reserve of Associate	-	-	-	(1,356,704,445)	(1,356,704,445)
Transfer against difference in depreciation between cost and revalued amount	-	-	(12,717,189)	16,409,276	3,692,087
Final cash dividend 2020	-	-	-	(563,928,750)	(563,928,750)
Interim cash dividend 2021	-	-	-	(375,952,500)	(375,952,500)
Balance as at 30 June 2021	3,759,525,000	1,329,120,000	7,915,259,084	10,447,946,298	23,451,850,382



BSRM STEELS LIMITED
Statement of Cash Flows
For the year ended 30 June 2021

		01 July 2020 to 30 June 2021	01 July 2019 to 30 June 2020
	Note(s)	Taka	Taka
A. Operating activities			
Receipts from customers against sales		55,672,863,087	40,935,584,943
Cash Paid to suppliers, operating and other expenses		(46,440,455,841)	(36,227,555,789)
Payment of interest-net		(317,623,683)	(1,804,027,792)
Income tax paid		(1,069,136,572)	(810,018,608)
Net cash generated by operating activities	42	7,845,646,991	2,093,982,754
B. Investing activities			
Acquisition of property, plant and equipment		(131,468,998)	(860,570,772)
Addition of capital work-in-progress		(312,342,975)	(596,952,806)
Proceeds from sale of property, plant and equipment		21,783,520	2,468,883
Increase in short term investments		(1,224,534,451)	(188,834,859)
Net cash used in investing activities		(1,646,562,904)	(1,643,889,554)
C. Financing activities			
Dividend paid		(938,496,983)	(266,851,961)
Re-payment of long term loan		(1,272,312,760)	(1,522,228,253)
Receipts of Short term loan		6,181,001,984	6,197,645,686
Loan received from /(paid to) affiliated companies and others		5,302,432,942	(4,427,649,400)
Net cash provided by /(used in) financing activities		9,272,625,183	(19,083,928)
D. Net increase in cash and cash equivalent (A+B+C)		15,471,709,270	431,009,272
E. Opening cash and cash equivalents		945,892,317	513,186,779
F. Effect of foreign exchange rate changes on cash and cash equivalents		(336,062)	1,696,266
Closing cash and cash equivalent (D+E+F)		16,417,265,525	945,892,317
Net operating cash flows (NOCF) per share	40	20.87	5.57

Opening and closing of prior year's cash and cash equivalents balances have been restated due to rearrangement of investment in Fixed Deposit Receipts (FDRs) from cash and cash equivalents to short term investment and cash at bank from short term loans to cash and cash equivalents.



BSRM STEELS LIMITED
Notes to the Financial Statements
As at and for the year ended 30 June 2021

1.00 Reporting Entity

1.01 Legal form of the entity

BSRM Steels Limited (hereinafter referred to as 'BSL', 'the company' was incorporated on 20 July, 2002, vide the certificate C-No. 4392 of 2002 as a Private Limited Company in Bangladesh 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 (DSE) and Chittagong Stock Exchange (CSE) as a publicly traded company. Trading of the shares of the company started in two stock exchanges from 18 January 2009.

The company has set up its rolling mill at 4, Fouzderhat Industrial Estate, Latifpur, Sitakunda, Chattogram and commenced commercial production from 1 April 2008. The registered office of the company is situated at Ali Mansion, 1207/1099, Sadarghat Road, Chattogram, Bangladesh.

1.02 Nature of the business

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

2.00 BASIS OF PREPARATION

2.01 Statement of Compliance

The financial statements have been prepared in accordance with the International Accounting Standards (IASs), 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.

2.02 Basis of Reporting

The financial statements are prepared and presented for external users by the company in accordance with identified financial reporting framework. Presentation has been made in compliance with the requirements of IAS 1 – "Presentation of Financial Statements". The financial statements comprise of:

- a) A statement of financial position as at 30 June 2021
- b) A statement of profit or loss and other comprehensive income for the year ended 30 June 2021
- c) A statement of changes in equity for the year ended 30 June 2021
- d) A statement of cash flows for the year ended 30 June 2021
- e) Notes, comprising a summary of significant accounting policies and explanatory information.

2.03 Other Regulatory Compliances

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

- A. The Income Tax Ordinance, 1984
- B. The Income Tax Rules, 1984
- C. The Value Added Tax and Supplementary Duty Act, 2012
- C. The Value Added Tax and Supplementary Duty Rule, 2016
- E. The Securities and Exchange Ordinance, 1969
- F. The Securities and Exchange Rules, 1987
- G. Securities and Exchange Commission Act, 1993
- H. The Customs Act, 1969
- I. Bangladesh Labour Law, 2006

2.04 Basis of Measurement

These financial statements have been prepared on going concern basis under the historical cost convention except for some classes of property, plant and equipment and investment in Bangladesh Steel Re-Rolling Mills Limited (financial asset) which are measured at fair value.

2.05 Use of Estimates and Judgments

The preparation of financial statements in conformity with IFRSs requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Estimates and assumptions are reviewed on an ongoing basis.



The estimates and underlying assumptions are based on past experience and various other factors that are believed to be reasonable under the circumstances, the result of which form the basis of making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of revision and future periods if the revision affects both current and future periods.

In the process of applying entities accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the financial statements.

Property, plant and equipment	Note: 4
Right of use Asset	Note: 5
Intangible asset	Note: 6
Inventories	Note: 10
Trade and other receivables	Note: 11
Defined benefit obligations-Gratuity	Note: 18
Deferred tax liabilities	Note: 19
Liabilities for expenses	Note: 23
Provision for income tax	Note: 24
Contingent liabilities	Note: 43

2.06 Going Concern

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

2.07 Reporting Period

The financial statements of the Company cover the year from 01 July to 30 June and followed consistently.

2.08 Authorization for Issue

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

2.09 Functional and Presentation Currency

These financial statements are presented in Bangladesh Taka (BDT/Tk) which is the company's functional currency. All financial information presented in BD Taka has been rounded off to the nearest Taka except when otherwise indicated.

2.10 Comparative Information

The financial statements provides Comparative information in respects of the previous period for all amount reported in the current period's financial statements. Comparative figures have been rearranged wherever considered necessary to ensure better comparability with the current period without causing any impact on the profit and value of assets and liabilities as reported in the financial statement.

2.11 Consistency of presentation

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 applied in preparing the financial statements for the year ended 30 June 2020.

2.12 Current versus non-current classification

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:

- expected to be realised or intended to sold or consumed in the normal operating cycle;
- held primarily for the purpose of trading;
- expected to be realised within twelve months after the reporting period; or
- 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; or
- d) There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities respectively.

3.00 SIGNIFICANT ACCOUNTING POLICIES

The specific accounting policies selected and applied by the company's directors 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 period and were also consistent with those used in earlier periods.

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:

- 3.01 Amendments to IFRS Standards and Interpretations
- 3.02 Property, Plant and Equipment
- 3.03 Revaluation of Property, Plant and Equipment
- 3.04 Leases
- 3.05 Intangible Asset
- 3.06 Investments in Associates
- 3.07 Borrowing Costs
- 3.08 Inventories
- 3.09 Financial Instruments
- 3.10 Cash and cash equivalents
- 3.11 Provisions, Contingent liability and Contingent assets
- 3.12 Employee Benefits
- 3.13 Revenue
- 3.14 Earnings Per Share
- 3.15 Segment information
- 3.16 Capital management
- 3.17 Event after the reporting period
- 3.18 Fair Value Measurement

3.01 Amendments to IFRS Standards and Interpretations

New and revised Standards and interpretations effective in the current year

i) Impact of the initial application of Interest Rate Benchmark Reform amendments to IFRS 9 & IFRS 7.

In September 2019, the IASB issued Interest Rate Benchmark Reform (Amendments to IFRS 9, IAS 39 and IFRS 7). These amendments modify specific hedge accounting requirements to allow hedge accounting to continue for affected hedges during the period of uncertainty before the hedged items or hedging instruments affected by the current interest rate benchmarks are amended as a result of the on-going interest rate benchmark reforms.

The amendments are not relevant to the Company.

ii) Impact of the initial application of Covid-19-Related Rent Concessions Amendment to IFRS 16

In May 2020, the IASB issued Covid-19-Related Rent Concessions (Amendment to IFRS 16) that provides practical relief to lessees in accounting for rent concessions occurring as a direct consequence of COVID-19, by introducing a practical expedient to IFRS 16. The practical expedient permits a lessee to elect not to assess whether a COVID-19-related rent concession is a lease modification. A lessee that makes this election shall account for any change in lease payments resulting from the COVID-19-related rent concession the same way it would account for the change applying IFRS 16 if the change were not a lease modification.

The practical expedient applies only to rent concessions occurring as a direct consequence of COVID-19 and only if all of the following conditions are met:

- a. The change in lease payments results in revised consideration for the lease that is substantially the same as, or less than, the consideration for the lease immediately preceding the change;



b. Any reduction in lease payments affects only payments originally due on or before 30 June 2021 (a rent concession meets this condition if it results in reduced lease payments on or before 30 June 2021 and increased lease payments that extend beyond 30 June 2021); and

c. There is no substantive change to other terms and conditions of the lease.

Since no concessions are made in the lease agreement, the Company is not required to apply the amendments.

iii) Amendments to References to the Conceptual Framework in IFRS Standards

The Company have adopted the amendments included in Amendments to References to the Conceptual Framework in IFRS Standards for the first time in the current year. The amendments include consequential amendments to affected Standards so that they refer to the new Framework. Not all amendments, however, update those pronouncements with regard to references to and quotes from the Framework so that they refer to the revised Conceptual Framework.

Some pronouncements are only updated to indicate which version of the Framework they are referencing to (the IASC Framework adopted by the IASB in 2001, the IASB Framework of 2010, or the new revised Framework of 2018) or to indicate that definitions in the Standard have not been updated with the new definitions developed in the revised Conceptual Framework.

The Standards which are amended are IFRS 2, IFRS 3, IFRS 6, IFRS 14, IAS 1, IAS 8, IAS 34, IAS 37, IAS 38, IFRIC 12, IFRIC 19, IFRIC 20, IFRIC 22, and SIC-32.

iv) Amendments to IAS 1 and IAS 8 Definition of material

The Company has adopted the amendments to IAS 1 and IAS 8 for the first time in the current year. The amendments make the definition of material in IAS 1 easier to understand and are not intended to alter the underlying concept of materiality in IFRS Standards. The concept of 'obscuring' material information with immaterial information has been included as part of the new definition.

The threshold for materiality influencing users has been changed from 'could influence' to 'could reasonably be expected to influence'.

The definition of material in IAS 8 has been replaced by a reference to the definition of material in IAS 1. In addition, the IASB amended other Standards and the Conceptual Framework that contain a definition of 'material' or refer to the term 'material' to ensure consistency.

3.02 Property, Plant and Equipment

Items of property, plant and equipment are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of replacing part of the plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met.

The cost of an item of property, plant and equipment comprises:

Its purchase price, import duty and non-refundable taxes (after deducting trade discount and rebates).

Any cost directly attributable to the acquisition of the assets.

The cost of self-constructed/installed assets includes the cost of materials, direct labour and any other costs directly attributable to bringing the assets to the location and condition necessary for it to be capable of operating in the intended manner and the cost of dismantling and removing the items and restoring the site on which they are located.

When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in profit or loss as incurred. The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met.

The cost of replacing or upgrading part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the company and its cost can be measured reliably. The costs of the day-to-day servicing of property, plant and equipment are recognized in profit or loss.

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. Significant parts of individual assets are assessed and if a component has a useful life that is different from the remainder of that asset, that component is depreciated separately.



Asset Category	Useful Lives
Plant and Machinery	7-25 years
Motor Vehicle	6-15 years
Furniture and Fixtures	5 years
Office Equipment	5 years
Factory Buildings	20 years
Roads and Pavements	20 years
IT Equipment	5 years

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal (i.e., at the date the recipient obtains control) or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit or loss when the asset is derecognised.

3.03 Revaluation of Property, Plant and Equipment

Lands of the company were revalued by ACNABIN, Chartered Accountants with assistance from Pacific Surveyors Ltd., BDBL Bhaban (Level-13), 12 Karwan Bazar Commercial Area, Dhaka as at 07 August 2019. These assets were revalued using the 'fair market price at its locations and condition'. As per revaluation report, the revaluation surplus stood at BDT 5,607,062,337. This revaluation has been recognized in the books of the company in June 30, 2019.

Property, plant and equipment (Revaluation model)

A revaluation surplus is recorded in OCI and credited to the asset revaluation surplus in equity. However, to the extent that it reverses a revaluation deficit of the same asset previously recognised in profit or loss, the increase is recognised in profit and loss. A revaluation deficit is recognised in the statement of profit or loss, except to the extent that it offsets an existing surplus on the same asset recognised in the asset revaluation surplus.

An annual transfer from the asset revaluation surplus to retained earnings is made for the difference between depreciation based on the revalued carrying amount of the asset and depreciation based on the asset's original cost. Additionally, accumulated depreciation as at the revaluation date is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset. Upon disposal, any revaluation surplus relating to the particular asset being sold is transferred to retained earnings.

3.04 Leases

The Company assesses whether a contract is or contains a lease, at inception of the contract. The Company recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less). For these leases, the Company recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Company uses its incremental borrowing rate.

The lease liability is presented as a separate line in the statement of financial position.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day, less any lease incentives received and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Whenever the Company incurs an obligation for costs to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease, a provision is recognised and measured under IAS 37. To the extent that the costs relate to a right-of-use asset, the costs are included in the related right-of-use asset, unless those costs are incurred to produce inventories.



Right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset. If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Company expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

The right-of-use assets are presented as a separate line in the statement of financial position.

The Company applies IAS 36 to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss as described in the 'Property, Plant and Equipment' policy.

3.05 Intangible Asset

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses. Internally generated intangibles, excluding capitalised development costs, are not capitalised and the related expenditure is reflected in profit or loss in the period in which the expenditure is incurred.

The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the statement of profit or loss in the expense category that is consistent with the function of the intangible assets.

Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

An intangible asset is derecognised upon disposal (i.e., at the date the recipient obtains control) or when no future economic benefits are expected from its use or disposal. Any gain or loss arising upon derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit or loss.

A summary of the intangible assets is as follows:

	Trade Mark	Oracle eBS Software
Useful lives	Finite (20 years)	Finite (10 years)
Amortisation method used	Amortised on a straight line basis	Amortised on a straight line basis
Internally generated or acquired	Acquired	Acquired

3.06 Investments in Associates

An associate is an entity over which the Company has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies.

The company's investment in associates is accounted for in the Financial Statements using the Equity Method. Under the equity method, the 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 which is classified as non-current assets in the statement of financial position. The investor's share of investee's profit or loss is recognized in the investor's profit or loss.

The statement of profit or loss reflects the company's share of the results of operations of the associate. In addition, when there has been a change recognised directly in the equity of the associate, the company recognises its share of any changes, when applicable, in the statement of changes in equity. Unrealised gains and losses resulting from transactions between the company and the associate are eliminated to the extent of the interest in the associate.

The financial statements of the associate are prepared for the same reporting period as the Company.



Use of the equity method should cease from the date that significant influence or joint control ceases. If the retained interest is a financial asset, it is measured at fair value and subsequently accounted for under IFRS 9 - Financial Instruments. Any amounts recognised in other comprehensive income in relation to the investment in the associate or joint venture are accounted for on the same basis as if the investee had directly disposed of the related assets or liabilities.

3.07 Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

3.08 Inventories

Inventories are measured at the lower of cost and net realizable value.

Costs incurred in bringing each product to its present location and condition are accounted for, as follows:

- Raw materials: purchase cost on a weighted average basis
- Finished goods and work in progress: cost of direct materials and labour and a proportion of manufacturing overheads based on the normal operating capacity, but excluding borrowing costs.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

3.09 Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Accounting policies relating to different type of financial instruments are described below:

i) Recognition and measurement

Trade receivables are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Company becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

ii) Classification and subsequent measurement

Financial assets

On initial recognition, a financial asset is classified as measured at: amortised cost; FVOCI and FVTPL.

Financial assets are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the reporting period following the change in the business model.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL.

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets – Business model assessment

The Company makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

- the stated policies and objective for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realising cash flows through the sale of the assets;
- how the performance of the portfolio is evaluated and reported to the Company's management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;



- how managers of the business are compensated-e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Company's continuing recognition of the assets.

Financial assets-Subsequent measurement and gains and losses

Financial assets at amortised cost

These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

Financial liabilities- Classification, subsequent measurement and gains and losses

Financial liabilities are classified as measured at amortised cost or FVTPL. Financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

iii) Derecognition

Financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

The Company enters into transactions whereby it transfers assets recognised in its statement of financial position but retains either all or substantially all of the risks and rewards of the transferred assets. In these cases, the transferred assets are not derecognised.

Financial liabilities

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled, or expired. The Company also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in profit or loss.

iv) Offsetting a financial asset and a financial liability

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Company has a legal right to offset the amounts and intends either to settle them on a net basis or to realize the asset and settle the liability simultaneously.

v) Impairment

Financial assets

Financial assets not carried at fair value through profit or loss and receivables are assessed at each reporting date to determine whether there is objective evidence that any particular asset 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.

Non-financial assets

The carrying value of the non-financial assets, other than inventories, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated. An impairment loss is recognised whenever the carrying amount of the asset or its cash generating unit exceeds its recoverable amount. Impairment losses, if any, are recognised in the statement of profit or loss and other comprehensive income.

3.10 Cash and cash equivalents

Cash and cash equivalents comprise cash in hand, cash at banks, and short-term deposits with a maturity of three months or less, which are readily convertible and subject to an insignificant risk of changes in value.



3.11 Provisions, Contingent liability and Contingent assets

General

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Company expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit or loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Contingent liabilities

Contingent liability is a present obligation that arises from past events but is not recognised because it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation and the amount of the obligation cannot be measured with sufficient reliability.

3.12 Employee Benefits

The company maintain both defined contribution plan and defined benefit plan for its eligible permanent employees.

Defined Contribution plan

Defined contribution plan is a post employment benefit plan under which the Company provides benefits for all of its permanent employees. The recognised Employees' Provident Fund is being considered as defined contribution plan as it meets the recognition criteria specified for this purpose. All permanent employees contribute 10% of their basic salary to the provident fund and the Company also makes equal contribution. This fund is recognised by the National Board of Revenue (NBR), under the First Schedule, Part B of Income Tax Ordinance 1984. The Company recognises contribution to defined contribution plan as an expense when an employee has rendered required services. The legal and constructive obligation is limited to the amount it agrees to contribute to the fund. Obligations are created when they are due.

Defined benefit plan

The company maintains funded gratuity scheme and provision in respect of which is made annually for the employees. Gratuity benefit shall be payable on the basis of company service and the last drawn basic salary of the employee as per the following table at the end of retirement, death in service or leaving employment:

Service length	Benefit
Less than 5 years of service	Nil
Equal to or more than 5 years of service	Two months' last drawn basic salary for each year of service.

Workers profit participation and welfare funds

The company also recognised a provision for workers profit participation and welfare funds @ 5% of net profit before tax as per Bangladesh labour law 2006.

3.13 Revenue

Revenue is measured based on the consideration specified in a contract with a customer. The Company recognises revenue when it transfers control over a goods 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.

The company 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 customer.

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, export of M.S. Rod and includes VAT paid to the Government of Bangladesh.



The company's typical performance obligations include the following;

Revenue from contracts with customers:

Type of products	Nature and timing of satisfaction of performance obligations	Revenue recognition
- 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.	Revenue is recognized when (or as) the entity satisfies a performance obligation by transferring the promised goods or service to a customer.
- Export sales		
- By Products		

The Company 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 Company 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.

3.14 Earnings Per Share

Basic earnings per share (EPS) is calculated by dividing the profit or loss for the year by the weighted average number of ordinary shares outstanding during the year.

Diluted EPS is calculated by dividing the net profit attributable to ordinary equity holders of the Fund by the weighted average number of ordinary shares outstanding during the year.

3.15 Segment information

For management purposes, the company is organised 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.

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 on 30 June 2021	M.S. Rod	M.S. Billets	Total Segments	Adjustments	Total
Amount in Millions					
Revenue					
External customers	54,979	3	54,982	-	54,982
Inter-segment	-	42,473	42,473	(42,473)	-
Total Revenue	54,979	42,476	97,455	(42,473)	54,982
Income/(Expenses)					
Cost of inventories recognised as an expense	(47,150)	(38,038)	(85,189)	39,333	(45,856)
Employee benefits expenses	(615)	(593)	(1,209)	-	(1,209)
Depreciation and amortisati	(448)	(705)	(1,153)	-	(1,153)
Selling and distribution cost	(992)	-	(992)	-	(992)
Administrative costs	(197)	-	(197)	-	(197)
Loss on derecognition of investment in associate	-	-	-	(1,013)	(1,013)
Segment Profit	5,577	3,140	8,717	(4,153)	4,564



Reconciliation of profit	30 June 2021	30 June 2020
Segment profit	8,717	6,355
Inter-segment sales	(3,140)	(2,801)
Other operating income	19	19
Finance Costs	(536)	(1,873)
Finance Income	131	61
Contribution to WPPF and welfare fund	(260)	(88)
Share of profit of an associate	(1,013)	152
Profit before tax	3,919	1,826

Geographic Information	30 June 2021	30 June 2020
Revenue from external customers		
Country of Domicile	54,659	38,564
Foreign Countries	324	118
Total	54,983	38,681

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

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

3.16 Capital management

For the purpose of the Company's capital management, capital includes issued capital. The primary objective of the Company's capital management is to maximise the shareholder value.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Company has financial covenants to maintain the gearing ratio 70:30 or better. The Company includes within net debt, interest bearing loans and borrowings less cash and cash equivalents.

	30 June 2021	30 June 2020
Interest bearing loan	8,567,449,502	9,839,762,262
Short term loan	32,836,067,730	26,655,065,746
Less: Cash and Cash equivalents	(16,417,265,525)	(945,892,317)
Net Debt	24,986,251,707	35,548,935,691
Equity		
Total Capital	23,451,850,382	21,368,538,163
Capital and net debt	48,438,102,089	56,917,473,854
Gearing Ratio	51.58%	62.46%

Interest bearing loan comprises of non-current portion and current portion of long term loans.

3.17 Event after the reporting period

Events after the reporting period that provide additional information about the company'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.



3.18 Fair Value Measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability
- Or
- In the absence of a principal market, in the most advantageous market for the asset or liability

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 asset or liability 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.

Fair-value related disclosures for financial instruments and non-financial assets that are measured at fair value or where fair values are disclosed.



4.00 PROPERTY, PLANT & EQUIPMENT : At Revaluation Model

Particulars	Land and Land Development	Plant & Machinery	Motor Vehicles	Factory Building	Furniture & Fixtures	Office Equipment	Roads and Pavements	Computer and IT equipment	TOTAL
COST									
At 01 July 2019	9,522,872,193	11,226,220,542	169,534,312	5,534,451,075	92,253,823	137,232,796	489,676,941	64,427,351	27,236,669,033
Additions during the year	130,756,162	977,750,381	10,347,699	406,020,568	5,044,058	28,504,010	95,127,410	6,741,145	1,660,291,432
Disposals	-	-	(4,174,203)	-	-	(104,500)	-	(310,500)	(4,589,203)
At 30 June 2020	9,653,628,355	12,203,970,923	175,707,808	5,940,471,643	97,297,881	165,632,305	584,804,350	70,857,996	28,892,371,262
At 01 July 2020	9,653,628,355	12,203,970,923	175,707,808	5,940,471,643	97,297,881	165,632,305	584,804,350	70,857,996	28,892,371,262
Additions during the year	39,031,212	82,007,664	8,005,738	31,907,002	1,919,219	2,627,798	86,308,456	3,259,850	255,066,939
Asset Reclassification	-	2,452,755	-	-	(2,452,755)	-	-	-	-
Disposals	-	(33,637,159)	(4,030,867)	-	-	-	-	(331,200)	(37,999,226)
At 30 June, 2021	9,692,659,567	12,254,794,183	179,682,679	5,972,378,645	96,764,345	168,260,103	671,112,806	73,786,646	29,109,438,974
DEPRECIATION									
At 01 July 2019	-	3,006,883,442	99,562,676	764,961,196	58,934,656	92,674,824	28,514,452	42,591,504	4,094,122,749
Charge during the year	-	621,274,811	18,769,386	262,090,218	10,468,857	18,804,683	27,344,673	7,728,104	966,480,733
Disposals	-	-	(3,535,169)	-	-	(103,001)	-	(282,758)	(3,920,927)
At 30 June 2020	-	3,628,158,253	114,796,894	1,027,051,414	69,403,513	111,376,507	55,859,124	50,036,850	5,056,682,555
At 01 July 2020	-	3,628,158,253	114,796,894	1,027,051,414	69,403,513	111,376,507	55,859,124	50,036,850	5,056,682,555
Charge during the year	-	715,853,260	17,949,602	277,576,588	9,554,891	17,569,435	29,694,954	7,854,841	1,076,053,571
Disposals	-	(13,779,371)	(4,021,814)	-	-	-	-	(256,867)	(18,058,052)
At 30 June 2021	-	4,330,232,142	128,724,682	1,304,628,002	78,958,404	128,945,942	85,554,078	57,634,824	6,114,678,074
CARRYING AMOUNT									
At 30 June 2020	9,653,628,355	8,575,812,670	60,910,914	4,913,420,230	27,894,368	54,255,798	528,945,226	20,821,146	23,835,688,707
At 30 June 2021	9,692,659,567	7,924,562,041	50,957,997	4,667,750,643	17,805,941	39,314,161	585,558,728	16,151,822	22,994,760,900

Allocation of Depreciation:	Note	01 July 2020 to 30 June 2021	01 July 2019 to 30 June 2020
Cost of sales	30.04	Taka 1,019,859,105	Taka 909,511,439
Selling & distribution expenses	31.00	33,524,438	33,940,777
Administrative expenses	32.00	22,670,028	23,028,517
		1,076,053,571	966,480,733



4.01 PROPERTY, PLANT & EQUIPMENT : At Cost Model

Particulars	Land and Land Development	Plant & Machinery	Motor Vehicles	Factory Building	Furniture & Fixtures	Office Equipment	Roads and Pavements	Computer and IT equipment	TOTAL
COST									
At 01 July 2019	1,569,966,253	11,226,220,542	169,534,311	5,178,141,063	92,253,822	137,232,796	489,676,941	64,427,351	18,927,453,079
Additions during the year	130,756,162	977,750,381	10,347,699	406,020,568	5,044,058	28,504,010	95,127,410	6,741,145	1,660,291,432
Disposals	-	-	(4,174,203)	-	-	(104,500)	-	(310,500)	(4,589,203)
At 30 June 2020	1,700,722,414	12,203,970,923	175,707,807	5,584,161,631	97,297,880	165,632,305	584,804,351	70,857,996	20,583,155,308
At 01 July 2020	1,700,722,414	12,203,970,923	175,707,807	5,584,161,631	97,297,880	165,632,305	584,804,351	70,857,996	20,583,155,308
Additions during the year	39,031,212	82,007,664	8,005,738	31,907,002	1,919,219	2,627,798	86,308,456	3,259,850	255,066,939
Asset Reclassification	-	2,452,755	-	-	(2,452,755)	-	-	-	-
Disposals	-	(33,637,159)	(4,030,867)	-	-	-	-	(331,200)	(37,999,226)
At 30 June, 2021	1,739,753,626	12,254,794,183	179,682,678	5,616,068,633	96,764,344	168,260,103	671,112,807	73,786,646	20,800,223,020
DEPRECIATION									
At 01 July 2019	-	3,006,883,442	99,562,676	747,813,919	58,934,656	92,674,824	28,514,452	42,591,504	4,076,975,473
Charge during the year	-	621,274,811	18,769,386	244,817,296	10,468,857	18,804,683	27,344,673	7,728,104	949,207,811
Disposals	-	-	(3,535,169)	-	-	(103,001)	-	(282,758)	(3,920,927)
At 30 June 2020	-	3,628,158,253	114,796,894	992,631,215	69,403,513	111,376,507	55,859,124	50,036,850	5,022,262,357
At 01 July 2020	-	3,628,158,253	114,796,894	992,631,215	69,403,513	111,376,507	55,859,124	50,036,850	5,022,262,357
Charge during the year	-	715,853,260	17,949,602	261,167,312	9,554,891	17,569,435	29,694,954	7,854,841	1,059,644,295
Disposals	-	(13,779,371)	(4,021,814)	-	-	-	-	(256,867)	(18,058,052)
At 30 June 2021	-	4,330,232,142	128,724,682	1,253,798,527	78,958,404	128,945,942	85,554,078	57,634,824	6,063,848,600
CARRYING AMOUNT									
At 30 June 2020	1,700,722,414	8,575,812,670	60,910,913	4,591,530,416	27,894,367	54,255,798	528,945,226	20,821,146	15,560,892,952
At 30 June 2021	1,739,753,626	7,924,562,041	50,957,996	4,362,270,106	17,805,940	39,314,161	585,558,729	16,151,822	14,736,374,420



5.00 Lease - Right of Use Assets

5.01 As a Lessee

5.01.01 Right of Use Assets

Particulars

At 01 July 2019

Additions during the year

Disposals/adjustment during the year

At 30 June 2020

At 01 July 2020

Additions during the year

Disposals/adjustment during the year

At 30 June, 2021

AMORTISATION

At 01 July 2019

Charge during the year

Disposals/adjustment during the year

At 30 June 2020

At 01 July 2020

Charge during the year

Disposals/adjustment during the year

At 30 June 2021

CARRYING AMOUNT

At 30 June 2020

At 30 June 2021

	Amount in Taka		
	Land	Warehouse	House
	TOTAL		
At 01 July 2019	-	-	-
Additions during the year	124,356,208	45,706,287	31,279,203
Disposals/adjustment during the year	-	-	-
At 30 June 2020	124,356,208	45,706,287	31,279,203
At 01 July 2020	124,356,208	45,706,287	31,279,203
Additions during the year	22,965,894	4,875,155	35,414,633
Disposals/adjustment during the year	-	-	-
At 30 June, 2021	147,322,102	50,581,442	66,693,836
AMORTISATION			
At 01 July 2019	-	-	-
Charge during the year	46,344,933	10,646,405	12,853,291
Disposals/adjustment during the year	-	-	-
At 30 June 2020	46,344,933	10,646,405	12,853,291
At 01 July 2020	46,344,933	10,646,405	12,853,291
Charge during the year	46,753,536	10,569,427	12,881,660
Disposals/adjustment during the year	-	-	-
At 30 June 2021	93,098,469	21,215,832	25,734,951
CARRYING AMOUNT			
At 30 June 2020	78,011,275	35,059,882	18,425,912
At 30 June 2021	54,223,633	29,365,610	40,958,885

5.01.02 Lease liabilities

Opening balance

Lease obligations

Less: Paid during the year

Lease Liabilities

	30 June 2021	30 June 2020
Opening balance	137,061,753	-
Lease obligations	63,255,682	201,341,698
Less: Paid during the year	(68,581,281)	(64,279,945)
Lease Liabilities	131,736,154	137,061,753

5.01.03 Lease Liabilities- Maturity analysis

Lease liabilities - non-current portion

Lease liabilities - current portion

Lease liabilities - non-current portion	80,169,166	73,582,072
Lease liabilities - current portion	51,566,988	63,479,681
	131,736,154	137,061,753

5.01.04 Amounts recognised in profit or loss

Interest on lease liabilities

Interest on lease liabilities	12,392,673	15,088,621
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5.01.05 Amount recognised in the statements of cash flows

Principal paid on lease liabilities

Interest paid on lease liabilities

Principal paid on lease liabilities	68,581,281	64,279,945
Interest paid on lease liabilities	12,392,673	15,088,621
	80,973,954	79,368,566

5.01.06 Allocation of Depreciation of ROU Asset:

Cost of sales

Selling & distribution expenses

Administrative expenses

Note	30 June 2021	30 June 2020
30.04	52,961,342	52,695,618
31.00	6,284,691	5,878,535
32.00	10,958,590	11,270,476
	70,204,623	69,844,629

5.01.07 The Company has consider 9% incremental borrowing rate to determine present value of right of use assets. Total number lease agreements were Thirty One (31) and Tenure of lease agreements were 5 to 10 years.

5.02 There is no such lease for which the company is a lessor.



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.

The Company had 25.35% interest in BSRM Steel Mills Limited, which has set up an automatic steel melting plant for manufacturing M.S. Billets of different quality and sell the same to steel rolling mills. BSRM Steel Mills Limited (BSML), was incorporated as a private limited company and was subsequently converted to a Public Limited Company on 12 November 2013. The Company's interest in BSRM Steel Mills Limited is accounted for using the equity method in the financial statements.

Paid up Capital of BSML is BDT 394.43 Crore divided into 39.44 Crore Ordinary Shares of Tk. 10 each. BSRM Steels Limited has acquired 100,000,000 nos. of Ordinary Shares of Tk. 10 each of BSML i.e. 25.35% in 2015. BSML commenced commercial production on 16 June 2016.

The Hon'ble High Court Division of the Supreme Court of Bangladesh on 15 December 2020, Company Matter no. 225 of 2019, under section 228 and 229 of the Companies Act, 1994, sanctioned a scheme of amalgamation for merger of BSRM Steel Mills Limited (transferor Company) with Bangladesh Re-Rolling Mills Limited (Transferee Company). Under this amalgamation, the Company has been allotted 28,800,000 equity shares of Bangladesh Re-Rolling Mills Limited (BSRML) with the conversion ratio 1:0.288 of investment in BSML 100,000,000 equity shares as a result interest in BSML came down from 25.35% to 9.65% and following upon the amalgamation, investment in associate has been discontinued.



	30 June 2021	30 June 2020
	Taka	Taka
8.01 Movement of Investment in Associate		
Opening balance	3,608,800,543	3,457,009,041
Share of profit of equity accounted Investee (associates)	-	151,791,502
Derecognition of Investment in Associate	(3,608,800,543)	-
Closing balance	-	3,608,800,543

9.00 Financial Asset - at fair value

Investment in Bangladesh Re-Rolling Mills Limited	2,476,800,000	-
(28,800,000 shares @ Tk. 86)	2,476,800,000	-

Under the amalgamation of BSRM Steel Mills Limited (BSML) with Bangladesh Re-Rolling Mills Limited (BSRML), the Company has been allotted 28,800,000 equity shares of BSRML with the conversion ratio 1:0.288 of investment in BSML 100,000,000 equity shares. BSRML is listed with Dhaka Stock Exchange Limited (DSE) and Chittagong Stock Exchange Limited (CSE). The market price of BSRML share as on 30 June 2021 was Tk. 86 and accordingly market value of BSRML's 28,800,000 comes to Tk 2,476,800,000.

	Note(s)	30 June 2021	30 June 2020
		Taka	Taka
10.00 Inventories			
Raw materials	10.01	8,434,947,680	6,456,200,989
Finished goods	10.02	3,314,184,745	6,069,971,469
Store and Spares	10.03	1,876,499,363	2,288,331,922
Fuel and Lubricants		21,368,337	27,310,688
		13,647,000,125	14,841,815,068
10.01 Raw Materials			
Raw Materials-MS Scrap		7,622,862,050	5,619,303,904
Raw Materials-Billets		576,188,313	603,840,439
Raw Materials-Packing Materials		11,455,069	32,364,805
Raw Materials-Direct Consumables		224,442,248	200,691,841
		8,434,947,680	6,456,200,989
10.02 Finished Goods			
Finished Goods-Own production (Rod)		2,870,904,910	5,277,353,254
Finished Goods-Own production (Billets)		443,279,835	787,946,141
Finished Goods-Procured		-	4,672,074
		3,314,184,745	6,069,971,469
10.03 Stores and Spares			
Mechanical stores		1,049,366,851	1,282,559,459
M.S. Roll		15,168,315	54,759,640
Electrical stores		479,241,862	546,114,749
General stores		23,130,267	23,978,676
Civil stores		59,714,614	62,729,482
Others		249,877,454	318,189,917
		1,876,499,363	2,288,331,922
11.00 Trade and Other Receivables			
Trade Receivables	11.01	7,332,952,393	7,201,242,566
Other Receivables	11.02	371,564,807	445,938,468
		7,704,517,200	7,647,181,033
11.01 Trade Receivables			
Bangladesh Steel Re-Rolling Mills Limited		2,070,365	4,259,923
BSRM Steel Mills Limited		-	1,791,012
BSRM Wires Limited		257,045	573,818
BSRM Logistic Limited		25,000	-
Chittagong Power Company Limited		204,000	204,000
H. Akberali Co. Limited		-	386,060
Other customers		7,330,395,983	7,194,027,753
		7,332,952,393	7,201,242,566
11.02 Other Receivables			
Interest Receivables		216,576,720	290,950,381
DEDO and Other Receivables		154,988,087	154,988,087
		371,564,807	445,938,468



	Note(s)	30 June 2021 Taka	30 June 2020 Taka
11.03 Ageing of Trade receivables			
Due within 90 days		6,193,771,812	4,534,541,143
Due within 91 to 180 days		368,719,075	1,846,021,547
Above 181 days		770,461,506	820,679,876
		7,332,952,393	7,201,242,566
12.00 Due from related companies			
BSRM Steel Mills Limited		-	5,724,196,546
Chittagong Power Company Limited		806,425,234	707,888,324
BSRM Logistics Limited		73,723,594	254,586,459
BSRM Ispat Limited		192,375,942	26,821,942
H. Akberali & Co. Limited		942,625,968	1,403,811,968
BSRM Wires Limited		691,230,344	714,411,435
		2,706,381,082	8,831,716,675

These represent short term loans given to these related companies as and when required to meet funding requirement. All transactions were done through account payee cheque and interests were charged on all related companies balances.

13.00 Advances, deposits and prepayments			
Advances	13.01	3,832,455,185	3,526,006,394
Deposits	13.02	73,950,569	73,850,569
Prepayments	13.03	20,087,674	20,806,923
		3,926,493,428	3,620,663,887

13.01 Advances			
Staff loan		3,219,999	3,419,999
Advance against salary		100,001	1,080,776
Advance Income tax		1,891,029,543	1,614,639,703
Advance against expenses		91,909,531	79,626,712
Bank guarantee margin		7,534,141	7,313,156
Advance against L/C		46,550,694	38,367,051
LC Margin		50,727,929	85,792,491
Advance against non-current asset		229,694,267	56,416,077
Trade VAT account (Godown)		12,864	12,864
VAT current account		1,312,194,921	1,332,505,148
Advance Tax (VAT)		492,307	-
Advance against land		26,383,113	29,340,109
Advance for house rent		2,306,941	2,692,961
Advance for purchase of spare parts and other materials		170,298,934	274,799,348
		3,832,455,185	3,526,006,394

13.02 Deposits			
Bangladesh Ansar and VDP		2,211,663	2,211,663
Bangladesh Railway		140,000	140,000
Bangladesh Telecommunication Company Limited (BTCL)		26,000	26,000
Brothers Proukosoli Workshop		480,000	480,000
Chittagong WASA		200,000	200,000
Chittagong Club Limited		90,000	90,000
Chittagong Port Authority		4,100,300	4,100,300
Cma Cgm Bangladesh Shipping Ltd		1,060,000	1,060,000
GBX Logistics Ltd		1,205,000	1,205,000
Linde Bangladesh Ltd		2,392,000	2,392,000
Maersk Bangladesh Limited		1,162,447	1,162,447
Bangladesh Power Development Board		24,710,120	24,710,120
Karnaphuli Gas Distribution Co. Limited		35,168,639	35,168,639
Central Depository Bangladesh Limited		500,000	500,000
BOC Bangladesh Limited		16,000	16,000
Others		488,400	388,400
		73,950,569	73,850,569

The directors consider that all the above advances and deposits are either adjustable or recoverable in cash or in kind and accordingly that no provision against them are required at this stage.

13.03 Prepayments			
BSTI License fees		1,723,807	3,451,880
Insurance		18,363,867	17,355,043
		20,087,674	20,806,923



				30 June 2021	30 June 2020
				Taka	Taka
14.00 Short Term Investment	Note(s)				
Investments in Fixed Deposit Receipts	14.01			2,310,041,175	1,085,506,724
				<u>2,310,041,175</u>	<u>1,085,506,724</u>
14.01 Investments in Fixed Deposit Receipts					
Name of banks	Purpose	Period	Rate of interest		
Agrani Bank Limited	L/C Margin	3 months	5.75%	68,942,534	7,117,878
Al-Arafah Islami Bank Ltd.	L/C Margin	3 months	4%	19,111,377	18,280,670
Bank Asia Limited	L/C Margin	3 months	4-6%	61,668,987	86,443,727
Commercial Bank of Ceylon PLC	L/C Margin	12 months	5.50%	22,418,834	21,281,000
Dhaka Bank Limited	L/C Margin & Investment	3 - 12 months	4-5.50%	129,154,970	73,874,724
Dutch Bangla Bank Limited	L/C Margin	3 months	4-6%	74,649,983	58,217,364
Habib Bank Limited	L/C Margin & Investment	6 months	6-6.25%	306,438,174	2,143,215
IDLC Finance Limited	L/C Margin & Investment	3 - 12 months	5.25-6%	303,382,167	3,122,907
IFIC Bank Limited	L/C Margin	3 - 12 months	3.50-5.5%	84,719,208	49,338,825
IPDC Bangladesh Limited	L/C Margin & Investment	3 - 12 months	2.75-5.35%	305,635,528	5,270,884
Jamuna Bank Limited	L/C Margin	3 months	2-4%	41,693,802	23,378,215
Lanka Bangla Finance & Investment Ltd	Investment	12 months	8.00%	3,178,965	2,907,231
Meghna Bank Ltd.	L/C Margin	3 months	6-6.50%	-	12,500,000
Mercantile Bank Limited	BG & LC Margin	3 - 12 months	4.50-7%	140,708,399	76,510,359
National Bank Limited	L/C Margin	3 months	5.50-6%	24,650,262	-
NCC Bank Limited	L/C Margin	3 - 6 months	3.75-7.50%	71,868,503	108,702,895
One Bank Limited	L/C Margin & Investment	3 - 6 months	6%-7%	3,869,687	16,697,197
Pubali Bank Limited	L/C Margin	6 months	5.50%	-	81,997,963
Shahjalal Islami Bank Ltd	L/C Margin	3 months	3.75-6%	84,710,488	26,462,025
Standard Chartered Bank	L/C Margin	6 - 12 months	3.50%	233,657,155	226,637,071
The City Bank Limited	L/C Margin	6 months	2.7-5.5%	204,797,578	139,786,120
Trust Bank Limited	L/C Margin	3 months	3-5.50%	43,373,060	11,672,779
United Commercial Bank Limited	L/C Margin	3 - 12 months	3.75-6%	31,887,480	10,702,786
Uttara Bank Limited	L/C Margin	3 months	5.00%	49,524,034	22,460,888
				<u>2,310,041,175</u>	<u>1,085,506,724</u>
				30 June 2021	30 June 2020
				Taka	Taka
15.00 Cash & Cash Equivalents	Note(s)				
Cash in Hand	15.01			12,517,771	5,837,561
Cash at Banks	15.02			2,809,693,692	940,054,755
Fixed Deposit Receipts	15.03			13,595,054,062	-
				<u>16,417,265,525</u>	<u>945,892,317</u>
15.01 Cash in Hand					
Head Office				127,339	152,585
Dhaka Office				232,325	730,944
Fouzderhat Factory				4,000,000	1,200,000
Mirasarai Factory				3,106,854	269,974
Byzid Factory (BISCO)				3,100,000	1,300,000
Cox's Bazar Office				20,000	20,000
Comilla Office				65,000	65,000
Gazipur Office				50,000	91,529
Khulna Office				150,000	150,000
Sylhet Office				100,000	100,000
Noakhali Office				50,000	50,000
Barishal Office				201,941	201,941
Baroaulia Office				213,769	129,843
Benapole Warehouse Office				100,816	107,725
Bhatiary Shipyard				19,999	19,999
Bogra Office				246,564	191,966
Jungal Office				237,173	211,608
Khulna warehouse Office				221,607	570,064
Mymensingh Office				104,384	104,384
Rangpur Office				170,000	170,000
				<u>12,517,771</u>	<u>5,837,561</u>



15.02 Cash at Banks

Name of the Banks	Branches	Account Types	Currency	30 June 2021	30 June 2020
				Taka	Taka
AB Bank Limited	Agrabad	Cash Credit	BDT	2,580,949	4,278,398
AB Bank Limited	Agrabad	Current Deposit	USD	92,647,864	88,273,438
Agrani Bank Limited	Laldighi East	Current Deposit	BDT	15,526,513	460,426
Al-Arafah Islami Bank Limited	Agrabad	Current Deposit	BDT	10,693,853	5,037,201
Bank Al Falah Limited	Agrabad	Cash Credit	BDT	99,853,708	-
Bank Asia Limited	Agrabad	Current Deposit	BDT	8,079,619	21,183,431
BASIC Bank Limited	Dewanhat	Current Deposit	BDT	56,187,050	27,521
BRAC Bank Limited	Agrabad	Overdraft	BDT	7,074,228	2,155,489
BRAC Bank Limited	Agrabad	Overdraft	BDT	6,460,201	66,922
BRAC Bank Limited	Agrabad	Current Deposit	USD	6,038,712	-
Commercial Bank of Ceylon PLC	Agrabad	Current Deposit	BDT	390,685	1,934,888
Dhaka Bank Limited	Jubilee Road	Current Deposit	BDT	97,328,002	288,591
Dutch Bangla Bank Limited	Agrabad	Overdraft	BDT	3,030,517	-
Dutch Bangla Bank Limited	Jubilee Road	Current Deposit	BDT	15,736,242	103,008
Eastern Bank Limited	Agrabad	Current Deposit	BDT	611,658,168	5,934,857
Eastern Bank Limited	Agrabad	Escrow	BDT	43,553	25,030
Eastern Bank Limited	Agrabad	Escrow	USD	5,588,718	27,112,320
EXIM Bank Limited	Jubilee Road	Current Deposit	BDT	9,442,451	3,991,353
First Security Islami Bank Limited	Sadarghat	Current Deposit	BDT	11,477,156	2,039,649
Habib Bank Limited	Chattogram	Current Deposit	BDT	10,569,902	1,102,475
HSBC	Agrabad	Current Deposit	BDT	7,567,837	(35,879,665)
HSBC	Agrabad	Current Deposit	USD	33,642	33,642
HSBC (Dividend)	Agrabad	Current Deposit	BDT	14,103,529	7,246,775
IFIC Bank Limited	Agrabad	Current Deposit	BDT	94,976,095	11,013,990
Islami Bank Bangladesh Limited	Jubilee Road	Current Deposit	BDT	29,497,195	8,695,449
Islami Bank Bangladesh Limited (BISCO)	Jubilee Road	Current Deposit	BDT	-	36,007
Jamuna Bank Limited	Khatunganj	Current Deposit	BDT	276,952	70,586
Janata Bank Limited	Laldighi East	Cash Credit	BDT	128,553	-
Janata Bank Limited	Laldighi East	Current Deposit	BDT	1,274	2,194
Meghna Bank Limited	Agrabad	Current Deposit	BDT	1,252,414	10,555
Mercantile Bank Limited	Jubilee Road	Current Deposit	BDT	15,600,850	7,362
Modhumoti Bank Limited	Agrabad	Current Deposit	BDT	144,687	69,277
Mutual Trust Bank Limited	CDA Avenue	Current Deposit	BDT	14,395,860	595,524
Mutual Trust Bank Limited (BISCO)	Dilkusha	Current Deposit	BDT	-	31,340
National Bank Limited	Jubilee Road	Current Deposit	BDT	8,275,445	6,221,358
NCC Bank Limited	Agrabad	Current Deposit	BDT	11,368	57,059
NCC Bank Limited	Agrabad	Current Deposit	USD	4,491,632	98,536,640
NCC Bank Limited	Barayarhat	Current Deposit	BDT	6,216	33,744
NRB Bank Limited	Agrabad	Overdraft	BDT	102	-
NRB Bank Limited	Agrabad	Current Deposit	BDT	751,147	63
One Bank Limited	Agrabad	Current Deposit	BDT	203,199,573	51,531,875
Premier Bank Limited	Agrabad	SOD	BDT	703	-
Premier Bank Limited	Agrabad	Cash Credit	BDT	14,728	-
Premier Bank Limited	Agrabad	Current Deposit	BDT	2,607,639	15,205
Prime Bank Limited	O.R Nizam Road	Current Deposit	BDT	(1,987,126)	22,045,510
Pubali Bank Limited	Agrabad	Overdraft	BDT	125,570,023	-
Rupali Bank Limited	Corporate Branch	Current Deposit	BDT	(257,209)	86,970
SBAC Bank Limited	Agrabad	Current Deposit	BDT	21,425	1,258
Shahjalal Islami Bank Limited	Jubilee Road	Current Deposit	BDT	2,397,685	95,170
Social Islami Bank Limited	Jubilee Road	Current Deposit	BDT	1,049,936	2,697,657
Sonali Bank Limited	Kalibari	Current Deposit	BDT	89,034,320	(8,378,034)
Sonali Bank Limited	Laldighi	Current Deposit	BDT	6,989	7,449
SBAC Bank Limited	Agrabad	Overdraft	BDT	2,252,464	-
South East Bank Limited	Pahartali	Current Deposit	BDT	7,416,561	10,238,790
Standard Bank Limited	Agrabad	Current Deposit	BDT	893,881	6,724
Standard Chartered Bank	Agrabad	Current Deposit	BDT	(8,641,727)	(26,151,896)
Standard Chartered Bank	Agrabad	Current Deposit	BDT	43,784	13,849
Standard Chartered Bank	Dhaka	Current Deposit	BDT	-	3,655
State Bank of India	Chittagong	Current Deposit	BDT	9,339,498	443
The City Bank Limited	Agrabad	Current Deposit	BDT	509,425,728	13,205,425
The City Bank Limited	VIP Road	Current Deposit	BDT	475,974	1,949,966
The City Bank Limited	Agrabad	Current Deposit	USD	336,926,325	609,755,653
Trust Bank Limited	CDA Avenue	Current Deposit	BDT	9,835,954	2,095,904
United Commercial Bank Limited	Jubilee Road	Current Deposit	BDT	244,979,172	2,162
United Commercial Bank Limited (BISCO)	Jubilee Road	Current Deposit	BDT	1,100,290	290
Uttara Bank Limited	Agrabad	Current Deposit	BDT	12,064,213	33,834
				2,809,693,692	940,054,755

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



15.03 Investments in Fixed Deposit Receipts

Name of banks	Purpose	Period	Rate of interest	30 June 2021	30 June 2020
				Taka	Taka
Agrani Bank Limited	Investment	3 months	5.75%	5,516,171,875	-
Rupali Bank Limited	Investment	3 months	5.25%	4,265,946,875	-
Sonali Bank Limited	Investment	3 months	5.50%	3,562,935,312	-
Uttara Bank Limited	Investment	3 months	5.00%	250,000,000	-
				13,595,054,062	-

16.00 Share Capital

16.01 Authorized capital

475,000,000 Ordinary shares @ Tk. 10 each	4,750,000,000	4,750,000,000
25,000,000 Preference Shares @ Tk. 10 each	250,000,000	250,000,000
	5,000,000,000	5,000,000,000

16.02 Issued, subscribed and paid-up capital

145,000,000 Ordinary shares @ Tk. 10 each	1,450,000,000	1,450,000,000
104,500,000 Ordinary shares @ Tk. 10 each fully paid-up for consideration other than cash	1,045,000,000	1,045,000,000
21,750,000 Ordinary shares @ Tk. 10 each fully paid up as Bonus Shares (For the year 2009)	217,500,000	217,500,000
54,250,000 Ordinary shares @ Tk. 10 each fully paid up as Bonus Shares (For the year ended 2010)	542,500,000	542,500,000
16,275,000 Ordinary shares @ Tk. 10 each fully paid up as Bonus Shares (For the year ended 2012)	162,750,000	162,750,000
34,177,500 Ordinary shares @ Tk. 10 each fully paid up as Bonus Shares (For the year ended 2018)	341,775,000	341,775,000
	3,759,525,000	3,759,525,000

16.03 Classification of shares by holding:

Class by number of shares

	No. of Holders	No. of Shares	Holding (%)
Less than 500	3,518	501,689	0.13%
From 501 to 5000	4,857	7,417,278	1.97%
From 5,001 to 10,000	465	3,345,164	0.89%
From 10,001 to 20,000	299	4,125,886	1.10%
From 20,001 to 30,000	85	2,136,065	0.57%
From 30,001 to 40,000	53	1,871,061	0.50%
From 40,001 to 50,000	44	2,015,660	0.54%
From 50,001 to 100,000	73	5,141,168	1.37%
From 100,001 to 1,000,000	92	24,436,278	6.50%
From 1,000,001 to above	34	324,962,251	86.44%
	9,520	375,952,500	100%

16.04 Shareholding Position

Name of shareholders

Shareholder Category	30 June 2021	30 June 2020
Sponsor Shareholders	16.85%	16.85%
Foreign Shareholders	0.39%	0.29%
Other Shareholders (Related Parties)	53.68%	53.68%
Other Shareholders (General)	29.08%	29.18%
	100%	100%

17.00 Long term loans

	Note(s)	30 June 2021	30 June 2020
		Taka	Taka
Prime Bank Limited	17.04	29,678,643	48,576,459
Eastern Bank Limited- Syndicate term loan	17.05	5,530,333,884	5,988,875,392
IDLC Finance Limited	17.06	83,538,588	148,065,699
Standard Chartered Bank - Syndicate term loan	17.07	2,923,898,387	3,342,797,850
Redeemable Zero Coupon Bond	17.08	-	311,446,861
		8,567,449,502	9,839,762,261

17.01 Long term loans-Maturity analysis

Due within one year-Current portion	17.02	1,886,837,159	2,249,335,011
Due after more than one year-Non-current portion	17.03	6,680,612,343	7,590,427,251
		8,567,449,502	9,839,762,261

17.02 Long term loans - Current portion

Prime Bank Limited	20,503,995	21,904,574
IDLC Finance Limited	71,110,805	64,854,704
Eastern Bank Limited- Syndicate term loan	959,222,359	1,015,128,872
Standard Chartered Bank -Syndicate term loan	836,000,000	836,000,000
Redeemable Zero Coupon Bond	-	311,446,861
	1,886,837,159	2,249,335,011



	30 June 2021	30 June 2020
	Taka	Taka
17.03 Long term loans - Non-current portion		
Prime Bank Limited	9,174,648	26,671,885
Eastern Bank Limited- Syndicate term loan	4,571,111,525	4,973,746,519
Standard Chartered Bank -Syndicate term loan	2,087,898,387	2,506,797,850
IDLC Finance Limited	12,427,783	83,210,996
	6,680,612,343	7,590,427,251

17.04 Terms of Prime Bank Limited

Total loan facilities: Tk. 15,845,433.24

Interest rate:

Interest rate is 9.75% per annum calculated on monthly basis and variable depending on the situation of money market.

Disbursement:

The full disbursement was made on May 29, 2017.

Repayments

The loan is repayable in equal monthly installment starting from June 25, 2017 and each month thereafter for 5 years.

Securities:

Izarah agreement for Capital Machinery/Equipment and 01 (one) post-dated cheque covering total value of Izara facility and 6 (six) nos of post-dated cheque covering each installment for total value of Izarah.

Purpose:

To pay expenditures of construction work of storage shed, storage bed and floor development at Khulna warehouse.

17.05 Eastern Bank Limited- Syndicated term loan

Lenders:

The company entered into a separate syndicated loan agreement for the BMRE on 03 April 2017 with Eastern Bank Limited, the lead arranger and 4 (four) other Banks and 2 (two) Financial Institutions.

Total loan facilities: Tk. 426.500 crore.

Total loan facilities: USD. 2.500 crore.

Interest rate: BDT

Interest rate is 7.75%-9% per annum calculated on quarterly basis and variable depending on the situation of money market.

Interest rate: USD

Interest rate is 6 months LIBOR+ 3.75% per annum calculated on quarterly basis and variable depending on the situation of money market.

Disbursement:

The first disbursement was made on 19 June 2018.

Repayments:

This term loan is repayable in 20(twenty) equal quarterly installments commencing from the end of 15th month of the first draw down date.

Securities:

- Registered Mortgage over the project land measuring 9.6 acres and all civil construction thereon supported by registered General power of Attorney.
- Fixed and floating charge over machinery, plant and equipment.
- Lien on shares of BSRM Steels Limited(owned by directors / shareholders value of which will be 110% of equivalent fair value of the project land measuring 12.4 acres that can not be mortgaged due to regulatory restrictions.
- Corporate guarantee of the sister concerns of H. Akberali & Co. Limited.
- Implementation guarantee from the Sponsors.
- Demand promissory note from the company.

Purpose:

To import required plant and machinery for installation of Billet Manufacturing Unit and to meet up cost of land development, building and civil construction, fabrication works.



17.06 Terms of IDLC Finance Limited

Total loan facilities: Tk. 300,000,000

Interest rate:

Interest rate is 9.50% per annum calculated on monthly basis and variable depending on the situation of money market.

Disbursement:

The full disbursement was made on July 24, 2017.

Repayments

The loan is repayable in equal monthly installment starting from August 24, 2017 and each month thereafter for 5 years.

Securities:

- i. Personal Guarantee
- ii. Post dated cheque covering the entire principal amount
- iii. Corporate guarantee of H. Akberali & Co. Ltd.

Purpose:

To meet expense for industrial land development for the under implementation melting mill, civil and electrical works and repair and maintenance of machinery.

17.07 Standard Chartered Bank - Syndicated term loan

Lenders:

The company entered into a separate syndicated loan agreement for Balance Sheet re-alignment through converting its short term loan into term loan on 21 March 2019 with Standard Chartered Bank, the lead arranger and 5 (five) other Banks.

Total loan facilities: Tk. 700.00 crore.

Interest rate :

Interest rate is 7.75%-11.50% per annum calculated on quarterly basis and variable depending on the situation of money market.

Disbursement:

The first disbursement of BDT 418 Crore was made on 09 April 2019.

Repayments:

Entire outstanding including the accrued interest thereon shall be repaid by 20 (twenty) equal quarterly installments starting from the immediate next quarter end of First Disbursement. Any short fall, if any must be repaid with the last installment.

Securities:

- i 1st ranking pari passu charge on plant and machinery and all fixed assets of the company.
- ii Personal guarantee of all the directors of the company.
- iii Corporate Guarantee of 1. H. Akberali Co. Ltd and 2. BSRM Wires Limited.
- iv Other charge documents as per opinion of lenders common counsel and standard practice.

Purpose:

Balance sheet re-alignment through converting its short term loan into term loan amounting Tk. 700 crore under syndication finance being arranged by Standard Chartered Bank.



17.08 Redeemable Zero Coupon Bond

	30 June 2021	30 June 2020
	Taka	Taka
Opening Balance	311,446,861	578,954,414
Add: Interest charged	1,195,911	38,813,469
Less: Interest payment	(6,321,749)	(84,961,310)
Less: Principal payment	(306,321,023)	(221,359,712)
Carrying amount	-	311,446,861

17.08.01 Details of the Zero coupon bond

The company obtained consent from Bangladesh Securities and Exchange Commission (BSEC) vide consent letter reference: BSEC/CI/2015 dated on 28 Dec 2015 for issuing 2,450,592 nos. of redeemable zero coupon bond of TK. 1,000 each to institutional investors through private placement.

Tenure:

From 6th month and upto 4 years from the issue date (TBD).

Purpose:

Capital expenditure, refinance and equity investment in power project of the group under the name 'Chittagong Power Company Limited'.

Subscription and issue:

Total 2,450,568 nos. of bonds were subscribed on 25 April 2016 and 16 May 2016 for Taka 1,999,981,083 and were issued accordingly on those days.

Discount rate:

The discount rate is 9.5% per year and interest is payable half-yearly.

Listing:

Unlisted.

Transferability

Freely transferable subject to the terms and condition of term documents.

Redemption:

In equal instalment starting from the end of the 6th month from the issue date and each 6 month thereafter till expiry (4 years).

Securities:

Unsecured



	30 June 2021	30 June 2020
	Taka	Taka
18.00 Defined benefit obligations - Gratuity		
Opening balance	199,570,002	164,439,863
Add: Current service cost	39,093,655	47,070,412
Less: Payment made during the year	(7,659,946)	(13,963,388)
Actuarial loss	-	2,023,115
Closing balance	231,003,711	199,570,002

Defined benefit obligations - Gratuity has been approved by National Board of Revenue (NBR).

19.00 Deferred Tax Liabilities		
Opening balance	2,112,334,257	1,790,395,047
Provided during the year		
Investments in associates	-	30,358,300
Taxable/(deductible) temporary difference of PPE and intangible asset (excluding land)	(7,702,185)	271,807,408
Deferred tax on ROU Asset	(4,850,938)	32,874,267
Effect of derecognition of investment in associate	(202,535,533)	
Provision for Gratuity	(2,083,335)	(8,276,756)
	(217,171,991)	326,763,219
Adjusted during the year		
Deferred tax on Actuarial gain/(loss) on defined benefit plans-Gratuity	-	(505,779)
Against impact on depreciation on revaluation reserve	(3,692,087)	(4,318,231)
Effect of derecognition on revalued portion of Associate	(239,418,431)	-
Deferred tax on fair value reserve of investment in tradable shares	147,680,000	-
	(95,430,518)	(4,824,010)
Closing Balance	1,799,731,748	2,112,334,257

19.01 Reconciliation of deferred tax liabilities/ (assets)

	Carrying amount	Tax base	Tax rate	Taxable/ (Deductible) temporary difference	Deferred tax liabilities/ (assets)
	Taka	Taka	%	Taka	Taka
As on 30 June 2021					
Property, plant and equipment (except land)	13,336,845,862	7,071,702,620	22.50%	6,265,143,242	1,409,657,230
Liability on Revaluation Surplus (Land)	9,692,659,567	1,739,753,626	3-4%	7,952,905,941	266,347,024
ROU Asset	124,548,128	-	22.50%	124,548,128	28,023,329
Provision for Gratuity	(228,980,596)	-	22.50%	(228,980,596)	(51,520,634)
Actuarial gain/(loss)	(2,023,115)	-	22.50%	(2,023,115)	(455,201)
Financial Asset at fair value	2,476,800,000	1,000,000,000	10.00%	1,476,800,000	147,680,000
Total deferred tax liabilities					1,799,731,748
	Carrying amount	Tax base	Tax rate	Taxable/ (Deductible) temporary difference	Deferred tax liabilities/ (assets)
	Taka	Taka	%	Taka	Taka
As on 30 June 2020					
Property, plant and equipment (except land)	14,223,603,785	8,539,397,780	25.00%	5,684,206,005	1,421,051,501
Liability on Revaluation Surplus (Land)	9,653,628,355	1,700,722,414	3-4%	7,952,905,941	266,347,024
ROU Asset	131,497,069	-	25.00%	131,497,069	32,874,267
Provision for Gratuity	(197,546,887)	-	25.00%	(197,546,887)	(49,386,722)
Actuarial gain/(loss)	(2,023,115)	-	25.00%	(2,023,115)	(505,779)
Investment in associates	2,012,677,667	1,000,000,000	20.00%	1,012,677,667	202,535,533
Revalued portion of Associate	1,596,122,876	-	15.00%	1,596,122,876	239,418,431
Total deferred tax liabilities					2,112,334,256



		30 June 2021	30 June 2020
	Note(s)	Taka	Taka
20.00 Trade Payables			
BSRM Steel Re-Rolling Mills Limited		751,153,386	3,351,546
BSRM Logistics Limited		19,727,194	13,313,989
BSRM Steel Mills Limited		-	(21,554,670)
BSRM Ispat Limited		-	266,950
Chittagong Power Company Limited		118,750	125,685
Others		137,267,187	143,304,041
		908,266,517	138,807,541
21.00 Short Term Loans			
Loan against trust receipts (LATR)	21.01	-	84,917,794
Time loans	21.02	988,011,361	1,834,362,100
Demand loan	21.03	1,241,825,361	7,098,405,122
Bank overdraft and cash credit	21.04	1,181,076,232	2,516,534,273
Liability for accepted bills for payment	21.05	26,791,563,403	15,120,846,456
Stimulus Loans	21.06	2,633,591,373	-
		32,836,067,730	26,655,065,746
21.01 Loan Against Trust Receipts (LATR)			
Prime Bank Limited		-	60,863,539
Pubali Bank Limited		-	24,054,255
		-	84,917,794
21.02 Time Loans			
Bank Asia Limited		-	500,426
IPDC Limited		502,211,361	512,194,445
Jamuna Bank Limited		-	283,039,355
Meghna Bank Limited		485,800,000	-
NRB Bank Limited		-	208,696,570
Prime Bank Limited		-	468,769,048
Shimanto Bank Limited		-	151,791,667
The Trust Bank Limited		-	209,370,589
		988,011,361	1,834,362,100
21.03 Demand Loans			
Bank Asia Limited		-	112,613
BRAC Bank Limited		320,311,111	503,750,000
Commercial Bank of Ceylon plc		600,000,000	753,937,346
Eastern Bank Limited		-	2,198,856,238
HSBC		320,000,000	188,433,000
Islami Bank Bangladesh Limited		-	20,843,865
National Credit and Commerce Bank Limited		-	403,000,575
Standard Bank Limited		1,514,250	-
Standard Chartered Bank		-	835,293,747
United Commercial Bank Limited		-	129,054,613
Uttara Bank Limited		-	2,065,123,125
		1,241,825,361	7,098,405,122
21.04 Bank overdraft and Cash Credit			
Agrani Bank Limited		1,071,717	24,741,050
Bank Al Falah Limited		-	486,444,170
Basic Bank Limited		55,627,416	279,053,807
Dhaka Bank Limited		426,254	20,845,800
Dutch Bangla Bank Limited		-	48,879,161
Janata Bank Limited		-	27,910,410
National Credit and Commerce Bank Limited		573,842,726	303,318,326
Premier Bank Limited		-	34,979
Premier Bank Limited		-	13,602,166
Pubali Bank Limited		-	9,267
Rupali Bank Limited		411,116,312	705,094,419
Standard Bank Limited		3,607,439	13,522,642
South Bangla Agriculture & Commerce Bank Limited		-	412,095,712
State Bank of India		134,733,707	137,918,837
Uttara Bank Limited		650,661	43,063,527
		1,181,076,232	2,516,534,273



	30 June 2021	30 June 2020
	Taka	Taka
21.05 Liability for accepted bills for payment (ABP)		
Agrani Bank Limited	1,161,296,343	130,220,386
Al-Arafah Islami Bank Limited	809,730,578	315,188,946
Bank Al-Falah Limited	11,431,611	27,763,163
Bank Asia Limited	345,499,252	810,025,388
BRAC Bank Limited	722,197,544	348,441,114
The City Bank Limited	2,617,100,093	1,196,440,851
Commercial Bank of Ceylon	557,045,817	187,134,777
Dhaka Bank Limited	2,260,136,818	908,936,571
Dutch Bangla Bank Limited	1,057,447,836	828,253,837
Eastern Bank Limited	1,692,061,673	798,867,438
HSBC	520,711,315	738,153,030
IFIC Bank Limited	1,296,981,217	1,978,037,829
Jamuna Bank Limited	644,477,078	396,261,605
Mercantile Bank Limited	1,021,867,118	627,200,077
Mutual Trust Bank Limited	13,498,369	-
National Bank Limited	428,021,432	-
NCC Bank Limited	690,704,236	656,236,284
One Bank Limited	782,619,628	614,212,838
Premier Bank Limited	-	7,261,411
Prime Bank Limited	1,030,960,074	309,122,047
Pubali Bank Limited	1,364,909,765	1,370,073,977
Rupali Bank Limited	454,460,630	384,615,054
Shahjalal Islami Bank Limited	2,600,793,546	519,317,195
Standard Chartered Bank	1,275,195,951	329,519,302
Trust Bank Limited	1,628,570,113	141,696,661
United Commercial Bank Limited	1,163,624,502	1,227,035,541
Uttara Bank Limited	640,220,864	270,831,134
	26,791,563,403	15,120,846,456
21.06 Stimulus Loans		
AB Bank Limited	227,822,574	-
Agrani Bank Limited	76,707,937	-
BASIC Bank Limited	136,471,147	-
BRAC Bank Limited	158,571,260	-
Commercial Bank Limited	359,999,291	-
Dhaka Bank Limited	140,928,075	-
Dutch Bangla Bank Limited	60,146,125	-
Eastern Bank Limited	252,581,889	-
Meghna Bank Limited	153,416,524	-
NCC Bank Limited	151,706,250	-
Prime Bank Limited	201,849,978	-
Rupali Bank Limited	379,266,435	-
South Bangla Agriculture Limited	182,048,125	-
Standard Chartered Bank Limited	655,500	-
United Commercial Bank Limited	151,420,263	-
	2,633,591,373	-
22.00 Due to related companies		
Bangladesh Steel Re-Rolling Mills Limited	-	822,902,651
	-	822,902,651

This balance represent short term financial arrangement availed from related companies as and when required to meet working capital and interest were charged on outstanding balances. All transactions were made through account payee cheques.



		30 June 2021	30 June 2020
	Note(s)	Taka	Taka
23.00 Liabilities for expenses			
Advertisement expenses		58,783,183	1,272,799
Carrying expenses		262,991,485	411,874,394
Domiciliary expenses		2,180,037	1,672,922
Liability against supply of goods/services		169,127,299	184,158,395
Liability against fixed asset		18,744,167	21,620,089
Liability for duty drawback		425,456,343	425,456,343
Stationeries		24,513,684	14,628,643
Sales promotion expenses		2,443,360	2,389,092
Travelling expenses		102,200	726,953
		964,341,758	1,063,799,629
24.00 Provision for income tax			
Opening balance		970,071,795	732,845,493
Add: Provision during the year		1,043,918,697	781,531,779
Add: Prior years' adjustment		45,229,227	(24,866,457)
		1,089,147,924	756,665,322
Less: Adjusted with advance income tax paid at source		(792,746,732)	(519,439,020)
Closing Balance		1,266,472,987	970,071,795
24.01 Reconciliation of effective tax rate			
		30 June 2021	30 June 2020
		%	%
Profit before tax			
Current tax expense	27.79%	41.45%	
Deferred tax expense	-5.54%	17.90%	
Total tax expense	22.25%	59.34%	
Minimum Tax under section 82C(5)	26.64%	42.81%	
Prior year adjustment	1.15%	-1.36%	
Effective Current Tax	27.79%	41.45%	
Effective Deferred Tax	-5.54%	17.90%	
	22.25%	59.34%	
		BDT	BDT
		3,919,061,759	1,825,705,164
		1,089,147,924	756,665,322
		(217,171,991)	326,763,219
		871,975,933	1,083,428,541
		1,043,918,697	781,531,779
		45,229,227	(24,866,457)
		1,089,147,924	756,665,322
		(217,171,991)	326,763,219
		871,975,933	1,083,428,541
25.00 Provision for WPPF and Welfare Fund			
Opening balance		88,100,719	107,383,636
Add: Provided during the year		259,565,233	88,100,719
Less: Paid during the year		(88,100,719)	(107,383,636)
Closing Balance		259,565,233	88,100,719
26.00 Unclaimed Dividend			
Opening Balance		24,873,805	17,966,793
Add: Dividend declared during the year		939,881,250	273,758,973
Less: Paid during the year		(938,496,983)	(266,851,961)
Closing Balance		26,258,072	24,873,805
26.01 Dividend unclaimed for the years			
For year ended on		Taka	
30 June 2021 (Interim)		898,826	
30 June 2020 (Final)		1,333,821	
30 June 2019 (Final)		5,168,957	
30 June 2018 (Final)		855,090	
1st January 2011 to 30 June 2017		18,001,379	
		26,258,072	

*Subsequently Tk. 17,846,490 has been paid to Bangladesh Security Exchange Commission (BSEC) for Capital Market Stabilization Fund and Tk. 205,349 ordinary shareholders thereof from 01 July 2021 to 31 August 2021.



		30 June 2021	30 June 2020
	Note(s)	Taka	Taka
27.00 Other liabilities			
Audit Fees		776,250	585,000
Blocked Account	27.01	756,250	263,775,975
Brokerage and commission		78,498,548	18,980,965
C & F Bill		1,533,127	1,339,286
Gas bill payable		1,595,309	15,222,914
Interest payable		9,287,766	306,071,994
Liability against share application money		7,581,814	7,581,814
Provident fund		4,337,658	3,096,600
Provision for doubtful debts		621,777	621,777
Rent payables		539,452	2,491,023
Retention money		35,600,607	76,470,220
Salary and Allowances		14,452,038	5,172,347
Security deposit		31,225,146	29,900,146
Tax Deducted at Source		74,462	162,515
Utility		475,752,374	2,706,493
VAT Dedu		15,604,439	658,723
Others		5,850,776	4,878,633
		684,087,793	739,716,423
27.01 Blocked Account			
Agrani Bank Limited		-	24,625,000
Bank Asia Limited		-	6,414,512
BASIC Bank Limited		-	3,639,706
Commercial Bank of Ceylon		-	13,873,348
BRAC Bank Limited		-	7,625,000
Dhaka Bank Limited		-	4,627,823
Eastern Bank Limited		-	45,337,457
HSBC		-	567,000
Jamuna Bank Limited		-	11,341,419
Janata Bank Limited		-	353,046
Meghna Bank Limited		-	3,623,653
Modhumoti Bank Limited		-	6,156,250
Mutual Trust Bank Limited		-	1,973,288
NCC Bank Limited		-	6,718,919
NRB Bank Limited		-	1,963,680
One Bank Limited		-	9,029,229
Prime Bank Limited		-	16,041,777
Pubali Bank Limited		-	6,478,565
Rupali Bank Limited		-	6,649,810
SABINCO		-	7,487,287
Shahjalal Islami Bank Limited		-	70,575
South Bangla Agriculture Bank		-	6,489,128
Standard Chartered Bank		756,250	21,322,057
The City Bank Limited		-	5,432,633
Trust Bank Limited		-	11,541,633
United Commercial Bank Limited		-	1,000,125
Uttara Bank Limited		-	33,393,056
		756,250	263,775,975

As per BRPD Circular No. 11, the company has transferred interest on Loans and Borrowings from 01 April 2020 to 31 May 2020 to Blocked Account.



	30 June 2021	30 June 2020
	Taka	Taka
28.00 Contract liabilities		
Advance against sales	1,258,368,736	453,947,703
Total contract liabilities	1,258,368,736	453,947,703
	01 July 2020 to 30 June 2021	01 July 2019 to 30 June 2020
	Taka	Taka
29.00 Revenue from contracts with customers		
Local sales	53,946,671,739	37,532,598,841
Export sales	1,036,285,976	1,148,778,383
	54,982,957,715	38,681,377,223

Total export sales during this year were USD 12,207,767 against export of 18,475 Metric Ton of goods and it was USD 13,554,402 against export of 20,679 Metric Ton of goods for the year ended on 30 June 2020.

29.01 Set out below is the disaggregation of BSRM Steels Limited's revenue from contracts with customers:

Segments

Type of goods

Xtreme 500W	13,826,671,318	32,143,977,551
Xtreme DWR	34,073,464,006	-
Ultima 420D	5,555,883,275	5,438,713,355
Maxima 500	213,368,501	338,869,084
M.S. Billet	3,499,320	173,699,058
Others	1,310,071,295	586,118,177
Total revenue from contracts with customers	54,982,957,715	38,681,377,223

Geographical Markets

Bangladesh	54,658,890,863	38,563,640,503
China	148,352,464	-
India	131,968,546	117,736,720
Others	43,745,842	-
Total revenue from contracts with customers	54,982,957,715	38,681,377,223

Timing of revenue recognition

Goods transferred at a point in time	54,982,957,715	38,681,377,223
Services transferred over time	-	-
Total revenue from contracts with customers	54,982,957,715	38,681,377,223

29.02 Set out below, is the reconciliation of the revenue from contracts with customers with the amounts disclosed in the note 29.01

					Taka in Million
Year ended 30 June 2021	M.S. Rod	M.S. Billets	Total Segments	Adjustments	Total
External customers	54,979	3	54,982	-	54,982
Internal customers		42,473	42,473	(42,473)	-
	54,979	42,476	97,455	(42,473)	54,982
Year ended 30 June 2020	M.S. Rod	M.S. Billets	Total Segments	Adjustments	Total
External customers	38,508	174	38,681	-	38,681
Internal customers	-	29,871	29,871	(29,871)	-
	38,508	30,044	68,552	(29,871)	38,681



		01 July 2020 to 30 June 2021	01 July 2019 to 30 June 2020
	Note(s)	Taka	Taka
29.03 Contract balances			
Trade receivables	11	7,332,952,393	7,201,242,566
Contract assets		-	-
Contract liabilities	28	1,258,368,736	453,947,703

Trade receivables are non-interest bearing and are generally on terms of 30 to 60 days

Contract assets are initially recognised for revenue earned services as receipt of consideration is conditional on successful completion of service. Upon completion of service and acceptance by the customer, the amounts recognised as contract assets are reclassified to trade receivables.

Contract liabilities includes short-term advances received to deliver M.S. Rod to the customers.

29.04 Performance Obligations

Information about the BSRM Steels Limited's performance obligation is summarised below:

M.S. Rod

The performance obligation is satisfied upon delivery of the M.S. Rod to the customers and payment is generally due within 30 to 60 days of delivery.

The performance obligation to deliver M.S. Rod has two alternative payment options. The customer can pay the transaction price equal to the cash selling price in advance or allowed a credit period of 30 to 60 days.

M.S. Billet

The performance obligation is satisfied upon delivery of the M.S. Billet to the customers and payment is received from the customer immediately.

		01 July 2020 to 30 June 2021	01 July 2019 to 30 June 2020
	Note(s)	Taka	Taka
30.00 Cost of sales			
Cost of sale-Scrap	30.01	685,228,516	391,065,730
Cost of sales-Billet	30.01	3,216,766	556,762,257
Cost of sales-MS Rod	30.02	47,062,824,129	32,539,635,872
Cost of sales- Finished goods procured from outside	30.03	824,410	21,374,271
		47,752,093,821	33,508,838,131
30.01 Cost of sales- Billet			
Opening stock of scrap		5,619,303,904	4,238,217,992
Add: Purchase during the year		32,800,882,815	22,196,165,311
Less: Sale during the year		(685,228,516)	(391,065,730)
Less: Closing stock of scrap		(7,622,862,050)	(5,619,303,904)
Raw materials consumption-Scrap		30,112,096,153	20,424,013,670
Opening stock of Direct Consumable		50,957,453	197,668,294
Add: Purchase during the year		1,212,813,350	767,080,265
Less: Closing stock of Direct Consumable		(117,827,781)	(50,957,453)
Direct Consumable Consumption		1,145,943,022	913,791,106
Add: Factory overhead	30.04	7,722,162,079	5,984,085,824
Cost of Billet Manufactured		38,980,201,254	27,321,890,600
Add: Opening stock of Billet FG		787,946,141	700,942,958
Less: Closing stock of Billet FG		(443,279,835)	(787,946,141)
Transfer to Rolling Mills		(39,321,650,794)	(26,678,125,159)
Cost of sales -Billet		3,216,766	556,762,257
30.02 Cost of sales- MS Rod			
Opening stock of raw materials-Billet		785,939,633	2,153,871,330
Add: Purchase during the year		3,028,295,976	2,475,079,879
Transfer from Melting Shop		39,321,650,794	26,678,125,159
Less: Closing stock of raw materials-Billet		(694,257,849)	(785,939,633)
Raw materials consumed-Billet		42,441,628,554	30,521,136,735
Add: Factory overhead	30.04	2,218,587,450	1,700,278,553
Cost of Goods Manufactured		44,660,216,004	32,221,415,288
Add: Opening stock of finished goods		5,277,353,254	5,604,652,413
Less: Issuance for Project/Repair		(3,840,219)	(9,078,575)
Less: Closing stock of finished goods		(2,870,904,910)	(5,277,353,254)
Cost of sales -own production		47,062,824,129	32,539,635,872



		01 July 2020 to 30 June 2021	01 July 2019 to 30 June 2020
	Note(s)	Taka	Taka
30.03 Cost of sales- finished goods procured from outside			
Opening stock of finished goods		4,672,074	31,360,460
Add: Finished goods purchased from outside		-	14,427,357
		4,672,074	45,787,817
Less: Issuance for Project/Repair		(3,847,664)	(19,741,472)
Less: Closing stock of finished goods		-	(4,672,074)
Cost of sales- finished goods procured from outside		824,410	21,374,271
30.04 Factory Overheads			
Car allowance		7,919,999	6,899,096
Carrying charges		375,702,525	401,388,285
Consulting fees		1,854,486	2,898,606
Conveyance expenses		29,945,141	30,417,238
Depreciation	4.00	1,019,859,105	909,511,439
Depreciation of ROU Asset	5.00	52,961,342	52,695,618
Electrical store consumption		219,672,391	64,548,871
Entertainment		7,701,100	7,852,619
Fees and renewals		842,910	822,694
Fuel and Lubricants		208,479,150	233,978,761
Gas		314,325,321	233,603,224
General store consumed		47,818,624	12,133,684
Gratuity		24,770,531	32,872,257
Guest house expenses		3,098,939	3,666,941
Guest house rent		4,015,201	6,113,812
Insurance expenses		22,143,998	20,396,404
Land revenue- holding tax		120,000	270,000
Mechanical store consumption		713,014,526	391,185,775
Medical expenses		6,367,828	2,952,664
Motor car expenses		85,178	111,217
Other store consumption		1,045,590,177	749,256,156
Overtime		16,686,620	13,632,447
Paper and periodicals		7,100	10,002
Postage and telegram		44,086	48,155
Power		4,971,784,802	3,787,356,250
Rental expenses		70,000	-
Repairs and Maintenance		45,281,510	34,892,801
Salaries and allowances		587,688,379	529,382,023
Stationery		6,669,675	8,387,212
Testing charges		262,572	185,060
Travelling expenses		2,926,355	4,437,622
Utility expenses		20,823,698	9,615,279
Wages		182,216,260	132,842,168
		9,940,749,529	7,684,364,377
31.00 Selling and Distribution Expenses			
Advertisement		237,018,348	200,963,243
Brokerage and commission		256,653,352	286,452,417
Car allowance		5,175,670	5,843,427
Carriage on sales		309,850,611	268,599,274
Conveyance expenses		2,566,571	4,212,234
Depreciation	4.00	33,524,438	33,940,777
Depreciation of ROU Asset	5.00	6,284,691	5,878,535
Electricity expenses-Depot		4,679,320	4,365,841
Entertainment		6,735,879	19,312,172
C&F Charge - Export		4,581,288	2,368,990
Fees and renewals		1,228,072	2,681,661
Generator rent & fuel		62,151	45,704
Gratuity expenses		7,447,284	4,822,696
Internet expenses		742,210	681,037
Medical expenses		1,071,727	1,047,220
Motor cycle allowance		4,640,006	2,834,159
Paper and periodicals		45,785	57,974



		01 July 2020 to 30 June 2021	01 July 2019 to 30 June 2020
	Note(s)	Taka	Taka
Printing charges		7,713,683	7,799,601
Rental Expenses		170,413	
Repair and maintenance		1,614,698	819,149
Royalty expenses	31.01	117,044,183	83,912,019
Salaries and allowances		130,188,149	112,786,019
Sales promotion expenses		19,922,377	44,619,749
Stationery expenses		278,516	341,667
Testing charges		5,472,305	6,066,285
Travelling expenses		4,132,204	11,513,250
		1,168,843,931	1,111,965,100

31.01 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 2015 according to Trademark License Agreement between the Company and HACL effective from the aforesaid date.

32.00 Administrative Expenses

Advertisement Expenses		531,590	814,960
Amortization of Intangible asset		6,879,378	6,879,378
Audit fees		1,357,000	1,136,775
Board Meeting expenses		302,500	305,500
Car allowance		7,503,032	8,338,508
Conveyance expenses		2,662,237	1,111,277
CSR expenses		22,683,105	39,085,418
Depreciation	4.00	22,670,028	23,028,517
Depreciation of ROU Asset	5.00	10,958,590	11,270,476
Directors' remuneration	32.01	94,500,000	94,500,000
Electricity expenses		2,861,841	2,343,961
Entertainment		7,122,998	7,744,603
Fees and renewals		6,730,640	7,653,299
Gratuity expenses		6,875,840	9,375,459
Guest house expenses		675,436	601,028
Guest house rent		2,009,487	1,931,347
Insurance expenses		97,750	73,997
Internet expenses		1,364,000	1,371,106
Land revenue		714,595	592,534
Leave assistance		1,725,000	1,530,000
Legal expenses		2,328,367	527,868
Medical expenses		4,256,216	4,099,619
Motor car expenses		5,399,198	4,888,441
Motor cycle allowance		593,029	831,360
Office rent		657,581	1,638,588
Paper and Periodicals		926,761	983,521
Postage expenses		458,256	333,643
Professional and consulting fee		7,518,352	19,041,442
Repair and maintenance		3,199,781	3,280,930
Salaries and allowances		242,004,908	230,434,940
Stationery expenses		3,103,024	3,248,298
Subscriptions		299,800	299,000
Telephone expenses		9,609,792	9,996,022
Training expenses		697,790	1,426,225
Travelling expenses		3,747,835	5,712,623
		485,025,737	506,430,664

32.01 Details of Directors' remuneration paid during the period are as follows:

Directors' Name	Gross Remuneration	Income Tax Deducted	Net Paid
	Taka	Taka	Taka
Mr. Alihussain Akberali-Chairman	40,500,000	12,150,000	28,350,000
Mr. Aameir Alihussain-Managing Director	36,000,000	10,800,000	25,200,000
Mr. Zohair Taherali-Director	11,400,000	3,420,000	7,980,000
Mrs. Tehseen Zohair Taherali- Director	6,600,000	1,980,000	4,620,000
	94,500,000	28,350,000	66,150,000



		01 July 2020 to 30 June 2021	01 July 2019 to 30 June 2020
	Note(s)	Taka	Taka
33.00 Other Operating Income			
Gain on sale of property, plant and equipment assets		1,842,346	1,800,607
Miscellaneous income		17,108,221	16,316,674
Other Income PF Forfeiture		85,945	888,881
		19,036,512	19,006,162
34.00 Finance Costs			
Agency fees		2,230,000	2,165,000
Bank charges & others		38,082,473	44,067,528
Bank Guarantee Commission		1,569,491	377,218
Foreign exchange loss on translation		-	20,404,873
Interest on OD, cash credit		73,777,279	234,187,891
Interest on Syndicate loan		740,519,550	907,282,056
Interest on LATR		1,838,760	19,597,029
Interest on Demand and Time loan		372,457,347	1,271,396,551
Interest on Term loan		15,100,633	41,421,668
Interest on Stimulus loan		82,125,331	-
Interest expense on lease liability		12,392,673	15,088,621
Interest on redeemable zero coupon bond		1,195,911	38,813,469
Interest on balance due from inter companies		(805,441,467)	(722,276,313)
		535,847,981	1,872,525,590
35.00 Finance Income			
Foreign currency exchange gain	35.01	17,996,532	836,838
Interest on trade debtors		13,747,955	11,528,032
Interest income from FDR		99,377,415	49,025,611
		131,121,902	61,390,481
35.01 Foreign Currency Exchange Gain			
Foreign currency gain on transaction		9,995,638	836,838
Foreign currency gain on translation		8,000,894	-
		17,996,532	836,838
36.00 Share of Profit/(Loss) of Associate (net of tax)			
Net profit/(loss) attributable to the shareholders of associate		-	598,719,417
Percentage of holding		-	25.35%
Net profit/(loss) attributable to BSRM Steels Ltd.		-	151,791,502
			30 June 2021
	Note(s)	Taka	
37.00 Loss on Derecognition of Investment in Associate			
Fair value of financial asset as on 30 June 2021	9	2,476,800,000	
Carrying amount of investment in associate as on 30 June 2020	8	(3,608,800,543)	
			(1,132,000,543)
Adjustment:			
Recognition of fair value reserve on financial asset			1,329,120,000
Recognition of deferred tax - fair value reserve on financial asset			147,680,000
Reversal of revaluation reserve of associate			(1,356,704,445)
Reversal of deferred tax liability - revaluation reserve of associate			(239,418,431)
			(119,322,876)
Loss on derecognition of investment in associate			(1,012,677,667)
			01 July 2019 to 30 June 2020
		01 July 2020 to 30 June 2021	Taka
38.00 Earnings per share			
Basic earnings per share (EPS)			
Profit attributable to the ordinary shareholders		3,047,085,826	742,276,623
Number of ordinary shares at the year end		375,952,500	375,952,500
Weighted Average number of shares outstanding during the year		375,952,500	375,952,500
Basic earnings per share (EPS)		8.10	1.97



Earnings per share (EPS) has been computed by dividing the net profit after tax (NPAT) by the weighted average number of ordinary shares outstanding on the reporting date as per IAS-33: Earnings Per Share. No diluted EPS was required to be calculated for the year since there was no scope for dilution.

	30 June 2021	30 June 2020
	Taka	Taka
39.00 Net Asset Value Per Share (NAV)		
Total Assets	72,385,200,323	64,614,552,449
Less: Total Liabilities	(48,933,349,941)	(43,246,014,286)
Net Asset Value (NAV)	23,451,850,382	21,368,538,163
Number of ordinary shares outstanding during the period	375,952,500	375,952,500
Net Assets Value (NAV) per share	62.38	56.84
	01 July 2020 to	01 July 2019 to
	30 June 2021	30 June 2020
	Taka	Taka
40.00 Net operating cash flow per share		
Net operating cash flows (From statement of Cash Flows)	7,845,646,991	2,093,982,754
Number of ordinary shares outstanding during the period	375,952,500	375,952,500
Net operating cash flow per share	20.87	5.57

41.00 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 Arms Length Basis. The name of these related parties, nature of transactions, their total value and balances on reporting date have been set in accordance with the provisions of IAS 24.

Related parties comprise of companies under common ownership and common management control.

Name of parties	Relationship	Nature of Transactions	Outstanding as on 30 June 2021	Mode of Transaction
Bangladesh Steel Re-Rolling Mills Limited	Shareholder	Short term loan	-	Dr.
BSRM Ispat Limited	Sister Company	Short term loan	192,375,942	Dr.
BSRM Logistics Limited	Sister Company	Short term loan	73,723,594	Dr.
H. Akberali & Co. Limited	Sister Company	Short term loan	942,625,968	Dr.
Chittagong Power Company Ltd.	Sister Company	Short term loan	806,425,234	Dr.
BSRM Wires Limited	Sister Company	Short term loan	691,230,344	Dr.

41.01 Details of transactions

Name of inter companies	Opening balances	Transaction during the year (Net)	Amount owed by related parties	Amount owed to related parties
Bangladesh Steel Re-Rolling Mills Limited	(822,902,651)	Cr. 822,902,651	-	-
BSRM Ispat Limited	26,821,942	Dr. 165,554,000	192,375,942	-
BSRM Steel Mills Limited	5,724,196,546	Dr. (5,724,196,546)	-	-
BSRM Logistics Limited	254,586,459	Dr. (180,862,865)	73,723,594	-
H. Akberali & Co. Limited	1,403,811,968	Dr. (461,186,000)	942,625,968	-
Chittagong Power Company Limited	707,888,324	Dr. 98,536,910	806,425,234	-
BSRM Wires Limited	714,411,435	Dr. (23,181,091)	691,230,344	-

These amounts are classified as Due to and Due from related companies, respectively (see Notes 12 and 22)

	30 June 2021	30 June 2020
	Taka	Taka
41.02 Key management personnel compensation		
In accordance with para 17 of IAS 24 related party disclosure: during the year the amount of compensation paid to key management personnel including Board of Directors is as follows;		
Short term benefits	119,682,588	118,261,888
Post Employment Benefits	-	-
Other long Term benefit	-	-
Termination Benefit	-	-
Share-based Payment	-	-
	119,682,588	118,261,888



	30 June 2021	30 June 2020
	Taka	Taka
42.00 Reconciliation of cash generated by operations		
Profit before income tax	3,919,061,759	1,825,705,164
Adjustment for:		
Depreciation charged	1,076,053,571	966,480,733
Amortization charged	77,084,001	76,724,007
Gain on sale of property, plant and equipment	(1,842,346)	(1,800,607)
Finance Income	(131,121,902)	(61,390,481)
Finance Cost	535,847,981	1,872,525,590
Loss on derecognition of investment in associate	1,012,677,667	(151,791,502)
	2,568,698,972	2,700,747,740
Changes in:		
Provision for WPPF & Welfare Fund	171,464,514	(19,282,917)
Defined Benefit Obligations - Gratuity	31,433,709	33,107,024
Inventories (net of inventory for non-current asset)	1,191,800,075	92,622,449
Trade Receivables	(131,709,827)	2,488,897,569
Trade Payables	769,458,976	(3,222,802,811)
Contract Liabilities	804,421,033	(251,895,404)
Other Receivables (Net of interest receivable)	-	1,900,305
Lease Obligation Paid	(80,973,954)	(79,368,566)
Advances, deposits and pre-payments (net of advance income tax and advance against non-current asset)	143,838,489	621,162,665
Liabilities for Expenses	(99,457,870)	91,017,702
Other Liabilities	(55,628,630)	426,218,234
	2,744,646,515	181,576,250
Cash Generated from Operation	9,232,407,246	4,708,029,154
Payment of interest-net	(317,623,683)	(1,804,027,792)
Income tax paid	(1,069,136,572)	(810,018,608)
Net cash flows from operating activities	7,845,646,991	2,093,982,754
43.00 Contingent liabilities		
43.01 Bank guarantees		
IFIC Bank Limited	47,653,091	47,653,091
HSBC	839,979	839,979
Mercantile Bank Limited	145,373,000	140,725,874
	193,866,070	189,218,944
43.02 Claim against trade VAT by Customs, Excise & VAT authority		
Claim against trade VAT by Customs, Excise & VAT authority	23,053,915	23,053,915
	23,053,915	23,053,915

An amount of Tk. 23,053,915.27 was claimed by Customs, Excise and VAT authority, Bondor Circle, Narayanganj vide nothi no. 04/VAT/Warehouse (02)/Bondor circle/2012/207 dated 3rd November 2014 for trade VAT on sale of 115,269 MT finished goods. The company filed a writ petition no. 10833 of 2014 before the Hon'ble High Court Division of the Supreme Court of Bangladesh and the court stayed the claim. In view of above, no provision for this claim have been made in the financial statements.

43.03 Corporate guarantees

The company has a policy to extend corporate guarantees 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. The corporate guarantee acts as a comfort for banks in addition to the collateral security which comprises of mortgage of land, lien of shares by the sister companies. The company has provided the following guarantees at 30 June 2021:

	30 June 2021	30 June 2020
	Taka	Taka
Joint guarantee	20,720,000,000	27,024,600,000
	20,720,000,000	27,024,600,000

Joint guarantee includes gurantee for sister companies: Bangladesh Steel Re-Rolling Mills Limited, BSRM Wires Limited and H. Akberali & Co. Limited



The company has not recognized a liability in respect of the corporate 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 sister companies are in a 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:

Name of sister companies	Credit Rating	
	30 June 2021	30 June 2020
Bangladesh Steel Re-Rolling Mills Limited	AA	AA
BSRM Wires Limited	BBB+	BBB+
H. Akberali & Co. Limited	A+	A

44.00 Production Capacity

Installed Capacity (In M. Ton)- yearly	800,000	750,000
Production (In M. Ton)	816,494	643,917
Capacity utilized- (%)	102.1%	85.9%

The above mentioned production capacity represents the normal production capacity of the company only.

45.00 Employees

Number of employees whose monthly salary was below Tk. 3,000	-	-
Number of employees whose monthly salary was above Tk. 3,000	1,416	1,384
	1,416	1,384

46.00 Financial instruments- 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 company's policies for controlling risks and exposures.

The management has overall responsibility for the establishment and oversight of the company's risk management framework. The company's risk management policies are established to identify and analyse the risks faced by the company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies, procedures and systems are reviewed regularly to reflect changes in market conditions and the company's activities. This note presents information about the company's exposure to each of the following risks, the company's objectives, policies and processes for measuring and managing risk, and the company's management of capital. The company has exposure to the following risks from its use of financial instruments.

- 43.01 Credit risk
- 43.02 Liquidity risk
- 43.03 Market risk

Risk management framework

The company management has overall responsibility for the establishment and oversight of the Company's risk management framework. The company's management policies are established to identify and analyse the risks faced by 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.

46.01 Credit risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments.

46.01.01 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 as follows:

	30 June 2021	30 June 2020
	Taka	Taka
Financial Asset (Investment in Bangladesh Steel Re-Rolling Mills Limited)	2,476,800,000	-
Investments in FDRs	2,310,041,175	1,085,506,724
Advances, deposits and prepayments	3,926,493,428	3,620,663,887
Trade and other receivables	7,704,517,200	7,647,181,033
Due from related companies	2,706,381,082	8,831,716,675
Cash at banks	2,809,693,692	940,054,755
	21,933,926,577	22,125,123,074



46.01.02 Ageing of trade receivables

The ageing of gross value at the reporting date that was not impaired was as follows:

	30 June 2021	30 June 2020
	Taka	Taka
Due within 90 days	6,193,771,812	4,534,541,143
Due within 91 to 180 days	368,719,075	1,846,021,547
Above 181 days	770,461,506	820,679,876
	7,332,952,393	7,201,242,566

46.02 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. The Company's approach to managing 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.

Exposure to Liquidity risk

The table below summarises the maturity profile of the Company's financial liabilities based on contractual payments.

Non-derivative financial liabilities	Carrying amount	Interest rate	Contractual cash flows		
			Within 12 months	1 to 5 years	More than 5 years
As at 30 June 2021	Taka	%	Taka	Taka	Taka
Long term loans	8,567,449,502	7.75% - 9%	1,886,837,159	6,680,612,343	-
Trade payables	908,266,517	N/A	908,266,517	-	-
Short term loans	32,836,067,730	3.75%-6.50%	32,836,067,730	-	-
Liabilities for expenses	964,341,758	N/A	964,341,758	-	-
Defined benefit obligations- Gratuity	231,003,711	N/A	231,003,711	-	-
Provision for WPPF and Welfare fund	259,565,233	N/A	259,565,233	-	-
Unclaimed dividend	26,258,072	N/A	26,258,072	-	-
Other liabilities	684,087,793	N/A	684,087,793	-	-
	44,477,040,316		37,796,427,973	6,680,612,343	-

Non-derivative financial liabilities	Carrying amount	Interest rate	Contractual cash flows		
			Within 12 months	1 to 5 years	More than 5 years
As at 30 June 2020	Taka	%	Taka	Taka	Taka
Long term loans	9,839,762,262	9.5% - 10.50%	2,294,041,868	9,067,948,647	-
Trade payables	138,807,541	N/A	138,807,541	-	-
Short term loans	26,655,065,746	10.15% - 13.25%	26,655,065,746	-	-
Liabilities for expenses	1,063,799,629	N/A	1,063,799,629	-	-
Defined benefit obligations- Gratuity	73,582,072	N/A	73,582,072	-	-
Provision for WPPF and Welfare fund	88,100,719	N/A	88,100,719	-	-
Unclaimed Dividend	24,873,805	N/A	24,873,805	-	-
Other liabilities	739,716,423	N/A	739,716,423	-	-
	38,623,708,197		31,077,987,803	9,067,948,647	-

46.03 Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Financial instruments affected by market risk include loans and borrowings, deposits and derivative financial instruments.

(a) Currency risk exposure and its management

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities (when revenue or expense is denominated in a foreign currency). To manage this exposure, the company is adapted direct risk reduction methods based on matching receipts and payments on assets and liabilities.

The Company is exposed to foreign currency risk relating to purchases, sales and other transactions which are denominated in foreign currencies. As at 30 June 2021, the Company was exposed to foreign currency risk in respect of financial liabilities denominated in the following currencies:



(i) Exposure to currency risk	30 June 2021		30 June 2020	
	USD	Taka	USD	Taka
Foreign currency denominated assets				
Cash and cash equivalents	5,246,932	445,726,893	9,696,430	823,711,693
	5,246,932	445,726,893	9,696,430	823,711,693
Foreign currency denominated liabilities				
Liability for accepted bills for payment	315,380,381	26,791,563,403	177,997,015	15,120,846,456
Syndicated term loan	18,335,974	1,557,640,967	20,782,433	1,765,467,700
	333,716,355	28,349,204,370	198,779,449	16,886,314,156
Net exposure	(328,469,423)	(27,903,477,477)	(189,083,019)	(16,062,602,463)

The following significant exchange rate is applied during the Year:

	30 June 2021	30 June 2020
Exchange rate of US Dollar	84.95	84.95

(ii) Sensitivity analysis

A reasonably possible strengthening (weakening) of the US Dollar against BD 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		30 June 2020	
	Profit or loss		Profit or loss	
	Strengthening	Weakening	Strengthening	Weakening
	Taka	Taka	Taka	Taka
USD (2% movement)	(558,069,550)	558,069,550	(321,252,049)	321,252,049

(b) Transaction risk

Transaction risk is the risk that the company will incur exchange losses when the accounting results are translated into the home currency.

(c) Economic risk

Economic risk refers to the effect of exchange rate movements on the international competitiveness of the company.

(d) 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.

	30 June 2021	30 June 2020
	Taka	Taka
Fixed- rate instruments		
Financial assets	5,016,422,257	9,917,223,399
Financial liabilities	(41,403,517,232)	(16,815,303,484)
	(36,387,094,975)	(6,898,080,085)
Variable- rate instruments		
Financial assets	-	-
Financial liabilities	-	-
	-	-

(e) Other market price risk

The company is exposed to equity price risk, which arises from available for sale equity and debt securities. Management of the company monitors its investment portfolio based on market indices and all buy and sell decisions are approved by the Directors.

47.00 Events after reporting date:

47.01 Proposed Dividend:

The Board of Directors of BSRM Steels Limited at its 254th meeting held on 23 October 2021 recommended a final cash dividend amounting to BDT 1,127,857,500 being 30% of the paid-up capital (i.e. BDT 3.00 per share) for the year 30 June 2021. Total cash dividend including this final cash dividend stands at 40% of the paid-up capital (i.e. BDT 4.00 per share) for the year 30 June 2021. These dividends are subject to final approval by the shareholders at the forthcoming annual general meeting of the company



47.02 Minimum amount to be distributed as dividend

As per Section 16G of ITO 1984, as a listed company, BSRM Steels 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.

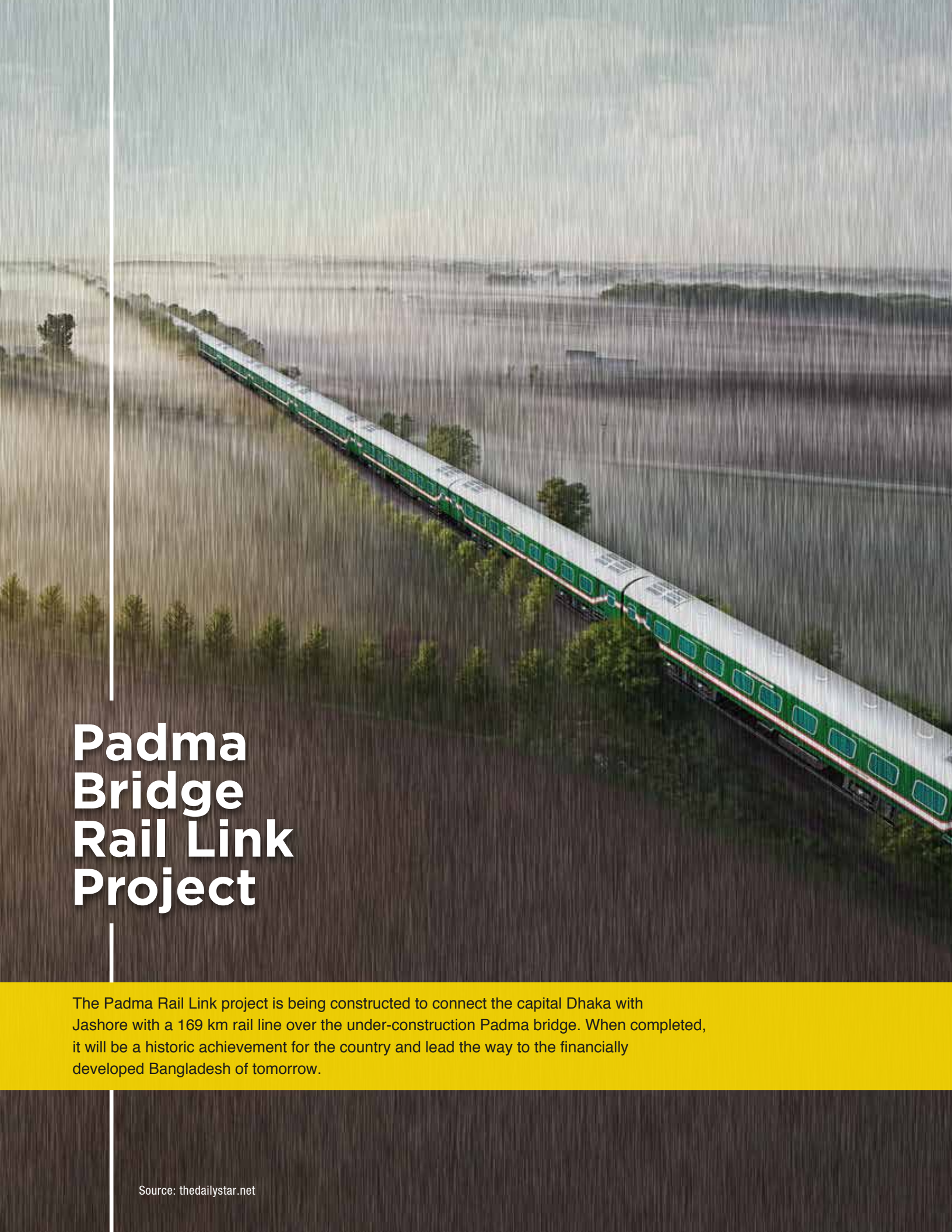
	<u>01 July 2020 to</u> <u>30 June 2021</u> <u>Taka</u>
Distributable Income	3,047,085,826
Minimum Dividend Percentage as per Section 16G	30%
Amount to be Distributed as Dividend	<u>914,125,748</u>
Net Profit Before Tax	3,919,061,759
Less: Income Tax	(871,975,933)
Distributable Income	<u>3,047,085,826</u>





Dhaka Metro Rail Project

The pathway to a traffic-free Dhaka will open up when the Dhaka Metro Rail starts running in full swing. Currently under construction, this Mass Rapid Transport (MRT) system will ease the extreme traffic jams and congestion that occur throughout the entire city daily. Currently, the metro rail system consists of one line called Line-6, with other metro rail lines to be added in the future.

An aerial photograph showing a long, green and white train crossing a bridge over a wide river. The train is composed of many green passenger cars with white roofs and red and blue accents. The bridge is a long, straight structure that spans the width of the river. The river is a muddy brown color, and there are some small islands or patches of land in the water. The sky is overcast and grey. The overall scene is a wide-angle shot from a high altitude, looking down at the train and the river.

Padma Bridge Rail Link Project

The Padma Rail Link project is being constructed to connect the capital Dhaka with Jashore with a 169 km rail line over the under-construction Padma bridge. When completed, it will be a historic achievement for the country and lead the way to the financially developed Bangladesh of tomorrow.

Shareholders' Information

ANNUAL GENERAL MEETING (AGM)

No. of AGM : 19th AGM

Date : December 23, 2021

Venue : Digital Platform

Time : 10:30 AM

FINANCIAL CALENDAR

Financial Period: July 01, 2020 to June 30, 2021.

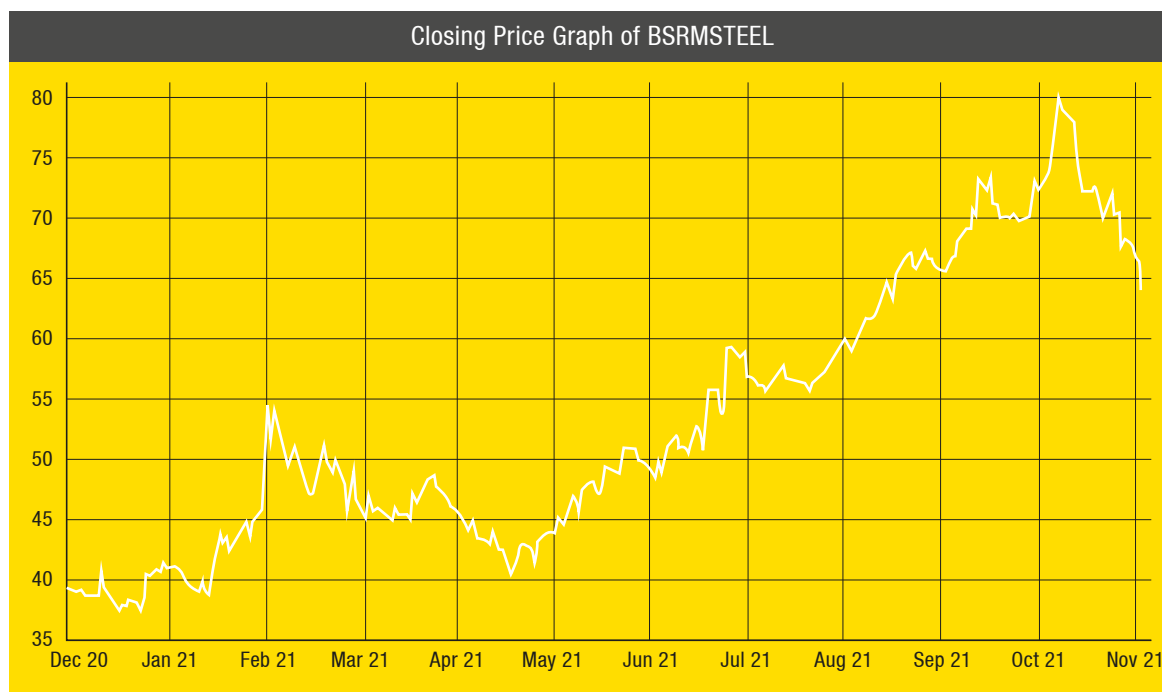
During the periods mentioned, the operational results of the company were announced on:



RECORD DATE

The record date is 18th November, 2021.

BSRM STEELS SHARE PERFORMANCE ON STOCK EXCHANGES



Movement of share price on **Dhaka Stock Exchange Ltd. (DSE)** during the year 2020-21:

DIVIDEND DATE

The Board in its 254th meeting held on October 23, 2021 recommended total Cash Dividend 40% (10% Interim & 30% Final) for Financial Year 2020-2021.

LISTING

The company's shares are listed at the Stock Exchanges at Dhaka and Chittagong of Bangladesh.

FACE VALUE PER SHARE: Tk. 10/=

CLOSING PRICE OF PER SHARE

Closing Price of per share of your company as at 30th June 2021 was Taka 56.00

DIVIDEND		
Year	Rate of Dividend	Form of Dividend
2020-21	30%	Cash(Recommended)
2020-21	10%	Cash(Interim-Paid)
2019-20	15%	Cash
2018-19	25%	Cash
2017-18	10% and 10%	Stock & Cash respectively
2016-17	15%	Cash (Final)
2016-17	20%	Cash (Interim)
2015	30%	Cash
2014	15%	Cash
2013	15%	Cash
2012	10% and 5%	Cash and Stock respectively
2011	15%	Cash
2010	20%	Stock

EPS	
Year	Taka
2020-21	8.10
2019-20	1.97
2018-19	4.60
2017-18	4.79
2016-17	8.66 (18 Months)
2015	6.09
2014	3.18
2013	4.95
2012	2.53
2011	2.46
2010	2.82

MARKET CAPITALIZATION	
Year	Taka in million
2020-21	21053
2019-20	12,632
2018-19	21,918
2017-18	23,958
2016-17	31,067 (18 months)
2015	30,247
2014	29,974
2013	23,480
2012	22,101
2011	38,572
2010	57,200

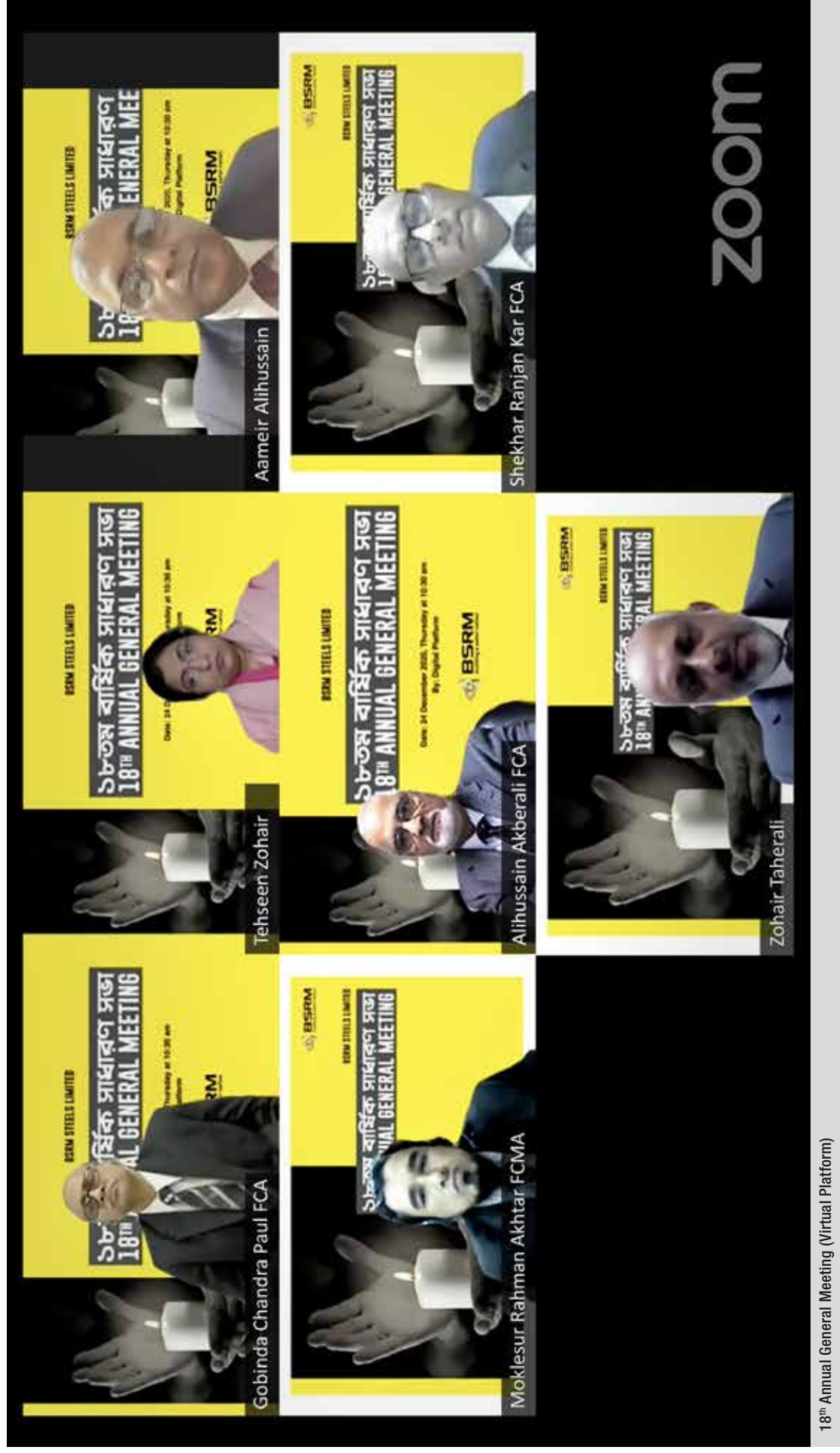
PLANT LOCATION

- Rolling Unit:- 4, Fouzderhat Industrial Estate, Chattogram, Bangladesh. Tel: +88(031) 2770191-3.
- Melting Unit-1: 202-205, Nasirabad Industrial Estate, Baizid Bostami Road, Chattogram, Bangladesh. Tel: +88-031-2581361-3.
- Melting Unit-2: Khilmurari, Zorawargonj, Mirsarai, Chattogram, Bangladesh. Tel: +88-031-626312-3

INVESTOR CORRESPONDENCE

Mail to: BSRM Steels Ltd., Ali Mansion, 1207/1099, Sadarghat Road, Chittagong, Bangladesh,
Voice: +880 02333354901-10, E-mail:share@bsrm.com, Fax: +88-02-333368301 Web: www.bsrm.com

Events and Images





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 Shiek 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. Aameir 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 Minister Sheikh Hasina handed over the esteemed award to Finance Director Mr. Zohair Taherali



"16th ICAB National Award for Best Presented Annual Report 2015"

BSRM Office Map



GLOSSARY OF TERMS

Terms	Brief Description
The Company / Parent	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 multiple by Ordinary number of Shares

BSRM Steels Limited
Registered office: Ali Mansion, 1207/1099 Sadarghat Road, Chattogram.
PROXY FORM

I/We(Name)
of(Address)
a Shareholder of BSRM Steels Limited ("the company") hereby appoint,
Mr./Ms.(Name)
of(Address)
as my /our proxy, to attend on my/our behalf at the 19th 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 Proxy
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, Chittagong not later than 48 hours before the time fixed for the holding of the meeting.

Signature Verified

.....
Authorized Signature
BSRM Steels Limited

BSRM Steels Limited
Registered office: Ali Mansion, 1207/1099 Sadarghat Road, Chattogram.
ATTENDANCE SLIP

I hereby record my presence at the 19th Annual General Meeting of BSRM Steels Limited on **December 23, 2021**.

Name.....

BO ID

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Signature Verified

.....
Signature

.....
Authorized Signature
BSRM Steels Limited

Note: Please complete this Attendance Slip and deposit at the registration counter on the day of the meeting.

Corporate Office:

Ali Mansion

1207/1099 Sadarghat Road

Chattogram-4000 Bangladesh.

Tel: +88 02333354901-10

Fax: +88 02333360301

Email: mail@bsrm.com
