

DIRECTORS' REPORT

Dear Shareholders,

It's our great pleasure and honor to welcome you all to our 21st Annual General Meeting and share with you the Directors' Report, Auditors Report together with the Audited Financial Statements of BSRM Steels Limited for the year ended June 30, 2023. 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.

BSRM recognizes the remarkable efforts of the entire management team which continued to execute the business plans against a challenging geopolitical environment and made progress on the priority of driving sustainable growth. Their dedication, resilience and focus on results helped drive the Company forward as we navigated through a challenging external environment. Our company's strength lies in innovation and our sustained leadership and success are testament to this fact. Fueled by the rising demand in the steel markets and our understanding of customer requirements, coupled with the exceptional efforts of our dynamic production team, we have reached historic milestones in both production and sales. This year, we proudly achieved a record-breaking production of 920,257 MT of MS products, marking the highest in the history of BSRM Steels Limited. Additionally, our sales team excelled, achieving the highest sales quantity of 904,002 MT this year. We extend our heartfelt appreciation to our dedicated sales and production teams, whose unwavering commitment and hard work made these remarkable achievements possible.

GLOBAL AND DOMESTIC ECONOMIC SITUATION

The global recovery from the COVID-19 pandemic and Russia's invasion of Ukraine remains slow and uneven. Despite economic resilience earlier this year, with a reopening rebound and progress in reducing inflation from last year's peaks, it is too soon to take comfort. Economic activity still falls short of its pre-pandemic path, especially in emerging market and developing economies, and there are widening divergences among regions. The Global growth is forecast to slow from 3.5 percent in 2022 to 3.0 percent in 2023 and 2.9 percent in 2024. We now forecast Bangladesh's real GDP to expand by 6.0% in FY2023-24, down from our previous forecast 7.9%. Due to high import dependency and the Russia-Ukraine war, Bangladesh is facing economic challenges ranging from elevated inflation and balance of payments stresses, which are showing little signs of abating.

INDUSTRY OUTLOOK AND SUSTAINABLE FUTURE PLANNING

The Steel Industry mainly depends on imported raw materials, spares, and consumables. The steel manufacturing sector has been suffering from the dollar shortage as well as power crisis. Imported raw materials prices is more or less stable but the main challenge is the volatility of foreign currency prices.

The World Bank has suggested that the Bangladesh economy is expected to rebound in FY2023-24 and return to its potential pace. The latest report indicates that growth is expected to pick up to 6.2% in FY-2024. The current average per capita steel consumption in Bangladesh is estimated at 43 kg. In 2030, this demand is expected to rise to more than 100 kg per capita. The production is also increasing in line with the demand at a rate of 10% approximate.

To meet the growing demands of our customers, we are ramping up our production capabilities significantly. A new rolling mill is being established in Mirsarai, and we are also boosting our billet production capacity. During the year, our company initiated two major capital investments aimed at expanding our existing production capabilities. We are augmenting our melting capacity by an additional 250,000 MT per annum and establishing a new re-rolling mill with a capacity of 500,000 MT for MS products and 100,000 MT for wire rods. Both of these ambitious projects are located in Mirsarai. The expansion of our melting unit is nearing completion stage, with trial production already underway. Simultaneously, work on the rolling mills is progressing well and we anticipate finishing the project by June/July 2024. These strategic initiatives underline our commitment to meeting customer demands and further strengthening our position in the market.

MANAGING EXPECTATIONS: INFLATION AND MONETARY POLICY

The economic pressure came from high global commodity prices, high inflation, and supply chain disruptions. But Bangladesh is not the only country feeling the pressure, every country, rich or poor, have been struggling to recover from the fallout of the pandemic and war in Ukraine. High inflation has remained a prevailing concern.

The Bangladesh Bureau of Statistics (BBS) reported that the monthly average inflation was 9.02 percent as of June 2023, surpassing both the government's projected rate of 5.6 percent for FY2023 mentioned in the finance minister's budget speech and the central bank's projection of 7.5 percent in the Monetary Policy Statement for January to June 2023. Worryingly, latest BBS estimates reveal that average inflation in August 2023 was 9.92 percent while food inflation went as high as 12.54 percent.

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.

We have introduced Xtreme B500 DWR since last year to meet the requirements of our customers. Since its launch to the market BSRM Xtreme B500 DWR rapidly gained market share and is the undisputed market leader in this category. Besides Xtreme B500 DWR, 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	Production (M. Ton)		Sales (M. Ton)	
	2022-23	2021-22	2022-23	2021-22
Xtreme B500 DWR/B500 CWR	869,081	773,546	845,375	763,713
Other M.S Rod	51,176	94,908	58,627	85,623
M.S Billet	553,663	760,820	-	-

MANAGING RISKS AND CONCERNS

Steel Industries inherently operates under a high risk business environment. Effective risk assessment and mitigation are fundamental. The Board of Directors at BSRM recognizes this significance and is actively engaged in ongoing monitoring, assessment, and identification of potential business & financial risks and threats that could impact our profitability and sustainable growth. Our robust Risk Management capabilities are underpinned by a solid management structure, advanced information systems, and regular analyses of market dynamics and economic scenarios. We have implemented stringent policies to smoothly navigate challenges as they arise.

The BSRM Group has proactively developed an Enterprise Risk Management (ERM) Framework and Guidelines. Within the ambit of this policy, a comprehensive Risk Register has been meticulously prepared. A dedicated team is consistently engaged in monitoring potential risks, conducting assessments, and implementing preventive and corrective measures to effectively address them.

A summary of the significant risks and the way of managing risks adopted by our company is included in Annexure-1 and Note -43 of the Financial Statements.

DISCUSSION ON COST OF GOODS SOLD, GROSS PROFIT MARGIN AND NET PROFIT MARGIN

Amount BDT in Million

Particulars	July'22 to June'23	July'21 to June'22	Change (%)
Cost of goods sold (COGS)	76,411	60,076	27.19
Gross Profit	8,114	7,046	15.16
Net Profit	2,979	3,278	(9.12)

During the year net sales revenue stood at BDT 84,525 million which is 25.93% higher than the previous year. At the same time COGS stood Tk. 76,411 million due to volatile market price of raw material, spares, consumables and USD currency devaluation which is 27.19 % higher than previous year. Mainly Gross profit has increased by 15.16% for increased selling price. During the year net profit after tax stood BDT 2,979 million which was 9.12% lower than last year BDT 3,278 million. The main reason to reduce net profit after tax is finance costs. Out of total finance cost BDT 3,023 million, foreign currency exchange loss was BDT 1,848 Million which was BDT 1,106 Million in last year.

EXTRAORDINARY GAIN OR LOSS

The global economy and financial markets are exceptionally unpredictable due to the effect of Russian-Ukraine conflict. High global commodity prices, high inflation, and supply chain disruptions and mainly devaluation of BDT against USD we have incurred a substantial loss this year.

These losses, amounting to Tk. 1,848 million, which were a direct consequence of the currency volatility experienced during the fiscal year. To provide a detailed breakdown, the losses incurred encompassed a wide range of financial activities, including import and export transactions, debt repayments, and investments denominated in foreign currencies. The adverse effects of these fluctuations reverberated across our financial statements, impacting both revenue and expenses.

This detailed insight into the exceptional gain or loss underscores the intricate nature of managing a business in the face of global economic uncertainties. We remain vigilant, adapting our strategies to navigate these challenges and ensuring the long-term resilience and stability of our organization

RELATED PARTY TRANSACTIONS

We have maintained transparency and ethical business practices at the time of recording transactions with related parties. Our dedicated team ensures fairness, integrity, and adherence to ethical norms in all our business interactions with related entities. To provide a comprehensive understanding of these transactions, details of the related party transactions have been disclosed under Note 38 of the financial statements as per IFRS/ IAS.

Explanation on Significant Deviation between quarterly and annual financial performance:

Amount BDT in Million

Particulars	Unit	For the Year		For the Period			
		July'22 to June'23	July'21 to June'22	Apr'23 to Jun'23	Jan'23 to Mar'23	Oct'22 to Dec'22	July'22 to Sept'22
Production	M.Ton	920,257	868,454	216,845	237,572	237,208	228,632
Sales	M.Ton	904,002	849,336	199,970	292,556	225,069	186,407
Revenue	Tk in MN	84,525	67,121	19,872	27,625	20,204	16,823
Cost of Sales	Tk in MN	76,411	60,076	16,862	25,209	18,881	15,459
Gross Profit	Tk in MN	8,114	7,046	3,010	2,416	1,324	1,364
Profit Before Tax	Tk in MN	3,771	4,505	1,964	1,374	591	(157)
Income Tax Expense							
Current Tax	Tk in MN	(859)	(1,304)	(264)	(242)	(161)	(192)
Deferred Tax	Tk in MN	68	77	68	(10)	8	1
Profit after Tax	Tk in MN	2,979	3,278	1,767	1,122	438	(348)
Basic Earning per share	Tk	7.92	8.72	4.70	2.98	1.17	(0.93)

Production & Sales: We have continued to achieve all the records in our production and Sales quantity this year and the above quantity reflects the highest production and sales in the history of BSRM Steels. Quarterly sales quantity fluctuates due to the sales volume of steel industries depending on seasons in Bangladesh.

Finance Cost: During the year we have recorded a significant amount of foreign currency transactions and translation loss due to unstable markets of foreign currency. In the first quarter of this financial year, we incurred BDT 1,362 million as finance costs; consequently, the net profit after tax shows negative.

Gross Profit: Our GP ratio related to the first three quarters ranged from 7% to 9% due to the higher price of our raw materials, spares and consumable items. The raw materials price gradually downward trend during the last quarter of this financial year which was reflected in the GP ratio of last quarter @ 15.15% of this financial year.

Net Profit after tax: During the first quarter Jul-Sep 22, we incurred a loss of Tk. 348 million due to the significant amount of finance cost along with foreign currency fluctuation loss. Subsequently, we have performed better due to the downward trend of raw materials price and increased amount of sales.

Significant deviations from the last year's operating results:

Operational Performance:

Particulars	July'22 to June'23	July'21 to June'22
Installed Capacity (M. Ton)	800,000	800,000
Production (M. Ton)	920,257	868,454
Capacity Utilization (%)	115.03%	108.56%
Sales (M. Ton)	904,002	849,336

This year our core operational team operates our production efficiently and effectively. The ultimate result is reflected in the above presentations. We have utilized our rolling mill's efficiency 115% which was a milestone of BSRM Steels history. We have also performed recorded sales this year which was 6.44% higher than last financial year.

OPERATING RESULTS:

Particulars	Unit	July'22 to June'23	July'21 to June'23
Sales	Tk in MN	84,525	67,121
Gross Profit	Tk in MN	8,114	7,046
Profit before interest, taxes, WPP&WF	Tk in MN	6,461	5,428
Interest & WPP&WF	Tk in MN	2,790	1,036
Tax expenses	Tk in MN	792	1,227
Net Profit	Tk in MN	2,979	3,278
EPS	Tk	7.92	8.72

During the period, total revenue has increased by 25.93% compared to the previous year. The amount of sales increases due to higher selling price and sales quantity. Due to the volatile foreign currency market, we have recorded a significant amount of financial cost Tk. 3,023 million and our net profit after tax reduced by 9.12% compared to last year. Earnings per share also reduce due to a substantial amount of foreign currency fluctuation loss.

KEY OPERATING AND FINANCIAL DATA OF PRECEDING 5 (FIVE) YEARS

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

OPERATIONAL PERFORMANCE

Particulars	Unit	July'22 to June'23	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
Operations & Market:							
Installed Capacity	MT	800,000	800,000	800,000	750,000	700,000	700,000
Production	MT	920,257	868,454	816,494	643,917	758,405	727,034
Capacity Utilization	%	115.03	108.56	102.10	85.90	108.34	103.90
Sales	MT	904,002	849,336	868,497	635,911	756,820	710,995
Operational Results:							
Revenue	Tk in MN	84,525	67,121	54,983	38,681	61,060	48,290
Gross Profit	Tk in MN	8,114	7,046	7,231	5,173	5,052	4,879
Gross Profit Ratio	%	9.60	10.50	13.15	13.37	8.27	10.10
Net Profit After Tax	Tk in MN	2,979	3,278	3,047	742	1,728	1,800
Net Profit Ratio	%	3.52	4.88	5.54	1.92	2.83	3.73
Earing Per Share (EPS)	TK	7.92	8.72	8.10	1.97	4.60	4.79
Financial Position:							
Paid Up Capital	Tk in MN	3,760	3,760	3,760	3,760	3,760	3,418
Share Holders' Equity	Tk in MN	27,565	25,935	23,452	21,369	20,897	12,809
Current Liabilities	Tk in MN	42,858	48,891	40,141	33,270	33,888	29,799
Non-current Liabilities	Tk in MN	6,477	7,195	8,792	9,976	11,023	3,072
Addition to fixed assets & CWIP	Tk in MN	9,661	1,367	236	1,534	5,872	2,321
Operating cash flow	Tk in MN	10,961	3,993	7,846	2,094	(468)	752
Net Asset Value per Share	TK	73.32	68.99	62.38	56.84	55.58	37.48

This year we have produced the highest quantity MS product and we have utilized our capacity by 115% with the help of our devoted workforce. The Net Asset Value per share (NAV) of the Company has been increasing consistently due to our competent and efficient operational performance. In this year, the NAV per share is Tk. 73.32 which was Tk. 68.99 in 2021-22.

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 (Tk)	Remuneration (Tk)	Total Paid (Tk)
Mr. Alihussain Akberali FCA	Chairman	22,000	40,500,000	40,522,000
Mr. Aameir Alihussain	Managing Director	22,000	36,000,000	36,022,000
Mr. Zohair Taherali	Director	11,000	11,400,000	11,411,000
Mrs. Tehseen Zohair Taherali	Director	11,000	6,600,000	6,611,000
Mr. Mono Ranjan Dey FCA	Independent Director	220,000	-	220,000
Total		286,000	94,500,000	94,786,000

DIRECTORS' RESPONSIBILITIES STATEMENTS

Based on the guidelines set forth by the Bangladesh Securities and Exchange Commission (BSEC) under notification No. BSEC/CMRRCD/2006-158/207/Admin/80 dated 03 June, 2018, the Directors of BSRM Steels Ltd hereby confirm the following:

- The Financial Statements, prepared by the management, fairly represent the company's financial position, operational outcomes, cash flows, and changes in equity.
- Proper Books of Account of the Company have been diligently maintained, ensuring transparency and accuracy in financial records.
- Appropriate accounting policies have been consistently applied in the preparation of the financial statements. Accounting estimates have been made based on reasonable and prudent judgments.
- International Accounting Standards (IAS), Bangladesh Accounting Standards (BAS), and International Financial Reporting Standards (IFRS) applicable in Bangladesh have been adhered to in the preparation of the financial statements. Any deviations from these standards, if any, have been duly disclosed.
- The internal control system, designed to safeguard the company's assets and ensure compliance, has been effectively implemented and monitored, ensuring the soundness of the system.
- There are no uncertainties regarding the company's ability to continue as a going concern. The annual accounts have been prepared on a going concern basis, reflecting the company's confidence in its sustained operations.
- A compliance status report with requirements of Corporate Governance as required by BSEC has been disclosed in the Regulatory Compliance Report segment.
- Directors' profile and their directorship and business interests in other organizations have been disclosed in the Board of Directors segment.
- There was no declaration of bonus shares or stock dividends as interim dividends.

BOARD OF DIRECTORS: COMPOSITION AND SIZE OF THE BOARD

As of June 30, 2023, the Board panel consisted of 5 distinguished members, including the Chairman, the Managing Director, two Directors, and an Independent Director. This diverse composition ensures a wealth of experience, expertise, and perspectives guiding the strategic decisions of our organization.

DETAILS OF DIRECTORS BEING APPOINTED AND RE-APPOINTED

At the conclusion of this Annual General Meeting (AGM), in accordance with the rotation policy outlined in the Articles of Association of the Company, Mr. Aameir Alihussain and Mr. Zohair Taherali are set to retire. Both directors, being eligible, have offered themselves for re-appointment. The Board, recognizing their valuable contributions, has strongly recommended their reappointment to continue their roles in the organization.

APPOINTMENT OF INDEPENDENT DIRECTOR

In adherence to the directive from the Bangladesh Securities and Exchange Commission (BSEC) and following the recommendation of the Nomination and Remuneration Committee (NRC), the Board has proposed the appointment of Mr. Gobinda Chandra Paul FCA as the Independent Director of the Company. This appointment is set to take effect from November 1, 2023, and will be valid for the next 3 (three) years. Mr. Gobinda Chandra Paul FCA brings with him a wealth of experience in internal & external audit, assurance, internal control development, and expertise in Tax and VAT matters. He holds the esteemed qualification of Chartered Accountant and is a Fellow Member of the Institute of Chartered Accountants of Bangladesh (ICAB). Presently, he serves as a Partner at Basu Banerjee Nath & Co., a renowned Chartered Accountancy firm, and fully meets all the criteria to serve as an Independent Director of a listed company, as per the Corporate Governance Code of BSEC.

BRIEF PROFILE AND CORPORATE AFFILIATIONS

Comprehensive profile of all Directors, including Independent Director, along with details of their affiliations, directorships, and memberships in other companies, have been disclosed in the Board of Directors segment. This disclosure ensures transparency and allows stakeholders to make informed assessments about the expertise and corporate connections of the individuals guiding the Company's strategic direction.

BOARD MEETING AND ATTENDANCE

Throughout the period from July 01, 2022, to June 30, 2023, the Board convened on 8 occasions, fostering robust discussions and informed decision-making. The attendance record of each Director at these meetings is diligently maintained, reflecting our commitment to active participation and engagement.

In instances where Board members were unable to attend a meeting, leaves of absence were granted, or it was duly noted that they were abroad during the scheduled meeting time. This flexible approach allows our Directors to fulfill their responsibilities effectively while accommodating their professional commitments.

Name	Position	No. of meeting held during the year	No. of meeting attended
Mr. Alihussain Akberali FCA	Chairman	8	8
Mr. Aameir Alihussain	Managing Director	8	8
Mr. Zohair Taherali	Director	8	6
Mrs. Tehseen Zohair Taherali	Director	8	7
Mr. Mono Ranjan Dey FCA	Independent Director	8	6

THE PATTERN OF SHAREHOLDING POSITION ON JUNE 30, 2023

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/Designation	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	2,640,348
Mr. Shekhar Ranjan Kar FCA	Head of Finance & Accounts and Company Secretary	30,006
Mr. S.M. Nurul Karim	Sr. Manager & Chief Financial Officer	13,000
Mohammed Reazul Kabir FCA	Head of Internal Audit & Compliance	5,251

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

Name	Designation	No. of Shares Held
Hasan Zafar Chowdhury	Chief Operating Officer	Nil
Surendra Jagdale	Technical Adviser	Nil
Syed Habibur Rahaman	Assistant General Manager Plant Operation	Nil
Jamil Ahmed	Head of Human Resources	Nil
Manoj Kumar Srivastava	Assistant General Manager Plant Operation	Nil

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

Name	Status	No. of Shares Held
Mr. Alihussain Akberali FCA	Chairman	38,486,794
Bangladesh Steel Re-Rolling Mills Ltd.	Affiliated Company	117,253,590
H. Akberali & Co. Limited	Affiliated Company	90,301,081

MANAGEMENT DISCUSSION & ANALYSIS:

A detailed Management Discussion and Analysis, signed by the Managing Director has included in Annexure-D. This comprehensive document reflects the company's operations and current position, offering valuable insights. It also provides a concise overview of the notable changes observed in the financial statements, allowing stakeholders to gain a deeper understanding of the company's performance and strategic directions.

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

Our Company has awarded a prestigious AA+ rating. This rating reflects our high quality, offering superior safety, and indicating a robust 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.

Furthermore, our short-term outlook for the fiscal year 2022-23 was rated as ST-2, underscoring our strong capacity and assuredness of timely payments. ST-2 indicates high certainty of timely payment. Liquidity factors are strong and supported by good fundamental protection factors. Risk factors are very small.

BSRM Steels Ltd. 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.

Safeguarding the company's assets and ensuring the highest standards of integrity are fundamental principles upheld by our Board of Directors. To achieve these objectives, we have placed utmost importance on establishing an effective internal control system, minimizing the risks associated with fraud, errors, and irregularities.

We have adopted Standard Operating Procedures (SOP). These standardized protocols serve as the backbone of our robust internal control system, ensuring consistency and reliability in our operations. Moreover, the implementation of Enterprise Resource Planning (ERP) technology has further fortified our approach. This integrated software suite facilitates the seamless gathering and organization of business data, enhancing our ability to make informed decisions.

In addition to these technological advancements, we have established a dedicated Internal Audit department. This department ensures strict compliance with established protocols and maintains a vigilant internal control environment. The Internal Audit team conducts regular assessments, identifying areas for improvement and implementing corrective measures where necessary.

To reinforce our commitment to sound governance, the Audit Committee, a key component of our corporate structure, diligently oversees the reports submitted by the Internal Audit department. Through regular monitoring and comprehensive reviews, corrective actions are swiftly taken to address any identified issues, ensuring the continued effectiveness of our internal control system.

By adopting these proactive measures and fostering a culture of compliance and accountability, we are dedicated to upholding the highest standards of internal control, providing assurance to our stakeholders and reinforcing our reputation for integrity and transparency.

DIVIDEND

The Board of Directors has recommended total 25% cash dividend for the year ended June 30, 2023. 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 th June 2023	30 th June 2022
30 June 2022 (Final)	1,427,229	-
30 June 2021 (Final)	1,525,717	2,085,395
30 June 2021 (Interim)	697,003	764,250
30 June 2020 (Final)	1,250,591	1,269,477
30 June 2019 (Final)	-	5,102,304

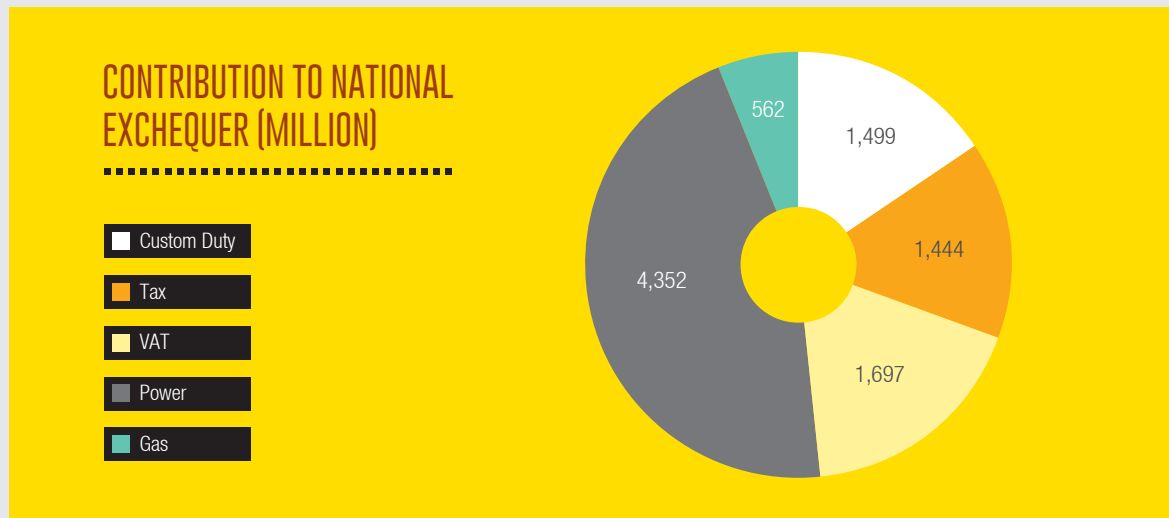
DIVIDEND DISTRIBUTION POLICY

Our company is committed to maintaining a fair and balanced approach to dividend distribution. To achieve this, we have formulated a clear dividend distribution policy. This policy is designed to uphold shareholders' entitlement to dividends while also retaining profits within the business. By retaining profits, we can utilize our expansion initiatives and pursue other strategic business objectives.

For the convenience and reference of our stakeholders, the complete details of our dividend distribution policy are available on our company's official website.

CONTRIBUTION TO NATIONAL EXCHEQUER

Our Company has contributed substantial amount in the journey of the government's revenue collection for the financial year 2022-2023. Being one of the highest taxpayers under the manufacturing category, we have contributed Tk. 9,554 million in 2022-2023 to the government exchequer as Income Tax, VAT and Duties along with utility bill. Segment-wise contribution for 2022-23 is presented below:



CORPORATE SOCIAL RESPONSIBILITIES

Our commitment to aligning business decisions with ethical, social, and environmental concerns stands as a cornerstone of our corporate identity. In the fiscal year 2022-23, we undertook a series of impactful Corporate Social Responsibility (CSR) initiatives, reinforcing our dedication to community wellbeing and further enriching our positive brand image.

These CSR endeavors were carefully designed to create a positive impact on the communities we serve, nurturing sustainable development and fostering a sense of shared prosperity. By actively engaging with various social and environmental initiatives, we aim to contribute meaningfully to society, leaving a lasting legacy of positive change.

Comprehensive details of our CSR activities, reflecting our dedication to building sustainable futures and enriching lives, can be found on Page No. 246 of our 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 -

- Gold Award - ICMAB Best Corporate Award (2019, 2020, 2021): Recognizing our outstanding corporate performance and financial stewardship.
- Best Brand of Bangladesh in Steel Category (2011-2021): A testament to our enduring position as a leading steel brand in the nation.

- National Export Trophy (Multiple Years): Acknowledging our significant contributions to national exports, particularly by BSRM Steels Ltd.
- Highest Taxpayer Award in Manufacturing Category (2021-22): A testament to our substantial contributions to the national economy.
- Bronze Award - ICSB National Award (2019): Recognizing our excellence in corporate governance and business practices.
- ICAB National Award for Best Presented Annual Report (2018, 2019): Highlighting our transparency and clarity in financial reporting.
- National Productivity and Quality Excellence Award (2017): Celebrating our commitment to productivity and quality standards.
- Prestigious Industrial Development Award (2014): Recognizing our role in advancing large-scale industry in Bangladesh.
- Excellence in Supply Chain Relationship Management & Logistic Management Award: Acknowledging our prowess in supply chain management.
- ICSB National Gold Award for Corporate Governance Excellence (2015): Recognizing our exceptional corporate governance practices.
- Best Enterprise of the Year Award (2010): A testament to our overall excellence and contribution to the business landscape.
- D & B Corporate Awards (2010, 2012): Acknowledging our corporate excellence and financial performance.
- Pride of Chittagong Award- Chattagramer Ahonkar 2012 - Mr. Alihussain Akberali FCA: Celebrating our chairman's significant contributions to the region.
- Divisional Environment Award (2013 - BISCO): Recognizing our commitment to environmental sustainability.
- Standard Chartered-Financial Express CSR Award (5th Edition): Highlighting our dedication to corporate social responsibility.
- Japan Bangladesh Chamber of Commerce & Industry Awards (2014): Acknowledging our international business relations and contributions.
- ICSB National Award (Silver Award) for Corporate Governance Excellence (2014 - BSRM Steels Limited): Reflecting our commitment to high standards of governance.

INFORMATION TECHNOLOGY

The present world is dominated by digitalization and technological progress, meaningful engagement with customers and stakeholders, every business entities requires well-organized Information Technology. BSRM has a dedicated and efficient IT team who manages our 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. 278 in this report.

Human Resource Management

At BSRM, we believe that our success is intricately tied to the strength and capabilities of our human assets. Guided by the vision to be an employer of choice, our commitment lies in nurturing talent and cultivating future leaders within our organization. We take immense pride in our dynamic and competent workforce.

Our Human Resource initiatives are driven by the understanding that our visions and values can only be realized through the right people placed in the right roles. We have meticulously crafted a Human Resource framework that goes beyond conventional practices, encompassing mind-blowing stories of personal and professional growth.

Equal Opportunity: We firmly believe in equal opportunities, ensuring that every individual within our organization has a fair chance to thrive, regardless of background or circumstance.

Continuous Learning and Development: Learning is a cornerstone of our culture. We invest in continuous training and development, fostering an environment where skills are honed, knowledge is expanded, and innovation is encouraged.

Relentless Industry Relations: Building strong ties within the industry is pivotal. We actively engage with industry peers, staying abreast of trends and developments, ensuring that our workforce is always ahead of the curve.

Molding Skilled Workforce: We are committed to molding a workforce that not only meets the demands of today but is also prepared for the challenges of tomorrow. Our training programs are designed to create a skilled workforce equipped to navigate the complexities of the modern business landscape.

Details of Human Resource are set out in the Chapter “Sustainable Growth” in Page no. 132 in this report.

Upholding Integrity: BSRM's Code of Conduct

At BSRM, integrity forms the foundation of our operations. To ensure the highest standards of ethics and conduct, the Nomination & Remuneration Committee (NRC) has created a comprehensive Code of Conduct for the Board of Directors. This code serves as a guiding principles, outlining the ethical practice and behaviors expected of every member of our esteemed Board.

Transparency and Accountability: Our Code of Conduct embodies the values of transparency, accountability, and fairness. Each director, recognizing the significance of these principles, has personally committed to upholding these standards. By signing their acceptance of compliance, our Directors have reaffirmed their dedication to the ethical foundation upon which BSRM stands.

Accessible to All: In our commitment to transparency, the Code of Conduct is readily accessible to all stakeholders. It has been published on the company's official website, ensuring that our principles are visible to shareholders, employees, and the public. This accessibility underlines our belief in the importance of open communication and trust.

Guiding Principles: Within this document, one will find not just rules, but guiding principles, that shape our decisions, interactions, and relationships. These principles echo our unwavering commitment to the highest levels of professionalism, integrity, and corporate governance.

We invite all stakeholders to explain themselves with our Code of Conduct, as it mirrors our dedication to ethical excellence. It reflects our resolve to conduct business not just responsibly, but ethically, ensuring that every action taken is a testament to our commitment to the values that define BSRM.

APPOINTMENT OF STATUTORY AUDITORS

Ensuring Accountability and Accuracy: In compliance with the directives of the Bangladesh Securities and Exchange Commission (BSEC) and in adherence to the highest standards of corporate governance, our company announces a change in the appointment of our external auditors.

Retirement of Hussain Farhad & Co. Chartered Accountants: The esteemed firm Hussain Farhad & Co. Chartered Accountants, is our existing external auditors, will retire upon the conclusion of the 21st Annual General Meeting (AGM). Their tenure, spanning three years, marks a period of dedicated service and efficient auditing.

Welcoming A. Qasem & Co., Chartered Accountants: Upon the recommendation of the Audit Committee, the Board has endorsed the appointment of A. Qasem & Co., Chartered Accountants. This distinguished firm, located at Faruk Mahal (3rd Floor), Plot # 93, Agrabad, Chattogram, slated to assume the position of statutory auditors for the fiscal year ending on June 30, 2024.

Ensuring Accountability and Precision: The appointment of A. Qasem & Co., Chartered Accountants, signifies our commitment to maintaining the highest level of accountability and precision in our financial reporting. Their expertise and integrity align seamlessly with BSRM's dedication to transparency and accuracy in all our financial matters.

Shareholders' Approval: This appointment is subject to the approval of our esteemed shareholders in the upcoming Annual General Meeting. We trust in the wisdom of our shareholders and their commitment to upholding the principles of transparency and accountability that define BSRM Steels Ltd.

As we transition to this new chapter in our audit process, we express our gratitude to Hussain Farhad & Co. Chartered Accountants, for their dedicated contributions, and we extend a warm welcome to A. Qasem & Co., Chartered Accountants, as our partners in ensuring the financial integrity of our company.

ENSURING CORPORATE GOVERNANCE EXCELLENCE: APPOINTMENT OF A PROFESSIONAL ACCOUNTANT

In line with the directives of the Bangladesh Securities and Exchange Commission (BSEC) and our unwavering commitment to upholding the highest standards of corporate governance, our company takes significant steps in ensuring compliance and transparency.

Professional Accountant Appointment: Pursuant to the BSEC's directive, the Board of Directors has recommended the appointment of Mr. Sidhartha Barua FCA, Senior Partner of M M Rahman & Co., Chartered Accountants, Aziz Chamber (2nd Floor), 6 Jubilee Road, Chattogram as the Professional Accountant for the fiscal year ending on June 30, 2024. Mr. Sidhartha Barua FCA, with his extensive experience and profound understanding of corporate governance principles, is entrusted with the crucial responsibility of issuing the Certificate on Compliance of the Corporate Governance Code enacted by the Bangladesh Securities and Exchange Commission.

Shareholders' Approval: This recommendation is subject to the approval of our esteemed shareholders in the upcoming Annual General Meeting. We believe in the wisdom of our shareholders, who recognize the paramount importance of adhering to robust corporate governance practices.

Transparent Reporting and Compliance: We remain committed to transparent reporting and adherence to the requirements and conditions outlined in the Bangladesh Securities and Exchange Commission (BSEC) Notification No: BSEC/CMRRCD/2006-158/207/Admin/80, dated: 03 June 2018, regarding corporate governance. The status of our compliance efforts has been diligently documented and is presented in Annexure C of our report.

Subsequent Events:

We are pleased to inform our esteemed shareholders and stakeholders that as of the date of this report, there are no reportable subsequent events that have occurred after the financial position's date and up to the present. This important update is an evidence to the stability and careful financial management practiced by BSRM.

Acknowledgements:

On behalf of the Board, I would like to express my sincere gratitude to our valued shareholders, whose belief in our vision & values, and endeavors has been a driving force behind our accomplishments. We acknowledge with thanks our banking partners for their financial expertise and steadfast support, ensuring the seamless functioning of our operations.

My special thanks go to the Registrar of Joint Stock Companies, the National Board of Revenue, for their cooperative efforts and efficient services. We want to convey our appreciation to the Bangladesh Securities and Exchange Commission (BSEC), the Dhaka Stock Exchange (DSE), and the Chittagong Stock Exchange (CSE) for their indispensable regulatory guidance and oversight, contributing significantly to the maintenance of the highest standards of corporate governance. To all other regulatory bodies and governing authorities, we express our sincere thanks for your continuous support and encouragement.


I also want to extend heartiest appreciation to our committed employees and esteemed customers for their solid support and loyalty to the Company throughout the year. Their committed dedication and confidence have played a vital role in our ongoing success.

In conclusion, we want to repeat our heartfelt gratitude to everyone who has contributed to our success. Your support has been integral to our journey, and we are steadfast in our commitment to upholding the trust and confidence you have placed in us.

Thank you sincerely, and please keep supporting us for "BUILDING A SUSTAINABLE FUTURE"

Warm Regards

On behalf of Board of Directors



Alihussain Akberali FCA
Chairman