



BSRM STEELS LIMITED





# BOUNDLESS DREAMS

For every nation, there are momentous events that change the course of its history and its future. This year marks one such milestone and momentous event for Bangladesh – the construction of the colossal Padma Bridge.

It stands as a testament to overcoming a challenge and achieving a major success for the nation. For when the world once said that it couldn't be done, Bangladesh made this dream a reality. The Padma Bridge heralds the start of a new era of progress and development for the people of the country, opening new opportunities for business, education, trade and so much more. Now the people can dream bigger and make those dreams a reality.

BSRM is proud to be a part of this historic megastructure. The Padma Bridge not only connects the two halves of the country together, it connects the past and present of this nation, paving the way to the future itself.

#### **LETTER OF TRANSMITTAL**

Date: December 06, 2022

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, 2022

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, 2022 for your information and record.

Yours sincerely,

Shekhar Ranjan Kar FCA

Head of Finance & Accounts and Company Secretary

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# 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.

# OUR V VALUES

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.

**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.

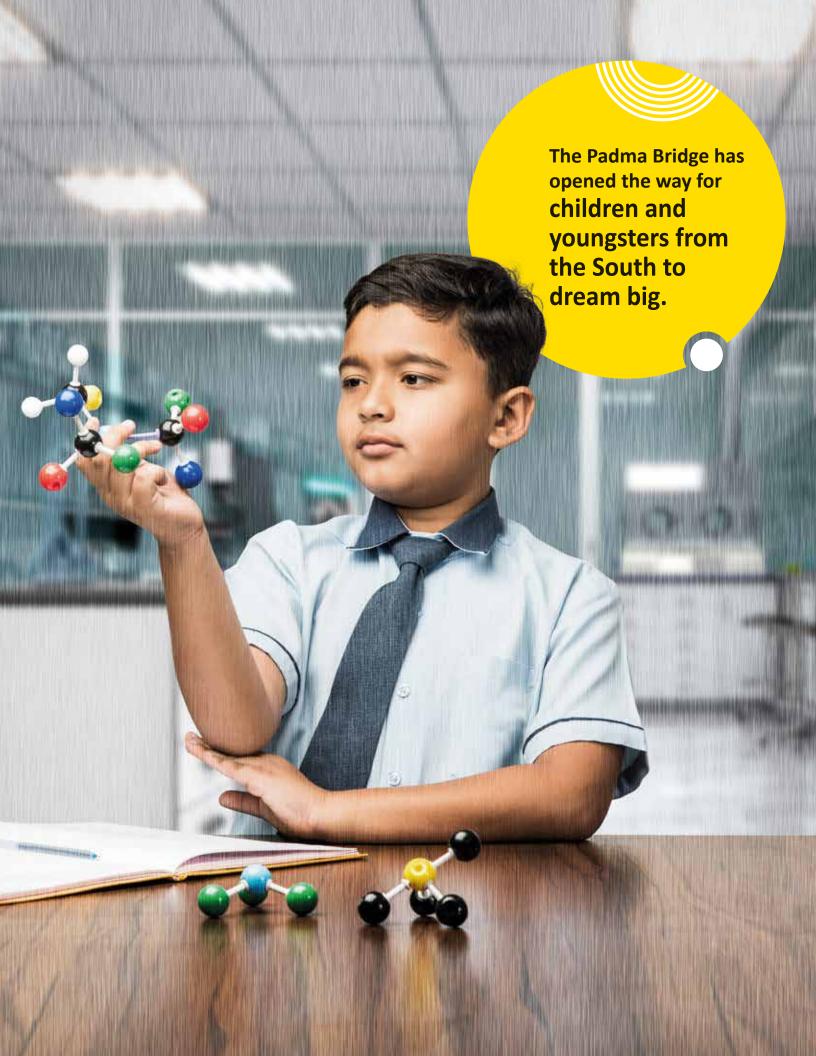
**Social Responsibility:** Acknowledge and fulfill our obligations towards the society by undertaking initiatives for the general uplifting of the society, building capability and making facilities available to the underprivileged.

**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.



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.



#### 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 18<sup>th</sup> 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 1<sup>ST</sup> 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 Bandladesh.
- 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 CO<sub>2</sub> wire.

#### 2021-22

Another feather of success has added to our portfolio by starting its Commercial Production of **BSRM Wires Limited** for Galvanized Iron (GI) wire, LRPC wire, Welding Electrode and CO<sub>a</sub> wire.

#### WHAT'S NEXT \_\_\_\_

Setting up of new bar and wire rolling and expansion of melting unit to enhance capacity of rolling by 6 lac M. Ton per annum and melting 2.5 lac M. Ton per annum in the name of BSRM Steels Limited.



# AWARDS & RECOGNITIONS











# AWARDS & RECOGNITIONS













# AWARDS & RECOGNITIONS





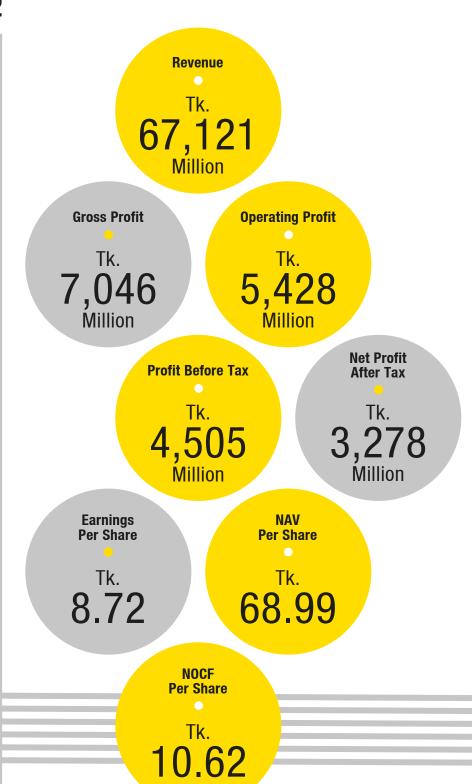








#### PERFORMANCE AT A GLANCE FOR 2021-22



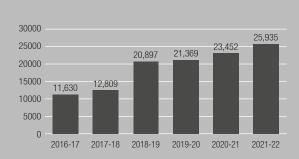
# KEY FINANCIAL HIGHLIGHTS

	Taka in Millio					
	2021- 2022	2020- 2021	2019- 2020	2018- 2019	2017- 2018	2016- 2017*
Assets Employed						
Non-Current Assets	26,521.16	25,673.50	27,641.78	26,793.86	13,995.01	12,104.11
Net Current Assets	6,609.32	6,569.87	3,702.68	5,126.14	1,886.17	1,953.94
Total Assets Employed	33,130.48	32,243.37	31,344.45	31,920.00	15,881.18	14,058.05
Total / 188000 Employee	,	02,210.01	01,01110	01,020.00	.0,001.10	,
Financed by						
Share Capital	3,759.53	3,759.53	3,759.53	3,759.53	3,417.75	3,417.75
Revaluation Reserve	7,903.18	7,915.26	7,927.98	7,940.93	2,613.85	2,602.00
Non Controlling Interest	-	-	-	-	-	107.08
Fair Value Reserve	1,658.30	1,329.12	-	-	-	
Retained Earnings	12,614.18	10,447.95	9,681.04	9,196.76	6,777.30	5,503.47
Shareholders' Equity	25,935.18	23,451.85	21,368.54	20,897.22	12,808.90	11,630.30
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Long Term Borrowings	4,995.76	6,680.61	7,590.43	9,067.95	1,777.56	1,117.90
Retirement Benefit Obligations - Gratuity	240.23	231.00	199.57	164.44	136.97	98.76
Deferred Tax Liabilities	1,755.51	1,799.73	2,112.33	1,790.40	1,157.75	1,211.09
Finance Lease Obligations Non-Current Portion	203.80	80.17	73.58	-	-	
Total Capital Employed	33,130.48	32,243.37	31,344.45	31,920.00	15,881.18	14,058.05
					· ·	<u> </u>
Operational Results						
Revenue	67,121.06	54,982.96	38,681.38	61,060.15	48,289.93	37,996.41
Gross Profit	7,045.54	7,230.86	5,172.54	5,051.91	4,879.17	4,557.30
Profit from Operations	5,427.69	5,596.03	3,573.15	3,369.05	3,180.65	3,273.59
Profit Before Interest, Taxes & Depreciation Allowances	6,496.93	6,672.08	4,539.63	3,993.81	3,644.34	3,746.02
Profit Before Tax	4,505.25	3,919.06	1,825.71	2,338.26	2,308.53	2,360.49
Profit After Tax	3,278.50	3,047.09	742.28	1,728.13	1,800.80	1,705.41
		,	,	<u>'</u>		
Ratios						
Gross Profit Ratio - %	10.50%	13.15%	13.37%	8.27%	10.10%	11.99%
Net Profit Ratio - %	4.88%	5.54%	1.92%	2.83%	3.73%	4.49%
EBITDA Margin to Sales - %	9.68%	12.13%	11.74%	6.54%	7.55%	9.86%
Return on Shareholders Equity - %	12.64%	12.99%	3.47%	8.27%	14.06%	14.66%
Return on Capital Employed - %	9.90%	9.45%	2.37%	5.41%	11.34%	12.13%
Current Ratio - Times	1.14	1.16	1.11	1.15	1.06	1.08
Quick / Acid Test Ratio	0.59	0.82	0.67	0.71	0.58	0.70
Inventory Turnover Ratio - Times	2.98	3.35	2.25	3.80	3.71	4.22
Total Assets Turnover Ratio - Times	0.82	0.76	0.60	0.93	1.06	1.17
Earnings Per Share (EPS) - Taka	8.72	8.10	1.97	4.60	4.79	4.98
Price/Earnings (P/E) Ratio - Times	7.71	6.91	17.02	12.68	14.63	18.25
Price/Equity Ratio - Times	6.72	5.60	3.36	5.83	7.01	9.09
Dividend Per Share (DPS) - Taka	3.00	4.00	1.50	2.50	2.00	2.00
Dividend Payout Ratio	0.34	0.49	0.76	0.54	0.42	0.40
Dividend Cover Ratio	2.91	2.03	1.32	1.84	2.39	2.49
Net Assets Value (NAV) Per Share - Taka	68.99	62.38	56.84	55.58	37.48	34.03
Net Operating Cash Flow Per Share - Taka	10.62	20.87	5.57	(12.43)	2.90	1.07
Gearing Ratio-Times	1.55	1.07	1.66	1.48	1.69	1.92
Interest Coverage Ratio	6.80	13.83	1.97	2.76	3.14	5.94
Market Price Per Share at 30 June - Taka	67.20	56.00	33.60	58.30	70.10	90.90
Market Capitalization at 30 June	25,264	21,053	12,632	21,918	23,958	31,067
Contribution to National Exchequer	10,816	9,873	5,969	4,708	4,954	2,936
Average Number of Employees	1455	1416	1384	1255	974	624

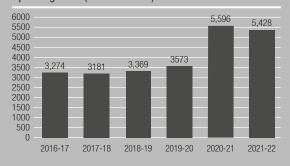
<sup>\*</sup>Information of 2016-2017 shows consolidated financial data.

#### **KEY PERFORMANCE INDICATORS**

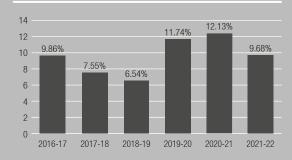
#### Shareholders' Equity (Taka in Million)



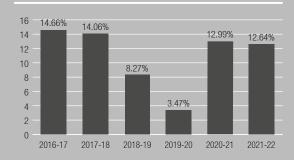
#### Operating Profit (Taka in Million)



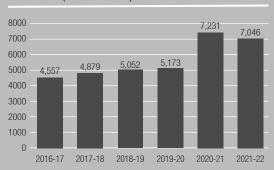
#### EBITDA to Sales (%)



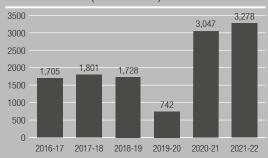
#### Return on Shareholders' Equity (%)



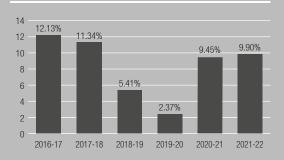
#### Gross Profit (Taka in Million)



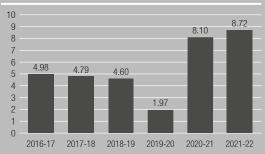
#### Net Profit after Tax (Taka in Million)



#### Return on Capital Employed (%)

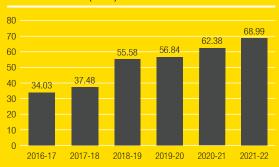


#### Earnings per Share (Taka)



#### **KEY PERFORMANCE INDICATORS**

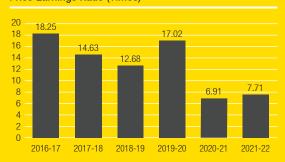
#### Net Assets Value (Taka)



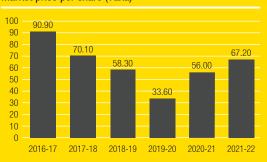
#### Dividend per Share (Taka)



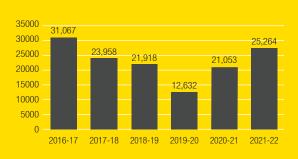
#### **Price Earnings Ratio (Times)**



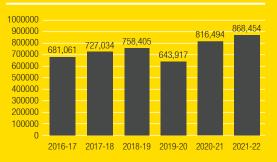
#### Market price per share (Taka)



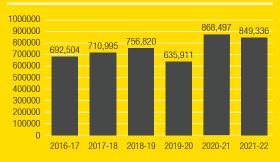
#### Market Capitalization (Taka in Million)



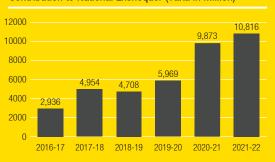
#### Production Qty (MT)



#### 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:

#### **EMPLOYESS**

Wages, Salaries, bonus, commssions, pensions and other benefits
PROVIDERS OF FINANCE
GOVERNMENT
DIVIDEND

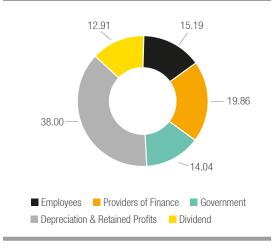
#### RETAINED FOR REINVESTMENT & FUTURE GROWTH

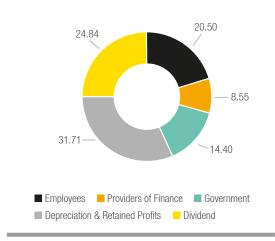
Depreciation & Amortization Retained Profit

2021-22 (%)

July'21 - June'22 TK	%	July'20 - June'21* TK	%
67,121,061,172		54,982,957,715	
1,062,637,728		132,161,882	
68,183,698,900		55,115,119,597	
59,448,757,109		49,060,095,984	
8,734,941,791	100	6,055,023,613	100
1,326,482,776	15.19	1,241,339,252	20.50
1,734,843,318	19.86	517,851,449	8.55
1,226,755,598	14.04	871,975,933	14.40
1,127,857,500	12.91	1,503,810,000	24.84
5,415,939,192	62.00	4,134,976,634	68.29
1,152,772,276	13.20	1,153,137,572	19.04
2,166,230,323	24.80	766,909,407	12.67
3,319,002,599	38.00	1,920,046,979	31.71
8,734,941,791	100	6,055,023,613	100

#### 2020-21 (%)





#### ECONOMIC VALUE ADDED (EVA)

Economic value added attempts to capture the true economic profit of a company. It is 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)

2021-22	2020-21*
4,206,462,042	4,336,923,822
33,130,478,756	32,243,367,350
10.00%	10.00%
3,313,047,876	3,224,336,735
893,414,167	1,112,587,087

#### EVA = NOPAT - COC

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

<sup>\*</sup> Represents restated value as per present FS

#### PRODUCTS & MARKETS

BSRM, the country's first trusted rolling mill, is capable of rolling construction reinforcing steel in diameters from 8mm to 50mm. The steel bars all conform to the national standard BDS ISO 6935-2 Grade 500 and the U.K. Standard BS 4449 grade B500C. The bars from 8mm to 20mm are used for general purpose construction of residential and commercial buildings. Higher diameters from 25mm to 50mm are used in high-rise buildings and bridge piers.

It also manufactures structural steel such as Angles in sizes from 25mmx25mmx3mm to 100mmx100mmx12mm and Channels 75mmx40mmx5mm to 125mmx65mmx8mm. The Angles and Channels conform to the national standard BDS ISO 630-3 Grade 345 and U.S. standard ASTM A572 Grade 50. Angles are used in trusses of factory buildings, telecommunication towers and power transmission towers. Channels are used in the fabrication of truck and trailer bodies and in the construction of steel buildings.

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

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

#### PRODUCT-WISE PERFORMANCE

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 2016 also requires EMF in Steel. **Fatigue tests** are conducted with the objective 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 were tested in the UK. At present in Bangladesh, BSRM is the only company to ensure **EMF** and **Fatigue Testing** steel.

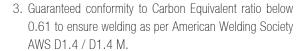
# A. XTREME B500CWR AND B500DWR Unique Features of Xtreme B500CWR

- 1. High design yield strength of 500 Mpa (72500psi) (Min).
- 2. Requires 15% less steel in construction compared to Grade 60 rebar's 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 Xtreme 500W was tested for weldability by a global electrode manufacturer, in Bangladesh, Linde. They have published a brochure to promote the unique welding features of Xtreme 500W, a rare honour for the company.
- 7. The bars are needle-straight, thanks to the Danieli QTB process no need for straightening at the construction site.

#### Features of Xtreme B500DWR:

- 1. 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.

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



- 4. Guaranteed bending properties for easy site fabrication into shapes required in civil construction as per British Standards BS 4466.
- 5. It fulfills all the requirements of Chapter 18 of the seismic design of Buildings of the American Concrete Institute ACI 318-19.
- 6. It is fully compliant to Bangladesh National Building Code (BNBC) 2020.
- 7. It is also fully compliant to BDS ISO 6935-2:2016 which is the official Reinforcing Steel standard of Bangladesh.

#### OTHER PRODUCTS

#### A. BSRM MAXIMA

In 2016 it rolled out new Grade reinforcing steel conforming to the U.S. standard ASTM A706 Grade 80. The Grade 80 reinforcement can replace the old ASTM A615 Grade 60 steel specified in all Government Agency design specifications. The new Grade 80 is more economical as it requires 20% less steel in construction. It is safer as well. The new Grade 80 has much higher elongation than the older Grade 60. It is the High Strength Reinforcement Bar. 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 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.

#### B. BSRM FAST BUILD

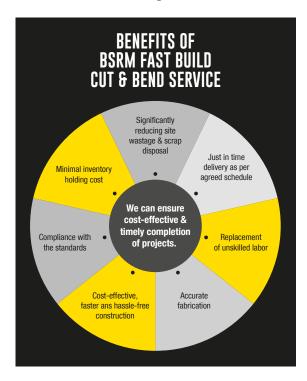
In 2019, BSRM introduced its new Service Center, BSRM Fast Build, to provide customized rebar solutions for all construction related needs. Under this value-adding service center, BSRM offers BBS (Bar Bending Schedule) Development, Cut & Bend, WWR (welded wire reinforcement), Coupler, Spiral Ring and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

BSRM Fast Build strongly follows the Bangladesh National Building Code and ACI to deliver all these customized 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 Center:

 Customized length of the rebar and bent at required angles/hooks/bending diameter in accordance with the project's blueprint.

- "Just in time" as per agreed schedule.
- Capable of managing inventories better by reducing material wastage and production costs.
- Ensuring 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 strictest quality control to ensure consistency, quality & accurate dimensions. They are compliant with the Bangladesh National Building Code (BNBC) and ACI.

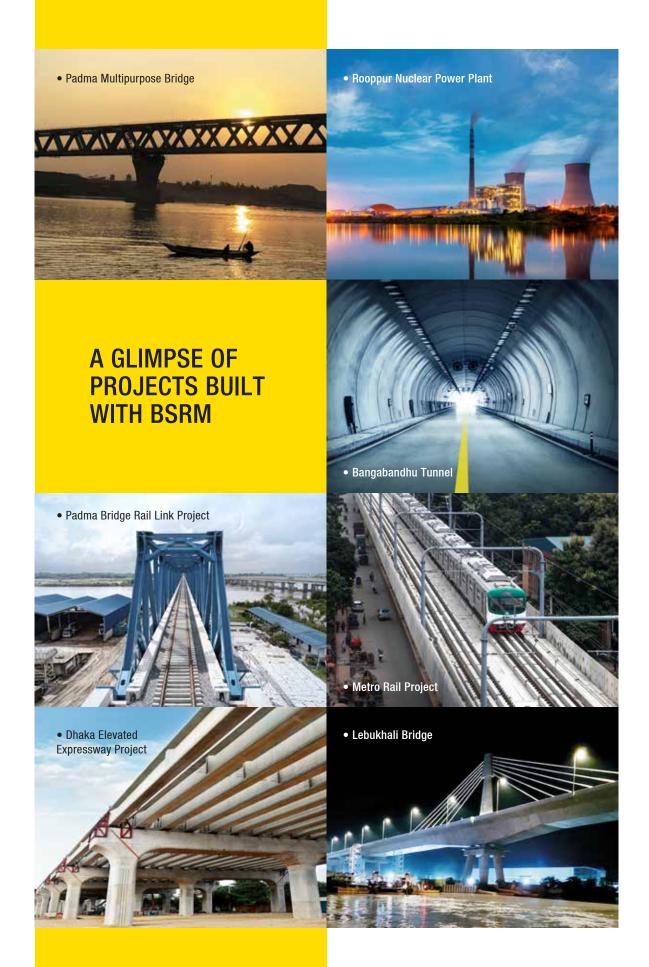
#### Landmark Infrastructure where BSRM was used:

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
- Bangabandhu Sheikh Mujibur Rahman Tunnel
- Maghbazar-Mouchak Flyover
- Bhairab Railway Bridge
- Bhairab-Ashuganj Power Plant
- Double line project of Chittagong Railway
- The pride of Dhaka, the 9.6-kilometer Gulistan-Jatrabari Flyover (Mayor Mohammad Hanif Flyover)
- Saidabad Water Treatment Plant Phase-II
- Hatirjheel Integrated Development Project
- Zillur Rahman Flyover (Mirpur-Airport & Banani)
- Dhaka Elevated Expressway Project
- Payra Thermal Power Plant
- Lebukhali Bridge
- Rooppur Nuclear Power Plant
- Rampal Coal Power Plant
- Metro Rail Project
- Bus Rapid Transit Project









#### NOTICE OF THE 20TH ANNUAL GENERAL MEETING

Notice is hereby given that the 20<sup>th</sup> Annual General Meeting of shareholders of **BSRM Steels Limited** will be held on **Wednesday, December 28, 2022** 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 30<sup>th</sup> June, 2022.
- 2. To re-elect the Director(s) of the Company.
- 3. To approve Dividend for the year ended 30th June 2022.
- 4. To appoint Statutory Auditors and fix their remuneration.
- 5. To appoint Professional Accountant to certify compliance status of Corporate Governance code.
- 6. To approve the Inter Company loan/ business transactions/ Corporate Guarantee for the year ended on 30<sup>th</sup> June, 2022 as per Notification No- SEC/CMMRRCD/2006-159/Admin/02-10, dated: September 10, 2006.

By order of the Board

Chattogram
November 30, 2022

Shekhar Ranjan Kar FCA

Head of Finance & Accounts and Company Secretary

#### Notes

- Shareholders, whose name appears in the Depository Register as on the "Record Date" i.e. November 23, 2022, 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 <a href="https://bsrmsteel.bdvirtualagm.com">https://bsrmsteel.bdvirtualagm.com</a>. 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. 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 <a href="mailto:investors@bsrm.com">investors@bsrm.com</a> not later than 48 hours before the meeting.
- The Annual Report 2021-22 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.

#### **CORPORATE & CONTACT INFORMATION**

#### **COMPANY NAME**

**BSRM Steels Limited** 

#### DATE OF INCORPORATION

20th July, 2002

#### DATE OF COMMERCIAL OPERATION

1<sup>st</sup> 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

Mr. Tapan Sengupta, Deputy Managing Director

Mr. Hasan Zafar Chowdhury, Chief Operating Officer

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

Mr. Saumitra Kumar Mutsuddi, Head of Corporate Affairs, Dhaka Corporate Office

Mr. Jamil Ahmed, Head of Human Resources

Mr. Mohammad Imtiaz Uddin Chowdhurv. Head of Sales & Marketing

Mr. Sanjoy Kumar Ghosh, Head of Supply Chain Management

#### **AUDITOR**

Hussain Farhad & Co.

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

Nasirabad, Chattogram

Chartered Accountants

#### 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, Zorawargoni, Mirsarai, Chattogram.

Tel: +88-031-626312-3, 632130, 632144

#### DHAKA CORPORATE OFFICE

Nasir Uddin Tower,  $4^{\text{th}}$  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**

Atlanta Trade Center, Level-6, Plot # 1, Road # 1/A

Sector-4, Uttara Model Town, Dhaka. Tel: +8802-58957891, 48958029

Fax: +8802-48956496

#### **REGIONAL OFFICES:**

#### Svlhet

102, Jhornar Par, Eidgah Road, Kumarpara, Sylhet.

Tel: +88 0821-721239 Email: sylhet@bsrm.com

#### Bogura Sales office and warehouse

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

Bogura, Bogura.

Tel: +88 01714-031110 E-mail:bogra@bsrm.com

#### Cumilla

Chandrima Super Market, Airport Road (Near to EPZ Main Gate), Cumilla.

Tel: +88 01708-494898 E-mail:comilla@bsrm.com

#### Khulna

Khan Tower (5th Floor), A-50, KDA Majid Sharani Shibbari, Khulna

Tel: +88-02-47772739 E-mail: khulna@bsrm.com

#### Khulna Warehouse

Plot C-7, Road-04, Shiromoni I/A, Khulna.

Tel: +88 01730-703045

#### Barishal Sales office and warehouse

Shohid Mukhtojoddha ADC Kazi Azizul Islam Sarak, (30 go-down road), South Alekanda, Barishal

Tel: +88 01730-014986 Narayangoni Warehouse

Jungal, Barpara, Bandar, Narayangonj.

Tel: +88 01755-637451

#### Rangpur Sales Office and Warehouse

RK Road, Ulipur Market, Goneshpur, Rangpur

Tel: +88 01714-094579 Benapole Warehouse

50 Kagojpukur Benapole Port, Sharsa, Jessore.

Tel: +88 01730-787097

#### Mirsharai Warehouse and Noakhali office

Sonaphar, Zorargonj, Mirsarai, Chattogram.

Tel: +88 01713-248755

#### Mymensingh Sales Office and Warehouse

Jamtoli, Churkhai, Mymensingh Tel: +88 01714-105052

#### Cox's Bazar

S.K Tower, 2nd floor, Taraboinarchora Khurushkul Road, Coxsbazar.

Tel: +88 01700-705775

#### Gazipur

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

Chowrasta, Gazipur – 1702

Tel: +88 01777-764600

#### Narshingdi

Ripon Tower (1st Floor), House # 492, Titas Gas Office Road, Chinishpur, Narsingdi.

Tel: +88 01730-787090

#### Kushtia

Dadapur Road, Mojompur, Kushtia.

Tel: +88 01714-080514

#### Faridpur

Hafez Building (2nd Floor), Niltuli, Faridpur Sadar, Faridpur.

Tel: +88 01708-125158

#### Rajshahi

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

Tel: +88 01730-703013

#### Tangail

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

Tel: +88 01730-007898

# BOARD OF DIRECTORS

Standing from left: Mrs. Tehseen Zohair Taherali

Sitting from left: Mr. Aameir Alihussain, Mr. Alihussain Akberali FCA & Mr. Mono Ranjan Dey FCA





Mr. Alihussain Akberali, FCA is a Company Director since 1980. He was born in 1949 as the 3<sup>rd</sup> 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, the only son of Mr. Alihussain Akberali FCA, 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 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, completed her Bachelor of Arts and Bachelor of English Language Teaching from Chattogram Bangladesh. She is also Master in Education from Ashford University, San Diego, California, USA and completed Diploma in School Management and Leadership program from the prestigious Harvard University, USA. She also has a Diploma in Early Childhood Education and a Diploma in Special Needs Coordinator. She is also involved in many social organizations including being an Advisory member of Down Syndrome Association and Advisory member of Spectra School of Autism. Besides this she is involved in woman chamber of commerce and International woman association.

She guides and directs the company regularly in strategic policy making decisions as a Director. She was recognized as highest tax payer in 2015-2016 under women entrepreneur category in Chattogram.



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 the Directors						
Name of Companies	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				

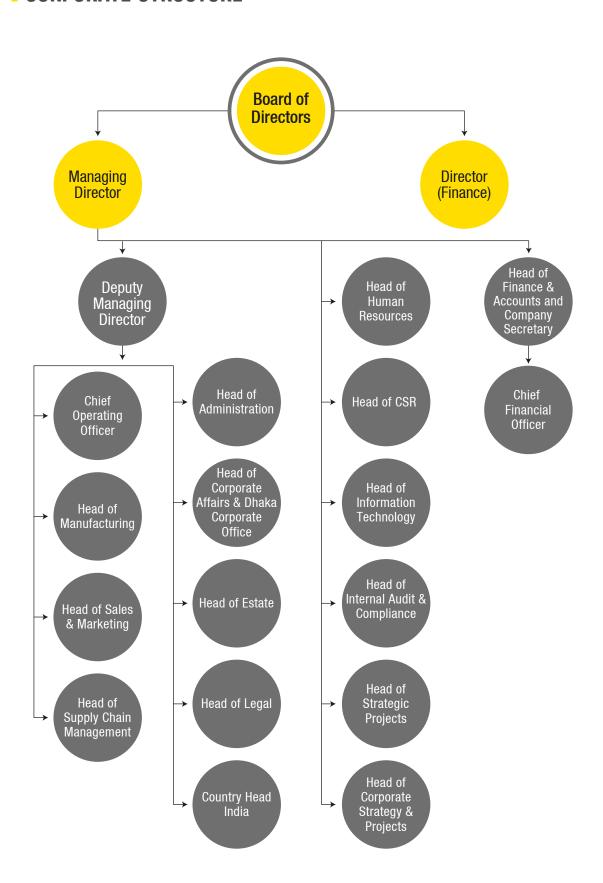
#### KEY MANAGEMENT

- Mr. Tapan Sengupta, Deputy Managing Director
- Mr. Hasan Zafar Chowdhury, Chief Operating Officer
- Mr. Shekhar Ranjan Kar FCA, Head of Finance & Accounts and Company Secretary
- Mr. Sunil Kumar Das, Country Head, India
- Mr. Md. Azizul Haque, Head of Manufacturing
- Mr. A. F. M. Mizanur Rahman, Head of Plant Operation, BSRM Steels (Rolling 1)
- Mr. Jamil Ahmed, Head of Human Resources
- Mr. Mohinder Singh Hanspal, Head of Rolling
- Mr. Bipin Sharma, Head of QMCI & Risk Management
- Mr. Sanjay Mukundbhai Thakkar, Head of Strategic Projects
- Mr. Saumitra Kumar Mutsuddi, Head of Corporate Affairs, Dhaka Corporate Office
- Mr. Mohammad Imtiaz Uddin Chowdhury, Head of Sales & Marketing
- Mr. A. K. M. Saifuddin Khan, Head of Administration
- Mr. Mohammad Monir Hossain, Head of Corporate Strategy & Projects
- Mr. Mohammed Reazul Kabir FCA, Assistant General Manager & Chief Financial Officer
- Mr. Mohammed Tamim Wahid Al-Helal, Head of Information Technology
- Mr. Sanjoy Kumar Ghosh, Head of Supply Chain Management
- Mr. Md. Zahir Uddin, Head of Plant Operation, BSRM Steels (Melting 1)
- Mr. Syed Habibur Rahaman, Head of Plant Operation, BSRM Steels (Melting 2)
- Mr. Mohammad Yousuf, Head of Estates
- Mr. S. M. Nurul Karim, Chief Financial Officer, BSRM Steels
- Mr. Tarikhul Kabir, Head of CSR
- Mr.Golam Sarwar, Head of Internal Audit & Compliance

#### **ADVISERS**

- Mr. Kazi Anwar Ahmed, Adviser
- Mr. Tapan Podder FCA, FCMA, Financial Consultant
- Mr. Surendra Jagdale, Technical Adviser
- Ms. Ruhi Murshid Ahmed, Adviser

## **CORPORATE STRUCTURE**





## MESSAGE FROM THE CHAIRMAN

### Dear Shareholders,

#### Assalamualikum.

I would like to express our gratitude to all our valued shareholders and stakeholders on behalf of our Board of Directors for your continued support and confidence. We have passed another remarkable and challenging year for the company in respect of the effect of COVID-19 as well as the global crisis of war and others. By the grace of the Almighty, we were coming out from the effect of COVID-19 this year but unfortunately, the war in Ukraine has triggered another crisis and pulled us back into a great challenge.

Despite all the challenges for the year 2021-22, our company has reported comparatively healthier operational and financial results. I would like to share with you the operational and financial performance of the company for the year 2021-22:

We have started the year with a positive change, rolled back from the pandemic due to COVID-19, due to the massive vaccination project taken by the government as well as people's awareness against it.

Particulars	Measurement	FA 2021- 2022	FA 2020- 2021	Change
Production	Metric Ton	868,454	816,494	6.36%
Sales	Metric Ton	849,336	868,497	(2.20%)
Capacity Utilization	Percentage (%)	108.56%	102.10%	6.46%
Revenue	Tk Million	67,121	54,983	22.08%
Gross Profit	Tk Million	7,046	7,231	(2.55%)
Net Profit after Tax	Tk Million	3,278	3,047	7.58%
Final Dividend Declared	Per Share	30% cash	40% cash	-

#### Global and Domestic Economic Scenario

We have started the year with a positive change, rolled back from the pandemic due to COVID-19, due to the massive vaccination project taken by the government as well as people's awareness against it. Our government was successful to run a massive vaccination campaign all over the country and we observed a fabulous improvement in the situation. While we were finding the light at the end of the dark tunnel, unfortunately, at the beginning of the second half of this year, there was an unexpected international crisis. The war between Russia and Ukraine has disrupted the entire world and plunged us into a great crisis in every sector of the economy like power, fuel, food, foreign exchange etc.

Due to the war, supply chain system was interrupted all over the world which caused a significant impact on our country's economy. Prices of all necessary commodities started to increase and put our government under huge pressure to control inflation to save the mass people of the country. Like other industrial sectors of our country, the steel industry also faced numerous challenges starting with a huge increase in our main raw material price in the middle of the year and ending with the massive increase in foreign currency exchange rate between the USD and BDT and the ultimate result of increasing financial expenses due to currency fluctuation.

#### Planning for approaching forward

As the war continues, we are going to face difficulties in our upcoming days. All the leading financial organizations like World Bank and IMF are forecasting a shrink in the world economy by 2023. The world bank expects global growth to decline from 5.5% to 3.2% and commodity and energy prices are expected to remain high in the next year. Keeping an eye on that, our Honourable Prime Minister has urged us to reduce expenditures in our daily life and to keep ready for any unforeseen future.

We, at BSRM, also believe that to handle the situation we need to take effective initiatives for our survival. We have to reduce our costs as well as increase our efficiency within the company. Our strength lies in our well-experienced manpower and dedicated and efficient workforce who is committed to reduce costs with the help of optimum utilization of our resources. We have already started numerous initiatives to reduce irrelevant expenses to make our operations profitable in the future.

#### **Believing Yourself**

We believe that "Believing Yourself" is the key to the success of BSRM Steels limited all through its journey. While our upcoming days are challenging, we are taking them as a great opportunity to achieve the crown of "Cost Leadership" in the market. The future prospect of steel industry is good in Bangladesh but in the near future we have to face challenges for crisis of foreign currency if the war does not come to an end. However, the BSRM Team strongly believes that we will continue making our best possible efforts to increase the value of our shareholders and stakeholders by utilizing cost-efficient processes and optimum utilization of resources. We hope, Almighty will always stand beside us to help us achieve our goals.

In conclusion, I would like to extend my sincere appreciation to our shareholders, stakeholders, CSR partners, regulators and management and Staffs for their continuing support and trust. We are confident that the company will continue achieving enhanced results in the years to come.

Last but not least "People desperately need peace and people around the world demand it." Thank you.

Alihussain Akberali FCA



## MANAGING DIRECTOR'S ROUND UP

#### Dear Shareholders and Honorable Board Members,

It is my pleasure and privilege to extend a warm welcome to the  $20^{\text{th}}$  AGM of the company. I am thankful to each one of you for your continued support and patronage. It is my honor to present the performance of your company for the Financial Year 2021-22.

We are delighted to see that our beloved Bangladesh has almost overcome the COVID-19 pandemic situation due to the massive vaccination project run by our government. However, there are uncertainties that remain in the business owing to sensitive geopolitical instabilities and global risks. There are several economic stresses in many parts of the world like the rising price of commodities, fuel and other

We are delighted to see that our beloved Bangladesh has almost overcome the COVID-19 pandemic situation due to the massive vaccination project run by our government.

consumables which are affecting the profitability of businesses. High inflation and supply chain disruptions threaten to trigger a global recession due to war.

We continued to perform better compared to the previous year as well. This year company produced 8,68,454 MT of MS products which is 6.36% higher compared to the previous year and net sales revenue stood at BDT 67,121 Million which is 22.08% higher than the previous year. We have started the year with lots of potentialities which was reflected in the EPS of first three quarters. But due to unfavorable movement of raw material, spares and consumables price resultant cost of production and cost of continuing business increased and ultimately GP margin shrank by 2.65%. During the year net profit after tax stood BDT 3,278 Million and EPS stood Tk. 8.72 Per share.

The Russia Ukraine war triggered the global economy and created significant disruptions in the trade and supply chain system. A developing country like Bangladesh which is highly dependent on importing materials from outside has faced an enormous turnback in the economy. We have handled a record increase in the foreign exchange rate between the USD vs BDT. Due to the foreign currency crisis, we had to pay our import liabilities at a much higher price than forecasted and ultimately total financial cost increased. We have recorded financial expenses of BDT 1,734 Million which is 235% higher than previous year.

Despite these setbacks, BSRM will forge ahead with optimism. We are striving for continual improvement and are committed to transforming BSRM into a high-performing and

quality-based steel industry. We will continue to develop and implement innovative ideas to maximize our shareholder's wealth. The focus on our skilled and experienced manpower and their health and safety continued to show ongoing progress toward our goal of sustainable development.

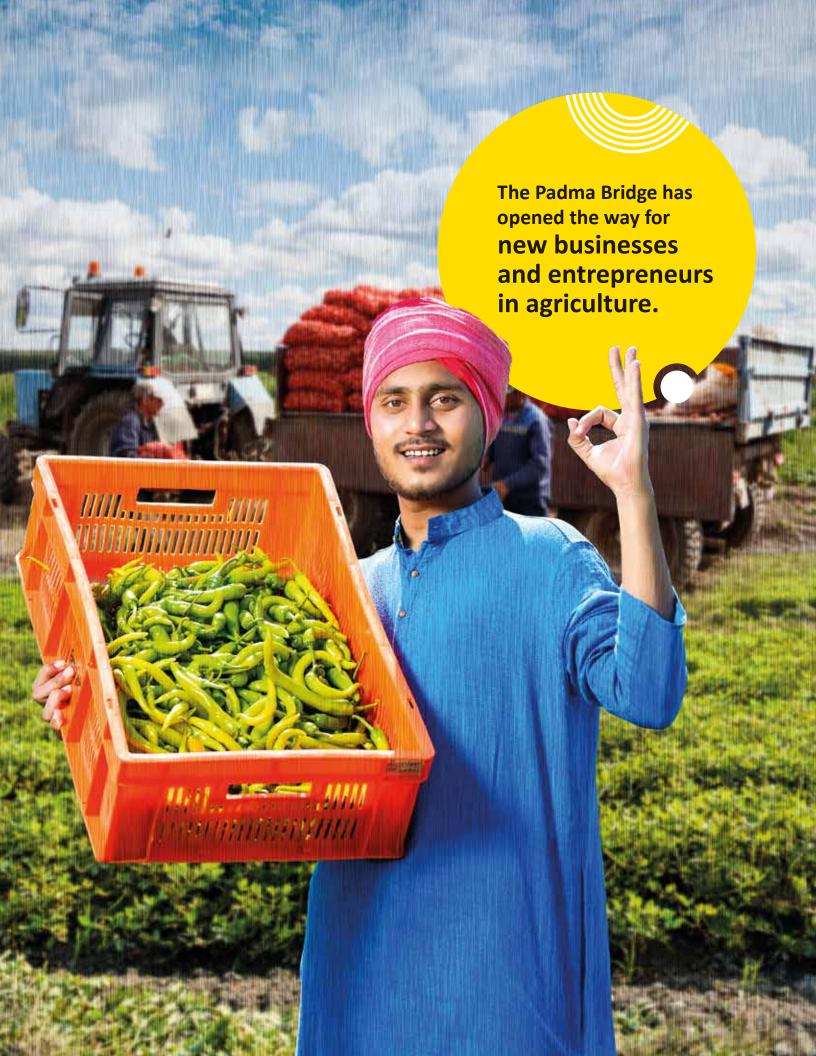
We know that the upcoming days are more challenging for us and we have taken several initiatives to overcome those challenges. We believe that "Fortune will always favour the Brave".

Finally, I would like to express my gratefulness to our shareholders, stakeholders, regulators, bankers, dealers, partners and all other related parties for their contributions and for keeping trust on us. We shall overcome our ultimate dream to enhance the wealth of our shareholders through efficient operations and the best utilization of economic resources.

Hope the war will end for the sake of humanity and leaders will shake hands again.

Warm Regards,

Aameir Alihussain Managing Director



## DIRECTORS' REPORT

#### Dear Fellow Shareholders,

Assalamualikum.

On behalf of our Board of Directors, it is a privilege for me to welcome you all to our 20th Annual General Meeting and present before you the Directors' Report, Auditors Report together with the Audited Financial Statements of BSRM Steels Limited for the year ended June 30, 2022. 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 2021-22: Industry Outlook and Sustainable Future Development:

The Global economy is suffering with higher inflation than earlier years due to tightening financial conditions. According to IMF report, global growth is forecast to slow from 6.0 percent in 2021 to 3.2 percent in 2022 and 2.7 percent in 2023. Global inflation is forecast to rise from 4.7 percent in 2021 to 8.8 percent in 2022 and also decline to 6.5 percent in 2023. Structural reforms can further support the fight against inflation by improving efficient productivity and enabling supply constraints.

The IMF in its latest world economic outlook report published on October-22 estimated GDP growth at 6% for the financial year 2022-2023. Our government also estimated GDP growth 7.5% in its yearly budget 2022-2023. The ongoing mega structure project like flyover, airport, power plant, extension of highways and rail lines and new industries under special economic zone increasing the demand of steel products. The overall infrastructure development showing progressive opportunities for the development of steels industries.

#### Segment wise or product wise performance:

Our Company have two category of production processes in our steel business. Melting and rolling operations. The company operating its business units based on its products and has two reportable segments, as follows:

- Melting Factory produce different graded Billets which we use for production of M.S Rod.
- Re-rolling Factory produces different graded MS Rod and sell the same to several dealers, end users, other corporate users, Government projects, EPZ based companies and India.

Segment information is included in note 3.14 and note 27.02 of the Audited Financial Statements.

BSRM Xtreme 500W was the first high strength steel in Grade 500 introduced in Bangladesh construction market in 2008. BSRM Xtreme 500W rapidly gained market share and is the undisputed market leader in this category. Besides Xtreme 500W. 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'.

#### Product-wise performances are as follows:

Products	Productio	n (M. Ton)	Sales ( M. Ton)		
Floducis	2021-22	2020-21	2021-22	2020-21	
Xtreme 500W/DWR	773,546	788,339	763,713	837,496	
Other M.S Rod	94,908	28,155	85,623	31,001	
M.S Billet	760,820	776,728	-	72	

#### New Product: BSRM Xtreme B500 DWR

During 2008 BSRM changed the reinforcing steel map of the country. It was 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 Xtreme 500W. After 12 Years, BSRM has again introduced a new product - BSRM Xtreme B500 DWR.

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 our business. The Management of our company regularly assessing, monitoring, and identifying potential risks and threats related to our business operations and develop guidelines to reduce the risk to an acceptable level to ensure sustainable growth of the company. Our Risk Management capabilities are supported by a strong internal control 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-44 of the Financial Statements.

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

BDT in million

Particulars	2021-22	2020-21	Change (%)
Cost of goods sold	60,075.52	47,752.09	25.81
Gross Profit	7,045.54	7,230.86	(2.56)
Net Profit	3,278.50	3,047.09	7.59

During the year net sales revenue stood at BDT 67,121 Million which is 22.08% higher than the previous year. But due to unfavorable movement of raw material, spares and consumables price resultant Cost of goods sold (COGS) stood Tk. 60,075.52 million and ultimately GP margin shrank by 2.56%. During the year net profit after tax stood BDT 3,278 Million.

#### Extraordinary gain or loss:

After starting of Russian-Ukraine conflict, the international money market became volatile. Value of dollar showed uptrend against local currencies in many countries. In Bangladesh, value of dollar also increased against Taka about by 18%-20%. Consequently we had to incur substantial foreign currency transaction and translation loss. The amount of loss for this year was Tk. 1.106.08 Million.

#### **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 39 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'21- June'22	Apr'22-Jun'22	Jan'22-Mar'22	Oct'21-Dec'21	July'21- Sept'21
Production (In MT)	868,454	227,813	234,783	207,430	198,428
Sales (In MT)	849,336	191,786	267,443	206,425	183,682
Revenue	67,121	16,745	21,531	15,662	13,183
Cost of Sales	60,076	15,119	19,633	13,996	11,328
Gross Profit	7,046	1,625	1,899	1,666	1,856
Profit Before Tax	4,505	581	1,325	1,192	1,407
Tax Expense	1,227	340	296	269	322
Profit after Tax	3,278	239	1,029	924	1,086
EPS (BD TK)	8.72	0.63	2.74	2.46	2.89

The sales volume of steel industries depends on seasons in Bangladesh and raw material prices fluctuate based on the international market. The major construction work usually originates during the winter season. The sales volume and profitability of those periods are always high. The Russia- Ukraine war triggered the global economy and created significant disruptions in the trade and supply chain system. Raw materials and consumables price increased due to unfavorable movement of the international market. We have handled a record increase in the foreign exchange rate between the USD vs BDT. Due to the foreign currency crisis, we had to pay our import liabilities at a much higher price than forecasted and ultimately total financial cost increased. We have recorded financial expenses of BDT 1,734 Million which is 235% higher than previous year.

#### 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 30.01 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	18,000	11,400,000	11,418,000
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		252,000	94,500,000	94,752,000

#### Directors' Responsibilities Statements:

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

- a) The Financial Statements prepared by the management of BSRM Steels Limited fairly presented its state of affairs, the result of its operations, cash flows and changes in equity.
- b) Proper Books of Account of the Company has been maintained.

- c) Appropriate Accounting Policies have been consistently applied in preparation of the Financial Statements and that the accounting estimates are based on reasonable and prudent judgment.
- d) International Accounting Standard (IAS)/International Financial Reporting Standards (IFRS) as applicable in Bangladesh, have been followed in preparation of the Financial Statements and any departure there from has been adequately disclosed.
- e) The system of internal controls sounds in design and has been effectively implemented and monitored.
- f) There are no doubts about the company's ability to continue as a Going Concern and the Financial Statements 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'21 to June'22	July'20 to June'21
Installed Capacity (M. Ton)	800,000	800,000
Production (M. Ton)	868,454	816,494
Capacity Utilization (%)	108.56	102.06
Sales (M. Ton)	849,336	868,497

We have set up our plant using state-of-the-art technologies of Danieli, Italy and producing world-class products. We are continuously introducing innovative ideas to improve our operational process and management efficiency. As a result, the production efficiency of the mill is very impressive during last couple of years. We have utilized 108.56% production capacity during this year 2021-22.

#### Operating Results:

Particulars	Unit	July'21 to June'22	July'20 to June'21
Sales	TK in MLN	67,121	54,983
Gross Profit	TK in MLN	7,046	7,231
Profit before interest, taxes, WPP&WF	TK in MLN	5,428	5,596
Interest & WPP & WF	TK in MLN	1,036	664
Loss on derecognition of investment in associates	TK in MLN	-	1,013
Tax expenses	TK in MLN	1,227	872
Net Profit	TK in MLN	3,278	3,047
EPS	TK	8.72	8.10

During the period, total revenue has increased by 22.08% than the previous year. However, due to global crisis and increase in raw material price our cost of goods sold has also increased and the gross profit (GP) ratio declined by 2.56%. We have taken several initiatives to control our cost to maintain company's profitability, which made net profit increased by 7.58% with the help of our efficient workforce and optimum utilization of our resources. The basic earnings per share for the year 2021-22 is Tk. 8.72 against Tk.8.10 of previous year.

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

We are presenting herewith financial performance of our company for last five years for better understanding of the overall performance of the Company:

#### **Operational Performance:**

Particulars	Unit	July'21 to June'22	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*
Operations & Market:							
Installed Capacity	MT	800,000	800,000	750,000	700,000	700,000	700,000
Production	MT	868,454	816,494	643,917	758,405	727,034	681,061
Capacity Utilization	%	108.56	102.10	85.90	108.34	103.90	97.30
Sales	MT	849,336	868,497	635,911	756,820	710,995	692,504
Operational Results:							
Revenue	TK in MLN	67,121	54,983	38,681	61,060	48,290	37,996
Gross Profit	TK in MLN	7,046	7,231	5,173	5,052	4,879	4,557
Gross Profit Ratio	%	10.50	13.15	13.37	8.27	10.10	11.99
Net Profit After Tax	TK in MLN	3,278	3,047	742	1,728	1,800	1,705
Net Profit Ratio	%	4.88	5.54	1.92	2.83	3.73	4.49
Earing Per Share (EPS)	TK	8.72	8.10	1.97	4.60	4.79	4.98
Financial Position:							
Paid Up Capital	TK in MLN	3,760	3,760	3,760	3,760	3,418	3,418
Share Holders' Equity	TK in MLN	25,935	23,452	21,369	20,897	12,809	11,630
Current Liabilities	TK in MLN	48,776	40,141	33,270	33,888	29,799	23,550
Non-current Liabilities	TK in MLN	7,195	8,792	9,976	11,023	3,072	2,428
Addition to fixed assets & CWIP	TK in MLN	1,367	236	1,534	5,872	2,321	1,164
Operating cash flow	TK in MLN	3,993	7,846	2,094	(468)	752	364

<sup>\*</sup>Information of 2016-2017 shows consolidated financial data.

The Net Asset Value per share (NAV) of the Company has been increasing consistently due to our cost efficient operational performance. In this year, the NAV per share is Tk. 68.99 which was Tk. 62.38 in 2020-21.

#### **Board of Directors:**

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

On 30th June 2022, 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. Alihussain Akberali FCA and Mrs. Tehseen Zohair Taherali will retire by rotation at the conclusion of 20th Annual General Meeting as per section 97 & 98 of the Articles of Association of the Company, and being eligible Mr. Alihussain Akberali FCA and Mrs. Tehseen 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 7 times during this period from July 01, 2021 to June 30, 2022. Following table shows the attendance of directors in the meeting.

Name	Position	No. of meeting held	No. of meeting attended		
Name	L OSITION	during the year	Physically	Virtually	
Mr. Alihussain Akberali	Chairman	7	-	7	
Mr. Aameir Alihussain	Managing Director	7	-	7	
Mr. Zohair Taherali	Director	7	-	7	
Mrs. Tehseen Zohair Taherali	Director	7	-	7	
Mr. Mono Ranjan Dey FCA	Independent Director	7	-	7	

#### The pattern of shareholding position on June 30, 2022:

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	90,301,081
Total		207,554,671

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	90,301,081
Mr. Mono Ranjan Dey FCA	Independent Director	130,410
Mrs. Sabeen Aameir	Wife of Mr. Aameir Alihussain	7,969
Mrs. Bilkis Alihussain	Wife of Mr. Alihussain Akberali	2,558,248
Mr. Shekhar Ranjan Kar FCA	Head of Finance & Accounts and Company Secretary	30,006
Mr. S.M. Nurul Karim	Manager & Chief Financial Officer	13,000
Mr. Golam Sarwar	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	Nil
A.F.M Mizanur Rahman	Head of Plant Operation, 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	5,251

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	90,301,081

#### 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 also placed with "Stable Outlook".

#### Internal Control system:

A strong internal control system can ensure the achievement of company's ultimate goals and objectives with long term profitability and maximizing the wealth of shareholders. It also helps to ensure regulatory compliance as well as internal rules and regulations. 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 30% cash dividend for the year ended June 30, 2022. 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:

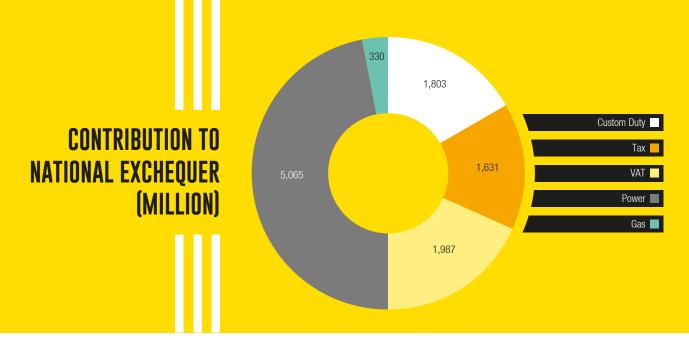
Particulars	30 <sup>th</sup> June 2022	30 <sup>th</sup> June 2021
30 June 2021 (Final)	2,085,395	-
30 June 2021 (Interim)	764,250	898,826
30 June 2020 (Final)	1,269,477	1,333,821
30 June 2019 (Final)	5,102,304	5,168,957
30 June 2018 (Final)	-	855,090
Year 2011-2017	-	18,001,379

#### **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:

BSRM has contributed significantly in the journey of government's revenue collection. Being one of the highest taxpayer under manufacturing category, we have contributed Tk. 10,816 million In 2021-2022 to the government exchequer as Income Tax, VAT and Duties along with utility bill. Segment wise contribution for 2021-22 has appended bellow-



#### Corporate Social Responsibilities:

CSR initiatives flow naturally from our BSRM's core values. It is integrated with the company processes and worked towards community development since its inception, 1952, demonstrating the commitment of the organization towards the triple bottom line of the business. Details of CSR have been described in the chapter Corporate Social Responsibilities in page 75 of the Annual Report.

#### Awards and Recognition:

It is our honor that BSRM Group have received some prestigious awards under various categories during the last few years. Here are the list of our achievements -

- 1) Gold Award ICMAB Best Corporate Award, 2021, 2020, and 2019.
- 2) Best Brand of Bangladesh in Steel Category for the 10th time in a row -Year 2011 to 2021.
- 3) National Export Trophy (BSRM Steels Ltd.) for 2017-18, 2016-17, 2014-15, and 2013-14.
- 4) Highest Taxpayer Award in the Manufacturing category from NBR for the tax period 2021-22.
- 5) Bronze Award ICSB National Award, 2019
- 6) Certificate of Merit 20th ICAB National Award for Best Presented Annual Report, 2019
- 7) Third Highest Taxpayer Award in engineering category for the tax period 2018-19.
- 8) ICAB National Award for Best presented Annual Report (second prize) in 2018.
- Certificate of Merit ICAB Award 2018.
- 10) Certificate of Merit Award from SAFA in 2018.
- 11) National Productivity and Quality Excellence Award-2017.
- 12) Certificate of admiration from Ministry of Expatriates Welfare and Overseas Employment of Government Republic of Bangladesh at 4th National Development Fair 2018.
- 13) President's Award for Industrial Development 2014 in the category of Large Scale Industry.
- 14) Prestigious award for "Excellence in Supply Chain Relationship Management & Logistic Management" from Bangladesh Supply Chain Management Society.

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

#### Information Technology:

BSRM has a dedicated and efficient IT team who manage our in-house integrated Oracle system. The Company has taken several initiatives to support all the functions within the business. To mitigate business risk, enhance business performance and to provide required information to the respective stakeholders we are continuously updating the ERP System. Details of Information Technology are set out in the Chapter "Sustainable Growth" in Page no. 85 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. 85 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 20th AGM and being eligible to conduct audit for the year 2022-23, the Board has recommended M/S Hussain Farhad & Co., Chartered Accountants as the statutory Auditor for the year ended on June 30, 2023 subject to the approval of shareholders in the next Annual General Meeting.

#### Professional Accountant for Compliance of Corporate Governance:

Pursuant to the BSEC's directive, Board has recommended Mr. Sidhartha Barua FCA, Senior Partner of M M Rahman & Co., Chartered Accountants, Aziz Chamber (2nd Floor), 6 Jubilee Road, Chattogram to appoint as a Professional Accountant to issue Certificate on Compliance of Corporate Governance Code enacted by Bangladesh Securities and Exchange Commission for the year ended on June 30, 2023 subject to the approval of the shareholders in the next Annual General Meeting.

#### Reporting and Compliance of Corporate Governance:

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

#### Subsequent Events:

There 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:

Before I conclude, on behalf of the Board of Directors I wish to convey my sincere regards and deep gratitude to the valued stakeholders for continued support and trust. I hereby place on record my sincere thanks to the Board members, all the employees of the Company for their dedicated efforts and generous support. I extend my gratitude to the all Regulatory authorities, valued customers, suppliers, vendors, bankers and investors for their consistent co-operation and trust.

Allah Hafiz

Warm Regards,

On behalf of Board of Directors

Mellumare Alihussain Akberali FCA

Chairman

## DECLARATION BY CEO AND CFO

Dated: October 27, 2022

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 2022

#### 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 30<sup>th</sup> June 2022 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, 2022 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 S. M. Nurul Karim

Manager & Chief Financial Officer

## CERTIFICATE ON COMPLIANCE WITH CONDITIONS OF CORPORATE GOVERNANCE CODE





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 **30 June 2022**. This Code relates to the Notification No. BSEC/CMRRCD/2006-158/207/Admin/80, dated 03 June 2018 of the Bangladesh Securities and Exchange Commission.

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

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

We state that 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:

- a) The Company has complied with the conditions of the Corporate Governance Code as stipulated in the above mentioned Corporate Governance Code issued by the Commission subject to the remarks and observation as reported in the attached compliance status;
- b) The Company has complied with the provisions of the relevant Bangladesh Secretarial Standards (BSS) as adopted by the Institute of Chartered Secretaries of Bangladesh (ICSB) as required by this Code;
- 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
- d) The Governance of the Company is satisfactory.



For & on behalf of M M Rahman & Co. Chartered Accountants

Shidhartha Barua FCA

Senior Partner
Enrollment no: 0699

Place: Chattogram

Dated: November 16, 2022

# CORPORATE GOVERNANCE COMPLIANCE REPORT

Status of Compliance with the condition imposed by the Commission's Notification No. BSEC/CMRRCD/206-158/207/ Admin/80, dated: 03 June, 2018 issued under section 2CC of the Securities and Exchange Ordinance, 1969:

Candidian	(Report under Condition No- 9)	Compliance Status		
Condition No.	Title		Not Complied	Remarks
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		
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		
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		
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);	<b>V</b>		
1(2)(b)(x)	Who has not been convicted for a criminal offence involving moral turpitude.	1		



Condition	Title	Compliance Status			
No.		Complied	Not Complied	Remarks	
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.	<b>V</b>			
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;	٧			
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.	<b>V</b>			
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;		1		
1(4)(d)	The Board shall clearly define respective roles and responsibilities of the Chairperson and the Managing Director and/or Chief Executive Officer;	<b>V</b>			



Condition		Compliance Status		
No.	Title	Complied	Not Complied	Remarks
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	-	
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);	√		
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		-
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;	<b>V</b>		
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		
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;	٧		
1(5)(xv)	A statement that the system of internal control is sound in design and has been effectively implemented and monitored;	<b>V</b>		
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;	<b>V</b>		



Condition		Complian	ice Status	
No.	Title	Complied	Not Complied	Remarks
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;	<b>V</b>	-	
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		
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:			
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		
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;	<b>V</b>		
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		



C 1141	Title	Complian	nce Status		
Condition No.		Complied	Not Complied	Remarks	
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			
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 <b>Annexure A</b> ; 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;	<b>V</b>			
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.	1			
2	GOVERNANCE OF BOARD OF DIRECTORS OF SUBSIDIARY C	OMPANY			
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	
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 OFFICE OFFICER (CFO), HEAD OF INTERNAL AUDIT AND COMPLIAN SECRETARY (CS)	R (CEO), CI NCE (HIAC)	HIEF FINAN AND COM	NCIAL PANY	
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);	√			



	Compliance Status			
Title	Complied	Not Complied	Remarks	
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;	٧			
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;		√		
The Board shall clearly define respective roles, responsibilities and duties of the CFO, the HIAC and the CS;	<b>V</b>			
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).	1			
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:	√			
(CEO) and Chief Financial Officer (CFO)				
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:				
these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading; and	√			
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;	1			
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;	√			
The certification of the MD or CEO and CFO shall be disclosed in the	√			
BOARD OF DIRECTORS' COMMITTEE				
For ensuring good governance in the company, the Board shall have at least following sub-committees:				
Audit Committee; and	√			
Nomination and Remuneration Committee.	<b>V</b>			
AUDIT COMMITTEE				
Responsibility to the Board of Directors.				
The company shall have an Audit Committee as a subcommittee of the Board;	√			
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;	<b>V</b>			
The Audit Committee shall be responsible to the Board; the duties of the Audit Committee shall be clearly set forth in writing.	1			
Constitution of the Audit Committee.				
The Audit Committee shall be composed of at least 3 (three) members;	√			
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;		1		
	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;  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;  The Board shall clearly define respective roles, responsibilities and duties of the CFO, the HIAC and the CS;  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).  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:  Duties of Managing Director (MD) or Chief Executive Officer (CEO) and Chief Financial Officer (CFO)  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: these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading; and 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;  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;  The certification of the MD or CEO and CFO shall be disclosed in the Annual Report.  BOARD OF DIRECTORS' COMMITTEE  For ensuring good governance in the company, the Board shall have at least following sub-committees:  Audit Committee; and  Nomination and Remuneration Committee.  AUDIT COMMITTEE  Responsibility to the Board of Directors.  The company shall have an Audit Committee as a subcommittee of the Board;  The Audit Committee s	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:  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;  The Board shall clearly define respective roles, responsibilities and duties of the CFO, the HIAC and the CS;  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).  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:  Duties of Managing Director (MD) or Chief Executive Officer (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:  these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading; and these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading; and 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;  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;  The certification of the MD or CEO and CFO shall be disclosed in the Annual Report.  BOARD OF DIRECTORS' COMMITTEE  Responsibility to the Board of Directors.  The company shall have an Audit Committee as a subcommittee of the Board;  The Audit Committee shall be responsible to the Board; the duties of the Audit Committee shall be clearly s	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;  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;  The Board shall clearly define respective roles, responsibilities and duties of the CFO, the HIAC and the CS;  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).  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:  Duties of Managing Director (MD) or Chief Executive Officer (CEO) and Chief Financial Officer (CFO)  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:  these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading; and 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;  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;  The certification of the MD or CEO and CFO shall be disclosed in the Annual Report.  BOARD OF DIRECTORS' COMMITTEE  For ensuring good governance in the company, the Board shall have at least following sub-committees:  Audit Committee; and  Nomination and Remuneration Committee as a subcommittee of the Board;  The Audit Committee shall assist the Board in ensuring that the financial statements reflect true and fair view of the state	



Condition		Compliance Status			
No.	Title	Complied	Not Complied	Remarks	
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;	<b>V</b>			
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.	1			
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;	<b>V</b>			
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;	<b>V</b>			
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;	1			



Condition		Compliance Status			
No.	Title	Complied	omplied Not Complied Res	Remarks	
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;	<b>V</b>			
5(5)(1)	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.	<b>√</b>			
5(6)(a)(ii)	The Audit Committee shall immediately report to the Board on the follow	ing 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.	٧			
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;	1			



Condition		Complian	ice Status		
No.	Title	Complied	Not Complied	Remarks	
6(1)(c)	The Terms of Reference (ToR) of the NRC shall be clearly set forth in writing covering the areas stated at the condition No.6(5)(b).	√			
6(2)	Constitution of the NRC				
6(2)(a)	The Committee shall comprise of at least three members including an independent director;	√			
6(2)(b)	All members of the Committee shall be non-executive directors;		√		
6(2)(c)	Members of the Committee shall be nominated and appointed by the Board;	√			
6(2)(d)	The Board shall have authority to remove and appoint any member of the Committee;	1			
6(2)(e)	In case of death, resignation, disqualification, or removal of any member of the Committee or in any other cases of vacancies, the board shall fill the vacancy within 180 (one hundred eighty) days of occurring such vacancy in the Committee;	√			
6(2)(f)	The Chairperson of the Committee may appoint or co-opt any external expert and/or member(s) of staff to the Committee as advisor who shall be non-voting member, if the Chairperson feels that advice or suggestion from such external expert and/or member(s) of staff shall be required or valuable for the Committee;	1			
6(2)(g)	The company secretary shall act as the secretary of the Committee;	<b>V</b>			
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.	1			
6(3)	Chairperson of the NRC				
6(3)(a)	The Board shall select 1 (one) member of the NRC to be Chairperson of the Committee, who shall be an independent director;	√			
6(3)(b)	In the absence of the Chairperson of the NRC, the remaining members may elect one of themselves as Chairperson for that particular meeting, the reason of absence of the regular Chairperson shall be duly recorded in the minutes;	√			
6(3)(c)	The Chairperson of the NRC shall attend the annual general meeting (AGM) to answer the queries of the shareholders.	√			
6(4)	Meeting of the NRC				
6(4)(a)	The NRC shall conduct at least one meeting in a financial year;	√			
6(4)(b)	The Chairperson of the NRC may convene any emergency meeting upon request by any member of the NRC;	<b>√</b>			
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);	<b>V</b>			
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	<b>V</b>			
6(5)	Role of the NRC				
6(5)(a)	NRC shall be independent and responsible or accountable to the Board and to the shareholders;	√			
	1				



Condition		Compliance Status		
No.	Title	Complied	Not Complied	Remarks
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;	<b>V</b>		
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;	1		
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;	1		
6(5)(b)(iv)	formulating the criteria for evaluation of performance of independent directors and the Board;	1		
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	1		
6(5)(b)(vi)	developing, recommending and reviewing annually the company's human resources and training policies;	1		
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.	1		
7	EXTERNAL OR STATUTORY AUDITORS	L		
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	1		
7(1)(ix)	any other service that creates conflict of interest.	1		
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:	1		



Condition		Complia		
No.	Title	Complied	Not Complied	Remarks
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 GOVERNA	NCE		
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.	<b>V</b>		
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.	√		

<sup>\*\*</sup> Permission has 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 vide letter নং- বাম/টিও-১/এমডি/২১/২০১৬/৩২৬, তারিখঃ ০২ জুলাই ২০১৭ .



## MANAGEMENT DISCUSSION AND ANALYSIS

During the year 2021-22 the company has encountered lots of challenges and management has taken several initiatives to cope with those challenges. We have implemented innovative ideas to control operational cost and maintain profitability like earlier year. To maintain profitability and enhance customer demand, company is going to install new rolling mills with a capacity of 600,000 MT and also enhancing the existing capacity of billet plant by 250,000 MT. BSRM Steels Limited maintains a leadership position based on its market-leading capacities, world-class manufacturing process, optimum utilization of production capacity, cost efficient operations, high volume of sales and smart distribution network, superior post-sales support and strong customer engagement programs. The overall Company's position has been reflected in the Financial Statements which has prepared following all International Financial Reporting Standards and International Accounting Standards. The company's position and future planning, methods of financial statement preparation have been summarized below:

#### Accounting Policies and Estimates for preparation of **Financial Statements:**

The financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRS), the Companies Act 1994, the Securities and Exchange Rules 1987 and other applicable laws and regulations in Bangladesh as per requirements under the Financial Reporting Act 2015. Cash flows from operating activities are prepared under direct method as prescribed by the Securities and Exchange Rules 1987. These financial statements have been prepared on going concern basis under the historical cost convention except for some classes of property, plant and equipment which are measured at revalued amount. On 14 December 2017, the Institute of Chartered Accountants of Bangladesh (ICAB) has adopted International Financial Reporting Standards issued by the International Accounting Standards Board as IFRSs. As the ICAB previously adopted such standards as Bangladesh Financial Reporting Standards without any modification, this recent adoption will not have any impact on the financial statements of the Company going forward. Detail of significant accounting policies and Estimates are disclosed in "Note no. 3.00 of the statement of financial position" for the fiscal year 2021-2022.

#### Changes in accounting Policies and Estimates:

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

#### Comparative Analysis on Financial performance and position of the Company:

BSRM Steels Limited Taka in Million							
Financial performance:	July'21- June'22	July'20- June'21	July'19- June'20	July'18- June'19	July'17- June'18	Jul'16- June'17*	
Revenue	67,121	54,983	38,681	61,060	48,289	37,996	
Cost of goods sold	60,076	47,752	33,509	56,008	43,411	28,445	
Gross Profit	7,046	7,231	5,173	5,052	4,879	4,557	
Selling and Distribution Expenses	1,094	1,169	1,112	1,227	1,304	939	
Administrative Expenses	537	485	506	472	409	367	
Net Finance Cost	799	405	1,811	1,221	1,012	551	
Income tax expenses	1,227	872	1,083	610	508	655	
Profit after Tax	3,278	3,047	742	1,728	1,800	1,705	
EPS (BD TK.)	8.72	8.10	1.97	4.60	4.79	4.98	

<sup>\*</sup>Information of 2016-2017 shows consolidated financial data.

The above operating and financial information is presented to convey the Management's perspective on the financial and operating performance of the Company for the Financial Year 2021-22. During the year under review, the Company recorded a profit after tax of Tk. 3,278 million after setting off foregin currency losses of Tk. 1,106 million against previous year's profit of Tk. 3,047 million. This positive change is primarily for higher selling prices and lots of initiatives taken by management to control operational costs. The basic earnings per share for the Financial Year 2021-22 was Tk. 8.72 against Tk. 8.10 per share of previous year.

The revenue has increased compared to the previous year due to an increase in selling prices. The cost of goods sold was higher compared to the previous year by 25.80% due to a sharp increase in raw materials and direct consumables prices. The Company's operating expenses decreased by 2.91% due to strong cost control initiatives implemented by management but net finance costs increased by 97.28% due to unfavorable movement of foreign currency exchange rate.

#### Comparative Analysis on Financial position of the Company:

BSRM Steels Limited Taka in Million								
Particulars	July'21 to June'22	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*		
Paid Up Capital	3,760	3,760	3,760	3,760	3,418	3,418		
Share Holders' Equity	25,935	23,452	21,369	20,897	12,809	11,630		
Current Liabilities	48,776	40,141	33,270	33,888	29,799	23,550		
Non-current Liabilities	7,195	8,792	9,976	11,023	3,072	2,428		
Addition to fixed assets & CWIP	1,367	236	1,534	5,872	2,321	1,164		
Net Assets Value per share (BD Tk.)	68.99	62.38	56.84	55.58	37.48	34.03		

<sup>\*</sup>Information of 2016-2017 shows consolidated financial data.

Shareholders' fund increased by 10.58% compared to previous year. The major additions to the fixed assets includes land, plant and machinery, motor vehicles and IT equipment etc. The Capital work-in-progress includes construction work for factory building, and machineries for new rolling plant. Inventory includes finished goods of BDT 8,301 million, raw materials of BDT 16,403 million, stores consumables and spares of BDT 1,990 million. The Company has a policy to maintain an 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 24 days. Cash and bank balances include cash in hand of BDT 4.38 million, balances in bank accounts of BDT 1,503 million and fixed deposits of BDT 7,452 million. Liquid balances of cash and bank are necessary for the smooth operation of the business.

Equity capital comprised 375,952,500 no. equity shares of BDT 10 each. The market value of the share was BDT 67.20 is (as on 30th June 2022, DSE) resulting market capitalization stood BDT 25,264 million. Non-current borrowings include BDT 3,746 million in 2021-22 for melting plant-02 at Mirsarai. Current liabilities include current portion of long term loan of BDT 1,025 million for melting plant-02 at Mirsarai. Current liabilities increased by 21.51% compared to previous year mainly for increase of short term loan.

#### Comparative Analysis on Cash Flow of the Company:

BSRM Steels Limited Taka in Million								
Cash Flow Movement:	July'21- June'22	July'20- June'21	July'19- June'20	July'18- June'19	July'17- June'18	July'16- June'17*		
Cash generate from operating activities	4,742	9,232	4,708	(2,748)	2,687	1,588		
Interest Paid	384	(318)	(1,804)	(1,221)	(1,012)	(849)		
Income Tax Paid	(1,134)	(1,069)	(810)	(703)	(685)	(375)		
Net Cash Flow from operating activities	3,993	7,846	2,094	(4,672)	990	364		
Net Cash Flow used in investing activities	(2,563)	(1,647)	(1,644)	(6,099)	(2,152)	(1,596)		
Net Cash Flow used in financing activities	(8,912)	9,273	(19)	11,161	1,612	1,133		
Net Increase in Cash & Cash Equivalent	(7,482)	15,472	431	390	451	(98)		
Cash & Cash Equivalent (Opening)	16,417	946	513	525	74	176		
Effect of foreign exchang rate changes	24	(0.34)	1.70	-	-	-		
Cash & Cash Equivalent Closing	8,959	16,417	946	915	525	78		

<sup>\*</sup>Information of 2016-2017 shows consolidated financial data.

Cash flow from operating activities: During the year Cash inflow has been increased by BDT 11,053 million and purchase also increased by BDT 15,543 million. But due to increase in net finance cost by 97.28% net operating cash flow per share decreased to BDT 10.62 in 2021-22 from BDT 20.87 in 2020-21.

Cash flow from investing activities: Net cash under investing activities have increased to BDT 2,563 million in 2021-22 from BDT 1,647 million in 2020-21.

Cash flow from financing activities: Net cash outflow under financing activities have stood BDT 8,912 million in 2021-22 whereas it was an inflow for BDT 9,273 million in 2020-21. The company also paid cash dividend (i.e. @ 40%) in 2021-22.

#### Financial Performance of Peer Industry:

Bangladesh Steel Re-Rolling Mills Limited Taka in Million								
Operational Results:	July'21- June'22	July'20- June'21	July'19- June'20	July'18- June'19	July'17- June'18	Jul'16- June'17		
Revenue	79,783	59,876	45,722	44,409	33,238	23,649		
Gross Profit	6,486	7,097	3,674	4,992	4,828	3,237		
Profit after Tax	3,088	4,970	922	1,861	2,778	757		
EPS (Tk)	10.34	18.96	3.9	7.88	11.77	3.53		
NAV Per Share (Tk)	134.29	127.56	99.89	97.46	63.75	55.75		
NOCF Per Share (Tk)	22.50	29.24	40.47	2.81	(8.78)	(11.38)		

GPH Ispat Limited Taka in Million								
Operational Results:	July'21- June'22	July'20- June'21	July'19- June'20	July'18- June'19	July'17- June'18	Jul'16- June'17		
Revenue(Net)	46,828	28,166	9,407	13,269	9,814	7,840		
Gross Profit	6,349	4,201	1,554	2,158	1,603	1,373		
Profit after Tax	1,494	1,661	299	806	666	571		
EPS Tk.	3.42	4.18	0.79	2.24	2.03	1.83		
NAV Per Share Tk.	28.79	29.86	17.01	17.59	16.87	16.15		
NOCF Per Share Tk.	(7.15)	(4.05)	(8.10)	1.44	0.49	3.83		

#### Global and Local Economic Scenario:

The global economy going through a major uncomfortable situation due to War. The Russia-Ukraine war triggered the global economy and created significant disruptions in the trade and supply chain system. A developing country like Bangladesh which is highly dependent on importing materials has faced an enormous turnback in the economy.

According to IMF report, global growth is forecast to slow from 6.0 percent in 2021 to 3.2 percent in 2022 and 2.7 percent in 2023. Global inflation is forecast to rise from 4.7 percent in 2021 to 8.8 percent in 2022 and also decline to 6.5 percent in 2023. Structural reforms can further support the fight against inflation by improving efficient productivity and enabling supply constraints.

The IMF in its latest world economic outlook report published on October-22 estimated GDP growth at 6% for the financial year 2022-2023. Our government also estimated GDP growth 7.5% in its yearly budget 2022-2023. The ongoing mega structure project like flyover, airport, power plant, extension of highways and rail lines and new industries under special economic zone increasing the demand of steel products. The overall infrastructure development showing progressive opportunities for the development of steels industries.

#### Risk Identification and mitigation plan:

The Management of our company regularly identifies, assesses and monitor potential risks and threats related to our business operations and develops guidelines to reduce the risk to an acceptable level to ensure sustainable growth of the company. Our Risk Management capabilities are supported by a strong internal control structure, efficient internal audit team, an information system through ERP software, 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 -44 of the Financial Statements.

#### Future planning:

We have two ongoing projects to expand our production capacity of quality steel to meet the requirements of our customers. Last year the Board has approved investment of BDT 18,465 million for setting up new steel rolling plant to raise capacity by another 600,000 MT and expansion of existing billet plant capacity by 250,000 MT. After setting up new plants total production capacity of MS rod would be 1,400,000 MT and MS Billet 950,000 MT. Among these projects the melting plant is expected to be in operation by June 2023 and rolling plant is expected to start its operation by the mid of 2024. 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 indicates further structural economic developments. We remain committed to the strategic goals and will continue to focus on improving the operational performance to ensure sustainable growth of the company.

Warm Regards

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 BSRM 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 aboard 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. Interest rate on working capital and term loan has increased during last six months of this year which also impact the net income of the company. 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 a 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. But in the financial year 2021-22 like almost all the other industries, we have also been suffered from the sudden adverse dollar rate fluctuation caused by the political unrest in the world. Further, as a mitigation plan, our skilled team is planning to enhance export earnings as well as forward bookings.

#### 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

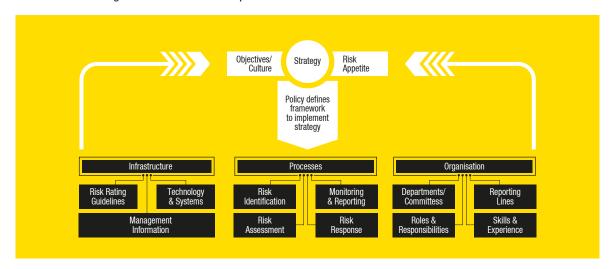
ERM will help BSRM Steels Ltd in managing risks in a proactive manner towards achieving its business objectives, performance & profitability targets and prevent loss of resources. BSRM's ERM is directed to help ensure effective reporting and compliance with laws and regulations, avoid damage to the entity's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

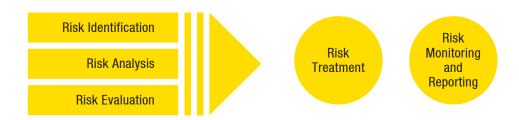
- Identifies risks that affect achievement of goals & objectives
- Measures the significance of each identified risk
- Determines the most appropriate business response to each risk
- Evaluates and reports on how well the chosen responses are being implemented

#### 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.





# IT'S TIME FOR PEOPLE TO DREAM BIGGER THAN THE PADMA BRIDGE

BSRM has provided more than 95% of the rods in the main structure of Padma Bridge as part of fulfilling the people's dreams.

This is our greatest success so far on the journey of building a safer nation for 70 years.





## 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.





TOTAL LIVES IMPACTED 1,000,000+



25+ PROJECTS ENGAGEMENT



30 NGO PARTNERS



30 DISTRICTS COVERED



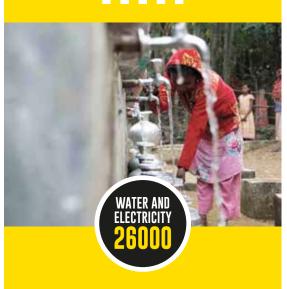
500+ STUFFS ENGAGED

## **CSR DASH BOARD**











## **CSR INITIATIVES**

CSR focus areas at BSRM align with UN SDG and are guided by the National CSR guidelines. Our CSR initiatives are planned, implemented and the outcomes measured according to the CSR policy of the organization. Diversity, equity and inclusion are deep abiding commitments of BSRM for all our social programs.



#### Education

- Adopt a school Student for underprivileged
- Scholarship programs
- Vocational Training
- Orphanage support
- Community Based digital learning Center



#### **Response to Crisis**

- Food and ration support to vulnerable communities during flood
- Medical Supplies, equipment to health facilities and front-line health workers during the Covid-19 pandemic



### People with special Needs

- Support for the disabled and children with special needs.
- Education support to children with disabilities
- Medical and education assistive device for people with disability (PwD)
- Support blind women for her Study.



#### Livelihood

- Skill Based training and job placement
- Women Livelihood
- Vocational Training
- Orphanage support
- Community Based digital learning Center



#### Health

- Health infrastructure at primary, secondary and tertiary level
- Prevention of hunger and malnutrition
- Mental health initiatives



#### **Environment**

- Integrate tree plantation with core CSR Project
- Social Awareness about tree plantation
- Combating pollution
- Forest Conservation

## **EDUCATION**

#### Transforming Lives through Education

Burhani BSRM School was established in 2006 in Depar par, Shershah of Bangla Bazar, Chattogram. The majority of the population in that area are extremely poor who finds it difficult to manage day to day basic expenses for living. Many of them working as rickshaw pullers, day laborers or employed art menial jobs in small shops. The women who works gets job as maids or day labors. Burhani BSRM School provides free education from nursery to grade 8 kids. The goal through this project is to prepare students for academic success in their further education, to enable students for future endeavors and to prepare them to be responsible and productive citizens. The school provides free books, extra coaching, computer training, sports/ art facilities and uniforms. The meritorious students gets scholarships based on academic results. After grade 8, BSRM support these students financially to continue their study in nearby schools to pursue higher education. BSRM takes the responsibility of providing all the funding for the school expenses. At present more than 500 slum children taking education from the school.





## HEALTH

#### Keep Smiling

Globally, 1 in every 700 children is born with a cleft lip and/or palate. Clefts are the leading birth defect in many developing countries. Reconstructive surgery for clefts has evolved over more than half a century, and today's techniques and procedures have come a long way. The surgery today is simple and the transformation is immediate. Patients parents cry tears of joy, and lives and communities are changed forever. countries including Bangladesh with untreated clefts live in isolation, but eating, breathing and speaking. Every child born with a cleft in Bangladesh should have the opportunity to live a full and productive life.



## **LIVELIHOOD**

## Socioeconomic Development for the Hijra(Transgender) Community-Jamalpur

Enhanced livelihood Security and social dignity of the Hijra community in Jamalpur District. They are often suffered by different social attitude but it is very important to require income support to meet their consumption. In addition, the hijras are the victims of social exploitation. In some cases, they are not able to engage themselves in mainstream society and cannot take social service. A total of 250 HHs participate in the activities of the proposed project. Unnayan Sangha a renowned NGO partnering with BSRM Provides skill development training according to the requirement on their business development plan. Within one year after the skills training, each target group member will participate in a refreshers session with a practical part related to their IGA. After this the project will Provide capital/ Asset to targeted hijra/transgender as loan and facilitate the continued productive investments for income generation. It is very important to mention here that the project will closely guide to every individual to change their existing practices to mainstream them.







### PEOPLE WITH SPECIAL NEEDS

## BSRM-CRP Vocational Training facilities for Person With Disabilities (PWDs)

BSRM is one of the most generous donor who is supporting the aim of CRP for establishing the rights of persons with disabilities through supporting the livelihood program of CRP. Under this project rehabilitation support (Asset transfer) to 24 PWDs will be provided.

The objective of the project is to ensure economic rehabilitation, poverty alleviation and empowerment of persons with disabilities through vocational training. To promote empowerment of disabled youth female and male focusing on confidence building, education, vocational training and employment and to facilitate successful reintegration into the community and lead a dignified life in the community.

On November 19, 2015, BSRM struck a deal with the Centre for the Rehabilitation of the Paralyzed (CRP) for a project to train 12 persons with disability (PWD) to help them get jobs in the apparel sector. Under the project called "BSRM-CRP Vocational Training Facilities for PWD", six beneficiaries were given training on computer office application and the rest on swing machine operation. They are also given shop management and electronics repairing training. During the training period, they also received food, accommodation and other facilities from CRP. Between 2015 and 2021, total of 134 people have returned to a normal life, thus becoming self-reliant and productive citizens after receiving the training at Savar.





### RESPONSE TO CRISIS

#### Contribution to People in Flood Affected Area

BSRM supported flood affected people of various areas by distributing emergency food items, daily necessities, medicines and house building essentials. Under this project, food support provided to 250 families of Sylhet area, 400 families of Kurigram area and 235 families of Gaibanda area. Further 50 families of Sylhet & Sunamgonj will receive house repairing materials, medicine, food and vegetable seeds. BSRM worked with several NGOs i.e YPSA, GUK, OBAT, SARM to reach out to people of flood affected areas implement the objective.





## **ENVIRONMENT**

#### BSRM Tree Plantation (BTP), Bangladesh

This project brings all lands/spaces owned by BSRM group under BTP that are not used by the manufacturing plants, and or various offices, for plantation and cultivation. BTP is a sustainable project, will (a) create employment, (b) generate revenue which will be used to (c) support BSRM CSR philanthropic programmes.

BSRM employees are the implementing partners. Admin wings of BSRM Plants, Sales Offices, Warehouses are managing the plantation and distribution location wise. Scope of the programme is to grow trees, organic fruits, vegetables, fish and live-stocks. BSRM employees will have the privilege to purchase at fair price. With the growing volume of produces, we plan to sell in the market, gradually it will become a mega project.



#### YPSA-BSRM Integrated Agro Development Project at Sitakund and Mirshari

The aim of the project is "To increase productivity, ensure food security and nutrition and mitigate unemployment through extension of environment friendly integrated sustainable agriculture".

The project provides farmers with training in safe vegetable production as well as technical assistance and materials. For example, technical assistance is provided for production of vermi compost, production of tricho fertilizer, preparation of Bordeaux mixture, preparation and use of organic pesticides from neem leaves / tobacco leaves / poisonous leaves.



## **OUR NGO PARTNERS**

- UNICEF-United Nations International Children's Emergency Fund
- HI-Handicap International
- YPSA-Young Power in Social Actio
- GUK-Gana Unnayan Kendra
- US-Unnayan Sangha
- GO-Global One
- Smile Train
- LMRF-Lion Muklesor Rahman Foundation
- CRP-Centre for the Rehabilitation of the Paralysed
- AWF-Autism Welfare Foundation
- UNDP-United Nations Development program
- CZM-Center for Zakat Management
- Teach for Bangladesh
- British Council
- National Development Program
- Nispap Autism
- TMSS-Tenga Mara Mohila Somity
- Uttaran
- SABINCO- The Saudi-Bangladesh Industrial and Agricultural Investment Company Limited
- BNKS-Bali Para Nari Kallayan Songstha



## SUSTAINABLE GROWTH

Green Environment, Human Resource and Information Technology Development

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

#### **Green Environment**

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

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

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

#### **Human Resources Function**

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

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

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

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

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

Our HR policies are formulated to give the best to our people, and also at the same time guarantee the control and utilisation of resources. Our HR Operations team is responsible for policy administration and timely review of HR policies. Our people deserve the best of us, and hence we focus on our Benefit Policy to ensure that our talent receives benefits and allowances such as Festival Bonus, Provident Fund, Gratuity, Car Scheme, Children Education Scheme,

Employee Education Scheme, Employee Children Achievement Award for distinct academic result, Domiciliary Scheme, Executive Health Check-up Scheme, Hospitalisation Scheme, Maternity Benefit Scheme, Wedding Gifts, WPPF, Pilgrimage Leave etc.

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

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

We work together, and we achieve together.

#### Information Technology

BSRM IT has delivered several projects during FY 2021-22, which streamlines numerous processes and functions across the business

The biggest milestone was successfully upgrading the database and application version of Oracle EBS ERP, resulting in noticeable performance improvement and a smoother user experience.

ERP has also been completely shifted to Oracle Cloud Infrastructure, which ensures reduced downtime and increased scalability.

As part of a larger roadmap to secure the enterprise network, BSRM infrastructure team has implemented several enterprise-level network products by upgrading switches, routers, firewalls, and Wi-Fi networks across BSRM group.

The corporate email server was also upgraded to accommodate a more secure solution to facilitate robust email communication with better conveniences and security from malware, spamming and UCE (unsolicited commercial email).

Numerous reports were designed and configured on SuccessFactors Performance & Goal Management (PMGM) module. Automated letters and emails In addition, Employee Central was configured to accommodate automated letters and emails. Integration of legacy Payroll and Attendance softwares with Compensation and Employee Central respectively was also established.

During this 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 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 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 M Rahman & Co., Chartered Accountants is included in the annual report.

## REPORT OF THE AUDIT COMMITTEE

For the period from July 01, 2021 to June 30, 2022

The Audit Committee of BSRM Steels Limited is pleased to submit the following report on the activities for the financial year 2021-2022:

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 assists the Board of Directors in ensuring that the financial statements reflect a true and fair view of the state of affairs of the Company and in ensuring a good monitoring system within the business.

#### 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 Reference:

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

#### Role of Audit Committee:

Role of Audit Committee of 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) Review the Quarterly and Annual Financial Statements of subsidiary company.
- Oversee the determination of audit fees based on scope and magnitude, level of expertise deployed and time required for effective audit and evaluate the performance of external auditors.



#### Activities of the Audit Committee for the year under report:

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

- Reviewed the quarterly, half-yearly and yearly Financial Statements of the Company and recommended to the Board for adoption and circulation.
- Reviewed the 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 as statutory auditor for the year 2022-23.

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

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Independent Director and Chairman of the Audit Committee

Date: October 27, 2022



## REPORT OF THE NOMINATION AND **REMUNERATION COMMITTEE (NRC)**

For the period from July 01, 2021 to June 30, 2022

The Nomination and Remuneration Committee (NRC) of BSRM Steels Limited is pleased to submit the following report on the activities for the financial year 2021-2022:

#### 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):

- NRC shall be independent and responsible or accountable to the Board and to the shareholders:
- To oversee, among others, the following matters and making reports with recommendations to the Board:
- I. Formulating the criteria for determining qualifications, positive attributes and independence of a director and recommend a policy to the Board, relating to the remuneration of the directors, top level executive, considering the following:
- 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.

#### 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 2021-22:

Members of the Nomination and Remuneration Committee (NRC) have elaborately discussed about the Nomination and Remuneration Policy of the Company. In the meeting, it was also discussed about the update of ongoing HR Automation project and its impact throughout the organization:

Besides, the Company has introduced "Group Life Insurance" for the employees. Also ensured 100% vaccination of Covid-19 for the wellbeing of the employees. To identify the possible successor the company also has introduced Succession Planning program for the organization.

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 leaders/ 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.

- 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 Nomination and Remuneration Committee 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

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Mono Ranjan Dey FCA

Independent Director and Chairman of NRC

Date: October 27, 2022

## **DIVIDEND DISTRIBUTION POLICY**

of BSRM Steels Limited

#### **OBJECTIVE:**

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

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

#### Scope and Legal Basis:

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

#### Approval of Dividend:

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

- 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: -

- The Dividend Distribution Policy shall be disclosed in the annual report and website of the Company.
- 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);
- 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.
- 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:

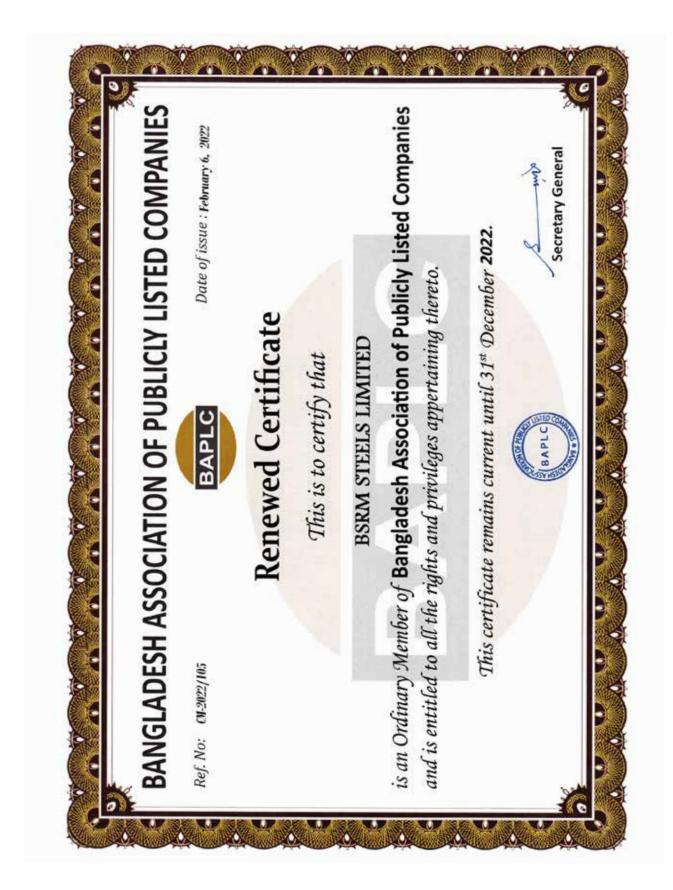
Provided that the Company shall provide detailed information to the manager of the Fund during transfer of stock dividend or bonus shares as directed or prescribed by the Commission:

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.



## **CERTIFICATE OF MEMBERSHIP OF BAPLC**







## BSRM STEELS LIMITED INDEPENDENT AUDITORS' REPORT AND FINANCIAL STATEMENTS

AS AT AND FOR THE YEAR ENDED JUNE 30, 2022



 House # 15, Road # 12, Block # F, Niketon Gulshan-1, Dhaka-1212, Bangladesh.

## 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 2022, 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 2021 to 30 June 2022, 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 2022 and of its financial performance and cash flows for the period from 1 July 2021 to 30 June 2022 and comply with the Companies Act, 1994, the Securities and Exchange Rules, 2020 and other applicable laws and regulations.

#### Basis for 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 2022. 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
	26,717 million.	1. Tested on a sample basis the net realisable value by









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#### 1. Inventory (Continued)

# 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 3.06 and 9 to the financial statements.

#### How our audit addressed the key audit matter

- Performed cut-off tests to determine that the purchases and sales of the inventories have been captured in the correct accounting period.
- Confirmed physical existence and completeness by performing annual physical inventory on a sample basis.
- Confirmed all necessary disclosures have been made and that the information is appropriately presented.

#### 2. Revenue Recognition

Appropriateness of revenue recognition and disclosures. Revenue recognition has significant and wide influence on financial statements.

As described in the accounting policy note 3.11 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 67,121 million. Refer to note 27 to the financial statements.

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.

- How our audit addressed the key audit matter

   Assessed the relevant systems supporting the accounting of
- Performed walkthrough test to understand the adequacy and the design of the revenue cycle.
- Assessed the invoicing and measurement systems up to entries in the general ledger.
- Examined customer contracts, invoices and receipts of payment on a test basis.
- Conducted analytical procedures such as trend analysis, ratio analysis, and variance analysis on a sample basis.
- Obtained and reviewed supporting documents for sales transactions recorded.
- Tested the timing of revenue recognition as well as cut off checked
- Tested the revenue charging model against the regulatory guidelines, contractual provisions and accounting standards, on a sample basis.
- Assessed whether the sufficient disclosure has been given.

## 3. Identification and completeness of disclosure of related party transactions

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 2022.

#### How our audit addressed the key audit matter

 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.









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3.	Identification and completeness of	How our audit addressed the key audit matter
	disclosure of related party transactions  Refer to note 11 and 39 to the financial statements.	We tested, on a sample basis, related party transactions with the underlying documents and for authorization and approval for such transactions.
		<ul> <li>We have obtained balance confirmation from the related parties.</li> </ul>
		<ul> <li>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.</li> </ul>
		<ul> <li>We have recalculated interest on due balance to confirm during the year's interest income or expenses.</li> </ul>
		<ul> <li>Evaluated the completeness of the disclosures through reading of statutory information, books and records and other documents obtained during the course of our audit.</li> </ul>
4.	IFRS 16 - Lease	How our audit addressed the key audit matter
	(ROU) of BDT 267.90 million and lease liabilities, arising from the lease rental agreements for its land, warehouse and office spaces. For calculation of the lease liability, the management applies Its judgement in determination of lease term where certainty of exercising the option to extend or the option not to terminate the lease is	I
	considered.  The incremental borrowing rate is used as discounting rate in calculation of lease	<ul> <li>Testing the lease amortization schedule and depreciation schedule for each of the leases.</li> </ul>
	liability. We considered the implementation of IFRS 16 Leases as a key audit matter, since the	
	balances recorded are material. Management had to apply several judgments and estimates such as lease term, discount rates, measurement basis among others and undertake a significant data extraction exercise to summarize the lease data for input into their lease calculation model.	certainty of exercising option to extend or terminate lease and the discounting rate applied to calculate lease liability.

#### Reporting on other information

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

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



#### Chattogram Office:





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

When we read the annual report before finalization, if we conclude that there is a material misstatement therein, we will communicate the matter to those charged with governance of the Company so that the matter is duly addressed in the annual report.

#### 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, 2020 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.









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: +88 (02)8836015-7 to : +88 01681126120 

- (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

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.

#### Report on other legal and regulatory requirements

In accordance with the Companies Act 1994 and the Securities and Exchange Rules, 2020, 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.

Firm Name Registration No.

Signature of the auditor Name of the auditor DVC No.

Place Date

: Hussain Farhad & Co., Chartered Accountants

: 4/452/ICAB-84

Sarwar Uddin

: Sarwar Uddin FCA, Partner/Enrollment No: 0779

: 2210270779AS265812

: Chattogram : 27 October 2022







### **Statement of Financial Position** As at 30 June 2022

		30 June 2022	30 June 2021
ASSETS:	Notes	Taka	Taka
Non-Current Assets:			
Property, plant and equipment	4	22,188,786,686	22,994,760,900
Right of use assets	5	267,901,257	124,548,128
Intangible assets	6	57,122,126	34,744,529
Capital work-in-progress	7	1,164,792,138	42,648,231
Financial assets at fair value	8	2,842,560,000	2,476,800,000
Total Non-Current Assets		26,521,162,207	25,673,501,788
Current Assets:			
Inventories	9	26,717,535,056	13,647,000,125
Trade and other receivables	10	7,142,826,187	7,703,895,423
Due from related companies	11	5,098,418,693	2,706,381,082
	12		
Advances, deposits and prepayments	13	4,592,884,090	3,926,493,428
Short term investments		2,874,744,862	2,310,041,175
Cash and cash equivalents	14	8,959,085,745	16,417,265,525
Total Current Assets		55,385,494,633	46,711,076,758
Total Assets		81,906,656,840	72,384,578,546
EQUITY:			
Share capital	15.02	3,759,525,000	3,759,525,000
Revaluation reserve		7,903,177,754	7,915,259,084
Fair value reserve		1,658,304,000	1,329,120,000
Retained earnings		12,614,176,621	10,447,946,298
Total Equity		25,935,183,375	23,451,850,382
LIABILITIES:			
Non-Current Liabilities:			
Long term loans - non-current portion	16.03	4,995,757,666	6,680,612,343
Defined benefit obligations - gratuity	17	240,229,387	231,003,711
Finance lease obligations - non-current portion	5	203,801,486	80,169,166
Deferred tax liabilities	18	1,755,506,843	1,799,731,748
Total Non-Current Liabilities		7,195,295,382	8,791,516,968
Current Liabilities:			
Trade payable	19	240,315,188	908,266,517
Short term loan	20	42,168,899,852	32,836,067,730
Long term loans - current portion	16.02	1,873,945,551	1,886,837,159
Finance lease obligations- current portion	5	76,216,048	51,566,988
Liabilities for expenses	21	1,401,791,490	964,341,758
Provision for income tax	22	1,467,963,888	1,266,472,987
Provision for WPPF and Welfare Fund	23	237,118,664	259,565,233
Unclaimed dividend	24	9,221,426	26,258,072
Other liabilities	25	830,757,021	683,466,016
Contract liabilities	25 26		
	20	469,948,955	1,258,368,736
Total Current Liabilities		48,776,178,083	40,141,211,196
Total Liabilities Total Equity & Liabilities		55,971,473,465 81,906,656,840	48,932,728,164 72,384,578,546
	37	68.99	62.38
Net asset value (NAV) per share	3/	68.99	62.38

The accompanying notes 1 to 45 form an integral part of these financial statements.

Managing Director

Signed as per our separate report of same date.

Place : Chattogram Dated: 27 October 2022 DVC : 2210270779AS265812



Director



**Company Secretary** 

### Statement of Profit or Loss and Other Comprehensive Income For the year ended 30 June 2022

		01 July 2021	01 July 2020
		to 30 June 2022	to 30 June 2021
	Note(s)	Taka	Taka
Revenue from contracts with customers	27	67,121,061,172	54,982,957,715
Cost of goods sold	28	(60,075,522,035)	(47,752,093,821)
Gross profit for the year	20	7,045,539,137	7,230,863,894
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Selling and distribution expenses	29	(1,093,771,815)	(1,168,843,931)
Administrative expenses	30	(537,188,460)	(485,025,737)
		5,414,578,862	5,576,994,226
Other operating income	31	13,114,097	19,036,512
Net Operating profit for the year		5,427,692,959	5,596,030,738
Finance costs	32	(1,734,843,318)	(517,851,449)
Finance income	33	936,116,952	113,125,370
Non Operating Income	34	113,406,679	
Net Profit Before Tax and WPPF and Welfare Fund		4,742,373,272	5,191,304,659
Contribution to WPPF and Welfare Fund	23	(237,118,664)	(259,565,233)
		4,505,254,608	4,931,739,426
Loss on derecognition of investment in associate	35		(1,012,677,667)
Net Profit before Tax		4,505,254,608	3,919,061,759
Income tax expenses/benefits:			
Current tax	22	(1,304,049,020)	(1,089,147,924)
Deferred tax	18	77,293,422	217,171,991
		(1,226,755,598)	(871,975,933)
Net Profit after Tax		3,278,499,010	3,047,085,826
Other comprehensive income not to be reclassified to profi	it or loss		
Revaluation reserve on associates (Net of tax)			(1,356,704,445)
Fair value reserve on financial asset (Net of tax)		329,184,000	1,329,120,000
Total comprehensive income for the year, net of tax		3,607,683,010	3,019,501,381
Earnings per share (EPS)	36	8.72	8.10

The accompanying notes 1 to 45 form an integral part of these financial statements.

Managing Director

Signed as per our separate report of same date.

Director

 Place
 :
 Chattogram

 Dated
 :
 27 October 2022

 DVC
 :
 2210270779AS265812

TARHAD & CONTROL OF CO

Hussain Farhad & Co.
Chartered Accountants

**Company Secretary** 

Statement of Changes in Equity For the year ended 30 June 2022 BSRM STEELS LIMITED

					Amount in Taka
Particulars	Share Capital	Fair Value Reserve	Revaluation Reserve	Retained Earnings	Total Equity
Balance as at 01 July 2020  Net profit after tax for the year ended 30 June 2021  Fair value reserve on financial asset  Share of Revaluation Reserve of Associate	3,759,525,000	1,329,120,000	7,927,976,273	9,681,036,891 3,047,085,826 - (1,356,704,445)	21,368,538,164 3,047,085,826 1,329,120,000 (1,356,704,445)
Transfer against difference in depreciation between cost and revalued amount	1	,	(12,717,189)	16,409,276	3,692,087
Final cash dividend 2020 Interim cash dividend 2021				(563,928,750)	(563,928,750)
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
Balance as at 01 July 2021  Net profit after tax for the year ended 30 June 2022  Fair value reserve on financial asset	3,759,525,000	1,329,120,000 329,184,000	7,915,259,084	<b>10,447,946,298</b> 3,278,499,010	23,451,850,382 3,278,499,010 329,184,000
Transfer against difference in depreciation between cost and revalued amount			(12,081,330)	15,588,813	3,507,483
Final cash dividend 2021  Balance as at 30 June 2022	3,759,525,000	1,658,304,000	7,903,177,754	(1,127,857,500) 12,614,176,621	(1,127,857,500) 25,935,183,375



# **Statement of Cash Flows** For the year ended 30 June 2022

			01 July 2021 to 30 June 2022	01 July 2020 to 30 June 2021
	<u>N</u>	lote(s)	Taka	Taka
A.	Operating activities			
	Receipts from customers against sales		66,726,319,890	55,673,484,864
	Cash Paid to suppliers, operating and other expenses		(61,983,832,707)	(46,441,077,618)
	Payment of interest-net		384,476,326	(317,623,683)
	Income tax paid		(1,133,616,401)	(1,069,136,572)
	Net cash generated by operating activities	40	3,993,347,108	7,845,646,991
B.	Investing activities			
	Acquisition of property, plant and equipment		(145,402,119)	(131,468,998)
	Acquisition of Intangible asset		(29,502,832)	-
	Addition of capital work-in-progress		(1,949,850,297)	(312,342,975)
	Proceeds from sale of property, plant and equipment		11,292,500	21,783,520
	Increase in short term investments		(564,703,687)	(1,224,534,451)
	Dividend Received		115,199,999	-
	Net cash used in investing activities		(2,562,966,436)	(1,646,562,904)
C.	Financing activities			
	Dividend paid		(1,144,894,146)	(938,496,983)
	Re-payment of long term loan		(1,898,662,358)	(1,272,312,760)
	Received from/paid against short term loan		(3,476,800,736)	6,181,001,984
	Loan received from /(paid to) affiliated companies		(2,392,037,611)	5,302,432,942
	Net cash provided by /(used in) financing activities		(8,912,394,851)	9,272,625,183
D.	Net increase in cash and cash equivalent (A+B+C)		(7,482,014,179)	15,471,709,270
E.	Opening cash and cash equivalents		16,417,265,525	945,892,317
F.	Effect of foreign exchange rate changes on cash and cash equ	ivalents	23,834,399	(336,062)
	Closing cash and cash equivalent (D+E+F)		8,959,085,745	16,417,265,525
	Net operating cash flows (NOCF) per share	38	10.62	20.87
	net operating cash hons (not) per share		10.02	



### Notes to the Financial Statements As at and for the year ended 30 June 2022

### 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 2020 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 2020.

### 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 2022
- b) A statement of profit or loss and other comprehensive income for the year ended 30 June 2022
- c) A statement of changes in equity for the year ended 30 June 2022
- d) A statement of cash flows for the year ended 30 June 2022
- 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
- D. The Value Added Tax and Supplementary Duty Rule, 2016
- E. The Securities and Exchange Ordinance, 1969
- F. The Securities and Exchange Rules, 2020
- 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 assets	Note: 5
Intangible assets	Note: 6
Inventories	Note: 9
Trade and other receivables	Note: 10
Defined benefit obligations - gratuity	Note: 17
Deferred tax liabilities	Note: 18
Liabilities for expenses	Note: 21
Provision for income tax	Note: 22
Contingent liabilities	Note: 41

### 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 2022 have been authorized for issue by the Board of Directors on 27 October 2022.

### 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 2022 are consistent with those policies and methods applied in preparing the financial statements for the year ended 30 June 2021.

### 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:

- a) expected to be realised or intended to sold or consumed in the normal operating cycle;
- b) held primarily for the purpose of trading;
- c) expected to be realised within twelve months after the reporting period; or
- d) cash and 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	Property, Plant and Equipment
3.02	Revaluation of Property, Plant and Equipment
3.03	Leases
3.04	Intangible Asset
3.05	Borrowing Costs
3.06	Inventories
3.07	Financial Instruments
3.08	Cash and cash equivalents
3.09	Provisions, Contingent liability and Contingent assets
3.10	Employee Benefits
3.11	Revenue
3.12	Foreign currency
3.13	Earnings Per Share
3.14	Segment information
3.15	Capital management

Event after the reporting period

Fair Value Measurement

### 3.01 Property, Plant and Equipment

3.16

3.17

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:

It's 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.

### 3.02 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.

### 3.03 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.

At the derecognition of a lease, the right-of-use asset and associated lease liability are removed from the books of the lessee. The difference between the two amounts is accounted for as a profit or loss at that time.

### 3.04 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 and other 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

### 3.05 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.

### 3.06 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.

### 3.07 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.

### 3.08 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.

### 3.09 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

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.

### 3.10 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.

### 3.11 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	Revenue is recognized when (or as) the entity
- Export sales	goods are shipped out at factory gate. Invoices	
- Export sales	raised as per management approved price list	transferring the promised goods or service to
- By Products	are generated at that point in time.	a customer.

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.

### 3.12 Foreign currency

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

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

### 3.13 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.

### 3.14 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.

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

### 3.15 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 2022	30 June 2021
Interest bearing loan	6,869,703,217	8,567,449,502
Short term loan	42,168,899,852	32,836,067,730
Less: Cash and Cash equivalents	(8,959,085,745)	(16,417,265,525)
Net Debt	40,079,517,324	24,986,251,707
Total Capital	25,935,183,375	23,451,850,382
Capital and net debt	66,014,700,699	48,438,102,089
Gearing Ratio	60.71%	51.58%

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

### 3.16 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.

### 3.17 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
- 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.



COST At 01 July 2020 Additions during the year Asset Reclassification Disnocals		•		,	Fixtures	Equipment	Pavements	IT equipment	
	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
Asset Reclassification Disposals	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
Disposals		2,452,755			(2,452,755)		•		
Company of the Compan		(33,637,159)	(4,030,867)					(331,200)	(37,999,226)
At 30 June 2021 9,69	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
		200 4 4 0 0 4	0000000	7470 040 040	740 404 00	470 370 403	244 443 000	242 200 64	70 400 430 074
		12,234,744,103	179,002,079	5,77,4,57,0,043	10,004,343	100,200,103	2 400 402	73,700,040	47,430,430,44
Additions during the year Disposals	80,766,198	140,402,547	13,402,132	430,084	1,60,060,1	2,962,910	2,470,402	(816,290)	(20,794,864)
e, 2022	9,773,425,765	12,395,196,730	173,106,257	5,972,834,729	98,415,036	171,243,019	673,611,208	96,058,635	29,353,891,379
DEPRECIATION						1	1		1
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
At 01 Iuly 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
Charge during the year		709,351,757	15,332,761	278,276,910	8,687,919	16,143,170	33,765,786	7,680,197	1,069,238,500
Disposals			(18,111,986)					(968,895)	(18,811,881)
At 30 June 2022		5,039,583,899	125,945,457	1,582,904,912	87,646,323	145,089,112	119,319,864	64,615,126	7,165,104,693
CARRYING AMOUNT									
At 30 June 2021 9,69	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
At 30 June 2022 9,77	9,773,425,765	7,355,612,831	47,160,800	4,389,929,817	10,768,713	26,153,907	554,291,344	31,443,509	22,188,786,686

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01 July 2020 to 30 June 2021 Taka 1,019,859,105 33,524,438 22,670,028

01 July 2021 to 30 June 2022 Taka 1,016,720,405 29,917,544 22,600,551 1,069,238,500

Note 28.04 29.00 30.00

Cost of sales Selling & distribution expenses Administrative expenses Allocation of Depreciation:

1,076,053,571



# 4.01 PROPERTY, PLANT & EQUIPMENT : At Cost Model

Particulars	Land and Land Development	Plant & Machinery	Motor Vehicles	Motor Vehicles Factory Building	Furniture & Fixtures	Office Equipment	Roads and Pavements	Computer and IT equipment	TOTAL
COST 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
Disposals		(33,637,159)	(4,030,867)	'	(6,7,26,7)			(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
At 01 July 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
Additions during the year Disposals	80,766,198	140,402,547	13,402,152 (19.978.574)	456,084	1,650,691	2,982,916	2,498,402	23,088,279	265,247,269
At 30 June, 2022	1,820,519,825	12,395,196,730	173,106,256	5,616,524,717	98,415,035	171,243,019	673,611,209	96,058,635	21,044,675,426
DEPRECIATION									
At 01 July 2020	٠	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
At 04 Inly 2021		4 330 232 142	128 724 682	1 253 798 527	78 958 404	128 945 942	85 554 078	57 634 874	6 063 848 600
Charge during the year		709,351,757	15,332,761	262,688,097	8,687,919	16,143,170	33,765,786	7,680,197	1,053,649,687
Disposals			(18,111,986)					(699,895)	(18,811,881)
At 30 June 2022		5,039,583,899	125,945,457	1,516,486,624	87,646,323	145,089,112	119,319,864	64,615,126	7,098,686,406
CARRYING AMOUNT									
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
At 30 June 2022	1,820,519,825	7,355,612,831	47,160,799	4,100,038,093	10,768,712	26,153,906	554,291,345	31,443,509	13,945,989,020



	Lease - Right of Use Assets				
5.01	As a Lessee Right of Use Assets				Amount in Taka
5.01.01	Particulars	Land	Warehouse	House	Total
	At 01 July 2020	124,356,208	45,706,287	31,279,203	201,341,698
	Additions during the year	22,965,894	4,875,155	35,414,633	63,255,682
	Disposals/adjustment during the year	-	-1,073,133	-	03,233,002
	At 30 June 2021	147,322,102	50,581,442	66,693,836	264,597,380
	At 01 July 2021	147,322,102	50,581,442	66,693,836	264,597,380
	Additions during the year	231,750,146	39,848,251		271,598,397
	Disposals/adjustment during the year	(135,558,230)	(40,942,305)	(13,944,580)	(190,445,115)
	At 30 June, 2022	243,514,018	49,487,388	52,749,256	345,750,662
	AMORTISATION				
	At 01 July 2020	46,344,933	10,646,405	12,853,291	69,844,629
	Charge during the year	46,753,536	10,569,427	12,881,660	70,204,623
	Disposals/adjustment during the year	-	<u> </u>	<u> </u>	
	At 30 June 2021	93,098,469	21,215,832	25,734,951	140,049,252
	At 01 July 2021	93,098,469	21,215,832	25,734,951	140,049,252
	Charge during the year	53,679,037	11,306,246	11,423,258	76,408,541
	Disposals/adjustment during the year	(111,063,748)	(17,943,174)	(9,601,466)	(138,608,388)
	At 30 June 2022	35,713,758	14,578,904	27,556,743	77,849,405
	CARRYING AMOUNT				
	At 30 June 2021	54,223,633	29,365,610	40,958,885	124,548,128
	At 30 June 2022	207,800,260	34,908,484	25,192,513	267,901,257
5.01.02	Lease liabilities			30 June 2022	30 June 2021
	Opening balance			131,736,154	137,061,753
	Lease obligations			271,598,397	63,255,682
	Less: Derecognition of lease			(50,043,407)	
	Less: Paid during the year			(73,273,610)	(68,581,281)
	Lease Liabilities			280,017,534	131,736,154
5.01.03	Lease Liabilities- Maturity analysis				
	Lease liabilities - non-current portion			203,801,486	80,169,166
	Lease liabilities - current portion			76,216,048	51,566,988
				280,017,534	131,736,154
5.01.04	Amounts recognised in profit or loss				
	Interest on lease liabilities			18,098,609	12,392,673
	Loss on derecognition of lease			1,793,320	-
				19,891,929	12,392,673
5.01.05	Amount recognised in the statements of cash flows	;			
	Principal paid on lease liabilities			73,273,610	68,581,281
	Interest paid on lease liabilities			18,098,609	12,392,673
				91,372,219	80,973,954
5.01.06	Allocation of Depreciation of ROU Asset:	_			
			Note	30 June 2022	30 June 2021
	Cost of sales		28.04	63,126,231	52,961,342
	Selling & distribution expenses		29.00	3,622,786	6,284,691
	Administrative expenses		30.00	9,659,524	10,958,590
				76,408,541	70,204,623

 $\textbf{5.01.07} \ \ \text{The Company has consider 9\% incremental borrowing rate to determine present value of right of use assets.} \ \ \text{Total number}$ lease agreements were Twenty Five (25) and Tenure of lease agreements were 2 to 10 years.

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



				30 June 2022	30 June 2021
			Note(s)	Taka	Taka
6.00	Intangible asset				
	Computer Software		6.01	57,054,182	34,670,320
	Trade Mark		6.02	67,944	74,209
				57,122,126	34,744,529
6.01	Computer Software				
	Cost				
	Opening balance			68,731,131	68,731,131
	Additions during the year			29,502,832	,,
	Less: Adjustments				
	Closing balance			98,233,963	68,731,131
	Amortisation				
	Opening balance			34,060,811	27,187,698
	Less: Adjustments				-
	Add: Charged during the year			7,118,970	6,873,113
	Closing balance			41,179,781	34,060,811
	Net Book Value			57,054,182	34,670,320
6.02	Trade Mark				
	Cost				
	Opening balance			125,300	125,300
	Add: Addition during the year				-
	Closing balance			125,300	125,300
	Amortisation				
	Opening balance			51,091	44,826
	Add: Charged during the year			6,265	6,265
	Closing balance			57,356	51,091
	Net Book Value			67,944	74,209
7.00	Capital work-in-progress				
	Opening balance			42,648,231	24,166,519
	Add: Additions during the year		7.01	1,241,989,057	142,079,653
	•			1,284,637,288	166,246,172
	Less: Capitalized during the year			(119,845,150)	(123,597,941)
				1,164,792,138	42,648,231
7.01	Details of Capital work-in -progress				
	Particulars	Opening	Additions	Capitalized	Closing
		Balance		during the year	Balance
	Civil Construction	2,032,834	891,213,380		893,246,214
	Plant and Machineries	15,488,432	345,100,895	(90,049,585)	270,539,742
	Software	24,834,232	5,409,056	(29,502,832)	740,456
	Other	292,733	265,726	(292,733)	265,726
		42,648,231	1,241,989,057	(119,845,150)	1,164,792,138

These costs include costs incurred initially to construct/ install property, plant and equipment (PPE). Construction/ installation costs are  $transferred\ to\ PPE\ when\ the\ construction/\ installation\ is\ completed\ and\ ready\ for\ intended\ use.$ 

		30 June 2022	30 June 2021
		Taka	Taka
8.00	Financial Asset - at fair value		
	Investment in Bangladesh Steel Re-Rolling Mills Limited	2,842,560,000	2,476,800,000
		2,842,560,000	2,476,800,000

Under the amalgamation of BSRM Steel Mills Limited (BSML) with Bangladesh Steel 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 2022 was Tk. 98.70 (2021: Tk 86) and accordingly market value of BSRML's 28,800,000 comes to Tk 2,842,560,000 (2021: Tk 2,476,800,000).

30 June 2022

30 June 2021

		Note(s)	Taka	Taka
9.00	Inventories			
	Raw materials	9.01	16,403,414,019	8,434,947,680
	Finished goods	9.02	8,300,888,103	3,314,184,745
	Store and Spares	9.03	1,990,468,716	1,876,499,363
	Fuel and Lubricants		22,764,218	21,368,337
		FARMA	26,717,535,056	13,647,000,125
		(car		

			30 June 2022	30 June 2021
		Note(s)	Taka	Taka
9.01	Raw Materials			
	Raw Materials-MS Scrap		14,952,678,426	7,622,862,050
	Raw Materials-Billets		1,168,552,213	576,188,313
	Raw Materials-Packing Materials Raw Materials-Direct Consumables		13,359,853	11,455,069
	Naw Materials-Direct Consumables		268,823,527 16,403,414,019	224,442,248 <b>8,434,947,680</b>
			10,403,414,019	0,434,547,000
9.02	Finished Goods			
	Finished Goods-Rod		5,385,028,120	2,870,904,910
	Finished Goods-Billets		2,915,859,983	443,279,835
			8,300,888,103	3,314,184,745
0.02	Stores and Spanes			
9.03	Stores and Spares Mechanical stores		041 504 012	1 040 266 054
	M.S. Roll		941,504,012	1,049,366,851
	Electrical stores		23,308,400 440,361,800	15,168,315 479,241,862
	General stores		25,191,697	23,130,267
	Civil stores		73,660,918	59,714,614
	Others		486,441,889	249,877,454
			1,990,468,716	1,876,499,363
10.00	Trade and Other Receivables			
	Trade Receivables Other Receivables	10.01	6,942,456,697	7,332,330,616
	Other Receivables	10.02	200,369,490	371,564,807
			7,142,826,187	7,703,895,423
10.01	Trade Receivables			
10.01	Bangladesh Steel Re-Rolling Mills Limited			2,070,365
	BSRM Wires Limited			257,045
	BSRM Logistic Limited			25,000
	Chittagong Power Company Limited			204,000
	Other customers		6,957,820,894	7,330,395,983
			6,957,820,894	7,332,952,393
	Less: Allowance for expected credit loss		(15,364,197)	(621,777)
			6,942,456,697	7,332,330,616
10.02	Other Receivables			
	Interest Receivables		45,381,403	216,576,720
	DEDO and Other Receivables		154,988,087	154,988,087
			200,369,490	371,564,807
10.03	Ageing of Trade receivables		E 909 047 669	6 102 771 012
	Due within 90 days Due within 91 to 180 days		5,898,947,668 346,006,127	6,193,771,812 368,719,075
	Due above 181 days		712,867,099	770,461,506
	Due above 101 days		6,957,820,894	7,332,952,393
	The directors consider that above receivables are recoverable in cash and ac	cordingly that no p	provision against those	are required at this
	stage.			
44.00	Due from maleted commenter			
11.00	Due from related companies  Paraladash Steel Re Polling Mills Limited		2 202 072 472	
	Bangladesh Steel Re-Rolling Mills Limited Chittagong Power Company Limited		2,283,872,672 1,006,312,234	806,425,234
	BSRM Logistics Limited		37,695,789	73,723,594
	BSRM Ispat Limited		193,807,942	192,375,942
	H. Akberali & Co. Limited			942,625,968
	BSRM Wires Limited		1,576,730,056	691,230,344
			5,098,418,693	2,706,381,082
			0,070,110,070	2,.00,001,002

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

		30 June 2022	30 June 2021
	Note(s)	Taka	Taka
12.00 Advances, deposits and prepayments			
Advances	12.01	4,498,360,823	3,823,515,667
Deposits	12.02	78,804,787	82,890,087
Prepayments	12.03	15,718,480	20,087,674
	CARVA	4,592,884,090	3,926,493,428

		30 June 2022	30 June 2021
12.01 Advances	Note(s)	Taka	Taka
Advance against expenses		63,350,572	91,909,531
Advance against L/C		50,398,093	46,550,694
Advance against non-current asset		454,038,751	229,694,267
Advance against land		21,267,000	26,383,113
Advance for house rent		1,734,068	2,306,941
Advance for purchase of spare parts and other materials		693,248,641	161,359,416
Advance Income tax		1,922,087,825	1,891,029,543
Advance Tax (VAT)			492,307
Bank guarantee margin		7,023,647	7,534,141
LC Margin		56,543,468	50,727,929
Staffloan		12,141,667	3,320,000
Trade VAT account (Godown)		12,864	12,864
VAT current account		1,216,514,227	1,312,194,921
		4,498,360,823	3,823,515,667
12.02 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
Bangladesh Power Development Board		24,710,120	24,710,120
BOC Bangladesh Limited		16,000	16,000
Brothers Proukosoli Workshop		480,000	480,000
Central Depository Bangladesh Limited		500,000	500,000
Chittagong WASA		200,000	200,000
Chittagong Club Limited		90,000	90,000
Chittagong Port Authority			4,100,300
Cma Cgm Bangladesh Shipping Ltd		1,060,000	1,060,000
GBX Logistics Ltd		1,205,000	1,205,000
Karnaphuli Gas Distribution Co. Limited		44,123,157	44,108,157
Linde Bangladesh Ltd		2,392,000	2,392,000
Maersk Bangladesh Limited		1,162,447	1,162,447
Others		488,400	488,400
		78,804,787	82,890,087

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
12.03	Fredavinents

	15,718,480	20,087,674
Insurance	15,718,480	18,363,867
BSTI License fees	-	1,723,807

.00 Short Term Investment			
Investments in Fixed Deposit Receipts	13.01	2,874,744,862	2,310,041,175
·		2.874.744.862	2.310.041.175

11 investments in Fixed Deposit Receipts	•				
Name of banks	Purpose	Period	Rate of interest		
AB Bank Limited	L/C Margin	6 Months	3%	2,525,125	
Agrani Bank Limited	L/C Margin & Investments	3 months	5%-5.50%	45,180,937	68,942,534
Al-Arafah Islami Bank Limited	L/C Margin	3 months	5%	19,742,292	19,111,377
Bank Asia Limited	L/C Margin	3 months	3.50%	63,603,995	61,668,987
Commercial Bank of Ceylon PLC	L/C Margin	1 year	3.30%	23,068,694	22,418,834
Dhaka Bank Limited	L/C Margin	6 Months to 1 Year	1%-4%	160,472,962	129,154,970
Dutch Bangla Bank Limited	L/C Margin	3 months	2%-5%	60,628,806	74,649,983
Habib Bank Limited	L/C Margin	6 Months	5.00%	319,586,564	306,438,174
IDLC Finance Limited	L/C Margin & Investments	3 Months to 1 Year	2-6%	256,710,000	303,382,167
IFIC Bank Limited	L/C Margin	6 Months to 1 Year	5.50-9%	57,219,976	84,719,208
IPDC Bangladesh Limited	L/C Margin & Investments	6 Months to 1 Year	3-5%	256,766,250	305,635,528
Jamuna Bank Limited	L/C Margin & Investments	3 months to 1 Year	2%-4%	74,299,714	41,693,802
Lanka Bangla Finance & Investment Ltd	Investment	1 Year	8%	-	3,178,965

					30 June 2022	30 June 2021
	Name of banks	Purpose	Period	Rate of interest	Taka	Taka
	Mercantile Bank Limited	L/C Margin & Investments	6 Months to 1 Year	2-6%	194,697,588	140,708,399
	National Bank Limited	L/C Margin	3 months	1-5%	32,882,816	24,650,262
	NCC Bank Limited	L/C Margin	3 months	3.75%	32,456,953	71,868,503
	One Bank Limited	L/C Margin	3 to 6 months	7.00%	2,666,407	3,869,687
	Prime Bank Limited	Investments	6 Months	2.50%	6,000,000	
	Shahjalal Islami Bank Limited	L/C Margin	3 months	2-5%	102,009,995	84,710,488
	Standard Chartered Bank	L/C Margin	1 year	3.50%	-	233,657,155
	The City Bank Limited	L/C Margin	6 months	2-8%	1,026,111,963	204,797,578
	Trust Bank Limited	L/C Margin	3 Months to 6 months	1.50-6%	33,542,420	43,373,060
	United Commercial Bank Limited	L/C Margin	3 Months to 1 Year	3.75-4%	58,251,572	31,887,480
	Uttara Bank Limited	L/C Margin	3 months	4.25-8.50%	46,319,833	49,524,034
					2,874,744,862	2,310,041,175
					30 June 2022	30 June 2021
				Note(s)	Taka	Taka
14.00	Cash & Cash Equivalents					
	Cash in Hand			14.01	4,383,795	12,517,771
	Cash at Banks Fixed Deposit Receipts			14.02 14.03	1,502,774,140 7,451,927,810	2,809,693,692 13,595,054,062
	Fixed Deposit Receipts			14.03	8,959,085,745	16,417,265,525
14.01	Cash in Hand					
	Head Office				153,044	127,339
	Dhaka Office				90,495	232,325
	Fouzderhat Factory				1,200,000	4,000,000
	Mirasarai Factory Byzid Factory (BISCO)				115,256 1,100,000	3,106,854 3,100,000
	Barishal Office				200,000	201,941
	Baroaulia Office				200,000	213,769
	Benapole Warehouse Office				100,000	100,816
	Bhatiary Shipyard				20,000	19,999
	Bogra Office				200,000	246,564
	Comilla Office				65,000	65,000
	Cox's Bazar Office				20,000	20,000
	Gazipur Office				50,000	50,000
	Jungal Office				200,000	237,173
	Khulna Office				150,000	150,000
	Khuina warehouse Office Mymensingh Office				100,000 100,000	221,607 104,384
	Noakhali Office				50,000	50,000
	Rangpur Office				170,000	170,000
	Sylhet Office				100,000	100,000
					4,383,795	12,517,771
14.02	Cash at Banks					
21102	Name of the Banks	Branches	Account Types	Currency		
	AB Bank Limited	Agrabad	Cash Credit	BDT		2,580,949
	AB Bank Limited	Agrabad	Current Deposit	USD	44,580,029	92,647,864
	Agrani Bank Limited	Laldighi East	Current Deposit	BDT	4,015,059	15,526,513
	Al-Arafah Islami Bank Limited	Agrabad	Current Deposit	BDT	12,851,442	10,693,853
	Bank Al Falah Limited	Agrabad	Cash Credit	BDT	825,000	99,853,708
	Bank Asia Limited	Agrabad	Current Deposit	BDT	6,791,828	8,079,619
	BASIC Bank Limited	Dewanhat	Current Deposit	BDT	1,726,850	56,187,050 7,074,228
	BRAC Bank Limited BRAC Bank Limited	Agrabad Agrabad	Overdraft Overdraft	BDT BDT	9,715,899 3,238,855	7,074,228 6,460,201
	BRAC Bank Limited	Agrabad	Current Deposit		15,320,835	6,038,712
	Commercial Bank of Ceylon PLC	Agrabad	Current Deposit	BDT	1,575,854	390,685
	Dhaka Bank Limited	Jubilee Road	Current Deposit	BDT	553,825	97,328,002
	Dutch Bangla Bank Limited	Agrabad	Overdraft	BDT		3,030,517
	Dutch Bangla Bank Limited	Jubilee Road	Current Deposit	BDT	3,066,193	15,736,242
	Eastern Bank Limited	Agrabad	Current Deposit		-	611,658,168
	Eastern Bank Limited	Agrabad	Escrow	BDT	39,862	43,553
	Eastern Bank Limited	Agrabad	Escrow	USD	162,581	5,588,718
	Eastern Bank Limited	Agrabad Branch	High Performance	BDT	1,178,105,117	-
			1 Ci ioi illance			FARHAD

				30 June 2022	30 June 2021
Name of the Banks	Branches	Account Types	Currency	Taka	Taka
EXIM Bank Limited	Jubilee Road	Current Deposit	BDT	8,188,043	9,442,451
First Security Islami Bank Limited	Sadarghat	Current Deposit	BDT	15,304,863	11,477,156
Habib Bank Limited	Chattogram	Current Deposit	BDT	4,274,665	10,569,902
HSBC	Agrabad	Current Deposit	BDT	(81,579,993)	7,567,837
HSBC	Agrabad	Current Deposit	USD	39,638	33,642
HSBC (Dividend)	Agrabad	Current Deposit	BDT	2,508,876	14,103,529
IFIC Bank Limited	Agrabad	Current Deposit	BDT	118,440	94,976,095
Islami Bank Bangladesh Limited	Jubilee Road	Current Deposit	BDT	27,836,602	29,497,195
Jamuna Bank Limited	Khatunganj	Current Deposit	BDT	728,420	276,952
Janata Bank Limited	Laldighi East	Cash Credit	BDT	-	128,553
Janata Bank Limited	Laldighi East	Current Deposit	BDT	196,446	1,274
Meghna Bank Limited	Agrabad	Current Deposit	BDT	186,910	1,252,414
Mercantile Bank Limited	Jubilee Road	Current Deposit	BDT	95,868	15,600,850
Modhumoti Bank Limited	Agrabad	Current Deposit	BDT	55,179	144,687
Mutual Trust Bank Limited	CDA Avenue	Current Deposit	BDT	10,459,454	14,395,860
National Bank Limited	Iubilee Road	Current Deposit	BDT	6,413,154	8,275,445
NCC Bank Limited	Agrabad	Current Deposit	BDT	47,862	11,368
NCC Bank Limited	0		USD		
NCC Bank Limited	Agrabad	Current Deposit		3,116,438	4,491,632
NRB Bank Limited	Barayarhat	Current Deposit	BDT	63,156	6,216
	Agrabad	Overdraft	BDT	2244.065	102
NRB Bank Limited NRB Commercial Bank Limited	Agrabad	Current Deposit	BDT	3,241,865	751,147
One Bank Limited	Agrabad Branch	Current Deposit	BDT	1,908	-
Premier Bank Limited	Agrabad	Current Deposit	BDT	400,383	203,199,573
Premier Bank Limited	Agrabad	SOD	BDT		703
Premier Bank Limited	Agrabad	Cash Credit	BDT	25.464	14,728
	Agrabad	Current Deposit	BDT	25,464	2,607,639
Prime Bank Limited	O.R Nizam Road		BDT	13,361,699	(1,987,126)
Prime Bank Limited	Agrabad Branch	Current Deposit	BDT	369,913	
Pubali Bank Limited	Agrabad	Overdraft	BDT		125,570,023
Rupali Bank Limited SBAC Bank Limited	Corporate Branch		BDT	1,020,532	(257,209)
	Agrabad	Current Deposit	BDT	69,843	21,425
Shahjalal Islami Bank Limited Social Islami Bank Limited	Jubilee Road	Current Deposit	BDT	2,555,828	2,397,685
	Jubilee Road	Current Deposit	BDT	3,058,767	1,049,936
Sonali Bank Limited Sonali Bank Limited	Kalibari	Current Deposit	BDT	-	89,034,320
	Laldighi	Current Deposit	BDT	79,898	6,989
SBAC Bank Limited South East Bank Limited	Agrabad	Overdraft	BDT	-	2,252,464
	Pahartali	Current Deposit	BDT	5,323,715	7,416,561
Standard Bank Limited	Agrabad	Current Deposit	BDT	705,945	893,881
Standard Chartered Bank	Agrabad	Current Deposit	BDT	(33,156,975)	(8,641,727)
Standard Chartered Bank	Agrabad	Current Deposit	BDT	111,991	43,784
State Bank of India	Chittagong	Current Deposit	BDT	33,587	9,339,498
The City Bank Limited	Agrabad	Current Deposit	BDT	50,261,036	509,425,728
The City Bank Limited	Agrabad	Current Deposit	BDT	4,549,036	
The City Bank Limited	VIP Road	Current Deposit	BDT	1,643,381	475,974
The City Bank Limited	Agrabad	Current Deposit	USD	156,691,593	336,926,325
Trust Bank Limited	CDA Avenue	Current Deposit	BDT	10,981	9,835,954
United Commercial Bank Limited	Jubilee Road	Current Deposit	BDT	5,759,639	244,979,172
United Commercial Bank Limited (BISC		Current Deposit	BDT	140	1,100,290
	,				
Uttara Bank Limited	Agrabad	Current Deposit	BDT	87,632	12,064,213
	,				

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

14.03 Fixed Deposit Receipts				30 June 2022	30 June 2021
Name of banks	Purpose	Period	Rate of interest	Taka	Taka
Agrani Bank Limited	Investment	3 months	5% to 5.75%	397,974,832	5,516,171,875
Eastern Bank Limited	Investment	3 months	8%	407,232,400	
IDLC Finance Limited	Investment	3 months	5.73%	315,436,876	
IFIC Bank Limited	Investment	3 months	6%	78,444,900	
IPDC of Bangladesh Limited	Investment	3 months	5.75%	315,591,286	
Jamuna Bank Limited	Investment	3 months	2.7% to 3%	40,678,441	
Meghna Bank Limited	Investment	3 months	6.50%	14,000,000	
Mercantile Bank Limited	Investment	3 months	4.50%	35,147,685	
Rupali Bank Limited	Investment	3 months	5.30%	4,007,604,842	4,265,946,875
Shahjalal Islami Bank Ltd	Investment	3 months	4.00%	1,584,130	
Sonali Bank Limited	Investment	3 months	5.50%	1,838,232,418	3,562,935,312
Uttara Bank Limited	Investment	3 months	5.25%	-	250,000,000
				7,451,927,810	13,595,054,062



				30 June 2022	30 June 2021
				Taka	Taka
	Share Capital				
15.01	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
15.02	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 fo	or consideration other	than cash	1,045,000,000	1,045,000,000
	21,750,000 Ordinary shares @ Tk 10 each fully paid up as I			217,500,000	217,500,000
	54,250,000 Ordinary shares @ Tk 10 each fully paid up as I			542,500,000	542,500,000
	16,275,000 Ordinary shares @ Tk 10 each fully paid up as I			162,750,000	162,750,000
	34,177,500 Ordinary shares @ Tk 10 each fully paid up as I	,	, ,	341,775,000	341,775,000
	, , , , , , , , , , , , , , , , , , , ,		,	3,759,525,000	3,759,525,000
15.03	Classification of shares by holding:				
	Class by number of shares		No. of Holders	No. of Shares	Holding (%)
	Less than 500		4,053	501,689	0.13%
	From 501 to 5000		4,371	7,417,278	1.97%
	From 5,001 to 10,000		382		
	From 10,001 to 20,000		227	3,345,164 4,125,886	0.89%
	From 20,001 to 30,000		77		1.10%
	From 30,001 to 40,000			2,136,065	0.57%
	From 40,001 to 50,000		40	1,871,061	0.50%
	From 50,001 to 100,000		33	2,015,660	0.54%
	From 100,001 to 1,000,000		58	5,141,168	1.37%
			94	24,436,278	6.50%
	From 10,000,001 to above		30	324,962,251	86.44%
			9,365	375,952,500	100%
		30 Jui	ne 2022	30 June	2021
15.04	Shareholding Position	Percentage of		Percentage of	
	Name of shareholders	holdings	No. of Shares	holdings	No. of Shares
	Sponsor Shareholders	16.85%	63,351,162	16.85%	63,351,172
	Foreign Shareholders	0.39%	1,480,777	0.39%	1,480,79
	Other Shareholders (Related Parties)	55.21%	207,554,671	53.68%	201,804,67
	Other Shareholders (General)	27.55%	103,565,890	29.08%	109,315,86
		100%	375,952,500	100%	375,952,500
					30 June 2021
				30 June 2022	
			Note(s)	Taka	Taka
	Long term loans				Taka
	Prime Bank Limited		Note(s) 16.06		Taka
					<b>Taka</b> 29,678,64
	Prime Bank Limited		16.06	Taka -	<b>Taka</b> 29,678,644 5,530,333,88
	Prime Bank Limited Eastern Bank Limited- Syndicate term loan		16.06 16.04	Taka - 4,771,847,577 12,445,384	Taka 29,678,643 5,530,333,884 83,538,588
	Prime Bank Limited Eastern Bank Limited- Syndicate term loan IDLC Finance Limited		16.06 16.04 16.05	Taka - 4,771,847,577	7aka 29,678,643 5,530,333,884 83,538,588 2,923,898,38
	Prime Bank Limited Eastern Bank Limited- Syndicate term loan IDLC Finance Limited		16.06 16.04 16.05	Taka - 4,771,847,577 12,445,384 2,085,410,256	7aka 29,678,643 5,530,333,884 83,538,588 2,923,898,38
	Prime Bank Limited Eastern Bank Limited- Syndicate term loan IDLC Finance Limited		16.06 16.04 16.05	Taka - 4,771,847,577 12,445,384 2,085,410,256	7aka 29,678,643 5,530,333,884 83,538,588 2,923,898,38
	Prime Bank Limited Eastern Bank Limited- Syndicate term loan IDLC Finance Limited Standard Chartered Bank - Syndicate term loan		16.06 16.04 16.05	Taka - 4,771,847,577 12,445,384 2,085,410,256	Taka 29,678,643 5,530,333,884 83,538,588 2,923,898,383 8,567,449,502
16.01	Prime Bank Limited Eastern Bank Limited- Syndicate term loan IDLC Finance Limited Standard Chartered Bank - Syndicate term loan Long term loans-Maturity analysis		16.06 16.04 16.05 16.07	Taka  4,771,847,577 12,445,384 2,085,410,256 6,869,703,217  1,873,945,551	Taka  29,678,643 5,530,333,884 83,538,588 2,923,898,383 8,567,449,502
16.01	Prime Bank Limited Eastern Bank Limited- Syndicate term loan IDLC Finance Limited Standard Chartered Bank - Syndicate term loan  Long term loans-Maturity analysis Due within one year-Current portion		16.06 16.04 16.05 16.07	Taka 4,771,847,577 12,445,384 2,085,410,256 6,869,703,217	Taka  29,678,643 5,530,333,884 83,538,588 2,923,898,387 8,567,449,502  1,886,837,159 6,680,612,343
16.01	Prime Bank Limited Eastern Bank Limited- Syndicate term loan IDLC Finance Limited Standard Chartered Bank - Syndicate term loan  Long term loans-Maturity analysis Due within one year-Current portion		16.06 16.04 16.05 16.07	Taka - 4,771,847,577 12,445,384 2,085,410,256 6,869,703,217  1,873,945,551 4,995,757,666	Taka  29,678,643 5,530,333,88 83,538,588 2,923,898,38 8,567,449,502  1,886,837,156 6,680,612,343
16.01	Prime Bank Limited Eastern Bank Limited- Syndicate term loan IDLC Finance Limited Standard Chartered Bank - Syndicate term loan  Long term loans-Maturity analysis Due within one year-Current portion		16.06 16.04 16.05 16.07	Taka - 4,771,847,577 12,445,384 2,085,410,256 6,869,703,217  1,873,945,551 4,995,757,666	Taka  29,678,643 5,530,333,888 83,538,588 2,923,898,38 8,567,449,500  1,886,837,156,680,612,34
16.01	Prime Bank Limited Eastern Bank Limited- Syndicate term loan IDLC Finance Limited Standard Chartered Bank - Syndicate term loan  Long term loans-Maturity analysis Due within one year-Current portion Due after more than one year-Non-current portion  Long term loans - Current portion		16.06 16.04 16.05 16.07	Taka  4,771,847,577  12,445,384  2,085,410,256  6,869,703,217  1,873,945,551  4,995,757,666  6,869,703,217	7aka 29,678,643 5,530,333,884 83,538,586 2,923,898,388 8,567,449,500 1,886,837,156,680,612,34 8,567,449,500
16.01 16.02	Prime Bank Limited Eastern Bank Limited- Syndicate term loan IDLC Finance Limited Standard Chartered Bank - Syndicate term loan  Long term loans-Maturity analysis Due within one year-Current portion Due after more than one year-Non-current portion  Long term loans - Current portion  Eastern Bank Limited- Syndicate term loan		16.06 16.04 16.05 16.07	Taka  4,771,847,577 12,445,384 2,085,410,256 6,869,703,217  1,873,945,551 4,995,757,666 6,869,703,217  1,025,500,167	Taka  29,678,64  5,530,333,88  83,538,58  2,923,898,38  8,567,449,50  1,886,837,15  6,680,612,34  8,567,449,50
16.01 16.02	Prime Bank Limited Eastern Bank Limited- Syndicate term loan IDLC Finance Limited Standard Chartered Bank - Syndicate term loan  Long term loans-Maturity analysis Due within one year-Current portion Due after more than one year-Non-current portion  Long term loans - Current portion Eastern Bank Limited- Syndicate term loan IDLC Finance Limited		16.06 16.04 16.05 16.07	Taka  4,771,847,577  12,445,384  2,085,410,256  6,869,703,217  1,873,945,551  4,995,757,666  6,869,703,217	Taka  29,678,64  5,530,333,88  83,538,58  2,923,898,38  8,567,449,50  1,886,837,15  6,680,612,34  8,567,449,50  959,222,35  71,110,80
16.01 16.02	Prime Bank Limited Eastern Bank Limited- Syndicate term loan IDLC Finance Limited Standard Chartered Bank - Syndicate term loan  Long term loans-Maturity analysis Due within one year-Current portion Due after more than one year-Non-current portion  Long term loans - Current portion Eastern Bank Limited- Syndicate term loan IDLC Finance Limited Prime Bank Limited		16.06 16.04 16.05 16.07	Taka  4,771,847,577 12,445,384 2,085,410,256 6,869,703,217  1,873,945,551 4,995,757,666 6,869,703,217  1,025,500,167 12,445,384	Taka  29,678,643 5,530,333,888 83,538,588 2,923,898,383 8,567,449,503  1,886,837,155 6,680,612,343 8,567,449,503  959,222,355 71,110,800 20,503,999
16.01 16.02	Prime Bank Limited Eastern Bank Limited- Syndicate term loan IDLC Finance Limited Standard Chartered Bank - Syndicate term loan  Long term loans-Maturity analysis Due within one year-Current portion Due after more than one year-Non-current portion  Long term loans - Current portion Eastern Bank Limited- Syndicate term loan IDLC Finance Limited		16.06 16.04 16.05 16.07	Taka  - 4,771,847,577 12,445,384 2,085,410,256 6,869,703,217  1,873,945,551 4,995,757,666 6,869,703,217  1,025,500,167 12,445,384 - 836,000,000	Taka  29,678,64  5,530,333,88  83,538,58  2,923,898,38  8,567,449,50  1,886,837,15  6,680,612,34  8,567,449,50  959,222,35  71,110,80  20,503,99  836,000,00
16.01 16.02	Prime Bank Limited Eastern Bank Limited- Syndicate term loan IDLC Finance Limited Standard Chartered Bank - Syndicate term loan  Long term loans-Maturity analysis Due within one year-Current portion Due after more than one year-Non-current portion  Long term loans - Current portion Eastern Bank Limited- Syndicate term loan IDLC Finance Limited Prime Bank Limited		16.06 16.04 16.05 16.07	Taka  4,771,847,577 12,445,384 2,085,410,256 6,869,703,217  1,873,945,551 4,995,757,666 6,869,703,217  1,025,500,167 12,445,384	Taka  29,678,64  5,530,333,88  83,538,58  2,923,898,38  8,567,449,50  1,886,837,15  6,680,612,34  8,567,449,50  959,222,35  71,110,80  20,503,99  836,000,00
16.01 16.02	Prime Bank Limited Eastern Bank Limited- Syndicate term loan IDLC Finance Limited Standard Chartered Bank - Syndicate term loan  Long term loans-Maturity analysis Due within one year-Current portion Due after more than one year-Non-current portion  Long term loans - Current portion Eastern Bank Limited- Syndicate term loan IDLC Finance Limited Prime Bank Limited Standard Chartered Bank - Syndicate term loan		16.06 16.04 16.05 16.07	Taka  - 4,771,847,577 12,445,384 2,085,410,256 6,869,703,217  1,873,945,551 4,995,757,666 6,869,703,217  1,025,500,167 12,445,384 - 836,000,000	7aka  29,678,64: 5,530,333,88: 83,538,58: 2,923,898,38: 8,567,449,50:  1,886,837,15: 6,680,612,34: 8,567,449,50:  959,222,35: 71,110,80: 20,503,99: 836,000,00
16.01 16.02	Prime Bank Limited Eastern Bank Limited- Syndicate term loan IDLC Finance Limited Standard Chartered Bank - Syndicate term loan  Long term loans-Maturity analysis Due within one year-Current portion Due after more than one year-Non-current portion  Long term loans - Current portion Eastern Bank Limited- Syndicate term loan IDLC Finance Limited Prime Bank Limited Standard Chartered Bank - Syndicate term loan Long term loans - Non-current portion		16.06 16.04 16.05 16.07	Taka  4,771,847,577 12,445,384 2,085,410,256 6,869,703,217  1,873,945,551 4,995,757,666 6,869,703,217  1,025,500,167 12,445,384 836,000,000 1,873,945,551	7aka  29,678,643 5,530,333,884 83,538,581 2,923,898,383 8,567,449,502  1,886,837,156 6,680,612,343 8,567,449,502  959,222,356 71,110,800 20,503,999 836,000,000 1,886,837,156
16.01 16.02	Prime Bank Limited Eastern Bank Limited- Syndicate term loan IDLC Finance Limited Standard Chartered Bank - Syndicate term loan  Long term loans-Maturity analysis Due within one year-Current portion Due after more than one year-Non-current portion  Long term loans - Current portion Eastern Bank Limited- Syndicate term loan IDLC Finance Limited Prime Bank Limited Standard Chartered Bank - Syndicate term loan  Long term loans - Non-current portion Eastern Bank Limited		16.06 16.04 16.05 16.07	Taka  - 4,771,847,577 12,445,384 2,085,410,256 6,869,703,217  1,873,945,551 4,995,757,666 6,869,703,217  1,025,500,167 12,445,384 - 836,000,000	7aka  29,678,643 5,530,333,888 83,538,588 2,923,898,388 8,567,449,503  1,886,837,156 6,680,612,34 8,567,449,503  959,222,356 71,110,800 20,503,999 836,000,000 1,886,837,156  4,571,111,52
16.02	Prime Bank Limited Eastern Bank Limited- Syndicate term loan IDLC Finance Limited Standard Chartered Bank - Syndicate term loan  Long term loans-Maturity analysis Due within one year-Current portion Due after more than one year-Non-current portion  Long term loans - Current portion  Eastern Bank Limited- Syndicate term loan IDLC Finance Limited Prime Bank Limited Standard Chartered Bank - Syndicate term loan  Long term loans - Non-current portion  Eastern Bank Limited Standard Chartered Bank - Syndicate term loan  Long term loans - Non-current portion Eastern Bank Limited- Syndicate term loan IDLC Finance Limited		16.06 16.04 16.05 16.07	Taka  4,771,847,577 12,445,384 2,085,410,256 6,869,703,217  1,873,945,551 4,995,757,666 6,869,703,217  1,025,500,167 12,445,384 836,000,000 1,873,945,551	7aka  29,678,643 5,530,333,884 83,538,588 2,923,898,383 8,567,449,502  1,886,837,155 6,680,612,343 8,567,449,502  959,222,355 71,110,809 20,503,999 836,000,000 1,886,837,155  4,571,111,528 12,427,788
16.01 16.02	Prime Bank Limited Eastern Bank Limited-Syndicate term loan IDLC Finance Limited Standard Chartered Bank - Syndicate term loan  Long term loans-Maturity analysis Due within one year-Current portion Due after more than one year-Non-current portion  Long term loans - Current portion  Eastern Bank Limited- Syndicate term loan IDLC Finance Limited Prime Bank Limited Standard Chartered Bank -Syndicate term loan  Long term loans - Non-current portion  Eastern Bank Limited-Syndicate term loan IDLC Finance Limited-Prime Bank Limited-Prime Bank Limited		16.06 16.04 16.05 16.07	1,873,945,551 4,995,757,666 6,869,703,217  1,025,500,167 12,445,384 - 836,000,000 1,873,945,551	7aka 29,678,643 5,530,333,884 83,538,588 2,923,898,387 8,567,449,502 1,886,837,159 6,680,612,343 8,567,449,502 959,222,359 71,110,808 20,503,999 836,000,000 1,886,837,159 4,571,111,529 12,427,783 9,174,648
16.02	Prime Bank Limited Eastern Bank Limited- Syndicate term loan IDLC Finance Limited Standard Chartered Bank - Syndicate term loan  Long term loans-Maturity analysis Due within one year-Current portion Due after more than one year-Non-current portion  Long term loans - Current portion  Eastern Bank Limited- Syndicate term loan IDLC Finance Limited Prime Bank Limited Standard Chartered Bank - Syndicate term loan  Long term loans - Non-current portion  Eastern Bank Limited Standard Chartered Bank - Syndicate term loan  Long term loans - Non-current portion Eastern Bank Limited- Syndicate term loan IDLC Finance Limited		16.06 16.04 16.05 16.07	Taka  4,771,847,577 12,445,384 2,085,410,256 6,869,703,217  1,873,945,551 4,995,757,666 6,869,703,217  1,025,500,167 12,445,384 836,000,000 1,873,945,551	7aka  29,678,643 5,530,333,884 83,538,588 2,923,898,383 8,567,449,502  1,886,837,159 6,680,612,343 8,567,449,502  959,222,359 71,110,803 20,503,999 836,000,000 1,886,837,159  4,571,111,529 12,427,783



### 16.04 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.
- ii. Fixed and floating charge over machinery, plant and equipment.
- iii. 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.
- iv. Corporate guarantee of the sister concerns of H. Akberali & Co. Limited.
- v. Implementation guarantee from the Sponsors.
- vi. 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.

### 16.05 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.



### 16.06 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.

### 16.07 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 7.50% per annum calculated on quarterly basis and variable depending on the situation of money market.

### Dishursement

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.

		30 June 2022	30 June 2021
		Taka	Taka
17.00	Defined benefit obligations - Gratuity		
	Opening balance	231,003,711	199,570,002
	Add: Current service cost	53,118,210	39,093,655
	Less: Payment made during the year	(43,892,534)	(7,659,946)
	Closing balance	240,229,387	231,003,711

Defined benefit obligations - Gratuity has been approved by National Board of Revenue (NBR). Subsequently Tk. 53,118,210 has been paid to employee gratuity fund thereof on 28 September 2022.



					30 June 2022 Taka	30 June 2021 Taka
18.00	Deferred Tax Liabilities				Така	Така
10.00	Opening balance Provided during the year				1,799,731,748	2,112,334,257
	Taxable/(deductible) temporary	y difference of PPE a	nd intangible asset	(excluding land)	(41,011,210)	(7,702,185)
	Deferred tax on ROU Asset			,	(30,749,491)	(4,850,938)
	Effect of derecognition of invest	ment in associate			. 1	(202,535,533)
	Provision for doubtful debts				(3,456,944)	-
	Provision for Gratuity				(2,075,777)	(2,083,335)
					(77,293,422)	(217,171,991)
	Adjusted during the year					
	Against impact on depreciation				(3,507,483)	(3,692,087)
	Effect of derecognition on revalue Deferred tax on fair value reserved.	•	nate		36,576,000	(239,418,431)
	Deferred tax on fair value reserv	/e			33,068,517	147,680,000 (95,430,518)
	Closing Balance				1,755,506,843	1,799,731,748
18.01	Reconciliation of deferred tax	liabilities/ (assets	s) 		Taxable/	
		Carrying	Tax base	Tax rate	(Deductible)	Deferred tax
		amount			temporary difference	liabilities/ (assets)
	As on 30 June 2022	Taka	Taka	%	Taka	Taka
	Property, plant and equipment (except land)	12,472,483,047	6,405,200,662	22.50%	6,067,282,385	1,365,138,537
	Liability on Revaluation Surplus (Land)	9,773,425,765	1,820,519,825	3-4%	7,952,905,941	266,347,024
	ROU Asset (Net)	(12,116,277)	-	22.50%	(12,116,277)	(2,726,162)
	Provision for Gratuity	(238,206,272)	-	22.50%	(238,206,272)	(53,596,411)
	Provision for doubtful debts	(15,364,197)	-	22.50%	(15,364,197)	(3,456,944)
	Actuarial gain/(loss)	(2,023,115)		22.50%	(2,023,115)	(455,201)
	Financial Asset at fair value Total deferred tax liabilities	2,842,560,000	1,000,000,000	10.00%	1,842,560,000	184,256,000 1,755,506,843
		Carrying amount	Tax base	Tax rate	Taxable/ (Deductible) temporary difference	Deferred tax liabilities/ (assets)
	As on 30 June 2021	Taka	Taka	%	Taka	Taka
	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
			_		30 June 2022	30 June 2021
19.00	Trade Payables		_	Note(s)	Taka	Taka
	BSRM Steel Re-Rolling Mills Lim	ited			1 102 000	751,153,386
	BSRM Logistics Limited Chittagong Power Company Lim	itad			1,182,069	19,727,194 118,750
	Others	iteu			239,133,119	137,267,187
	Others				240,315,188	908,266,517
20.00	Short Term Loans					
	Loan against trust receipts (LAT	R)		20.01	338,324,066	
	Time loans			20.02	160,000,000	988,011,361
	Demand loan			20.03	402,803,769	1,241,825,361
	Bank overdraft and cash credit			20.04	1,135,739,131	1,181,076,232
	Liability for accepted bills for pa	yment	CADU	20.05	39,601,196,261	26,791,563,403
	Stimulus Loans		SHALMAN	20.06	530,836,625 42,168,899,852	2,633,591,373 32,836,067,730
		1	\$ \sin \8		12,100,077,002	32,000,007,700
			I I I I I I I I I I I I I I I I I I I			

			30 June 2022	30 June 2021
		Note(s)	Taka	Taka
20.01	Loan Against Trust Receipts (LATR)			
	Standard Bank Limited		338,324,066 338,324,066	
			330,324,000	
20.02	Time Loans			
	IPDC Limited		-	502,211,361
	Meghna Bank Limited			485,800,000
	Commercial Bank of Ceylon plc		160,000,000 160,000,000	988,011,361
			100,000,000	700,011,301
20.03	Demand Loans			
	BRAC Bank Limited			320,311,111
	Commercial Bank of Ceylon plc		402.002.760	600,000,000
	Eastern Bank Limited HSBC		402,803,769	320,000,000
	Standard Bank Limited			1,514,250
			402,803,769	1,241,825,361
				3
20.04	Bank overdraft and Cash Credit		10,000,224	
	AB Bank Limited Agrani Bank Limited		18,989,234 56,628,105	- 1,071,717
	Basic Bank Limited		62,773,106	55,627,416
	Dhaka Bank Limited		26,221,677	426,254
	Dutch Bangla Bank Limited		115,751,216	
	Janata Bank Limited National Credit and Commerce Bank Limited		41,698,663	- 572 042 726
	NRB Bank Limited		212,784,629 30,009,468	573,842,726
	Premier Bank Limited		8,408,712	-
	Pubali Bank Limited		70,278	
	Rupali Bank Limited		403,154,691	411,116,312
	Standard Bank Limited Sonali Bank Limited		25,119,668	3,607,439
	South Bangla Agriculture & Commerce Bank Limited		16,008,014	
	State Bank of India		118,121,670	134,733,707
	Uttara Bank Limited		4 425 520 424	650,661
			1,135,739,131	1,181,076,232
20.05	Liability for accepted bills for payment (ABP)			
	AB Bank Limited		639,721,876	
	Agrani Bank Limited		634,780,399	1,161,296,343
	Al-Arafah Islami Bank Limited Bank Al-Falah Limited		3,501,818,386	809,730,578
	Bank Asia Limited		214,319,734 1,520,271,316	11,431,611 345,499,252
	BRAC Bank Limited		3,422,258,992	722,197,544
	The City Bank Limited		773,867,101	2,617,100,093
	Commercial Bank of Ceylon		915,660,133	557,045,817
	Dhaka Bank Limited Dutch Bangla Bank Limited		1,539,032,702 362,027,240	2,260,136,818 1,057,447,836
	Eastern Bank Limited		1,029,006,509	1,692,061,673
	HSBC		1,195,611,982	520,711,315
	IFIC Bank Limited		3,164,459,110	1,296,981,217
	Islami Bank Bangladesh Limited		1,965,042,601	-
	Jamuna Bank Limited Mercantile Bank Limited		1,947,171,596 2,111,362,780	644,477,078 1,021,867,118
	Mutual Trust Bank Limited		1,421,043,289	13,498,369
	National Bank Limited		792,847,172	428,021,432
	NCC Bank Limited		744,032,597	690,704,236
	One Bank Limited		639,178,937	782,619,628
	Prime Bank Limited Pubali Bank Limited		640,469,135 1,489,915,057	1,030,960,074 1,364,909,765
	Rupali Bank Limited		827,929,323	454,460,630
	Shahjalal Islami Bank Limited		2,988,149,727	2,600,793,546
	Standard Chartered Bank		2,753,408,919	1,275,195,951
	Trust Bank Limited		944,421,323	1,628,570,113
	United Commercial Bank Limited Uttara Bank Limited	FARHAM	1,228,008,665 195,379,660	1,163,624,502 640,220,864
		13	39,601,196,261	26,791,563,403
		ELHEC IN		

				30 June 2022	30 June 2021
				Taka	Taka
20.06	Stimulus Loans				
	AB Bank Limited				227,822,574
	Agrani Bank Limited			•	76,707,937
	BASIC Bank Limited			249,795,530	136,471,147 158,571,260
	BRAC Bank Limited Commercial Bank Limited			249,793,330	359,999,291
	Dhaka Bank Limited				140,928,075
	Dutch Bangla Bank Limited				60,146,125
	Eastern Bank Limited				252,581,889
	HSBC			150,000,000	-
	Meghna Bank Limited				153,416,524
	NCC Bank Limited			•	151,706,250
	Prime Bank Limited			131,041,095	201,849,978
	Rupali Bank Limited			•	379,266,435
	South Bangla Agriculture & Commerce Limited Standard Chartered Bank			-	182,048,125
	United Commercial Bank Limited				655,500 151,420,263
	Officed Commercial Bank Efficed			530,836,625	2,633,591,373
21.00	Liabilities for expenses				
	Advertisement expenses			93,355,482	58,783,183
	Carrying expenses			540,420,451	262,991,485
	Domiciliary expenses			2,142,735	2,180,037
	Liability against supply of goods/services Liability against non-current asset			320,537,603 7,050,717	193,640,983
	Liability for duty drawback			425,456,343	18,744,167 425,456,343
	Sales promotion expenses			12,216,412	2,443,360
	Travelling expenses			611,747	102,200
				1,401,791,490	964,341,758
22.00	Provision for income tax Opening balance			1,266,472,987	070 071 705
	Add: Provision during the year		1	1,245,409,598	970,071,795 1,043,918,697
	Add: Prior years' adjustment			58,639,422	45,229,227
	,		'	1,304,049,020	1,089,147,924
	Less: Adjusted with advance income tax paid at source	9		(1,102,558,119)	(792,746,732)
	Closing Balance			1,467,963,888	1,266,472,987
	_				
	_		ine 2022	30 June 2	
22.01	Reconciliation of effective tax rate	Rate	Taka	Rate	Taka
	Profit before tax		4,505,254,608		3,919,061,759
	Total income tax expense	27.23%	1,226,755,598	22.25%	871,975,933
	Factors affecting the tay shares				
	Factors affecting the tax charge: Tax using the applicable rate	22.50%	1 012 602 207	22 5004	001 700 006
	Difference between accounting and fiscal depreciation	-0.49%	1,013,682,287 (21,895,558)	22.50% -3.36%	881,788,896 (131,578,839)
	Difference between effect of ROU and actual payment	0.02%	705,359	0.01%	365,252
	Difference between gratuity provision and payment	0.05%	2,075,777	0.18%	7,072,585
	Adjustment for inadmissible expenses	-4.33%	(195,133,993)	6.46%	253,071,916
	Difference between accounting and fiscal gain on				
	sale of non-current asset	-0.02%	(766,931)	0.02%	913,183
	Adjustment for reduced rated taxable income	-0.45%	(20,077,711)	-0.24%	(9,280,952)
	Adjustment for tax incentives	-0.03%	(1,260,609)	-0.03%	(1,176,517)
	Adjustment for minimum tax	10.39%	468,080,978	1.09%	42,743,173
	Prior year adjustment Impact of temporary differences in deferred tax	1.30% -1.72%	58,639,422	1.15%	45,229,227
		27.23%	(77,293,422) 1,226,755,599	-5.54% 22.25%	(217,171,991) <b>871,975,93</b> 3
	=	22070	2,220,700,077	22.23/0	0,1,7,0,700



	30 June 2022	30 June 2021
	Taka	Taka
23.00 Provision for WPPF and Welfare Fund		
Opening balance	259,565,233	88,100,719
Add: Provided during the year	237,118,664	259,565,233
Less: Paid during the year	(259,565,233)	(88,100,719)
Closing Balance	237,118,664	259,565,233
24.00 Unclaimed Dividend		
Opening Balance	26,258,072	24,873,805
Add: Dividend declared during the year	1,127,857,500	939,881,250
Less: Paid during the year	(1,144,894,146)	(938,496,983)
Closing Balance	9,221,426	26,258,072
24.01 Dividend unclaimed for the years		
For year ended on		
30 June 2021 (Final)	2,085,395	-
30 June 2021 (Interim)	764,250	898,826
30 June 2020 (Final)	1,269,477	1,333,821
30 June 2019 (Final)	5,102,304	5,168,957
30 June 2018 (Final)		855,090
1st January 2011 to 30 June 2017		18,001,379
	9,221,426	26,258,072
Subsequently Tk. 32,127 has been paid to ordinary shareholders th  25.00 Other liabilities	ereof from 01 July 2022 to 31 August 2022.	
Audit Fees	805,000	776,250
Blocked Account - Standard Chartered Bank		756,250
Brokerage and commission	178,061,904	78,498,548
C & F Bill	5,684,472	1,533,127
Gas bill payable	2,027,077	1,595,309
Interest payable	24,432,905	9,287,766
Liability against share application money	-	7,581,814
Provident fund	4,520,030	4,337,658
Rent payables	374,590	539,452
Retention money	63,546,076	35,600,607
Salary and Allowances	25,384,522	14,452,038
Security deposit	31,975,146	31,225,146
Tax Deducted at Source		74,462
Utility	487,662,404	475,752,374
VAT Deducted at source		15,604,439
Others	6,282,895	5,850,776
	830,757,021	683,466,016
26.00 Contract liabilities		
Advance against sales	469,948,955	1,258,368,736
Total contract liabilities	469,948,955	1,258,368,736



			01 July 2021 to 30 June 2022	01 July 2020 to 30 June 2021
		Note(s)	Taka	Taka
27.00	Revenue from contracts with customers			
	Local sales	27.01	64,103,210,302	53,946,671,739
	Export sales		3,017,850,870	1,036,285,976
			67,121,061,172	54,982,957,715

Total export sales during this year were USD 34,854,130 against export of 35,798 Metric Ton of goods and it was USD 12,207,767 against export of 18,475 Metric Ton of goods for the year ended on 30 June 2021.

### 27.01 Revenue from local sales

	64,103,210,302	53,946,671,739
Less: Value Added Tax (VAT)	(1,500,853,920)	(1,662,057,762)
Gross sales	65,604,064,222	55,608,729,501

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

Segments Type of goods			
Xtreme 500W		14,170,155,240	13,826,671,318
Xtreme DWR		45,200,533,378	34,073,464,006
Ultima 420D		6,224,734,033	5,555,883,275
Maxima 500		368,610,973	213,368,501
M.S. Billet			3,499,320
Others		1,157,027,548	1,310,071,295
Total revenue from contracts with customers		67,121,061,172	54,982,957,715
Geographical Markets			
Bangladesh		66,618,799,600	54,658,890,863
China		247,082,758	148,352,464
India		235,893,314	131,968,546
Others		19,285,500	43,745,842
Total revenue from contracts with customers		67,121,061,172	54,982,957,715
Timing of revenue recognition			
Goods transferred at a point in time		67,121,061,172	54,982,957,715
Services transferred over time			-
Total revenue from contracts with customers		67,121,061,172	54,982,957,715
		01 July 2021 to	01 July 2020 to
		30 June 2022	30 June 2021
•	Note(s)	Taka	Taka
Contract balances			
Trade receivables	10.01	6,942,456,697	7,332,330,616
Contract assets			-
Contract liabilities	26.00	469,948,955	1,258,368,736

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.

### 27.04 Performance Obligations

27.03

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

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.

				01 July 2021 to 30 June 2022	01 July 2020 to 30 June 2021
		Note(s	)	Taka	Taka
28.00	Cost of sales Cost of sale-Scrap	28.01		750,438,910	685,228,516
	Cost of sales-Billet	28.01		, 50, 150, 510	3,216,766
	Cost of sales-Bliec Cost of sales-MS Rod	28.02		59,325,083,125	47,062,824,129
	Cost of sales- Finished goods procured from outside	28.03		•	824,410
	cost of suits. I mished boods proteined nom outside			60,075,522,035	47,752,093,821
28.01	Cost of sales- Billet			F (00 0(0 0F0	F (10 202 004
	Opening stock of scrap			7,622,862,050	5,619,303,904 32,800,882,815
	Add: Purchase during the year			50,521,183,811 (750,438,910)	(685,228,516)
	Less: Sale during the year			(14,952,678,426)	(7,622,862,050)
	Less: Closing stock of scrap  Raw materials consumption-Scrap			42,440,928,525	30,112,096,153
	Opening stock of Direct Consumable			117,827,781	50,957,453
	Add: Purchase during the year			1,734,087,186	1,212,813,350
	Less: Closing stock of Direct Consumable			(173,480,481)	(117,827,781)
	Direct Consumable Consumption			1,678,434,486	1,145,943,022
	Add: Factory overhead	28.04		7,901,020,285	7,722,162,079
	Cost of Billet Manufactured			52,020,383,296	38,980,201,254
	Add: Opening stock of Billet FG			443,279,835	787,946,141
	Less: Closing stock of Billet FG			(2,915,859,983)	(443,279,835)
	Transfer to Rolling Mills			(49,547,803,148)	(39,321,650,794)
	Cost of sales -Billet				3,216,766
28.02	Cost of sales- MS Rod				
20.02	Opening stock of raw materials-Billet			576,188,313	603,840,439
	Add: Purchase during the year			10,948,693,860	2,866,577,315
	Transfer from Melting Shop			49,547,803,148	39,321,650,794
	Less: Closing stock of raw materials-Billet			(1,168,552,213)	(576,188,313)
	Raw materials consumed-Billet			59,904,133,108	42,215,880,235
	Add: Opening stock of Roll Consumable			106,614,467	149,734,389
	Less: Addition/Purchase during the year			26,121,933	29,525,533
	Less: Closing stock of finished goods			(95,343,046)	(106,614,467)
	Roll Consumable Consumption			37,393,354	72,645,455
	Opening stock of Packing Materials Consumable			11,455,069 147,814,884	32,364,805 132,193,128
	Add: Addition/Purchase during the year Less: Closing stock of Packing Materials Consumable			(13,359,853)	(11,455,069)
	Packing Materials Consumption			145,910,100	153,102,864
	Add: Factory overhead	28.04		2,001,870,631	2,218,587,450
	Cost of Goods Manufactured	20.01		62,089,307,193	44,660,216,004
	Add: Opening stock of finished goods			2,870,904,910	5,277,353,254
	Less: Issuance for Project/Repair			(250,100,858)	(3,840,219)
	Less: Closing stock of finished goods			(5,385,028,120)	(2,870,904,910)
	Cost of sales -own production			59,325,083,125	47,062,824,129
	a				
28.03	Cost of sales- finished goods procured from outside				4,672,074
	Opening stock of finished goods Add: Finished goods purchased from outside				- 1,072,071
	Aud. I mished goods paremased it om outstac			-	4,672,074
	Less: Issuance for Project/Repair			-	(3,847,664)
	Less: Closing stock of finished goods				924 410
	Cost of sales- finished goods procured from outside			-	824,410
28.04	Factory Overheads				
2010-1	Car allowance			6,496,499	7,919,999
	Carrying charges			394,317,477	375,702,525
	Consulting fees			715,368	1,854,486
	Conveyance expenses			29,315,716	29,945,141
	Depreciation	4.00		1,016,720,405	1,019,859,105
	Depreciation of ROU Asset	5.00		63,126,231	52,961,342
				4	

			01 July 2021 to 30 June 2022	01 July 2020 to 30 June 2021
		Note(s)	Taka	Taka
	Electrical store consumption		138,452,405	219,672,391
	Entertainment		8,939,927	7,701,100
	Fees and renewals		1,436,545	842,910
	Fuel and Lubricants		182,029,706	208,479,150
	Gas		329,477,953	314,325,321
	General store consumed		71,308,558	47,818,624
	Gratuity		26,934,011	24,770,531
	Guest house expenses		3,385,853	3,098,939
	Guest house rent		3,839,250	4,015,201
	Insurance expenses		22,178,508	22,143,998
	Land revenue- holding tax			120,000
	Mechanical store consumption		579,653,162	713,014,526
	Medical expenses		5,824,868	6,367,828
	Motor car expenses		85,011	85,178
	Other store consumption		1,085,945,926	1,045,590,177
	Overtime		20,385,221	16,686,620
	Paper and periodicals		7,145	7,100
	Postage and telegram		34,200	44,086
	Power		5,042,405,368	4,971,784,802
	Rental expenses			70,000
	Repairs and Maintenance		35,565,828	45,281,510
	Salaries and allowances		619,767,833	587,688,379
	Stationery		3,191,635	6,669,675
	Testing charges		315,818	262,572
	Travelling expenses		769,162	2,926,355
	Utility expenses		15,609,357	20,823,698
	Wages		194,655,970	182,216,260
			9,902,890,916	9,940,749,529
29.00	Selling and Distribution Expenses			
	Advertisement		269,415,279	237,018,348
	Bad debt expense		28,106,716	
	Brokerage and commission		146,479,900	256,653,352
	Car allowance		5,991,593	5,175,670
	Casual wages		1,829,556	1,190,424
	Carriage on sales		259,473,525	309,850,611
	Conveyance expenses		3,180,269	2,566,571
	Depreciation	4.00	29,917,544	33,524,438
	Depreciation of ROU Asset	5.00	3,622,786	6,284,691
	Electricity expenses-Depot		4,954,352	4,679,320
	Entertainment		14,294,957	6,735,879
	C&F Charge - Export		6,309,244	4,581,288
	Fees and renewals		347,620	275,078
	Generator rent & fuel		36,261	62,151
	Gratuity expenses		5,913,555	7,447,284
	Internet expenses		790,029	742,210
	Legal expense		51,900	
	Medical expenses		1,091,047	1,071,727
	Motor cycle allowance		3,860,754	4,640,006
	Paper and periodicals		98,823	45,785
	Printing charges		7,991,683	7,713,683
	Professional fees		681,167	952,994
	Rental Expenses		167,848	170,413
			2,147,022	1,614,698
	Repair and maintenance	29.01	114,820,686	117,044,183
	Royalty expenses	29.01	139,029,089	128,997,725
	Salaries and allowances			19,922,377
	Sales promotion expenses		37,048,773	278,516
	Stationery expenses		313,288	
	Testing charges	SIN FARHAD	1,327,109	5,472,305
	Travelling expenses	(3)	4,479,440	4,132,204 1,168,843,931
		*(HFC)*	1,093,771,815	1,100,043,931
		(E)		
		TRIED NOSSU		

29.01 The trademark 'Xtreme' 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.

			01 July 2021 to 30 June 2022	01 July 2020 to 30 June 2021
		Note(s)	Taka	Taka
30.00	Administrative Expenses			
	Advertisement Expenses		780,946	531,590
	Amortization of Intangible asset		7,125,235	6,879,378
	Audit fees		1,207,500	1,357,000
	Board Meeting expenses		308,000	302,500
	Casual wages		1,085,554	425,580
	Car allowance		9,431,044	7,503,032
	Cleaning Expenses		1,495,633	1,156,340
	Conveyance expenses		5,990,174	2,662,237
	CSR expenses		40,720,315	22,683,105
	Depreciation	4.00	22,600,551	22,670,028
	Depreciation of ROU Asset	5.00	9,659,524	10,958,590
	Directors' remuneration	30.01	94,500,000	94,500,000
	Electricity expenses		2,865,738	2,861,841
	Entertainment		6,420,894	5,966,658
	Fees and renewals		9,849,784	6,730,640
	Gratuity expenses		15,153,558	6,875,840
	Guest house expenses		461,834	675,436
	Guest house rent		2,010,690	2,009,487
	Insurance expenses		73,346	97,750
	Internet expenses		1,387,999	1,364,000
	Land revenue		2,073,748	714,595
	Leave assistance		1,500,000	1,725,000
	Legal expenses		641,541	2,328,367
	Medical expenses		4,455,698	4,256,216
	Motor car expenses		3,473,597	5,399,198
	Motor cycle allowance		605,950	593,029
	Office rent		910,400	657,581
	Paper and Periodicals		1,118,699	926,761
	Postage expenses		375,316	458,256
	Professional and consulting fee		4,218,369	7,518,352
	Repair and maintenance		3,846,900	3,199,781
	Salaries and allowances		261,912,489	241,579,328
	Stationery expenses		3,369,938	3,103,024
	Subscriptions		293,800	299,800
	Telephone expenses		10,185,779	9,609,792
	Training expenses		577,124	697,790
	Travelling expenses		4,500,793	3,747,835
			537,188,460	485,025,737

31.00

Directors' Name	Gross Remuneration	Income Tax Deducted	Net Paid
	Taka	Taka	Taka
Mr. Alihussain Akberali-Chairman	40,500,000	10,125,000	30,375,000
Mr. Aameir Alihussain-Managing Director	36,000,000	9,000,000	27,000,000
Mr. Zohair Taherali-Director	11,400,000	2,850,000	8,550,000
Mrs. Tehseen Zohair Taherali- Director	6,600,000	1,650,000	4,950,000
	94,500,000	23,625,000	70,875,000
	-	01 July 2021 to	01 July 2020 to
	_	30 June 2022	30 June 2021
		30 June 2022 Taka	30 June 2021 Taka
Other Operating Income	FARHAD		
Other Operating Income Gain on sale of property, plant and equipment assets	FARHUDAC		
	HEC	Taka	Taka
Gain on sale of property, plant and equipment assets	HFC *	<b>Taka</b> 9,309,517	<b>Taka</b> 1,842,346

			01 July 2021 to 30 June 2022	01 July 2020 to 30 June 2021
		Note(s)	Taka	Taka
32.00	Finance Costs			
	Agency fees		2,032,581	2,230,000
	Bank charges & others		31,910,289	38,082,473
	Bank Guarantee Commission		2,948,630	1,569,491
	Interest on OD, cash credit		34,111,487	73,777,279
	Interest on Syndicate loan		581,695,128	740,519,550
	Interest on LATR		1,824,166	1,838,760
	Interest on Demand and Time loan		63,169,654	372,457,347
	Interest on Term loan		5,915,933	15,100,633
	Interest on Stimulus loan		33,735,553	82,125,331
	Interest expense on lease liability		18,098,609	12,392,673
	Interest on redeemable zero coupon bond			1,195,911
	Foreign currency exchange (gain)/loss	32.01	1,106,078,550	(17,996,532)
	Interest on balance due from inter companies		(146,677,262)	(805,441,467)
			1,734,843,318	517,851,449
32.01				
	Foreign currency (gain)/loss on transaction		112,169,784	(9,995,638)
	Foreign currency (gain)/loss on translation		993,908,766	(8,000,894)
			1,106,078,550	(17,996,532)
22.00	W			
33.00	Finance Income			
	Interest on trade debtors		6,313,193	13,747,955
	Interest income from STD		132,423,136	-
	Interest income from FDR		797,380,623	99,377,415
			936,116,952	113,125,370
34.00	Non Operating Income			
	Dividend Income		115,199,999	
	Loss on derecognition of lease		(1,793,320)	
			113,406,679	
				30 June 2021
			Note(s)	Taka
35.00	Loss on Derecognition of Investment in Associate	2		
	Fair value of financial asset as on 30 June 2021			2,476,800,000
	Carrying amount of investment in associate as on 30	June 2020		(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 fir	nancial asset		147,680,000
	Reversal of revaluation reserve of associate			(1,356,704,445)
	Reversal of deferred tax liability - revaluation reserv	e of associate		(239,418,431)
				(119,322,876)
	Loss on derecognition of investment in associate			(1,012,677,667)
			01 July 2021 to	01 July 2020 to
			30 June 2022	30 June 2021
26.00	Formings was about		Taka	Taka
36.00	Earnings per share			
	Basic earnings per share (EPS)			
	Profit attributable to the ordinary shareholders		3,278,499,010	3,047,085,826
	Number of ordinary shares at the year end		375,952,500	375,952,500
	Weighted Average number of shares outstanding du	ring the year	375,952,500	375,952,500
	Basic earnings per share (EPS)		8.72	8.10

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 2022	30 June 2021
		Taka	Taka
37.00	Net Asset Value Per Share (NAV)		
	Total Assets	81,906,656,840	72,384,578,546
	Less: Total Liabilities	(55,971,473,465)	(48,932,728,164)
	Net Asset Value (NAV)	25,935,183,375	23,451,850,382
	Number of ordinary shares outstanding during the period	375,952,500	375,952,500
	Net Assets Value (NAV) per share	68.99	62.38
		01 July 2021 to	01 July 2020 to
		30 June 2022	30 June 2021
		Taka	Taka
38.00	Net operating cash flow per share		
	Net operating cash flows (From statement of Cash Flows)	3,993,347,108_	7,845,646,991
	Number of ordinary shares outstanding during the period	375,952,500	375,952,500
	Net operating cash flow per share	10.62	20.87

### 39.00 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 o 30 June 2022	n	Mode of Transaction
Bangladesh Steel Re-Rolling Mills Limited	Shareholder	Short term loan	2,283,872,672	Dr.	
BSRM Ispat Limited	Sister Company	Short term loan	193,807,942	Dr.	Market
BSRM Logistics Limited	Sister Company	Short term loan	37,695,789	Dr.	price/Negotiated
H. Akberali & Co. Limited	Sister Company	Short term loan	-	Dr.	price
Chittagong Power Company Limited	Sister Company	Short term loan	1,006,312,234	Dr.	
BSRM Wires Limited	Sister Company	Short term loan	1,576,730,056	Dr.	

### 39.01 Details of transactions

Name of inter companies	Opening balan	ces	Transaction during the year (Net)	Amount owed by related parties	Amount owed to related parties
Bangladesh Steel Re-Rolling Mills Limited	-		2,283,872,672	2,283,872,672	-
BSRM Ispat Limited	192,375,942	Dr.	1,432,000	193,807,942	- '
BSRM Logistics Limited	73,723,594	Dr.	(36,027,805)	37,695,789	-
H. Akberali & Co. Limited	942,625,968	Dr.	(942,625,968)	-	-
Chittagong Power Company Limited	806,425,234	Dr.	199,887,000	1,006,312,234	- ,
BSRM Wires Limited	691,230,344	Dr.	885,499,712	1,576,730,056	-

These amounts are classified as Due to and Due from related companies, respectively (see notes 11)

		30 June 2022 Taka	30 June 2021 Taka
39.02	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	152,614,248	119,682,588
	Post Employment Benefits	28,030,403	-
	Other long Term benefit	-	
	Termination Benefit		
	Share-based Payment .	180,644,651	119,682,588



	· -	30 June 2022	30 June 2021
		Taka	Taka
40.00	Reconciliation of cash generated by operations		
	Profit before income tax Adjustment for:	4,505,254,608	3,919,061,759
	Depreciation charged	1,069,238,500	1,076,053,571
	Amortization charged	83,533,776	77,084,001
	Gain on sale of property, plant and equipment	(9,309,517)	(1,842,346)
	Finance Income	(936,116,952)	(113,125,370)
	Dividend Income	(113,406,679)	
	Finance Cost	1,734,843,318	517,851,449
	Loss on derecognition of investment in associate	-	1,012,677,667
	<u>-</u>	1,828,782,446	2,568,698,972
	Changes in:		
	Provision for WPPF & Welfare Fund	(22,446,569)	171,464,514
	Defined Benefit Obligations - Gratuity	9,225,676	31,433,709
	Inventories (net of inventory for non-current asset )	(1,063,782,861)	1,191,800,075
	Trade Receivables	389,873,919	(131,088,050)
	Trade Payables	(667,951,329)	769,458,976
	Contract Liabilities	(788,419,781)	804,421,033
	Lease Obligation Paid	(91,372,219)	(80,973,954)
	Advances, deposits and pre-payments (net of advance income tax and advance against non-current asset)	58,582,556	143,838,489
	Liabilities for Expenses	437,449,732	(99,457,870)
	Other Liabilities	147,291,005	(56,250,407)
		(1,591,549,871)	2,744,646,515
	Cash Generated from Operation	4,742,487,183	9,232,407,246
	Payment of interest-net	384,476,326	(317,623,683)
	Income tax paid	(1,133,616,401)	(1,069,136,572)
	Net cash flows from operating activities	3,993,347,108	7,845,646,991
	Contingent liabilities		
41.01	Bank guarantees	45.550.004	45.550.004
	IFIC Bank Limited HSBC	47,653,091	47,653,091
	Mercantile Bank Limited	2 272 702 000	839,979
	Meghna Bank Limited	3,372,793,000	145,373,000
	Mutual Trust Bank Limited	279,533,654	•
	Trust Bank Limited	2,101,054,714	•
	Trust Bank Limited	46,432,225	102.066.070
	=	5,847,466,684	193,866,070
41.02	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, Narayangonj 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.

### 41.03 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 2022:

	30 June 2022	30 June 2021
	Taka	Taka
Joint guarantee	18,050,000,000	20,720,000,000
	18,050,000,000	20,720,000,000

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:

		Credit Rating	
	Name of sister companies	30 June 2022	30 June 2021
	Bangladesh Steel Re-Rolling Mills Limited	AA+	AA
	BSRM Wires Limited	BBB+	BBB+
	H. Akberali & Co. Limited	A+	A
	BSRM Logistics Limited	A	A
12.00	Production Capacity		
	Installed Capacity (In M. Ton)- yearly	800,000	800,000
	Production (In M. Ton)	868,454	816,494
	Capacity utilized- (%)	108.6%	102.1%
	The above mentioned production capacity represents the normal pro-	duction capacity of the company only.	
40.00	P1		

# 43.00 Employees

4

-	
1,455	1,416
1,455	1,416

## 44.00 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.

44.01 Credit risk44.02 Liquidity risk44.03 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.

# 44.01 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.

## 44.01.01 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:

Financial Asset (Investment in Bangladesh Steel Re-Rolling Mills Limited)
Investments in FDRs
Advances, deposits and prepayments
Trade and other receivables
Due from related companies
Cash at banks

30 June 2022	30 June 2021
Taka	Taka
2,842,560,000	2,476,800,000
2,874,744,862	2,310,041,175
4,592,884,090	3,926,493,428
7,142,826,187	7,703,895,423
5,098,418,693	2,706,381,082
1,502,774,140	2,809,693,692
24,054,207,972	21,933,304,800



### 44.01.02 Ageing of trade receivables

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

	30 June 2022	30 June 2021
	Taka	Taka
Due within 90 days	5,898,947,668	6,193,771,812
Due within 91 to 180 days	346,006,127	368,719,075
Above 181 days	712,867,099	770,461,506
	6,957,820,894	7,332,952,393

# 44.02 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	Carrying Int		Contractual cash flows		
financial liabilities		Interest rate	Within 12 months	1 to 5 years	More than 5 years
As at 30 June 2022	Taka	%	Taka	Taka	Taka
Long term loans	6,869,703,217	7.75% - 9%	1,873,945,551	4,995,757,666	
Trade payables	240,315,188	N/A	240,315,188	-	
Short term loans	42,168,899,852	3.75%-6.50%	42,168,899,852	-	- 1
Liabilities for expenses	1,401,791,490	N/A	1,401,791,490		
Defined benefit obligations- Gratuity	240,229,387	N/A	240,229,387	-	-
Provision for WPPF and Welfare fund	237,118,664	N/A	237,118,664		-
Unclaimed dividend	9,221,426		9,221,426	-	
Other liabilities	830,757,021	N/A	830,757,021		
	51,998,036,245	•	47,002,278,579	4,995,757,666	

Non-derivative	Carrying amount	Interest rate	Contractual cash flows		
financial liabilities			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		- 1
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	683,466,016	N/A	683,466,016	-	
	44,476,418,539		37,795,806,196	6,680,612,343	

# 44.03 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 2022, 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 2022		30 June 2021	
_	USD	Taka	USD	Taka
Foreign currency denominated assets				
Cash and cash equivalents	2,202,415	219,911,114	5,246,932	445,726,893
_	2,202,415	219,911,114	5,246,932	445,726,893
Foreign currency denominated liabilities				
Liability for accepted bills for payment	396,606,873	39,601,196,261	315,380,381	26,791,563,403
Syndicated term loan	13,264,283	1,324,438,626	18,335,974	1,557,640,967
_	409,871,156	40,925,634,887	333,716,355	28,349,204,370
Net exposure	(407,668,741)	(40,705,723,773)	(328,469,423)	(27,903,477,477)
The following significant exchange rate is applied during the Year:			30 June 2022	30 June 2021
Exchange rate of US Dollar			99.85	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 2022 Profit or loss		30 June 2021		
		Profit or loss		
Strengthening	Weakening	Strengthening	Weakening	
Taka	Taka	Taka	Taka	
(1,221,171,713)	1,221,171,713	(837,104,324)	837,104,324	

USD (3% movement)

# (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 repay 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 2022	30 June 2021
Fixed- rate instruments	Taka	Taka
Financial assets	7,973,163,555	5,016,422,257
Financial liabilities	(49,038,603,069)	(41,403,517,232)
	(41,065,439,514)	(36,387,094,975)
Variable- rate instruments		
Financial assets		
Financial liabilities	· ·	
	-	
(a) Other market price rick		

# (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.

# $45.00 \quad \text{Events after reporting date:} \\$

# 45.01 Proposed Dividend:

The Board of Directors of BSRM Steels Limited at its 260th meeting held on 27 October 2022 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 2022. These dividends are subject to final approval by the shareholders at the forthcoming annual general meeting of the company



# 45.02 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.

	01 July 2021 to 30 June 2022 Taka
Distributable Income	3,278,499,010
Minimum Dividend Percentage as per Section 16G	30%
Amount to be Distributed as Dividend	983,549,703
Net Profit Before Tax	4,505,254,608
Less: Income Tax	(1,226,755,598)
Distributable Income	3,278,499,010



# SHAREHOLDERS' INFORMATION

# ANNUAL GENERAL MEETING (AGM)

No. of AGM : 20th AGM

Date : December 28, 2022

Venue : Digital Platform

Time : 10:30 AM

# FINANCIAL CALENDAR

Financial Period: July 01, 2021 to June 30, 2022.

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



# THE RECORD DATE IS

23<sup>rd</sup> November, 2022.

# BSRM STEELS SHARE PERFORMANCE ON STOCK EXCHANGES



Movement of share price on **Dhaka Stock Exchange Ltd. (DSE)** during the year 2021-22:

# **DIVIDEND DATE**

The Board in its 260th meeting held on October 27, 2022 recommended total Cash Dividend 30% for the year ended June 30, 2022.

# 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 2022 was Taka 67.20

DIVIDEND				
Year	Rate of Dividend	Form of Dividend		
2021-22	30%	Cash (Recommended)		
2020-21	30%	Cash		
2020-21	10%	Cash (Interim)		
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			
2021-22	8.72			
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					
2021-22	25,264					
2020-21	21,053					
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					

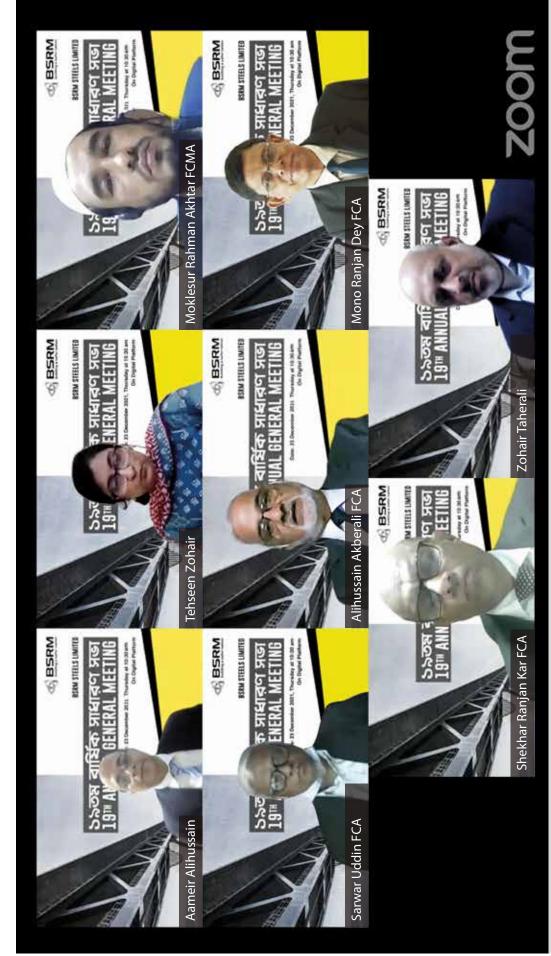
# PLANT LOCATION

- Rolling Unit: 4, Fouzderhat Industrial Estate, Chattogram, Bangladesh. Tel: +88(031) 2770192-3.
- 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 2333354901-10, E-mail:investors@bsrm.com, Fax: +880 2333360301, Web: www.bsrm.com

# **EVENTS AND IMAGES**



19th Annual General Meeting (Virtual Platform)























# **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				
Dasic LF3	by weighted average number of Ordinary shares)				
Diluted EPS	Diluted Earnings or Income per Share				
	Difference between the carrying value of property, plant & equipment as per				
Deferred Tax	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				
Gearing 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				

SHAREHOLDERS' NOTES

SHAREHOLDERS' NOTES

SHAKEHULDERS' NUTES

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

# PROXY FORM

of															.(Addr	ess)
a Sharehold	er of BSF	RM Steel	s Limite	d ("the	compar	ny") her	eby app	ooint,								
Mr./Ms															(Na	ame)
of															.(Addr	ess)
as my /our <b>December</b> my/our beha	28, 202	2 and a	t any ad	journme	ent there	eof or a	any poll									
Dated this								(	day of						20	)22.
Signature of Folio /BO ID	f the Shar									Sign	 nature ( o /B0 I	of the F	Proxy			
Dated										Dat	ed					
Signature of Note: The F	Proxy Forr	m, dully			t later th	nan 48	hours k	pefore the	he time			nolding	of the r	meetir gnatu  ized (	ig. re Veri  Signat	ified 
		Re	gistered			sion, 1		99 Sada	arghat F		hattogr	am.				
I hereby re									BSRM	Steels	Limite	ed on I	Decem	ber 2		)22.
BO ID																
50 15																
													Si	ignatu	re Ver	ified
Signature													Author BSRM		-	

# **Corporate Office:**

Ali Mansion, 1207/1099 Sadarghat Road, Chattogram

Bangladesh. +88 02 3333 54901-10

Fax: +88 02 3333 60301, Email: mail@bsrm.com