

INTEGRATED
ANNUAL REPORT
2022-23

GROWING IS PROGRESS

BANGLADESH STEEL RE-ROLLING MILLS LIMITED

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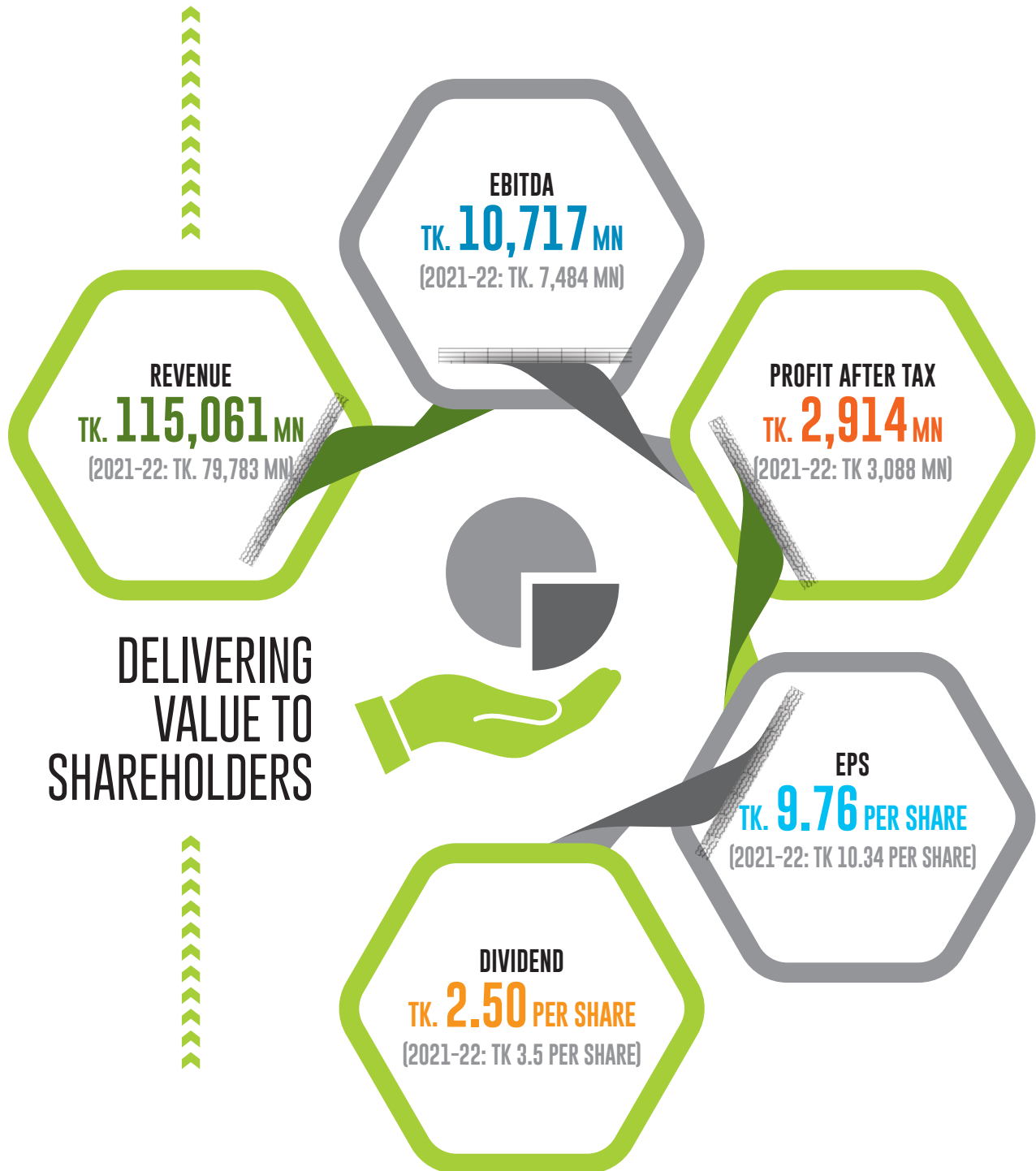
GROWING IS PROGRESS

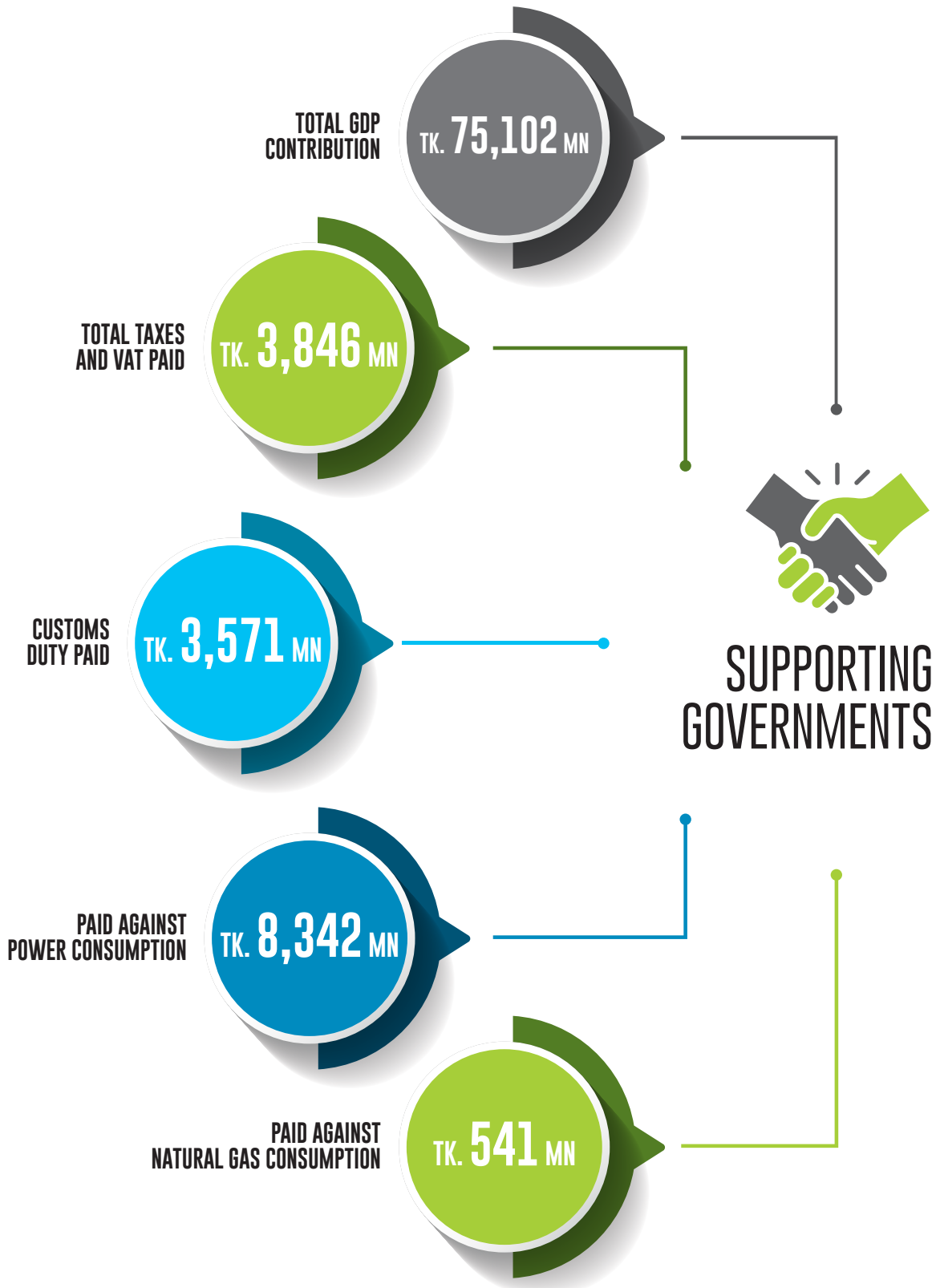
In today's rapidly changing, fast-paced world, growth has become a key indicator of progress for industries across many sectors. While progress can be measured through multiple dimensions, such as technological advancements, social impact, and sustainability, growth remains a fundamental aspect; making it critical for industries to focus on growth in order to succeed.

Depicting a wide array of aspects and indicators for industrial progress, this Integrated Annual Report will showcase the different traits of growth and how it fosters innovation, job creation, and economic development; how it drives a company onwards towards progress to success and beyond.



CREATING VALUE FOR ALL IN 2022-23 >>







SUPPORTING COMMUNITIES

SUPPORTED
1,932
JOBS DIRECTLY

**BURHANI
BSRM SCHOOL**
PROVIDED EDUCATION TO
600
UNDERPRIVILEGED
CHILDREN IN THE SLUMS

CONTRIBUTION TO
SOCIAL INITIATIVES
TK. 151 MN

CONTRIBUTED
TK. 10 MN
Worth of steel rods
to support the construction
of the multi-storied
Autism School by
FARE Foundation



BUILDING MODERN, AGILE AND DIGITAL TALENTS

A HIGHLY SKILLED POOL
ENGINEERS
ANALYTICS
AND TALENTS
COLLECTIVE BRAIN



DIVERSE TALENT
FACTORY OF
1,932
EMPLOYEES



PROMOTING
HYPER-COLLABORATION
AND CO-CREATION
BETWEEN OUR
DIVERSE TALENTS
78%

PARTICIPATION
IN EMPLOYEE
SATISFACTION
SURVEY



5/5
EMPLOYEE
ENGAGEMENT RATE



MINIMISING ENVIRONMENTAL IMPACT



Reduced Power consumption by
1% PER MT & WATER 15.6% PER MT IN
our melting unit compared to FY 2021-2022



Reduced natural gas consumption by
5.9% PER MT AND 18.25% PER MT IN
our rolling and melting units respectively
compared to FY 2021-2022



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ABOUT THE REPORT >>



Our Integrated Annual Report 2022-23, which Bangladesh Steel Re-Rolling Mills Limited (hereinafter referred to as the BSRMLTD/the company) Adopted for the first time, describes the context for, and progress of, BSRM as the country's leading steel company. Sustainability is at the heart of our purpose – smarter steels for people and the planet – our reporting reflects this by outlining our key considerations in creating value for our stakeholders now and in the future, both financial and non-financial.

Our 2023 Integrated Annual Report provides a comprehensive overview of the company's vision, values, governance, objectives, and financial and non-financial performance. It reaffirms our dual commitment to simultaneously achieve economic success and social progress, which is enshrined within our by-laws through our vision and values statement. We also focus on the sustainability issues that are central to our business, showing how they are connected to our operations and broader value chain. Our intention with this report is to be transparent, not only about how we are pursuing our sustainability objectives, but also, to assist the stakeholder in making an informed decision on our ability to create value in the short, medium and long term and contribute to long term well-being and prosperity.

Furthermore, the aim is to show our stakeholders how we are organized and that our management systems are set up to meet the requirements (governance), what improvements we are making to respond to changes (strategic actions), what the challenges and opportunities are to deliver the strategy (risk management) and measurable progress we have been making to achieve the strategic objectives (performance).

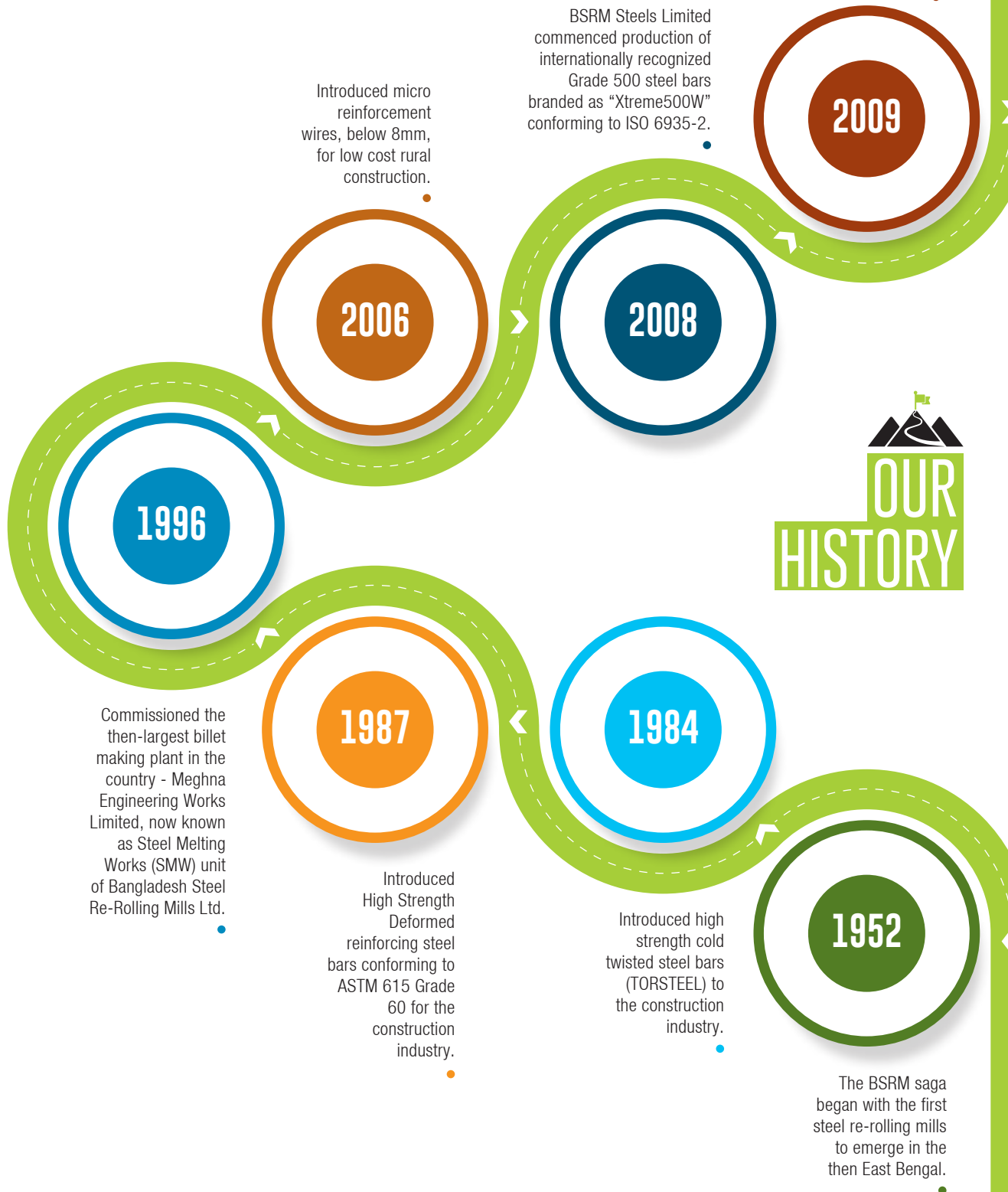
ABOUT US >>

Bangladesh Steel Re-Rolling Mills Limited (BSRMLTD) is the oldest steel re-rolling mill in Bangladesh. With four manual rolling mills, we stepped out for our journey in 1952 as the first-ever steel mill in Bangladesh. Today, Bangladesh Steel Re-Rolling Mills Limited (BSRMLTD) is the largest merchant steel re-rolling mill in Bangladesh. This mill is capable of producing high-quality Reinforcing Steel and other steel products such as Channel, Angle, Square-Bar, etc. We have introduced another product “BSRM Centura”, a coated rebar that resists Chloride-induced corrosion and prevents rusting. As we started our commercial operation in December 09, 2015 after BMRE, our production capacity has reached to 800,000 M. Ton. Recently, we have introduced the most modern steel products called Xtreme B500 DWR which is infact a revolution in the steel industry in Bangladesh.

We also have a plant to produce ribbed wire with annual capacity of 24,000 M. Ton. To ensure maximum usage of produced finished goods, we have introduced downstream service to produce customized rebar called ‘SecuRing’. BSRMLTD owns two melting units called “Steel Melting Works (SMW)” and Melting-2 (SML) which are producing billets with a capacity of 150,000 and 8,62,000 M. Ton per annum respectively. Presently, BSRMLTD is holding 31.19% shares of its associate company BSRM Steels Limited. In addition, BSRMLTD has a subsidiary company BSRM (Hong Kong) Limited which is based in Hong Kong.

GROUP MILESTONE >>>

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



OUR JOURNEY

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

2012

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

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

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

2013

2014

2015

2018-19

2016-17

2021-22

A state-of-the-art Galvanized Iron (GL) wire, LRPC wire, Welding Electrode and CO2 wire manufacturing plant in the name of BSRM Wires Limited started commercial production.

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

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

WHAT'S NEXT?-

Setting up of the new bar and wire rolling and expansion of melting unit to enhance the 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.

AND BEYOND

COMPETITIVE EDGE >>



Highest Ever Sales

TK 115,061 MN

72
YEARS

of experience exclusively in
STEEL-MAKING



Highest supplier of construction
STEEL IN THE COUNTRY

Strong Brand Recognition, highly valued by all stakeholders

**BEST BRAND AWARD FOR THE
11TH CONSECUTIVE YEAR**



Market leader in the steel Market of Bangladesh

±25% MARKET SHARE IN
THE STEEL SECTOR

Low-cost high-grade products

**ONLY BANGLADESHI COMPANY MEMBER IN
WORLD STEEL ASSOCIATION**

worldsteel
ASSOCIATION



BIGGEST SUPPLY CHAIN

networks within the steel industry of Bangladesh



FULLY AUTOMATIC

steel re-rolling mill in the country



1,932 EXPERIENCED

and Qualified engineers and management personnel



Strong Products Distribution Lineup

650+ DEALERS
ALL OVER THE COUNTRY

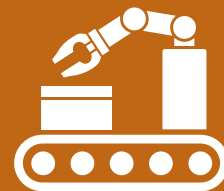
25 SALES AND SUPPLY
REGIONS ALL OVER THE COUNTRY



02 OVERSEAS
OFFICES

Highest production capacity utilization

109% CAPACITY
UTILIZATION OF PRODUCTION





LEADERSHIP

Good leadership is essential for a business to grow and prosper. A leader sets an example for their entire organization; they create the company culture and act as a role model for all the employees to follow and to look up to. A good leader makes a business great.

CONTRIBUTION TO UN SDGs >>>

Sustainable growth aligned with a shared goal

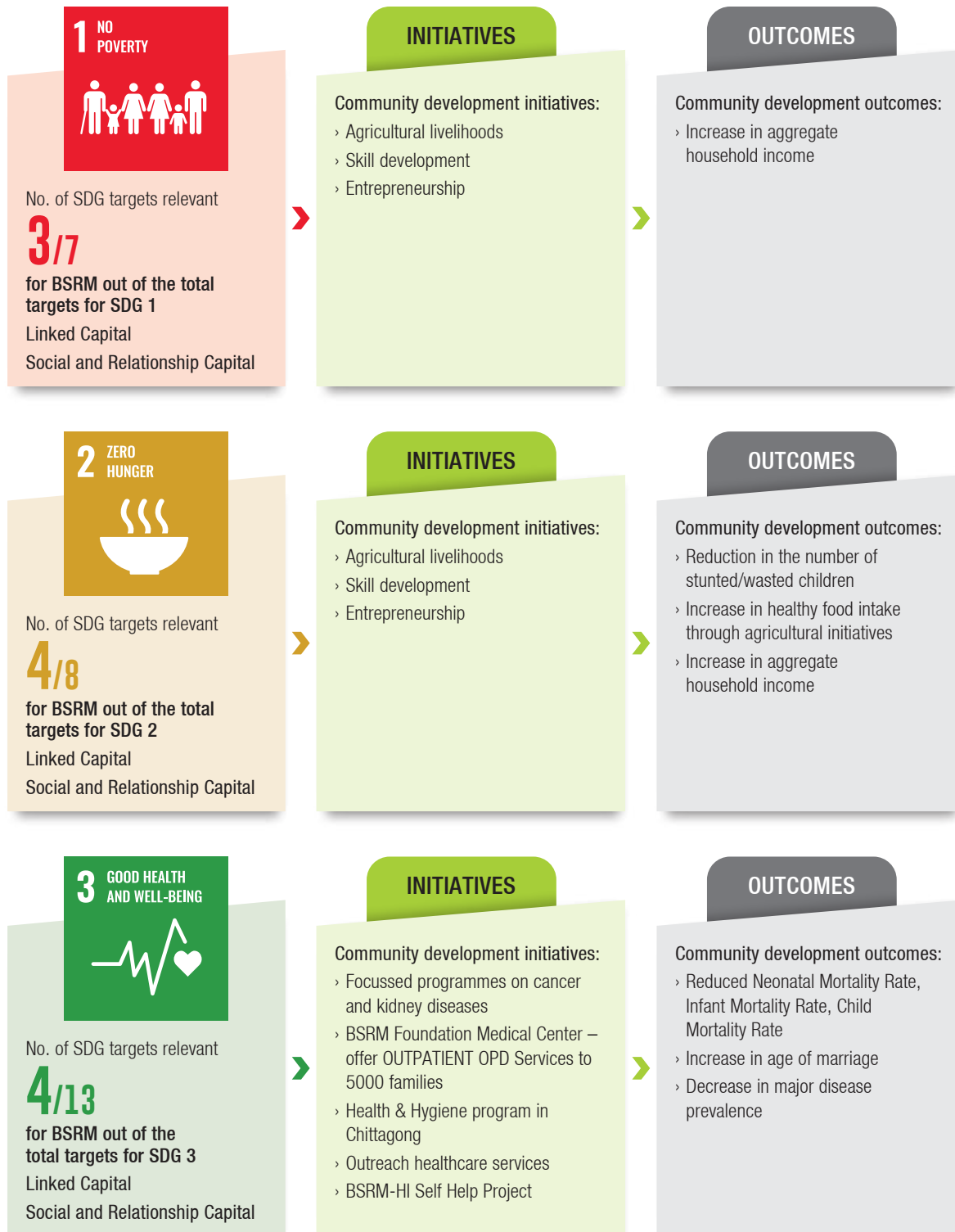


The Sustainable Development Goals (SDGs) are a universal call to action launched by the United Nations (UN) to end poverty, protect the planet and ensure that all people enjoy peace and prosperity by 2030. Since the launch of the SDGs, BSRM is committed to contributing to the achievement of SDGs through its operations, products, people and community welfare practices. As a responsible corporate citizen, we have prioritized SDGs and relevant targets for the Company based on national/regional context, current impact and opportunity to create greater impact. The prioritised SDGs for BSRM are mentioned below:



The SDGs are integral to identifying our material issues, which feeds into our strategic planning process, resulting in the formulation of our Strategic Objectives (SOs) and Strategic Enablers (SEs). These SOs and SEs are realized through the process of managing our Capitals (financial, intellectual, manufactured, human, natural, and social & relationship) and thereby contribute to the achievement of the UN SDGs as depicted in the chart below:

Prioritised SDG linkage with our BSRM's Capitals, initiatives and outcomes





No. of SDG targets relevant
8/10
for BSRM out of the total targets for SDG 4
Linked Capital
Social and Relationship Capital
Human Capital

INITIATIVES

Company specific initiatives:

- › Focus on vendor capability development and skilling


Community development initiatives:

- › Education signature programme
- › Ashar Alo The Hope Center
- › BSRM School of Engineering
- › Burhani BSRM School
- › Skill development
- › Entrepreneurship

OUTCOMES

Community development outcomes:

- › Increase in aggregate household income
- › % women in workforce
- › Diversity in workforce
- › Universalization of elementary education and zero child labour



No. of SDG targets relevant
4/9
for BSRM out of the total targets for SDG 5
Linked Capital
Social and Relationship Capital
Human Capital

INITIATIVES

Company specific initiatives:

- › Diversity & Inclusion (D&I) initiatives, Sustainable livelihood and women Empowerment, Skilling Transgenders and other programmes

Community development initiatives:

- › BSRM-SARM
- › Entrepreneurship
- › Development Corridor
- › BSRM UDDAYOG Foundation Self-help project

OUTCOMES

Company specific outcomes:

- › Diversity in workforce
- › % women in workforce
- › % women in managerial positions
- › No. of sexual harassments is nil

Community development outcomes:

- › No. of women leaders developed
- › No. of women engaged through Self-Help Groups
- › Increase in age of marriage



No. of SDG targets relevant
8/8
for BSRM out of the total targets for SDG 6
Linked Capital
Manufactured Capital
Social and Relationship Capital
Natural Capital

INITIATIVES

Company specific initiatives:

- › Zero effluent discharge projects
- › Closed loop cooling system
- › Proactive leak detection

Community development initiatives:

- › Ground water recharge initiatives (Rainwater harvesting, watersheds)
- › Drinking water systems

OUTCOMES

Company specific outcomes:

- › Fresh water consumption
- › Effluent discharge intensity
- › Wastewater treatment facilities

Community development outcomes:

- › Volume of ground water recharged
- › Irrigation potential created
- › No. of drinking water facilities constructed

7 AFFORDABLE AND CLEAN ENERGY



No. of SDG targets relevant

2/5

for BSRM out of the total targets for SDG 7

Linked Capital

Manufactured Capital

Natural Capital

INITIATIVES

Company specific initiatives:

- › Renewable energy projects
- › Energy efficient lighting, motors and HVAC systems
- › Use of natural gas to replace coal
- › Going to implement use of Solar Panel Use

OUTCOMES

Company specific outcomes:

- › Specific energy consumption
- › Capacity of renewable energy projects
- › CO₂ emission intensity

8 DECENT WORK AND ECONOMIC GROWTH



No. of SDG targets relevant

7/12

for BSRM out of the total targets for SDG 8

Linked Capital

Financial Capital

Manufactured Capital

Human Capital

Natural Capital

Social and Relationship Capital

INITIATIVES

Company specific initiatives:

- › Employee productivity improvement initiatives
- › Sales growth initiatives
- › Initiative to increase raw material yield etc. on improving material consumption rates
- › Solid waste management practices
- › Steel Recycling Business (SRB)
- › Employee welfare Program and Diversity & Inclusion programs

Community development initiatives:

- › Skill development
- › Education Programme
- › Livelihoods (Agriculture, Skill development, Entrepreneurship)
- › Disability-linked initiatives programs

OUTCOMES

Company specific outcomes:

- › Turnover
- › Employee productivity
- › Economic value distributed
- › Capacity of Production
- › Raw material consumption
- › Material efficiency

Community development outcomes:

- › Youth completed/placed or self-employed through skill development courses
- › Universalization of elementary education and zero child labour
- › Increase in aggregate household income through livelihood programme
- › Linkage of Persons with Disability (PWDs) to government schemes or opportunities

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE



No. of SDG targets relevant

4/8

for BSRM out of the total targets for SDG 9

Linked Capital
Financial Capital
Manufactured Capital
Intellectual Capital
Social and Relationship Capital

INITIATIVES

Company specific initiatives:

- › Port infrastructure
- › Sales growth initiatives
- › Annual recruitment of personnel
- › Long-term decarbonisation projects
- › Energy efficiency initiatives
- › Adoption of Best Available Technologies
- › Raw material quality improvement
- › Scrap-based growth
- › Collaborations with technology providers, start-ups and academia
- › R&D projects
- › New Materials Business (NMB)
- › Total Quality Management

Community development initiatives:

- › Development Corridor
- › Public infrastructure development

OUTCOMES

Company specific outcomes:

- › Road and sea transportation volumes
- › CO₂ emissions – absolute and intensity
- › Specific energy consumption
- › Turnover
- › Number of permanent employees and contract workforce
- › Economic value distributed
- › R&D spend
- › R&D and technology professionals
- › Patents granted
- › Value created from waste

Community development outcomes:

- › No. of public infrastructure requirements of communities fulfilled

10 REDUCED INEQUALITIES



No. of SDG targets relevant

2/10

for BSRM out of the total targets for SDG 10

Linked Capital
Human Capital
Social and Relationship Capital

INITIATIVES

Company specific initiatives:

- › D&I initiatives – skilling transgenders and other programmes

Community development initiatives:

- › Livelihoods (Agriculture, Skill development, Entrepreneurship)
- › Education Signature Programme
- › Disability-linked initiatives

OUTCOMES

Company specific outcomes:

- › Diversity in workforce
- › No. of women in the workforce
- › No. of sexual harassments cases received and resolved

Community development outcomes:

- › Increase in aggregate household income
- › Universalisation of elementary education and zero child labour
- › No. of tribal communities and population of tribals reached

11 SUSTAINABLE CITIES AND COMMUNITIES



No. of SDG targets relevant

8/11

for BSRM out of the total targets for SDG 11

Linked Capital
Financial Capital
Manufactured Capital
Natural Capital
Social and Relationship Capital

INITIATIVES

Company specific initiatives:

- › Upgradation of facilities like electrostatic precipitator and other Air Pollution Control Equipment (APCE)

Community development Initiatives:

- › Skill based livelihood – BSRM Ashar Alo the hope center

OUTCOMES

Company specific outcomes:

- › Emission intensity – Dust, SOx, NOx

Community development outcomes:

- › No. of tribes touched through circular Ecosystem

12 RESPONSIBLE CONSUMPTION AND PRODUCTION



No. of SDG targets relevant

8/11

for BSRM out of the total targets for SDG 12

Linked Capital
Manufactured Capital
Natural Capital
Social and Relationship Capital

INITIATIVES

Company specific initiatives:

- › Initiatives to reduce coke rate, increase raw material yield, etc. on improving material consumption rates
- › Solid waste management practices
- › Steel Recycling Business
- › Publication of annual Integrated Report and disclosures through website
- › Responsible Supply Chain Policy, awareness and assessments with supply chain partners
- › Renewable energy projects
- › Sustainability campaigns and awareness drives

OUTCOMES

Company specific outcomes:

- › Material efficiency
- › Coke rate
- › Raw material consumption
- › Solid waste utilisation
- › Capacity of Steel Recycling Business (SRB)
- › No. of supply chain partners assessed on Responsible Supply Chain Policy
- › Capacity of renewable projects
- › Publication of annual Integrated Report

13 CLIMATE ACTION



INITIATIVES

OUTCOMES

No. of SDG targets relevant

3/5

for BSRM out of the total targets for SDG 13

Linked Capital
Financial Capital
Natural Capital
Social and Relationship Capital

Company specific initiatives:

- › Long-term decarbonisation projects
- › Energy efficiency initiatives
- › Adoption of Best Available Technologies
- › Raw material quality improvement
- › Scrap-based growth
- › Collaborations with technology providers, start-ups and academia
- › Climate change physical risk assessment
- › Disaster management plan
- › Deployment of Responsible Supply Chain Policy
- › Sustainability campaigns and awareness drives

Community development Initiatives:

- › Ground water recharge initiatives


Company specific outcomes:

- › Absolute CO₂ emissions
- › CO₂ emission intensity
- › No. of collaborations on decarbonisation

Community development outcomes:

- › Volume of ground water recharged

15 LIFE ON LAND



INITIATIVES

OUTCOMES

No. of SDG targets relevant

8/12

for BSRM out of the total targets for SDG 15

Linked Capital
Natural Capital

Company specific initiatives:

- › Consideration of importance of Biodiversity Management Plans (BMPs)

Company specific outcomes:

- › No. of BMPs evaluated

17 PARTNERSHIPS FOR THE GOALS



INITIATIVES

OUTCOMES

No. of SDG targets relevant

2/19

for BSRM out of the total targets for SDG 17

Linked Capital
Natural Capital
Social and Relationship Capital

Company specific initiatives:

- › Collaborations with technology providers, start-ups and academia
- › Collaborations with NGOs and other social agencies for community development initiatives

Company specific outcomes:

- › No. of collaborations with technical institutes and other external agencies

BRANDS, PRODUCTS & SERVICES >>

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.
2. 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.

3. Guaranteed conformity to Carbon Equivalent ratio below 0.61 to ensure welding as per American Welding Society AWS D1.4 / D1.4 M.
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

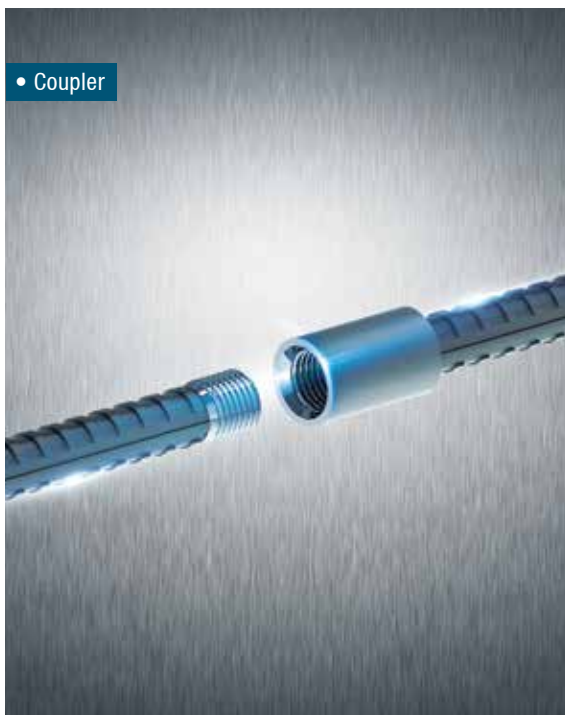
A. BSRM FASTBUILD

In 2019, BSRM introduced its new Service Center, BSRM FastBuild, 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 FastBuild 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 FastBuild 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.



BENEFITS OF BSRM FASTBUILD CUT & BEND SERVICE



- 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 FastBuild 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 FastBuild. 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:

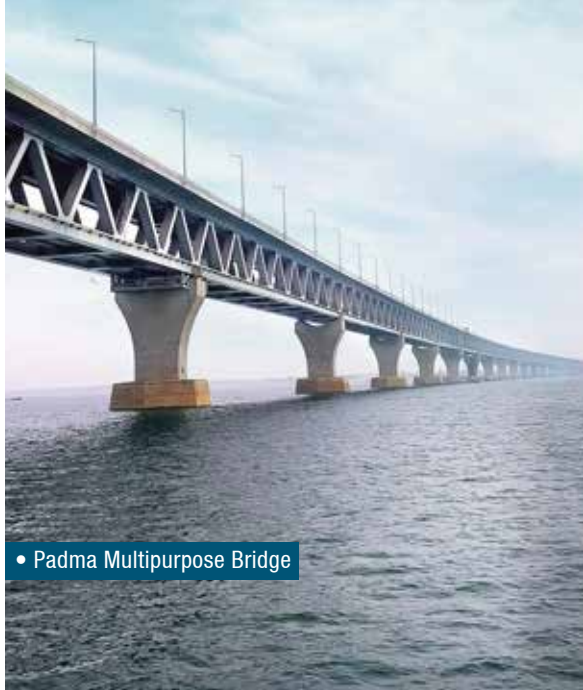
BSRM is proud to be associated with some of the largest and most visible projects of the country. These are:

- Padma Multipurpose Bridge
- Padma Bridge Rail Link Project
- Bangabandhu Sheikh Mujibur Rahman Tunnel
- Chattogram Elevated Expressway
- 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

B. 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.



• Padma Multipurpose Bridge

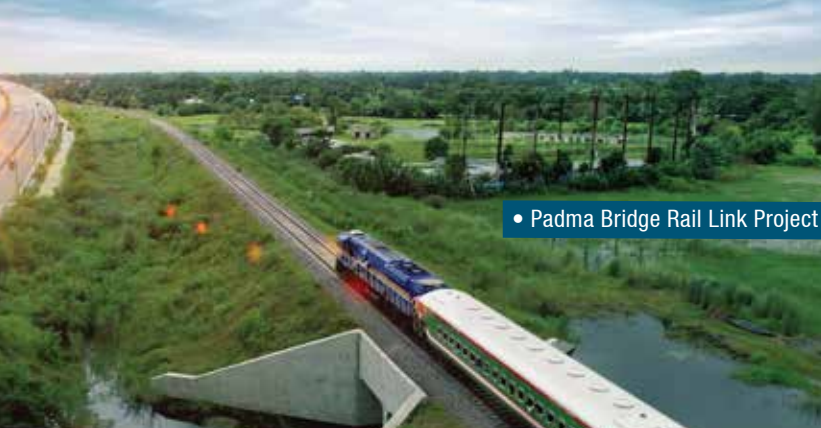


• Rooppur Nuclear Power Plant

A GLIMPSE OF PROJECTS BUILT WITH BSRM



• Bangabandhu Tunnel



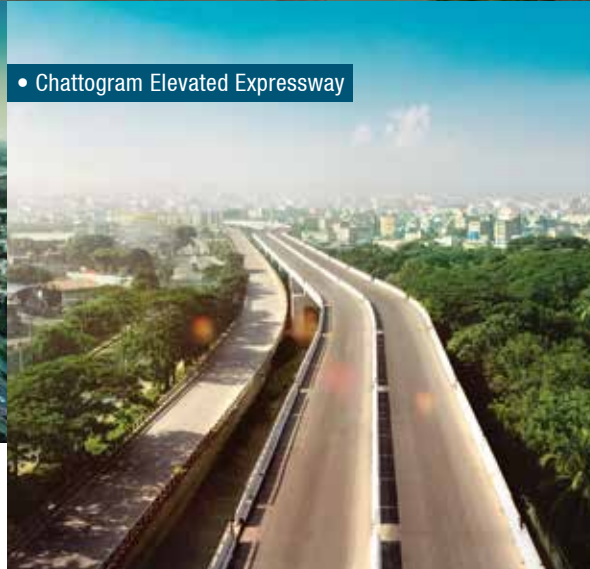
• Padma Bridge Rail Link Project



• Metro Rail Project



• Dhaka Elevated Expressway Project



• Chattogram Elevated Expressway

AWARDS AND RECOGNITIONS >>

SDG Brand Champion Awards 2023 in
Responsible Consumption and Production Category



Best Brand Award in
Steel Category for 2011-2022



Winner of most Innovative Environmental Solution
2023



ICAB National Award for
Best Presented Annual Report 2019



ICSB National Awards for Corporate Governance Excellence
Gold 2015
Bronze 2019



2nd Highest Tax Payer 2021-22 in Manufacturing Category

Tax Card for "2nd Highest Tax Payer" in Engineering Category for the tax period 2019-2020



National Export Award
2013-14, 2015-16, 2016-17 and 2017-18



ICAB National Awards for
Best Presented Annual Report 2012, 2014 & 2015

ICMAB Best Corporate Gold Award
2022, 2021, 2020 & 2019



CIP Award in Large
Industry (Manufacturing)
2021



Bangabandhu Sheikh Mujib
Industrial Award 2022 in the
Large Industry Category

CSR Award for
best CSR Initiative 2021



Certificate of Merit from
SAFA 2018



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



19th ICAB National Award for
Best Presented Annual Report 2018



National Productivity and
Quality Excellence Award
2017

President's Award for
Industrial Development 2014



OUR WAY OF WORKING >>



VISION

WE AT BSRM GROUP ASPIRE TO...

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



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 & 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.

CULTURE

The company's vision and values, together with its cultural and ethical principles, constitute the way of working of each one of BSRM's employees, management, and board members.

BSRM AT A GLANCE >>

AN EXCEPTIONAL YEAR

PRODUCTION **MT 870,876**
2021-22 MT 840,387



MT 873,668 SALES
2021-22 MT 817,198

REVENUE **TK. 115,061 MN**
2021-22 TK. 79,783.10M



TK. 10,319 MN GROSS PROFIT
2021-22 TK. 6,486.22M

OPERATING PROFIT **TK. 8,159 MN**
2021-22 TK. 4,846.04 M



TK. 2,914 MN NET PROFIT
2021-22 TK. 3,088.28M

EARNING PER SHARE **TK. 9.76**
2021-22 TK. 10.34



TK. 140.46 NET ASSET VALUE PER SHARE
2021-22 TK. 134.29

NET OPERATING CASH FLOW PER SHARE **TK. 10.74**
2021-22 TK. 22.50



CORPORATE CONTACT INFORMATION >>

COMPANY NAME

Bangladesh Steel Re-Rolling Mills Limited



DATE OF INCORPORATION

December 28, 1960



DATE OF COMMERCIAL OPERATION

1961



SHARE CAPITAL

Authorized capital

BD Tk. 5000 MN

Paid Up Capital

BD Tk. 2986 MN



BOARD OF DIRECTORS

Mr. Alihussain Akberali FCA, **Chairman**

Mr. Aameir Alihussain, **Managing Director**

Mr. Zohair Taherali, **Director**

Mrs. Sabeen Aameir, **Director**

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



COMPANY SECRETARY

Mr. Shekhar Ranjan Kar FCA



AUDIT COMMITTEE

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

Mr. Aameir Alihussain, **Member**

Mrs. Sabeen Aameir, **Member**

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



NOMINATION & REMUNERATION COMMITTEE (NRC)

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

Mr. Aameir Alihussain, **Member**

Mrs. Sabeen Aameir, **Member**

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



MANAGEMENT COMMITTEE

Tapan Sengupta, **Deputy Managing Director**

Hasan Zafar Chowdhury, **Chief Operating Officer, Steels**

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

Md. Azizul Haque, **Head of Manufacturing**

Jamil Ahmed, **Head of Human Resources**

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

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



AUDITOR

A Qasem & Co.

Chartered Accountants

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

Bangladesh



LOCATIONS

CORPORATE OFFICE

Ali Mansion, 1207/1099 Sadarghat Road,

Chattogram, Bangladesh.

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

PLANT

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

Baizid Bostami Road, Chattogram.

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

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

Baizid Bostami Road, Chattogram.

Tel: +88 031 681487, 683536, 2580448

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

Mirsharai, Chattogram.



OVERSEAS OFFICE

Hong Kong Office:

BSRM (Hong Kong) Limited

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

Des Voeux Road West, Hong Kong.

Kolkata, India:

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

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

Agartala, India:

Chandpur Math, Khayerpur, Agartala, Tripura, India

Tel: +91-8257036077

DHAKA CORPORATE OFFICE

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



UTTARA OFFICE

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



REGIONAL OFFICES:

Sylhet

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

Bogura

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

Cumilla

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

Khulna

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

Barishal

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

Narayangonj

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

Rajshahi

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

Rangpur

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

Benapole

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

Mirsharai

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

Mymensingh

Jamtoli, Churkhaj, Mymensingh
Tel: 0177-7764600

Cox's Bazar

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

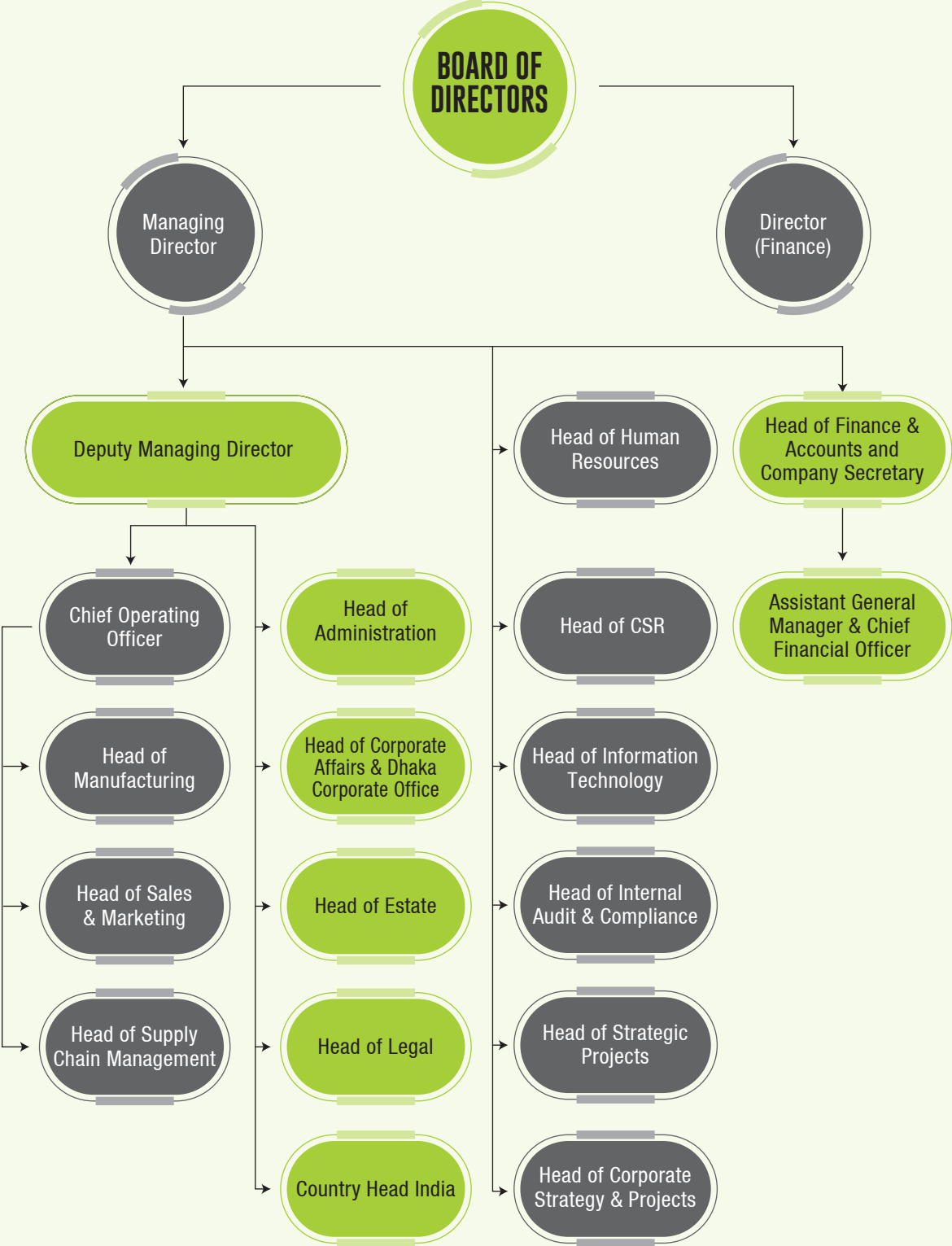
Gazipur

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

Narshingdi

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

CORPORATE STRUCTURE



BUSINESS ETHICS >>



BSRM business ethics refers to the implementation of appropriate business practices and policies in the workplace. It addresses ethical dilemmas or controversial issues faced by the company. The business ethics of BSRM involve a system of rules and procedures that help build trust with the stakeholders. Business ethics is not only to differentiate between wrong and right; it also deals with reconciling what legal actions should be taken and maintaining a competitive advantage over other businesses.

PRINCIPLES OF BUSINESS ETHICS

Corporate Transparency: BSRM practices transparency by delivering clear communication both with employees and customers. This means that communication is done unambiguously, so there's no confusion about the policies or priorities that guide business decisions. BSRM Transparent corporate communications are also honest and truthful.

Community Outreach: BSRM feels an ethical obligation to help the communities where it conducts business. This can take the form of volunteer programs for stakeholders. These programs not only help those in need but also help develop respect and trust within the community.

Data Protection: BSRM often collects information about their customers. This may only be an email address, but it could also be their physical address or financial information, depending on the nature of the business. BSRM usually promises to secure that information and not share it without the customer's permission. The same applies to employee information. Business ethics protect employees' personnel records and allow access only to those with a valid need to know.

Integrity: BSRM exhibits integrity by acting and speaking consistently, which fosters confidence and trust. Integrity entails maintaining promises, upholding obligations, meeting deadlines, and refraining from dishonest behavior in personal and professional endeavors.

Fairness: BSRM treats others fairly and is the cornerstone of all trades and relations. Fairness entails treating everyone with respect and on an equal footing, never abusing others' position of authority, and never taking advantage of someone else's flaws or errors to further the company's interests.

Fairness in the workplace of BSRM fosters a community where workers feel at ease, which raises engagement.

Accountability: Ethical workers understand and take personal accountability for the morality of their actions toward themselves, their coworkers, their businesses, and their communities. Responsibility necessitates a complete dedication to the ethics of all decisions, acts, and relations.

Honesty: Everyone on staff must be dedicated to speaking the truth in all interactions and all acts. This never includes intentionally making false assertions, exaggerations, misrepresentations, or selective omissions. Regardless of the news, positive or negative, ethical employees of BSRM will treat them equally.

Respect for laws: BSRM is always committed to complying with all laws and regulations. Employees also follow any other mandatory organizational rules, practices, and processes.

Loyalty: Being loyal to coworkers, clients, business partners, and suppliers, as well as never disclosing information that has been acquired in confidence, are ways to demonstrate loyalty. Loyal employees avoid conflicts of interest, contribute to preserving and enhancing the company's good name, and lift the spirits of their coworkers.

Environmental concern: BSRM management and employees are continuously paying attention to the global climate situation. Making decisions that limit or reduce our negative influence on the environment is part of ethical business practices. Examples include:

- lowering carbon emissions
- reducing the amount of waste produced
- promoting energy-saving measures

BSRM BUSINESS FRAMEWORK >>

PRINCIPAL ACTIVITIES

Steel Production: BSRM primarily engages in the production of high-quality steel products. We operate steel re-rolling mills that process raw materials into finished steel products.

Product Diversification: BSRM manufactures a broad spectrum of steel products, including rebar, angles, channels, wire rods, and customized steel products, to meet the diverse needs of our customers. Our product range also includes BSRM Centura, a specialized product to prevent corrosion in the coastal area.

Quality Assurance: The company strongly emphasizes quality control and assurance. Our commitment to producing superior-grade steel has earned us a reputation for reliability and durability in the market.

Research and Development: BSRM invests in research and development activities to improve product quality, innovate new steel products, and enhance production processes. This allows us to stay competitive and adapt to changing market demands.

Sustainability: BSRM is dedicated to sustainable practices in steel manufacturing. We focus on eco-friendly production processes, recycling, and reducing their environmental footprint. This commitment aligns with global sustainability goals and positions us favorably in the market.

MARKETS SERVED BY BSRM

Domestic Market (Bangladesh): BSRM is a leading supplier of steel products in Bangladesh. Our steel is widely used in the country's booming construction and infrastructure development projects, manufacturing industries, and residential construction.

Export Market: BSRM exports its steel products to Tripura, India.

Government/ Mega Projects: BSRM's steel products are extensively used in the construction sector, including developing bridges and other infrastructure projects. The country's most prominent landmarks, like Padma Bridge, Rooppur Nuclear Power Plant, Bangabandhu Tunnel, Dhaka Elevated Expressway, and Padma Rail Link Project, are all built with BSRM's steel.

Our commitment to quality and sustainability positions us as a trusted player in the steel industry in Bangladesh.

Strategy helps a business by providing clear direction and focus, enabling the company to set specific goals, allocate resources effectively, and make informed decisions aligned with its long-term vision; it encourages proactive planning.

STRATEGY



MEET OUR LEADERSHIP TEAM

A diverse and talented team of experts dedicated to decarbonizing building for a net-zero future and making BSRM the leader in innovative and sustainable building solutions.



Standing from left:

Mr. Zohair Taherali, Mr. Aameir Alihussain, Mrs. Sabeen Aameir, Mr. Alihussain Akberali FCA & Mr. Gobinda Chandra Paul FCA



BOARD OF DIRECTORS >>



MR. ALIHUSSAIN AKBERALI FCA
CHAIRMAN

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

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

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

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



MR. AAMEIR ALIHUSSAIN
MANAGING DIRECTOR

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

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

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



MR. ZOHAIH TAHERALI
DIRECTOR

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

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

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



MRS. SABEEN AAMEIR
DIRECTOR

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

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



MR. GOBINDA CHANDRA PAUL FCA
INDEPENDENT DIRECTOR

Mr. Gobinda Chandra Paul FCA, the Independent Director of Bangladesh Steel Re-Rolling Mills Limited was born in 1951 and has 42 years of experience in internal & external audit and assurance, developing internal control, Tax and VAT matters. He is a qualified Chartered Accountant and Fellow Member of the Institute of Chartered Accountants of Bangladesh (ICAB). Currently, he is managing Partner of a reputed Chartered Accountancy firm –Basu Banerjee Nath & Co. He is also the Chairman of the Audit Committee and Nomination & Remuneration Committee of the Company.

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

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

KEY MANAGEMENT >>

- Tapan Sengupta, Deputy Managing Director
- Hasan Zafar Chowdhury, Chief Operating Officer Steels
- Gautam Bandopadhyay, Chief Operating Officer Wires
- Saumitra Kumar Mutsuddi, Head of Corporate Affairs
- Shekhar Ranjan Kar FCA, Head of Finance & Accounts and Company Secretary
- Sunil Kumar Das, Country Head, India
- Md. Azizul Haque, Head of Manufacturing
- Jamil Ahmed, Head of Human Resources
- Mohinder Singh Hanspal, Head of Rolling
- Bipin Sharma, Head of QMCI & Risk Management
- Sanjay Mukundbhai Thakkar, Head of Strategic Projects
- Mohammad Imtiaz Uddin Chowdhury, Head of Sales & Marketing
- Mohammed Reazul Kabir FCA, Head of Internal Audit
- Mohammad Monir Hossain, Head of Corporate Strategy & Projects
- A. K. M. Saifuddin Khan, Head of Administration
- Mohammad Yousuf, Head of Estates
- Mohammed Tamim Wahid Al-Helal, Head of Information Technology
- Sanjoy Kumar Ghosh, Head of Supply Chain Management
- Surendra Jagdale, Technical Adviser
- Ruhi Murshid Ahmed, Adviser

ADVISERS

- Kazi Anwar Ahmed, Adviser
- Mahmud Hassan Mansur, Adviser
- Tapan K. Poddar FCA, FCMA, Financial Consultant
- Humaira Sayeeda, Adviser

EXPERIENCED AND EXPERT WORKFORCE

An experienced and expert workforce is vital for success. Businesses thrive when they provide their workers with training and education to improve and develop their talents. Skilled workers consistently excel in carrying out their responsibilities.



CHAIR'S STATEMENT

Dear Valued shareholders and stakeholders.

Greetings from BSRM Group of Companies.

I am happy to present Bangladesh Steel Re-Rolling Mills Limited's (BSRMLTD) Annual Report for FY2022-23. Despite the rapidly changing environment, we remain guided by our vision and values, which aim to improve the world around us by providing innovative solutions. Our purpose connects all parts of our business and shows how our work can positively impact people and communities.

The Company was established in 1952 and this report covers our seventy-one years of operations. By most measures, the 2022/23 year was a time of significant success for us.



BSRMLTD has joined the esteemed club of listed companies with annual revenues of over Tk. 10,000 crore. Revenue increased to all-time high of Tk. 11,506 crore, up by 44% compared to the previous year, driven by strong performance across most of our core businesses.

We have made progress in many economic indicators. However, the current situation is different. The ongoing conflict between Russia and Ukraine as well as the recent

Palestine and Israel war are causing immense devastation and suffering for humanity. Therefore, smaller economies are facing an uncertain and miserable future. We observed sluggish economic activities due to war-induced supply chain disruptions.

Our country is struggling to maintain a favorable balance of imports and exports and it has become increasingly complex to keep the foreign exchange reserves intact. As a consequence, the value of our local currency has been declining at an unprecedented rate.

Despite facing several challenges, we successfully achieved our production target this year, resulting in increased sales compared to the previous year. In the year 2022-23, we produced 870,876 metric tons of MS products and sold 873,668 metric tons. Our earnings per share (EPS) reached Taka 9.76 and we increased production by 3.63%, resulting in revenue growth to Tk. 11,506 crore. However, due to the depreciation of the Taka against the Dollar, we incurred foreign currency losses that led to a 5.66% decrease in our profits this year.

During the year, inflation was a significant issue that affected all our sectors, resulting in increased expenditure. As we prioritize quality production, inflation leads to an increase in our costs. According to the World Bank survey, inflation reached 9% in the fiscal year 2022-23. Additionally, the government discouraged imports to control expenses and increase our foreign currency reserve.

Dear shareholders, you know that we are a progressive nation. Our per capita steel consumption is still deficient compared to developed countries. So we have widespread scope and opportunities to expand our business. Moreover, it is also promising that steel consumption is rising at the individual level. Considering this increasing state and particular demand, we have continued to invest in this industry. Again, our Group's expansion projects, including the capacity enhancement of BSRM Steels Limited (an associate company) by 500,000 M. Ton MS Rod, 100,000 M. Ton MS Wires, and 250,000 M. Ton MS Billet, will hopefully be completed by mid of 2024.



We firmly believe engaging in CSR activities is crucial to our business operations. We have a responsibility towards our nation, people, and society. Our primary focus is on promoting health and education. Additionally, we have taken up several initiatives to ensure the supply of clean drinking water and proper sanitation facilities. We operate the "BSRM Burhani School" for underprivileged children and a health center in Mirshari. Our vocational training center produces skilled workforces. In collaboration with various NGOs, we provide support to empower disadvantaged women and members of the transgender community. At the same time, we are committed to expanding environmentally friendly businesses, focusing on a green business model to save Mother Earth.

I am delighted to present the Company's significantly expanded first ESG report and I applaud the commitment shown by our team in ensuring that the company implements best practice policies in this critical and rapidly evolving area. These initiatives are ambitious, but we believe that as an industry leader, we can directly influence addressing these issues.

In conclusion on behalf of the Board, I wish to express my sincere appreciation to all our valued shareholders, customers, bankers, suppliers, BSEC, DSE, CSE, CDBL, NBR, Bangladesh Bank and all other government authorities and our dedicated workforces for their continued support, mutual trust and utmost confidence in the Group.

Thank you once again. Allah Hafiz.



Alihussain Akberali FCA
Chairman



MANAGING DIRECTOR SPEAKS

Dear Shareholders,

I welcome you to the 61st Annual General Meeting of Bangladesh Steel Re-Rolling Mills Limited.

It is well known that South Asian countries, including Bangladesh, have achieved the highest GDP growth compared to other parts of the world amidst the turmoil of global politics. Despite some predictions by economists, there is no hindrance to the development of GDP in our region.

Currently, we are still experiencing the highest 6% GDP growth rate in the world. However, due to the global economic recession, our progress of three decades of development has been somewhat disrupted. Nevertheless, we are continuing to progress at a 5.5% rate, according to the last economic outlook of ADB. Many successful completion of development projects in recent years have inspired us to dream of a better tomorrow.

Steel Industry and National Development:

Bangladesh is a country with huge economic development potential. The steel industry is directly linked to infrastructure development, so there is a huge potential for expansion of this industry. Bangladesh is a developing nation that is currently putting a lot of emphasis on infrastructural development and various mega projects. As a result, the Steel industry is expected to grow significantly, presenting massive growth opportunities. The local Steel market is

estimated to have a market size of around BDT 650 billion and provides employment to nearly 1 million people directly or indirectly across the country. Our per capita steel consumption has gradually been increased and we are proud to meet twenty-five percent of the country's steel demand ourselves.

Our Progress during the Year:

The year 2022-23 was a mixed year of growth and challenges for BSRM Group. For the first time in the BSRM's history, we entered into the 100 billion (10,000 crore) earning club. This year our revenue was BDT 11,506 crore which was BDT 7,978 crore in 2021-22. In the first quarter, we were in a massive loss due to low sales rates and foreign currency fluctuation loss. However, in the next three quarters, we improved gradually as the market demand for MS product were high and the price of our finished products was on the rise as a result profitability was satisfactory.



I would like to mention here that the country's largest steel manufacturer, BSRM is playing a significant role in the development of the country's mega projects, such as supplying 100% steel in Rooppur Nuclear Power plant, 90% to the Padma Rail Link, 58% to Cox's Bazar Airport and 72% to the Bangabandhu Tunnel.

Our Future Potentials:

Dear Shareholders, Supplying quality steel for the development of our country is one of our main objectives. Many development projects have already been completed in the country and it is expected to continue in the future. We feel proud that we can be part of all the important mega infrastructure projects in Bangladesh. That's why we are sincerely grateful to everyone for trusting BSRM.

We are continuously striving to meet the growing demand for our high-quality products. To ensure quality products and supply, we have taken on expansion projects of our associate company -BSRM Steels Limited that will increase our production of rods by 600,000 metric tons and billets by 250,000 metric tons. Our valued shareholders, we are committed to maximizing your net worth by reducing costs and increasing production efficiency, while maintaining the highest quality standards for our products.

Conclusion:

A worldwide economic slowdown, power crisis, and depreciation of Taka have created obstacles to growth and profitability this year. However, we remain confident that we can overcome all these challenges. We must acknowledge the government's efforts in managing the economy during these challenging times. We all need to endure the current difficulties to emerge successfully in the future as a nation.

Finally, I would like to express my heartfelt gratitude to our staff, officers, senior management team, bankers, dealers, all government bodies, BSEC, DSE, CSE, and all shareholders of the company for your continued and unequivocal support in the growth of our business.

The following table compares the current year's performance with that of the previous year.

Particular	July'22-June'23 BD Tk.	July'21-June'22 BD Tk.	Percentage of Changes
Revenue net of VAT	115,060,731,490	79,783,104,400	44.22%
Gross profit	10,319,121,980	6,486,219,692	59.09%
Selling and distribution costs	1,151,403,348	901,019,247	27.79%
Administrative costs	1,065,382,960	802,625,799	32.74%
Net finance costs	4,853,778,946	1,340,318,760	262.14%
Profit/ (Loss) after tax	2,913,565,175	3,088,284,803	(5.66%)
Earnings per share	9.76	10.34	(5.66%)
Net operating cash flow per share	10.74	22.50	(52.29%)

The amount of finance cost has been almost four times higher than that of the previous year due to foreign currency conversion loss originating from the devaluation of Bangladesh's Taka. This situation is expected to continue for a few months. However, we are optimistic that the government's measures will minimize losses.

Thank you one and all.

Aameir Alihussain
Managing Director

DIRECTORS' REPORT >>

Dear Esteemed Shareholders,

I extend my warmest regards to each of you on behalf of the Board of Directors of Bangladesh Steel Re-Rolling Mills Limited (BSRMLTD). It is with great respect and gratitude that I present the Directors' Report, the Audited Financial Statements and the Auditors' Report for the fiscal year ending on 30 June 2023.

The year 2022-23 has been a period defined by notable events and challenges in the global arena. While the world's economies worked towards recovery and anticipated a more optimistic future, the escalation of the Russian-Ukraine conflict cast a somber shadow. This conflict not only posed new threats but also brought about challenges such as rising transportation and shipping costs, increased market volatility, disruptions in the global supply chain and heightened financial expenses.

In spite of the hurdles presented by the global economic conditions, BSRM achieved a historic milestone with a total revenue of Tk. 115,061 million for the year. This figure represents the highest revenue ever recorded by BSRM, showcasing an exceptional growth of 44% compared to the previous year. This remarkable achievement was propelled by our steadfast dedication to quality, innovation, and ensuring utmost customer satisfaction.

The net profit after tax for the year was Tk. 2,914 million, demonstrating our ability to maintain a strong and sustainable bottom line. This success is a testament to the hard work and dedication of our employees, the loyalty of our customers and the trust of our shareholders.

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 forecasted 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 of 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 FUTURE PLANNING

Bangladesh is rapidly recovering from the COVID-19 pandemic supported by prudent macroeconomic policies with estimated GDP growth of 6.0 percent in FY23.

However, the economy faces considerable challenges as the global economic crisis has significantly impacted third-world countries such as India, Bangladesh, and Sri Lanka. Furthermore, the rise in dollar prices against local currencies has posed a significant challenge to international trade.

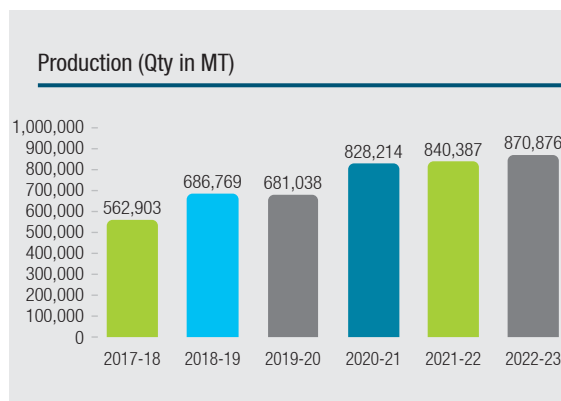
However, the government of Bangladesh has implemented effective measures to address these issues. These measures include subsidized food distribution, monitoring price control of essential items, scheduled power cuts, reduction of unnecessary expenditures to conserve foreign currency, and incentives for inward foreign remittances. We are hopeful that these initiatives will help alleviate the situation.

The steel industry in Bangladesh has played a significant role in the country's infrastructure development by supplying MS Rods, angles, beams, and channels. There is a growing demand for high-quality steel, evident in the rising trend. Per capita steel consumption has increased from 25 kg in 2012 to 43 kg. We anticipate this trend to continue, projecting a further increase to 73 kg per capita.

To meet this escalating demand, we are taking proactive measures. We are in the process of establishing a new rolling mill with a capacity of 600,000 metric tons of rods and 250,000 metric tons of MS billets. These facilities will be operated under BSRM Steels Limited, an associated company of Bangladesh Steel Re-Rolling Mills Limited.

OPERATING AND FINANCIAL PERFORMANCE OF BANGLADESH STEEL RE-ROLLING MILLS LIMITED

In the fiscal year 2022-23, Bangladesh Steel Re-Rolling Mills Limited demonstrated strong operating and financial performance. The rolling plant successfully produced 870,876 metric tons of MS products, marking a growth of 3.63%. The production data of the rolling unit is visually represented in the graph below:



BSRMLTD operates two melting units: SMW, with an annual capacity of 150,000 metric tons, and Melting-2 with an enhanced annual capacity of 862,000 metric tons. These units are primarily engaged in producing MS billets for internal consumption.

Additionally, BSRMLTD manufactures Ribbed Wire with an installed capacity of 24,000 metric tons. In the current year, the company produced 18,834 metric tons of Ribbed Wire.

Historical production data for the Rolling and Melting Units is provided below:

Rolling Unit

Particulars	2022-23	2021-22	2020-21	2019-20	2018-19	2017-18
Installed Capacity (M. Ton)	800,000	800,000	800,000	750,000	540,000	540,000
Production (M. Ton)	870,876	840,387	828,214	681,038	686,769	562,903
Capacity Utilization (%)	109%	105%	104%	91%	127%	104%
Sales of Own Product (M. Ton)	873,668	813,085	865,218	730,832	651,935	536,864

Melting Unit

Particulars	2022-23	2021-22	2020-21	2019-20	2018-19	2017-18
Installed Capacity (M. Ton)	1,012,000	1,010,000	508,333	150,000	150,000	150,000
Production (M. Ton)	1,159,153	1,164,609	514,845	102,735	174,657	150,331
Capacity Utilization (%)	115%	115%	101%	68%	116%	100%
Sales & Consumed in Re-Rolling Unit (M. Ton)	1,256,821	1,005,860	514,845	102,609	174,533	150,947

SALES:

In the current fiscal year, the company successfully marketed 870,876 metric tons of finished products. Additionally, 370,316 metric tons of MS Billets were sold during the same period. The sales and production data categorized by segments are presented below:

Segment wise or product wise performance:

Particulars	Production & Procured (M. Ton)					Sales (M. Ton)				
	2022-23	2021-22	2020-21	2019-20	2018-19	2022-23	2021-22	2020-21	2019-20	2018-19
Xtreme 500W, Angle, Channel (Owned Product)	870,876	840,387	828,215	681,038	686,769	867,314	813,085	865,218	730,832	651,935
Imported & Locally Procured Items	5,830	4,048	7,037	13,248	21,977	6,354	4,113	9,400	11,789	16,254
Total	876,706	844,435	835,252	694,286	708,746	873,668	817,198	874,618	742,621	668,189

Financial Performance:	Amount in BDT in million					
Particulars	2022-23	2021-22	2020-21	2019-20	2018-19	2017-18
Revenue	115,060.73	79,783.10	59,875.85	45,722.36	44,408.88	33,238.37
Gross Profit	10,319.12	6,486.22	7,097.23	3,674.29	4,992.24	4,828.32
Operating Profit	8,159.34	4,846.04	5,477.73	2,059.03	3,637.90	3,864.96
Non-Operating Income	53.90	46.01	30.43	16.11	41.3	123.21
Less: Interest WPPF & WWF	(5,039.34)	(1,535.49)	(964.81)	(1,249.09)	(1,999.85)	(1,950.19)
Income Tax Expense	(1,193.56)	(1,294.73)	(533.53)	(413.78)	(879.43)	(242.75)
Net Profit after tax	2,913.95	3,088.28	4,970.33	921.84	1,860.63	2,778.78
Earnings Per Share (EPS) (Tk.)	9.76	10.34	18.96	3.90	7.88	11.77
Net Asset Value Per Share (Tk.)	140.46	134.29	127.56	99.89	97.46	63.70
NOCF Per Share (Tk.)	10.74	22.50	29.24	40.47	2.81	(8.78)

Other Financial Performance:	Amount in BDT in million					
Particulars	2022-23	2021-22	2020-21	2019-20	2018-19	2017-18
Paid Up Capital	2,985.85	2,985.85	2,985.85	2,360.68	2,360.68	2,146.07
Share Holders' Equity	41,938.17	40,095.48	38,085.98	23,581.64	23,007.37	13,671.41
Current Liabilities	57,638.27	74,029.21	37,599.10	18,125.19	22,883.32	19,310.98
Non-current Liabilities	4,384.64	4,491.18	4,846.80	5,343.79	6,662.92	6,962.32
Addition to fixed assets & CWIP	971.98	771.8	1,346.65	1,373.56	314.89	701.34
Operating cash flow	3,205.33	6,716.94	8,730.39	9,554.44	664.16	(1,884.73)

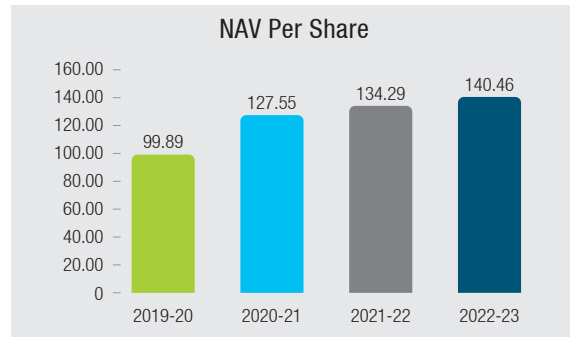
In the fiscal year 2022-23, the company achieved a significant milestone with sales amounting to Tk. 115,061 million, marking a remarkable increase of 44.21% from the previous year's sales of Tk. 79,783 million. Meanwhile, the gross profit for the current year reached Tk. 10,319 million, reflecting a notable rise compared to the previous year's gross profit of Tk. 6,486 million.

Upon scrutinizing the profit and loss statement, it is evident that the increase in sales revenue is attributed to higher sales volumes of MS Rod and Billet, coupled with the rise in Steel Products' prices. However, the cost of goods sold escalated due to surging raw materials and spare part prices, inflation, and the devaluation of the BD Taka against the dollar. Despite these challenges, the company's financial position improved, as indicated by the increase in gross profit.

The net profit after tax for this year stood at Tk. 2,914 million, a slight decrease from last year's Tk. 3,088 million. This decline can be attributed to a significant increase in finance costs. The finance cost surged nearly three and a half times higher than the

previous year, primarily due to the drastic weakening of the Taka against the US Dollar, leading to foreign currency transactions and translation losses.

Furthermore, the Net Asset Value (NAV) per share demonstrated a positive trend, reaching TK 140.46, compared to last year's value of Tk. 134.29. This consistent increase in NAV per share signals the company's growing investment value, indicating a positive trajectory for our investments.



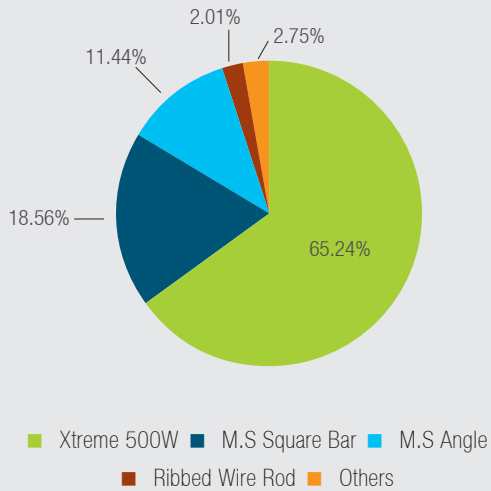
Furthermore, the Company's Earnings per share (EPS) amounted to TK 9.76, a decrease from the previous year's figure of TK. 10.34. Conversely, the net operating cash flow per share (NOCFPS) stood at Tk. 10.74, a decline from Tk. 22.50 in the preceding year. This decrease in NOCFPS was attributed to higher payments made to suppliers and employees, which increased by 42% from the previous year, rising from TK. 73,710 million to TK. 1,04,328 million.

PRODUCT-WISE PERFORMANCE:

The reported sales of Xtreme 500W amounted to 569,971 metric tons, comprising 65.24% of the total sales of 873,668 tons. Additionally, M.S. Angle, M.S. Square Bar, and other products collectively accounted for 303,697 tons of sales, representing 34.76% of the total sales. During the year, the company also successfully marketed 17,571 tons of Ribbed Wire. Lastly, there were sales of imported products, including I Beam, H Beam, and MS Plate. Below is a detailed breakdown of the sales by product category:

Name of Items	Qty. (M.Ton)	Percentage
Xtreme 500W	569,971	65.24%
MS Square Bar	162,164	18.56%
M.S Angle	99,949	11.44%
Ribbed Wire Rod	17,521	2.01%
Xtreme 500W-Stirrup	1,386	0.16%
Xtreme 500W-Bend Cut	5,918	0.68%
Centura	3,457	0.40%
I-Beam	1,868	0.21%
M.S Channel	3,829	0.44%
Others	7,604	0.87%
Total	873,668	100%

Product Wise Performance



BSRM FASTBUILD SERVICES

BSRM proudly presents an array of innovative services tailored to meet your construction needs:

- **BBS and Cut & Bend:** Offering precision-cut re-bars and Bar Bending Schedule (BBS) services.
- **Stirrups (BSRM Securing):** Providing high-quality stirrups designed to adhere to the highest standards of safety and strength.
- **Coupler:** Delivering reliable and efficient coupler solutions for seamless rebar connections.
- **WWR (Welded Wire Reinforcement):** Supplying robust welded wire reinforcement solutions for reinforced concrete structures.

Introducing our groundbreaking service, BSRM FastBuild, which offers customized rebar solutions. FastBuild encompasses Bar Bending Schedule (BBS) development, precision cut & bend services, and stirrups, all meticulously crafted according to the Bangladesh National Building Code (BNBC) and ACI standards.

BSRM SECURING utilizes cutting-edge, fully automated European machines to adhere to the rigorous standards set by the Bangladesh National Building Code (BNBC). This meticulous approach guarantees unmatched quality and safety in each product we deliver.

OPERATIONS OF SUBSIDIARY COMPANY

BSRM (Hong Kong) Limited

BSRM (Hong Kong) Limited, a subsidiary of Bangladesh Steel Re-Rolling Mills Limited, is incorporated in Hong Kong and plays a vital role in supporting the parent company through the following activities:

- Sourcing raw materials and spare parts from China.
- Conducting timely inspections of spare parts and machinery imported from China to Bangladesh for the BSRM Group.
- Engaging in the trading of steel and related goods.

Mr. Aameir Alihussain, Mr. Zohair Taherali and Ms. Fatema Yousuf Jangbarwal serve as Directors of this Company. Although the company's operations are currently limited in scope, BSRM (Hong Kong) Limited demonstrated its efficiency by earning a net profit of HKD 298,307 during the year.

OPERATIONS OF ASSOCIATED COMPANY

BSRM Steels Limited

BSRM Steels Limited, a prominent associate company affiliated with Bangladesh Steel Re-Rolling Mills Limited, is a reputable public entity, trading actively on both the Dhaka and the Chittagong Stock Exchanges. Currently, Bangladesh Steel Re-Rolling Mills Limited (BSRM) maintains a substantial ownership stake, holding 31.19% of the shares in BSRM Steels Limited. Throughout the fiscal year 2022-23, BSRM Steels Limited demonstrated outstanding operational performance. The company achieved remarkable sales, totaling an impressive 904,002 metric tons of steel products. This substantial sales volume underscored the company's robust market presence and demand for its offerings.

Furthermore, BSRM Steels Limited exhibited strong financial prowess by recording a net profit of Tk. 2,979.40 million during the same period. This noteworthy profit margin reflects the company's effective management strategies, efficient operations, and the ability to capitalize on market opportunities.

BSRM Steels Limited's success in achieving substantial sales and a substantial net profit further strengthens its position as a key player in the steel industry. It exemplifies the company's commitment to delivering high-quality products, meeting market demands, and ensuring sustained growth in the competitive market landscape.

Operational Performance of BSRM Steels Limited

Particulars	Unit	2022-23	2021-22	2020-21	2019-20	2018-19	2017-18
Installed Capacity	M. Ton	800,000	800,000	800,000	750,000	700,000	700,000
Production	M. Ton	920,257	868,454	816,494	643,917	758,405	727,034
Capacity Utilization	%	115%	109%	102%	86%	108%	104%
Sales	M. Ton	904,002	849,337	868,497	635,911	756,820	710,995

Financial Performance of BSRM Steels Limited

Financial Performance:	Amount in BDT in million					
Particulars	2022-23	2021-22	2020-21	2019-20	2018-19	2017-18
Sales	84,524.77	67,121.06	54,982.97	38,681.38	61,060.15	48,289.93
Gross Profit	8113.88	7,045.54	7,230.86	5,172.54	5,051.91	4,879.17
Profit from Operation	6460.55	5,427.69	5,596.03	3,573.15	3,369.05	3,180.65
Less: Interest, WPP & WF	(2,790.24)	(1,035.85)	(664.40)	(1,899.24)	(1,328.76)	(1,120.19)
Add/(Less): Profit on Bargain Purchase	-	-	-	-	-	10.20
Add/(Less): Share of Profit or (Loss) from Associates	-	-	(1,012.68)	151.79	297.97	237.88
Less: Tax expenses & Provision for income tax	(791.71)	(1,226.76)	(872.00)	(1,083.43)	(610.13)	(507.74)
Net Profit	2,979.40	3,278.50	3,047.08	742.28	1,728.12	1,800.80
Acturial (Loss)/Gain	-	-	-	-	-	(3.40)
Total Comprehensive Income	2,753.89	3,607.68	3,019.50	740.76	8,425.54	1,797.40
EPS (Tk.)	7.92	8.72	8.10	1.97	4.60	4.79

BSRM SERVICE CENTER

BSRMLTD has established a state-of-the-art facility dedicated to processing reinforcement materials. This ambitious project boasts an impressive annual capacity, producing 14,400 metric tons of Cut & Bent Rebar, 2,880 metric tons of Stirrup, and 48,000 metric tons of Mesh. This tailored solution not only significantly reduces waste and storage demands for our customers but also enhances the overall quality of construction work.

The introduction of this facility addresses multiple challenges faced at construction sites. It plays a crucial role in minimizing delays, fabricating errors, theft incidents, and labor-intensive tasks. By streamlining the process, the service center ensures efficient and error-free construction practices, ultimately leading to improved customer satisfaction.

Furthermore, this innovative undertaking is poised to have a positive impact on the company's profitability. Through enhanced efficiency and reduced operational hassles at construction sites, the service center stands as a testament to BSRM's commitment to excellence and customer-focused solutions.

MANAGING RISKS AND CONCERNS

In the realm of business, 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 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 adeptly 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 succinct overview of the significant risks and the strategies adopted for risk management by our company can be found in Annexure-1 and Note-54 of the Financial Statements. These efforts underscore our commitment to ensuring a resilient and secure business environment for sustainable growth.

RISK MANAGEMENT & CONTROL ENVIRONMENT

In our continuous pursuit of maintaining a robust Risk Management and Control Environment, we invite your attention to the comprehensive insights provided in Annexure 1A. This detailed document meticulously outlines our strategies, methodologies, and initiatives in managing risks effectively and ensuring a stringent control environment within our organization.

You will find a thorough analysis of our risk management protocols, encompassing areas such as:

Risk Identification: A meticulous exploration of potential risks that could affect our business operations and strategies.

Risk Assessment: A systematic evaluation of identified risks, gauging their potential impact and likelihood.

Risk Mitigation: In-depth insights into the proactive measures we have implemented to mitigate identified risks,

ensuring a resilient operational framework.

Control Environment: An overview of our control mechanisms, outlining the policies, procedures, and checks in place to maintain a secure and compliant operational environment.

Monitoring and Adaptation: Details on how we continuously monitor our risk management strategies and control environment, adapting them as per evolving market dynamics and emerging threats.

A report in page no. 287 serves as a comprehensive guide, providing stakeholders with a transparent view of our commitment to effective risk management and maintaining a robust control environment.

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

In our commitment to transparency and clarity, we present a detailed analysis of our Cost of Goods Sold (COGS), Gross Profit (GP) Margin, and Net Profit (NP) Margin in Annexure-2. This section delves deep into the financial intricacies, offering stakeholders a comprehensive understanding of our financial performance.

1. Cost of Goods Sold (COGS): COGS elucidates the expenses incurred in the production of goods and services. This includes direct costs such as raw materials, labor, and manufacturing expenses. By examining our COGS, stakeholders gain valuable insights into the fundamental expenditures essential for our business operations.

2. Gross Profit (GP) Margin: Our GP Margin reveals the profitability of our core business activities. This margin represents the difference between our revenue and the direct costs associated with production. Understanding our GP Margin is crucial as it showcases our ability to generate profit after covering the direct expenses, indicating the efficiency of our operations and pricing strategies.

3. Net Profit (NP) Margin: The Net Profit Margin, a key metric depicting the overall profitability of our business after considering all expenses, including indirect costs, taxes, interest, and operational overheads. A robust NP Margin reflects our ability to manage not only direct costs but also all other financial obligations, illustrating our operational efficiency and financial health.

Annexure-2 serves as a detailed guide, providing stakeholders with a deep insight into our financial performance. By analyzing the intricacies of COGS, GP Margin, and NP Margin, stakeholders can make informed assessments about our operational efficiency, pricing strategies, and overall financial viability. We encourage a thorough review of this section, emphasizing our commitment to transparency and openness in our financial reporting.

EXTRA-ORDINARY GAIN OR LOSS

In the aftermath of the Russian-Ukraine conflict, the global financial markets were marked by unprecedented instability. This period of uncertainty had a significant impact on various currencies, notably the Bangladeshi Taka, which depreciated against the surging US dollar.

Within this context, our company faced substantial challenges in foreign currency transactions and translations. The sharp fluctuations in exchange rates led to substantial losses. These losses, amounting to Tk. 4,011.58 million, 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

In upholding the highest standards of transparency and ethical business practices, we affirm that every transaction involving related parties within our organization has been conducted strictly on a commercial basis. This commitment ensures fairness, integrity, and adherence to ethical norms in all our business interactions with related entities.

To provide a comprehensive understanding of these transactions, we meticulously disclose all relevant details in Note- 13, 26, and 46 of our financial statements and prepared in strict accordance with the International Financial Reporting Standards (IFRS).

SIGNIFICANT VARIANCE IN THE QUARTERLY AND ANNUAL FINANCIAL STATEMENTS OF BSRMLTD

Upon meticulous examination of our quarterly and annual financial statements, several significant variances have come to light, warranting a thorough evaluation for a comprehensive understanding.

1. Increase in Finance Costs: A substantial rise in finance costs has emerged as a prominent factor impacting our financial statements. This increase can be attributed primarily to currency movements between the Bangladeshi Taka (BDT) and the US dollar. Currency fluctuations have a direct impact on our borrowing costs, leading to a notable surge in financial expenditures. This currency-related challenge has posed a significant hurdle, influencing our net profit for the period.

2. Administrative and Selling Distribution Expenses: Additionally, there has been a slight uptick in both administrative and selling distribution expenses. These increments have been strategically incurred to ensure the seamless operation of our business. Investments in administrative functions are crucial for enhancing organizational efficiency, while increased spending on selling distribution ensures an effective market presence and customer outreach. While these expenses have risen, they are integral to maintaining the smooth functioning of our operations and sustaining our market competitiveness.

Impact on Net Profit: The combined effect of heightened finance costs and marginally increased administrative and selling distribution expenses has resulted in a reduction in our net profit for the period. This reduction, while challenging, reflects our commitment to maintaining operational excellence despite external economic challenges and currency fluctuations.

Strategic Response: In response to these variances, our management team is proactively engaged in devising strategic measures. These initiatives include evaluating our borrowing strategies to mitigate the impact of currency movements, optimizing operational processes to streamline administrative functions, and enhancing sales and distribution strategies to ensure cost-effective market penetration. Through these strategic responses, we aim to mitigate the current challenges and strengthen our financial resilience for sustained growth and profitability.

This detailed analysis underscores our dedication to transparent financial reporting and proactive management. By addressing these challenges strategically, we remain steadfast in our commitment to overcoming obstacles and steering BSRM towards a stable and prosperous future.

Particulars	Unit	For the Year		For the Period			
		July'22- June'23	July'21- June'22	April'23 to June'23	Jan'23- March'23	Oct'22- Dec'22	July'22- Sept'22
Production-Rod	M.Ton	870,876	840,387	243,756	235,800	199,511	191,809
Sales	M.Ton	873,668	817,198	227,226	280,079	202,383	163,980
Revenue	Tk In Million	115,061	79,783	32,186	39,231	22,891	20,753
Cost of sales	Tk In Million	(104,742)	(73,297)	(28,029)	(35,459)	(21,538)	(19,716)
Gross profit	Tk In Million	10,319	6,486	4,157	3,772	1,353	1,037
Profit before tax	Tk In Million	4,107	4,383	2,799	1,872	749	(1,313)
Income tax expenses:							
Current year	Tk In Million	(1,098)	(1,181)	(409)	(214)	(264)	(211)
Previous year	Tk In Million	0.22	(10)	-	(0.44)	0.66	-
Deferred tax	Tk In Million	(96)	(104)	30	(62)	57	(121)
Total income tax expense	Tk In Million	(1,194)	(1,295)	(379)	(276)	(206)	(332)
Profit after tax	Tk In Million	2,914	3,088	2,419	1,596	543	(1,644)
Basic earnings per share	Taka	9.76	10.34	8.10	5.35	1.82	(5.51)

REMUNERATION OF DIRECTORS, INCLUDING INDEPENDENT DIRECTORS: ENSURING TRANSPARENCY AND ACCOUNTABILITY

The remuneration of our esteemed Directors, including Independent Directors, is a matter handled judiciously and in accordance with the decisions made by the Board. To provide comprehensive insight into this matter, a detailed report outlining the Directors' Remuneration can be found in **Annexure-3**

and Note 36.02 of our Financial Statements. These documents are designed to ensure transparency and accountability, allowing stakeholders to thoroughly understand the structure and allocation of Director Remuneration within our organization.

BOARD OF DIRECTORS: ENHANCING GOVERNANCE AND ACCOUNTABILITY

i. 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.

ii. Board Meeting and Attendance:

Throughout the period from July 01, 2022, to June 30, 2023, the Board convened on 6 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.

The following table shows the attendance record of the Board members:

Name of the Directors	Position	No. of meeting held during the Period	No. of Meeting Attended
Mr. Alihussain Akberali, FCA	Chairman	6	6
Mr. Aameir Alihussain	Managing Director	6	6
Mr. Zohair Taherali	Director (Nominated Director of H. Akberali & Co. Limited)	6	4
Mrs. Sabeen Aameir	Director (Nominated Director of BSRM Steels Limited)	6	6
Mr. Gobinda Chandra Paul FCA	Independent Director	6	5

iii. Details of Directors Being 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. Zohair Taherali and Mrs. Sabeen Aameir 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.

iv. 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. Mono Ranjan Dey 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. Dey 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 MRH Dey & 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.

v. 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.

MANAGEMENT DISCUSSION AND ANALYSIS: A COMPREHENSIVE INSIGHT INTO COMPANY OPERATIONS

Enclosed in **Annexure-D** a detailed Management Discussion and Analysis, signed by the Managing Director. This comprehensive document delves into the company's operations and current position, offering valuable insights. It also provides a succinct 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.

CREDIT RATING EVALUATION: ENSURING FINANCIAL STABILITY AND RELIABILITY

We are pleased to announce that Credit Rating Information and Services Limited (CRISL) has assigned our company a prestigious AA+ rating. This rating reflects our high quality, offering superior safety, and indicating a robust credit quality. It signifies that the loans and facilities availed by our entity maintain a solid credit profile with minimal risks. 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.

In addition, our liquidity factors have been evaluated as strong, supported by robust fundamental protection measures, while the associated risks are deemed minimal. Importantly, our company has been positioned under a "Stable Outlook" category by the Credit Rating Company, reaffirming our commitment to financial stability and our ability to navigate the market with resilience and confidence. This recognition showcases our dedication to maintaining a secure and dependable financial standing for our stakeholders.

Long Term	Short Term
AA+	ST-2

INTERNAL CONTROL SYSTEM: ENSURING ROBUST SAFEGUARDS AND COMPLIANCE

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 paramount importance on establishing an effective internal control system, minimizing the risks associated with fraud, errors, and irregularities.

To bolster our internal control mechanisms, we have meticulously 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 plays a pivotal role in ensuring strict compliance with established protocols and maintaining 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 ANNOUNCEMENT: ENHANCING SHAREHOLDER VALUE

We are delighted to inform our esteemed shareholders that during our 444th Board Meeting convened on 12th October 2023, the Board of Directors has proposed a substantial 25% cash dividend of the paid-up capital. This decision underscores our commitment to delivering value to our shareholders and ensuring a fair return on your investments.

UTILIZATION OF RETAINED FUNDS: ENHANCING FINANCIAL SUSTAINABILITY

The retained funds will be strategically employed to retire high-rated loans, optimizing our financial structure and reducing interest liabilities. Additionally, these funds will be allocated towards meeting essential working capital requirements and covering operational expenses. This prudent allocation ensures the effective management of our resources, enhancing our financial sustainability and bolstering our operational efficiency.

UNCLAIMED DIVIDEND DISCLOSURE: UPHOLDING TRANSPARENCY AND ACCOUNTABILITY

As part of our commitment to transparency and accountability, the Company has diligently disclosed the unclaimed dividend position. This information is presented as a distinct line item in our Balance Sheet, ensuring visibility and clarity regarding unclaimed dividends. Moreover, this crucial information is also made readily accessible on the company's official website. By providing this disclosure, we aim to keep our stakeholders informed and maintain the highest standards of financial transparency and corporate governance.

Unclaim Dividend Account Year wise Unclaimed Dividend as on June 30, 2023	
Year	Taka
2021-22	650,800
2020-21 Final	789,047
2020-21 Interim	237,192
2019-20	498,649
Total	2,175,688

DIVIDEND DISTRIBUTION POLICY: BALANCING SHAREHOLDER BENEFITS AND BUSINESS GROWTH

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 meticulously designed to uphold shareholders' entitlement to dividends while also retaining profits within the business. By retaining profits, we can fuel 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. Additionally, you can find the policy outlined on Page No. 98 of this Annual Report. This transparent disclosure ensures that our shareholders and interested parties have access to comprehensive information regarding our approach to dividend distribution, reinforcing our commitment to openness and clarity in corporate operations.

CONTRIBUTION TO NATIONAL DEVELOPMENT: EMPOWERING COMMUNITIES, DRIVING PROGRESS

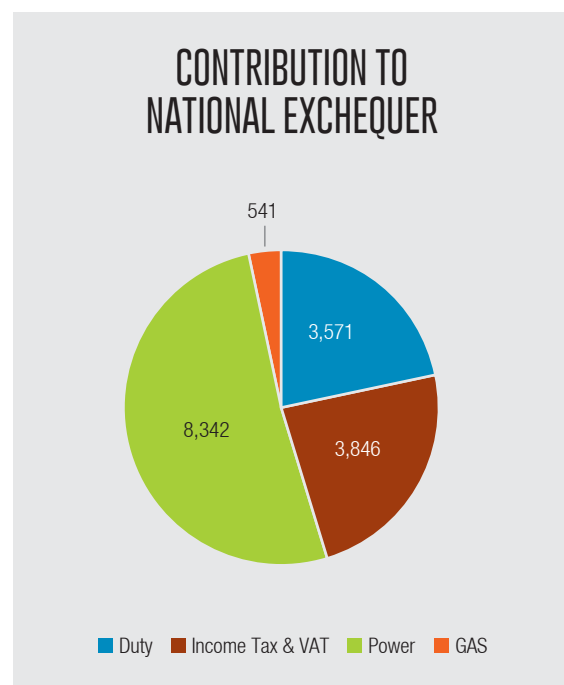
BSRM takes immense pride in its substantial contributions to the growth and development of our nation. Through significant investments, job creation, and robust tax payments, we have played a pivotal role in shaping the steel industry and supporting the economic progress of the country.

During the period spanning July 2022 to June 2023, BSRM made remarkable contributions totaling Tk. 16,299 million to the National Exchequer, encompassing payment made at import stage and various utility bills. Notably, a significant portion of this contribution, amounting to Tk. 8,342 million, was channeled through the payment of power bills.

Additionally, BSRM made substantial contributions through VAT, taxes, duties, and gas payments, further enriching the government exchequer and supporting vital public initiatives.

One of our proudest achievements lies in the employment opportunities we've generated. Currently, the BSRM Group serves as an employer to a diverse workforce of 4,183 individuals, ranging from management professionals to non-management staff. This substantial employment contribution underscores our commitment to empowering the workforce and fostering economic inclusivity.

Moving forward, BSRM remains steadfast in its dedication to contributing significantly to the national exchequer and supporting the government's endeavors. By continuing to invest in our people, technologies, and the communities we operate in, we aim to be a steadfast partner in the nation's journey towards sustained growth and prosperity.



CORPORATE SOCIAL RESPONSIBILITY: BUILDING SUSTAINABLE FUTURES, ENRICHING LIVES

At BSRM, 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. 254 of our Annual Report.

A LEGACY OF EXCELLENCE: BSRM'S ACCOLADES AND RECOGNITION

At BSRM, our pursuit of excellence has not gone unnoticed. Over the years, we have been honored with numerous prestigious awards and recognitions, reflecting our unwavering commitment to quality, innovation, and corporate integrity. Here are some of the notable accolades we have achieved, showcasing our dedication to excellence in various aspects of our business:

- i Gold Award - ICMA Best Corporate Award (2019, 2020, 2021, 2022): Recognizing our outstanding corporate performance and financial stewardship.
- i Best Brand of Bangladesh in Steel Category (2011-2022): A testament to our enduring position as a leading steel brand in the nation.
- i National Export Trophy (Multiple Years): Acknowledging our significant contributions to national exports, particularly by BSRM Steels Ltd.
- i Highest Taxpayer Award in Manufacturing Category (2021-22): A testament to our substantial contributions to the national economy.
- i Bronze Award - ICSB National Award (2019):

Recognizing our excellence in corporate governance and business practices.

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

These awards stand as a testament to our continuous pursuit of excellence and our firm belief in contributing positively to society, the economy, and the environment. We remain dedicated to up holding these standards, setting new benchmarks, and continuing our journey of excellence in the years to come.

EMBRACING THE DIGITAL AGE: BSRM'S INFORMATION TECHNOLOGY ENDEAVORS

In an era dominated by digitalization and technological progress, meaningful engagement with customers and stakeholders necessitates a mastery of Information Technology. At BSRM, we have recognized this imperative and have invested significantly in establishing a robust and cutting-edge IT infrastructure.

Our dedicated IT team has developed user-friendly interfaces that empower our customers. Through these interfaces, customers can seamlessly place orders, register complaints, and make inquiries—all within the shortest possible time. This automation not only enhances efficiency but also fosters a more customer-centric approach, aligning perfectly with our commitment to superior service.

The details of our Information Technology initiatives are comprehensively outlined on Page No. 286 of this report.

EMPOWERING PEOPLE: BSRM'S 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, and our approach to Human Resource Management is not just a function but a saga—a tale of empowerment, equal opportunity, continuous learning, and relentless industry relations.

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.

The detailed account of our Human Resource initiatives, strategies, and success stories can be found in the Page No. 240 of this report. At BSRM, our human assets are not just employees; they are the architects of our success story, and their development and well-being remain at the heart of our organizational ethos.

UPHOLDING INTEGRITY: BSRM'S CODE OF CONDUCT

At BSRM, integrity forms the cornerstone of our operations. To ensure the highest standards of ethics and conduct, the Nomination & Remuneration Committee (NRC) has meticulously crafted a comprehensive Code of Conduct for the Board of Directors. This code serves as a guiding beacon, outlining the ethical principles 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—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 acquaint 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, BSRM announces a change in the appointment of our external auditors.

Retirement of A. Qasem & Co., Chartered Accountants:

The esteemed firm A. Qasem & Co., Chartered Accountants, our existing external auditors, will retire upon the conclusion of the 61st Annual General Meeting (AGM). Their tenure, spanning three years, marks a period of dedicated service and meticulous auditing.

Welcoming Hussain Farhad & Co. Chartered Accountants:

Upon the recommendation of the Audit Committee, the Board has endorsed the appointment of Hussain Farhad & Co. Chartered Accountants. This distinguished firm, located at Yunusco City Center (9th Floor), 807 CDA Avenue, Nasirabad, Chattogram, is slated to assume the position of statutory auditors for the fiscal year ending on June 30, 2024.

Ensuring Accountability and Precision: The appointment of Hussain Farhad & 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.

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

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, BSRM takes significant strides 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. Barua, 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.

At BSRM, we understand that corporate governance is the bedrock upon which trust, credibility, and sustainable growth are built. With the appointment of Mr. Sidhartha Barua FCA, we reinforce our commitment to excellence in governance and accountability, ensuring the continued trust of our shareholders and stakeholders alike.

IMPORTANT UPDATE: 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 a testament to the stability and careful financial management practiced by BSRM.

DIRECTORS' RESPONSIBILITIES STATEMENTS

In accordance with 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 hereby confirm the following:

- a) The Financial Statements, meticulously prepared by the management of BSRM, accurately represent the company's financial health, operational outcomes, cash flows, and changes in equity.
- b) Proper Books of Account of the Company have been diligently maintained, ensuring transparency and accuracy in financial records.
- c) 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.
- d) 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.
- e) 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.
- f) Minority shareholders have been safeguarded against any abusive actions, whether direct or indirect, by or in the interest of controlling shareholders. Effective mechanisms for redressal are in place, ensuring fairness and protection for all shareholders.
- g) 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.
- h) Key operating and financial data for the last six years are meticulously disclosed in **Annexure-4**, providing a comprehensive view of the company's performance over time.
- i) The pattern of shareholding, vital information for shareholders and stakeholders, is transparently

presented in **Annexure-5**, promoting openness and accountability.

- j) A comprehensive compliance status report, detailing adherence to corporate governance requirements as mandated by BSEC, has been disclosed in the Regulatory Compliance Report segment, ensuring compliance with regulatory standards.
- k) Directors' profiles, along with their directorship and business interests in other organizations, are disclosed in the Board of Directors segment, providing stakeholders with essential insights into the leadership team.
- l) There was no declaration of bonus shares or stock dividends as interim dividends during the reporting period, maintaining financial stability and strategic planning.

These confirmations reflect our unwavering commitment to transparency, integrity, and responsible corporate governance, ensuring the confidence and trust of our shareholders and stakeholders in BSRMLTD's operations and financial reporting.

ACKNOWLEDGMENTS

I express deep gratitude to our employees, customers, and shareholders for their unwavering support. Thanks to our banking partners, regulatory bodies, and governing authorities for their valuable contributions. Special thanks to BSEC, DSE, and CSE for regulatory guidance, and ensuring corporate governance standards. Your support has been instrumental in our journey, and we remain committed to upholding the trust and confidence you have placed in us.

Thank you very much, and please stay safe.

On behalf of the Board of Directors



Alihussain Akberali FCA
Chairman
October 12, 2023

RISK FACTORS AND CONCERNS >>

BUSINESS RISKS

a) Raw Material Sourcing Risks: BSRMLTD faced challenges due to fluctuations in international MS Billet prices until June 2016. To mitigate this, BSRM established "BSRM Steel Mills Limited" in June 2016, producing 862,000 metric tons of MS billets annually. Additionally, the merger with BSRM Steel Mills Limited in February 2021 significantly reduced dependency and production costs.

b) Power Supply Risks: Power is vital for heavy industries. BSRM ensured a stable power supply by collaborating with PGCB and establishing a substation connected to the national grid. Although Bangladesh has made progress in power production, there's a continual risk due to raw material shortages. BSRM mitigates this risk through alternative fuel supply strategies.

MARKET RISKS

a) Interest Rate and Currency Fluctuations: BSRM manages interest rate risks by closely monitoring capital investment needs and negotiating with lenders. Foreign exchange risks are mitigated by maintaining a foreign currency account and strategic planning amidst currency fluctuations and political unrest.

b) Competition and Economic Conditions: BSRM maintains market share through brand management, strong customer relationships, and timely product supply. The company adapts to industry changes by exploring new opportunities and meeting customer demands effectively.

TECHNOLOGY RELATED RISKS

BSRM utilizes state-of-the-art European Technology and Oracle e-Business Suite for integrated operations. The implementation of a Business Intelligence Analytics Tool in May 2018 enhances data-driven decision-making for senior management and Board members.

ENVIRONMENTAL RISKS

BSRM is proud to be ZERO in factory emissions and effects on the environment. To reduce pollution in our plants and protect humans 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 a technologically superior European Water Treatment Plant in its steel plants which has helped BSRM to recycle every drop of used water and achieve zero water wastage.
- iii. BSRM plants more than 12,000 trees in its factories. We have undertaken a plan for reforestation effort in collaboration with partner organizations and still is conducting tree plantation programs around the main steel plants.

We firmly believe that ZERO can save lives.

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

COST OF GOODS SOLD (COGS)

COGS represents the expenditure incurred by the BSRM in producing and selling its products. This includes the cost of raw materials and the expenses of transforming them into finished goods. The COGS figure is directly proportional to sales and production; as the volume of items sold or manufactured increases, the company needs to purchase more stock or components. In the fiscal year 2022-23, the COGS amounted to Tk. 104,742 Million, a significant increase from Tk. 73,297 Million in 2021-22. The amount has risen due to the increased conversion rate of USD to BDT.

GROSS PROFIT MARGIN RATIO

Gross profit is the variance between total sales and the cost of goods sold. The gross profit margin is a key indicator of a company's financial health. A higher gross profit margin signifies that the business retains a larger percentage of each unit of currency from sales after covering the production costs. This margin is expressed as a percentage, with a higher percentage being more favorable. The gross profit margin for the year 2022-23 stood at 8.97%, marking a slight improvement from 8.13% in 2021-22. This increase was attributed to a rise in sales prices during the year.

NET PROFIT MARGIN RATIO

Net profit is derived by deducting all expenses, including taxes and other costs, from the gross profit. It represents the earnings or losses of the business over a specific period. In the current fiscal year, the net profit amounted to Tk. 2,914 million, a decrease from the previous year's figure of Tk. 3,088 million. This decline was primarily caused by elevated selling and administrative expenses and a substantial increase in finance costs. The sharp depreciation of BDT against the US Dollar led to significant foreign currency transaction and translation losses, contributing to the rise in finance costs.

ANNEXURE-3

DIRECTORS' REMUNERATION FOR 2022-23 AT BSRM >>

Board members were entitled to and received the following payments.

Amount in Taka

Name	2022-23			2021-22		
	Attendance Fee	Gross Remuneration	Total Paid	Attendance Fee	Gross Remuneration	Total Paid
Mr. Alihussain Akberali FCA	22,000	66,000,000	66,022,000	22,000	66,000,000	66,022,000
Mr. Aameir Alihussain	22,000	64,500,000	64,522,000	22,000	64,500,000	64,522,000
Mr. Zohair Taherali	22,000	28,500,000	28,522,000	22,000	28,500,000	28,522,000
Mrs. Sabeen Aameir	22,000	7,500,000	7,522,000	22,000	7,500,000	7,522,000
Mr. Gobinda Chandra Paul FCA	132,000	-	132,000	220,000	-	220,000
Total	220,000	166,500,000	166,720,000	308,000	166,500,000	166,808,000

KEY OPERATING AND FINANCIAL DATA OF PRECEDING 6 YEARS >>

Key Operating and Financial Data of Preceding 6 Years

Particulars	Unit	2022-23	2021-22	2020-21	2019-20	2018-19	2017-18
Production (Qty)	MT	870,876	840,387	828,215	681,038	686,769	562,903
% of Production Growth	%	3.63%	1.47%	21.61%	(0.83%)	22.00%	27.21%
Sales (Qty)	MT	873,668	817,198	874,618	742,621	668,189	549,977
% of Sales Growth (Qty)	%	6.91%	(6.57%)	17.77%	11.14%	21.49%	9.19%
Turnover	MN Tk	115,061	79,783	59,876	45,722	44,409	33,238
Gross Profit	MN Tk	10,319	6,486	7,097	3,674	4,992.24	4,828.32
Gross Profit %	%	8.97%	8.13%	11.85%	8.04%	11.24%	14.53%
Earnings before Non Operating Income, interest, WPP&WF and Tax	MN Tk	8,159	4,846	5,478	2,059	3,638	3,865
	%	7.09%	6.07%	9.15%	4.50%	8.19%	11.63%
Non-Operating Income	MN Tk	53.90	46.01	40.43	16.11	41.3	123.21
Net Profit after tax	MN Tk	2,914	3,088	4,970	922	1,861	2,779
	%	2.53%	3.87%	8.30%	2.02%	4.19%	8.36%
Earnings Per Share (EPS)	Tk	9.76	10.34	18.96	3.90	7.88	12.95
Current Ratio (Times)		0.99	0.96	0.88	0.97	1.04	1.04
Net Asset Value	MN Tk	41,938	40,095	38,086	23,582	23,007	13,671
Net Asset Value Per Share	Tk	140.46	134.29	127.56	99.89	97.46	63.70
Net operating Cash Flow Per Share	Tk	10.74	22.50	29.24	40.47	2.81	(8.78)
Paid -up Capital (In Crore)	Crore Tk	298.58	298.58	298.58	236.06	236.06	214.60

THE PATTERN OF SHAREHOLDINGS >>

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

Name	No of Shares Held	
	As on 30 th June 2023	As on 30 th June 2022
H. Akberali & Co. Limited	46,835,044	46,835,044
Karnafully Engineering Works Ltd.	5,325,130	5,325,130
BSRM Steels Limited	28,800,000	28,800,000
Total	80,960,174	80,960,174

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

Name	Relation	No of Shares Held	
		As on 30 th June 2023	As on 30 th June 2022
Mr. Alihussain Akberali FCA	Chairman	29,970,251	29,970,251
Mr. Aameir Alihussain	Managing Director	25,409,856	25,409,856
Mr. Zohair Taherali (Nominated Director of H.Akberali & Co. Ltd)	Director	46,835,044	44,535,044
Mrs. Sabeen Aameir (Nominated Director of BSRM Steels Limited)	Director	28,800,000	28,800,000
Mr. Gobinda Chandra Paul FCA	Independent Director	Nil	Nil
Mr. Zohair Taherali	Sponsor	9,688,256	9,688,256
Mrs. Sabeen Aameir	(Wife of Mr. Aameir Alihussain)	5,381,000	5,381,000
Mrs. Tehseen Zohair Taherali	Wife of Mr. Zohair Taherali	8,608,212	8,608,212
Mrs. Bilkis Alihussain	Wife of Mr. Alihussain Akberali FCA	24,936,419	24,936,419
Mr. Abdul Qadir Zohair	Son of Mr. Zohair Taherali	15,724	15,724
Mr. Shekhar Ranjan Kar FCA	Head of F&A and CS	31,310	31,310
Md. Omar Faruq ACA	CFO	Nil	Nil
Mr. Mohammed Reazul Kabir FCA	HIAC	4,242	2,442

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

Name	Relation	No of Shares Held	
		As on 30 th June 2023	As on 30 th June 2022
Mr. Tapan Sengupta	Deputy Managing Director	132,568	101,468
Mr. Mohindar Singh Hanspal	General Manager-Rolling	Nil	Nil
Mr. Bipin Sharma	General Manager KMCI & Risk Management	Nil	Nil
Mr. Ramesh Chandra Sharma	Deputy General Manager Plant Operation	Nil	Nil
Mr. Kazi Anwar Ahmed	Adviser	3,310	13,310

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

Name	Relation	No of Shares Held	
		As on 30 th June 2023	As on 30 th June 2022
Mr. Alihussain Akberali FCA	Chairman	29,970,251	29,970,251
H. Akberali & Co. Limited	Affiliated Company	46,835,044	46,835,044

BANGLADESH STEEL RE-ROLLING MILLS LIMITED

DECLARATION OF CEO AND CFO >>

Date: October 12, 2023

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

Subject: Declaration on Financial Statements for the year ended on 30th June 2023.

Dear Sirs,

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

1. The Financial Statements of Bangladesh Steel Re-Rolling Mills Limited for the year ended on **30th June 2023** have been prepared in compliance with International Accounting Standards (IAS) or International Financial Reporting Standards (IFRS), as applicable in Bangladesh and any departure there from has been adequately disclosed;
2. The estimates and judgments related to financial statements were made on a prudent and reasonable basis, in order for the financial statements to reveal a true and fair view;
3. The form and substance of transactions and the company's state of affairs have been reasonably and fairly presented in its financial statements;
4. To ensure above, the Company has taken proper and adequate care in installing a system of internal control and maintenance of accounting records;
5. Our internal auditors have conducted periodic audits to provide reasonable assurance that the established policies and procedures of the Company were consistently followed; and
6. The management's use of the going concern basis of accounting in preparing the financial statements is appropriate and there exists no materials uncertainty related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern.

In this regard, we also certify that:-

- (i) We have reviewed financial statements for the year ended **30th June 2023** and that to the best of our knowledge and belief:
 - a) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - b) These financial statements collectively present true and fair view of the company's affairs and are in compliance with existing accounting standards and applicable laws.
- (ii) There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or in violation of the code of conduct for the company's Board of Directors or its members.

Sincerely yours,



Aameir Alihussain
Managing Director



Md. Omar Faruq ACA
Assistant General Manager & CFO

CERTIFICATE ON COMPLIANCE WITH CONDITIONS OF CORPORATE GOVERNANCE CODE



এম এম রহমান এন্ড কোং
M M Rahman & Co.
Chartered Accountants



Russell Bedford
taking you further
Member of Russell Bedford International
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**Certificate as per condition No. 1(5)(xxvii)
Report to the Shareholders of Bangladesh Steel Re-Rolling Mills Limited
On compliance on the Corporate Governance Code**

We have examined the compliance status to the Corporate Governance Code by **Bangladesh Steel Re-Rolling Mills Limited** for the year ended 30 June 2023. This Code relate 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 condition 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 no inconsistent with any condition of this Corporate Governance Code.

We state that we have obtained all the information and explanations, which we have required, and after due scrutiny and verification thereof, we report that, in our opinion:

- The Company has complied with the conditions of the Corporate Governance Code as stipulated in the above mentioned Corporate Governance Code issued by the Commission subject to the remarks and observation as reported in the attached compliance status.
- The Company has complied with the provisions of the relevant Bangladesh Secretarial Standards (BSS) as adopted by the Institute of Chartered Secretaries of Bangladesh (ICSB) as required by this Code;
- Proper books and records have been kept by the Company as required under the Companies Act, 1994, the securities laws and other relevant laws; and
- The Governance of the Company is satisfactory.

Place: Chattogram
Dated: 7 November 2023

For & On Behalf of
M M Rahman & Co.
Chartered Accountants

Sidhartha Barua FCA
Senior Partner
Enrollment No.: 0699

CORPORATE GOVERNANCE COMPLIANCE REPORT

[As per condition No. 1(5)(xxvii)]

Corporate Governance Compliance Report

Status of Compliance with the condition imposed by the Commission's Notification No. BSEC/CMRRCD/2006-158/207/ Admin/80, dated: 03 June, 2018 issued under section 2CC of the Securities and Exchange Ordinance, 1969:

(Report under Condition No- 9)

Condition No.	Title	Compliance Status		Remarks
		Complied	Not Complied	
1	BOARD OF DIRECTORS			
1(1)	Size of the Board of Directors The total number of members of a company's Board of Directors (hereinafter referred to as "Board") shall not be less than 5 (five) and more than 20 (twenty).	√		
1(2)	Independent Directors All companies shall have effective representation of independent directors on their Boards, so that the Board, as a group, includes core competencies considered relevant in the context of each company; for this purpose, the companies shall comply with the following: -			
1(2)(a)	At least one-fifth (1/5) of the total number of directors in the company's Board shall be independent directors; any fraction shall be considered to the next integer or whole number for calculating number of independent director(s);	√		
1(2)(b)	For the purpose of this clause 'Independent directors' means a director-			
1(2)(b)(i)	Who either does not hold any share in the company or holds less than one percent (1%) shares of the total paid-up shares of the company;	√		
1(2)(b)(ii)	who is not a sponsor of the company or is not connected with the company's any sponsor or director or nominated director or shareholder of the company or any of its associates, sister concerns, subsidiaries and parents or holding entities who holds one percent (1%) or more shares of the total paid-up shares of the company on the basis of family relationship and his or her family members also shall not hold above mentioned shares in the company;	√		
1(2)(b)(iii)	who has not been an executive of the company in immediately preceding 2 (two) financial years;	√		
1(2)(b)(iv)	Who does not have any other relationship, whether pecuniary or otherwise, with the company or its subsidiary or associated companies;	√		
1(2)(b)(v)	Who is not a member or TREC (Trading Right Entitlement Certificate) holder, director or officer of any stock exchange;	√		
1(2)(b)(vi)	who is not a shareholder, director excepting independent director or officer of any member or TREC holder of stock exchange or an intermediary of the capital market;	√		
1(2)(b)(vii)	Who is not a partner or an executive or was not a Partner or an executive during the preceding 3 (three) years of the concerned company's statutory audit firm;	√		
1(2)(b)(viii)	Who shall not be an independent director in more than 5 (five) listed companies;	√		
1(2)(b)(ix)	Who has not been convicted by a court of competent jurisdiction as a defaulter in payment of any loan or any advance to a bank or a Non-Bank Financial Institution (NBFI);	√		
1(2)(b)(x)	Who has not been convicted for a criminal offence involving moral turpitude.	√		



Condition No.	Title	Compliance Status		Remarks
		Complied	Not Complied	
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.	√		
1(3)(b)	Independent director shall have following qualifications:			
1(3)(b)(i)	Business Leader who is or was a promoter or director of an unlisted company having minimum paid-up capital of Tk. 100.00 million or any listed company or a member of any national or international chamber of commerce or business association; or			N/A
1(3)(b)(ii)	Corporate Leader who is or was a top level executive not lower than Chief Executive Officer or Managing Director or Deputy Managing Director or Chief Financial Officer or Head of Finance or Accounts or Company Secretary or Head of Internal Audit and Compliance or Head of Legal Service or a candidate with equivalent position of an unlisted company having minimum paid up capital of Tk. 100.00 million or of a listed company; or			N/A
1(3)(b)(iii)	Former official of government or statutory or autonomous or regulatory body in the position not below 5th Grade of the national pay scale, who has at least educational background of bachelor degree in economics or commerce or business or law; or			N/A
1(3)(b)(iv)	University Teacher who has educational background in Economics or Commerce or Business Studies or Law; or			N/A
1(3)(b)(v)	Professional who is or was an advocate practicing at least in the High Court Division of Bangladesh Supreme Court or a Chartered Accountant or Cost and Management Accountant or Chartered Financial Analyst or Chartered Certified Accountant or Certified Public Accountant or Chartered Management Accountant or Chartered Secretary or equivalent qualification;	√		
1(3)(c)	The independent director shall have at least 10 (ten) years of experiences in any field mentioned in clause (b)	√		
1(3)(d)	In special cases the above qualifications may be relaxed subject to prior approval of the Commission.			N/A
1(4)	Duality of Chairperson of the Board of Directors and Managing Director or Chief Executive Officer:-			
1(4)(a)	The positions of the Chairperson of the Board and the Managing Director (MD) and/or Chief Executive Officer (CEO) of the company shall be filled by different individuals.	√		
1(4)(b)	The Managing Director (MD) and/or Chief Executive Officer (CEO) of a listed company shall not hold the same position in another listed company			N/A**
1(4)(c)	The Chairperson of the Board shall be elected from among the non-executive directors of the company;		√	
1(4)(d)	The Board shall clearly define respective roles and responsibilities of the Chairperson and the Managing Director and/or Chief Executive Officer;	√		



Condition No.	Title	Compliance Status		Remarks
		Complied	Not Complied	
1(4)(e)	In the absence of the Chairperson of the Board, the remaining members may elect one of themselves from non-executive directors as Chairperson for that particular Board's meeting; the reason of absence of the regular Chairperson shall be duly recorded in the minutes.	√		
1(5)	The Directors' Report to Shareholders			
	The Board of the company shall include the following additional statements or disclosures in the Directors' Report prepared under section 184 of the Companies Act, 1994 (Act No. XVIII of 1994):-			
1(5)(i)	An industry outlook and possible future developments in the industry	√		
1(5)(ii)	The segment-wise or product-wise performance	√		
1(5)(iii)	Risks and concerns including internal and external risk factors, threat to sustainability and negative impact on environment, if any;	√		
1(5)(iv)	A discussion on Cost of Goods sold, Gross Profit Margin and Net Profit Margin, where applicable;	√		
1(5)(v)	A discussion on continuity of any extraordinary activities and their implications (gain or loss);	√		
1(5)(vi)	A detailed discussion on related party transactions along with a statement showing amount, nature of related party, nature of transactions and basis of transactions of all related party transactions;	√		
1(5)(vii)	A statement of utilization of proceeds raised through public issues, rights issues and/or any other instruments			N/A
1(5)(viii)	An explanation if the financial results deteriorate after the company goes for Initial Public Offering (IPO), Repeat Public Offering (RPO), Rights Share Offer, Direct Listing, etc.;			N/A
1(5)(ix)	An explanation on any significant variance that occurs between Quarterly Financial performances and Annual Financial Statements;	√		
1(5)(x)	A statement of remuneration paid to the directors including independent directors;	√		
1(5)(xi)	A statement that the financial statements prepared by the management of the issuer company present fairly its state of affairs, the result of its operations, cash flows and changes in equity;	√		
1(5)(xii)	A statement that proper books of account of the issuer company have been maintained;	√		
1(5)(xiii)	A statement that appropriate accounting policies have been consistently applied in preparation of the financial statements and that the accounting estimates are based on reasonable and prudent judgment	√		
1(5)(xiv)	A statement that International Accounting Standards (IAS) or International Financial Reporting Standards (IFRS), as applicable in Bangladesh, have been followed in preparation of the financial statements and any departure there from has been adequately disclosed;	√		
1(5)(xv)	A statement that the system of internal control is sound in design and has been effectively implemented and monitored;	√		
1(5)(xvi)	A statement that minority shareholders have been protected from abusive actions by, or in the interest of, controlling shareholders acting either directly or indirectly and have effective means of redress;	√		



Condition No.	Title	Compliance Status		Remarks
		Complied	Not Complied	
1(5)(xvii)	A statement that there is no significant doubt upon the issuer company's ability to continue as a going concern, if the issuer company is not considered to be a going concern, the fact along with reasons there of shall be disclosed;	√		
1(5)(xviii)	An explanation that significant deviations from the last year's operating results of the issuer company shall be highlighted and the reasons thereof shall be explained;	√		
1(5)(xix)	A statement where key operating and financial data of at least preceding 5 (five) years shall be summarized	√		
1(5)(xx)	An explanation on the reasons if the issuer company has not declared dividend (cash or stock) for the year;			N/A
1(5)(xxi)	Board's statement to the effect that no bonus share or stock dividend has been or shall be declared as interim dividend;			N/A
1(5)(xxii)	The total number of Board meetings held during the year and attendance by each director;	√		
1(5)(xxiii)	A report on the pattern of shareholding disclosing the aggregate number of shares (along with name-wise details where stated below) held by:-			
1(5)(xxiii)(a)	Parent or Subsidiary or Associated Companies and other related parties (name-wise details);	√		
1(5)(xxiii)(b)	Directors, Chief Executive Officer, Company Secretary, Chief Financial Officer, Head of Internal Audit and Compliance and their spouses and minor children (name-wise details);	√		
1(5)(xxiii)(c)	Executives; and	√		
1(5)(xxiii)(d)	Shareholders holding ten percent (10%) or more voting interest in the company (name-wise details);	√		
1(5)(xxiv)	In case of the appointment/re-appointment of a director the company shall disclose the following information to the shareholders:			
1(5)(xxiv)(a)	A brief resume of the director	√		
1(5)(xxiv)(b)	Nature of his/her expertise in specific functional areas;	√		
1(5)(xxiv)(c)	Names of companies in which the person also holds the directorship and the membership of committees of the board.	√		
1(5)(xxv)	A Management's Discussion and Analysis signed by CEO or MD presenting detailed analysis of the company's position and operations along with a brief discussion of changes in the financial statements, among others, focusing on:	√		
1(5)(xxv)(a)	Accounting policies and estimation for preparation of financial statements;	√		
1(5)(xxv)(b)	Changes in accounting policies and estimation, if any, clearly describing the effect on financial performance or results and financial position as well as cash flows in absolute figure for such changes;	√		
1(5)(xxv)(c)	Comparative analysis (including effects of inflation) of financial performance or results and financial position as well as cash flows for current financial year with immediate preceding five years explaining reasons thereof;	√		
1(5)(xxv)(d)	Compare such financial performance or results and financial position as well as cash flows with the peer industry scenario;	√		
1(5)(xxv)(e)	Briefly explain the financial and economic scenario of the country and the globe;	√		



Condition No.	Title	Compliance Status		Remarks
		Complied	Not Complied	
1(5)(xxv)(f)	Risks and concerns issues related to the financial statements, explaining such risk and concerns mitigation plan of the company; and	√		
1(5)(xxv)(g)	Future plan or projection or forecast for company's operation, performance and financial position, with justification thereof, i.e., actual position shall be explained to the shareholders in the next AGM;	√		
1(5)(xxvi)	Declaration or certification by the CEO and the CFO to the Board as required under condition No. 3(3) shall be disclosed as per Annexure-A ; and	√		
1(5)(xxvii)	The report as well as certificate regarding compliance of conditions of this Code as required under condition No. 9 shall be disclosed as per Annexure- B and Annexure- C .	√		
1(6)	Meetings of the Board of Directors			
	The company shall conduct its Board meetings and record the minutes of the meetings as well as keep required books and records in line with the provisions of the relevant Bangladesh Secretarial Standards (BSS) as adopted by the Institute of Chartered Secretaries of Bangladesh (ICSB) in so far as those standards are not inconsistent with any condition of this Code	√		
1(7)	Code of Conduct for the Chairperson, other Board members and Chief Executive Officer			
1(7)(a)	The Board shall lay down a code of conduct, based on the recommendation of the Nomination and Remuneration Committee (NRC) at condition No. 6, for the Chairperson of the Board, other board members and Chief Executive Officer of the company;	√		
1(7)(b)	The code of conduct as determined by the NRC shall be posted on the website of the company including, among others, prudent conduct and behavior; confidentiality; conflict of interest; compliance with laws, rules and regulations; prohibition of insider trading; relationship with environment, employees, customers and suppliers; and independency.	√		
2	GOVERNANCE OF BOARD OF DIRECTORS OF SUBSIDIARY COMPANY			
2(a)	Provisions relating to the composition of the Board of the holding company shall be made applicable to the composition of the Board of the subsidiary company;	√		
2(b)	At least 1 (one) independent director on the Board of the holding company shall be a director on the Board of the subsidiary company;		√	
2(c)	The minutes of the Board meeting of the subsidiary company shall be placed for review at the following Board meeting of the holding company	√		
2(d)	The minutes of the respective Board meeting of the holding company shall state that they have reviewed the affairs of the subsidiary company also;	√		
2(e)	The Audit Committee of the holding company shall also review the financial statements, in particular the investments made by the subsidiary company	√		
3	MANAGING DIRECTOR (MD) OR CHIEF EXECUTIVE OFFICER (CEO), CHIEF FINANCIAL OFFICER (CFO), HEAD OF INTERNAL AUDIT AND COMPLIANCE (HIAC) AND COMPANY SECRETARY (CS)			
3(1)	Appointment			
3(1)(a)	The Board shall appoint a Managing Director (MD) or Chief Executive Officer (CEO), a Company Secretary (CS), a Chief Financial Officer (CFO) and a Head of Internal Audit and Compliance (HIAC);	√		



Condition No.	Title	Compliance Status		Remarks
		Complied	Not Complied	
3(1)(b)	The positions of the Managing Director (MD) or Chief Executive Officer (CEO), Company Secretary (CS), Chief Financial Officer (CFO) and Head of Internal Audit and Compliance (HIAC) shall be filled by different individuals;	√		
3(1)(c)	The MD or CEO, CS, CFO and HIAC of a listed company shall not hold any executive position in any other company at the same time;		√	
3(1)(d)	The Board shall clearly define respective roles, responsibilities and duties of the CFO, the HIAC and the CS;	√		
3(1)(e)	The MD or CEO, CS, CFO and HIAC shall not be removed from their position without approval of the Board as well as immediate dissemination to the Commission and stock exchange(s).	√		
3(2)	Requirement to attend Board of Directors' Meetings			
	The MD or CEO, CS, CFO and HIAC of the company shall attend the meetings of the Board:	√		
3(3)	Duties of Managing Director (MD) or Chief Executive Officer (CEO) and Chief Financial Officer (CFO)			
3(3)(a)	The MD or CEO and CFO shall certify to the Board that they have reviewed financial statements for the year and that to the best of their knowledge and belief:			
3(3)(a)(i)	these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading; and	√		
3(3)(a)(ii)	these statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards and applicable laws;	√		
3(3)(b)	The MD or CEO and CFO shall also certify that there are, to the best of knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or in violation of the code of conduct for the company's Board or its members;	√		
3(3)(c)	The certification of the MD or CEO and CFO shall be disclosed in the Annual Report.	√		
4	BOARD OF DIRECTORS' COMMITTEE			
	For ensuring good governance in the company, the Board shall have at least following sub-committees:			
4(i)	Audit Committee; and	√		
4(ii)	Nomination and Remuneration Committee.	√		
5	AUDIT COMMITTEE			
5(1)	Responsibility to the Board of Directors.			
5(1)(a)	The company shall have an Audit Committee as a subcommittee of the Board;	√		
5(1)(b)	The Audit Committee shall assist the Board in ensuring that the financial statements reflect true and fair view of the state of affairs of the company and in ensuring a good monitoring system within the business;	√		
5(1)(c)	The Audit Committee shall be responsible to the Board; the duties of the Audit Committee shall be clearly set forth in writing.	√		
5(2)	Constitution of the Audit Committee.			
5(2)(a)	The Audit Committee shall be composed of at least 3 (three) members;	√		
5(2)(b)	The Board shall appoint members of the Audit Committee who shall be non-executive directors of the company excepting Chairperson of the Board and shall include at least 1 (one) independent director;		√	



Condition No.	Title	Compliance Status		Remarks
		Complied	Not Complied	
5(2)(c)	All members of the audit committee should be “financially literate” and at least 1 (one) member shall have accounting or related financial management background and 10 (ten) years of such experience;	√		
5(2)(d)	When the term of service of any Committee member expires or there is any circumstance causing any Committee member to be unable to hold office before expiration of the term of service, thus making the number of the Committee members to be lower than the prescribed number of 3 (three) persons, the Board shall appoint the new Committee member to fill up the vacancy immediately or not later than 1 (one) month from the date of vacancy in the Committee to ensure continuity of the performance of work of the Audit Committee;	√		
5(2)(e)	The company secretary shall act as the secretary of the Committee;	√		
5(2)(f)	The quorum of the Audit Committee meeting shall not constitute without at least 1 (one) independent director.	√		
5(3)	Chairperson of the Audit Committee			
5(3)(a)	The Board shall select 1 (one) member of the Audit Committee to be Chairperson of the Audit Committee, who shall be an independent director;	√		
5(3)(b)	In the absence of the Chairperson of the Audit Committee, the remaining members may elect one of themselves as Chairperson for that particular meeting, in that case there shall be no problem of constituting a quorum as required under condition No. 5(4)(b) and the reason of absence of the regular Chairperson shall be duly recorded in the minutes.	√		
5(3)(c)	Chairperson of the Audit Committee shall remain present in the Annual General Meeting (AGM).	√		
5(4)	Meeting of the Audit Committee			
5(4)(a)	The Audit Committee shall conduct at least its four meetings in a financial year.	√		
5(4)(b)	The quorum of the meeting of the Audit Committee shall be constituted in presence of either two members or two-third of the members of the Audit Committee, whichever is higher, where presence of an independent director is a must.	√		
5(5)	Role of Audit Committee			
	The Audit Committee shall:-			
5(5)(a)	oversee the financial reporting process;	√		
5(5)(b)	monitor choice of accounting policies and principles;	√		
5(5)(c)	monitor Internal Audit and Compliance process to ensure that it is adequately resourced, including approval of the Internal Audit and Compliance Plan and review of the Internal Audit and Compliance Report;	√		
5(5)(d)	oversee hiring and performance of external auditors;	√		
5(5)(e)	hold meeting with the external or statutory auditors for review of the annual financial statements before submission to the Board for approval or adoption;	√		
5(5)(f)	review along with the management, the annual financial statements before submission to the Board for approval;	√		
5(5)(g)	review along with the management, the quarterly and half yearly financial statements before submission to the Board for approval;	√		
5(5)(h)	review the adequacy of internal audit function;	√		



Condition No.	Title	Compliance Status		Remarks
		Complied	Not Complied	
5(5)(i)	review the Management's Discussion and Analysis before disclosing in the Annual Report;	√		
5(5)(j)	review statement of all related party transactions submitted by the management;	√		
5(5)(k)	review Management Letters or Letter of Internal Control weakness issued by statutory auditors;	√		
5(5)(l)	oversee the determination of audit fees based on scope and magnitude, level of expertise deployed and time required for effective audit and evaluate the performance of external auditors; and	√		
5(5)(m)	oversee whether the proceeds raised through Initial Public Offering (IPO) or Repeat Public Offering (RPO) or Rights Share Offer have been utilized as per the purposes stated in relevant offer document or prospectus approved by the Commission.			N/A
5(6)	Reporting of the Audit Committee			
5(6)(a)	Reporting to the Board of Directors			
5(6)(a)(i)	The Audit Committee shall report on its activities to the Board.	√		
5(6)(a)(ii)	The Audit Committee shall immediately report to the Board on the following findings, if any:			
5(6)(a)(ii)(a)	report on conflicts of interests;			N/A
5(6)(a)(ii)(b)	suspected or presumed fraud or irregularity or material defect identified in the internal audit and compliance process or in the financial statements;			N/A
5(6)(a)(ii)(c)	suspected infringement of laws, regulatory compliances including securities related laws, rules and regulations; and			N/A
5(6)(a)(ii)(d)	any other matter which the Audit Committee deems necessary shall be disclosed to the Board immediately;			N/A
5(6)(b)	Reporting to the Authorities			
	If the Audit Committee has reported to the Board about anything which has material impact on the financial condition and results of operation and has discussed with the Board and the management that any rectification is necessary and if the Audit Committee finds that such rectification has been unreasonably ignored, the Audit Committee shall report such finding to the Commission, upon reporting of such matters to the Board for three times or completion of a period of 6 (six) months from the date of first reporting to the Board, whichever is earlier.			N/A
5(7)	Reporting to the Shareholders and General Investors			
	Report on activities carried out by the Audit Committee, including any report made to the Board under condition No. 5(6)(a)(ii) above during the year, shall be signed by the Chairperson of the Audit Committee and disclosed in the annual report of the issuer company.	√		
6	NOMINATION AND REMUNERATION COMMITTEE (NRC)			
6(1)	Responsibility to the Board of Directors			
6(1)(a)	The company shall have a Nomination and Remuneration Committee (NRC) as a sub-committee of the Board;	√		
6(1)(b)	The NRC shall assist the Board in formulation of the nomination criteria or policy for determining qualifications, positive attributes, experiences and independence of directors and top level executive as well as a policy for formal process of considering remuneration of directors, top level executive;	√		



Condition No.	Title	Compliance Status		Remarks
		Complied	Not Complied	
6(1)(c)	The Terms of Reference (To R) 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;	√		
6(2)(e)	In case of death, resignation, disqualification, or removal of any member of the Committee or in any other cases of vacancies, the board shall fill the vacancy within 180 (one hundred eighty) days of occurring such vacancy in the Committee;	√		
6(2)(f)	The Chairperson of the Committee may appoint or co-opt any external expert and/or member(s) of staff to the Committee as advisor who shall be non-voting member, if the Chairperson feels that advice or suggestion from such external expert and/or member(s) of staff shall be required or valuable for the Committee;	√		
6(2)(g)	The company secretary shall act as the secretary of the Committee;	√		
6(2)(h)	The quorum of the NRC meeting shall not constitute without attendance of at least an independent director;	√		
6(2)(i)	No member of the NRC shall receive, either directly or indirectly, any remuneration for any advisory or consultancy role or otherwise, other than Director's fees or honorarium from the company.	√		
6(3)	Chairperson of the NRC			
6(3)(a)	The Board shall select 1 (one) member of the NRC to be Chairperson of the Committee, who shall be an independent director;	√		
6(3)(b)	In the absence of the Chairperson of the NRC, the remaining members may elect one of themselves as Chairperson for that particular meeting, the reason of absence of the regular Chairperson shall be duly recorded in the minutes;	√		
6(3)(c)	The Chairperson of the NRC shall attend the annual general meeting (AGM) to answer the queries of the shareholders.	√		
6(4)	Meeting of the NRC			
6(4)(a)	The NRC shall conduct at least one meeting in a financial year;	√		
6(4)(b)	The Chairperson of the NRC may convene any emergency meeting upon request by any member of the NRC;	√		
6(4)(c)	The quorum of the meeting of the NRC shall be constituted in presence of either two members or two third of the members of the Committee, whichever is higher, where presence of an independent director is must as required under condition No. 6(2)(h);	√		
6(4)(d)	The proceedings of each meeting of the NRC shall duly be recorded in the minutes and such minutes shall be confirmed in the next meeting of the NRC	√		
6(5)	Role of the NRC			
6(5)(a)	NRC shall be independent and responsible or accountable to the Board and to the shareholders;	√		



Condition No.	Title	Compliance Status		Remarks
		Complied	Not Complied	
6(5)(b)	NRC shall oversee, among others, the following matters and make report with recommendation to the Board:			
6(5)(b)(i)	formulating the criteria for determining qualifications, positive attributes and independence of a director and recommend a policy to the Board, relating to the remuneration of the directors, top level executive, considering the following:			
6(5)(b)(i)(a)	the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate suitable directors to run the company successfully;	√		
6(5)(b)(i)(b)	the relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and	√		
6(5)(b)(i)(c)	remuneration to directors, top level executive involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals;	√		
6(5)(b)(ii)	devising a policy on Board's diversity taking into consideration age, gender, experience, ethnicity, educational background and nationality;	√		
6(5)(b)(iii)	identifying persons who are qualified to become directors and who may be appointed in top level executive position in accordance with the criteria laid down, and recommend their appointment and removal to the Board;	√		
6(5)(b)(iv)	formulating the criteria for evaluation of performance of independent directors and the Board;	√		
6(5)(b)(v)	identifying the company's needs for employees at different levels and determine their selection, transfer or replacement and promotion criteria; and	√		
6(5)(b)(vi)	developing, recommending and reviewing annually the company's human resources and training policies;	√		
6(5)(c)	The company shall disclose the nomination and remuneration policy and the evaluation criteria and activities of NRC during the year at a glance in its annual report.	√		
7	EXTERNAL OR STATUTORY AUDITORS			
7(1)	The issuer company shall not engage its external or statutory auditors to perform the following services of the company, namely:-			
7(1)(i)	appraisal or valuation services or fairness opinions;	√		
7(1)(ii)	financial information systems design and implementation;	√		
7(1)(iii)	book-keeping or other services related to the accounting records or financial statements;	√		
7(1)(iv)	broker-dealer services;	√		
7(1)(v)	actuarial services;	√		
7(1)(vi)	internal audit services or special audit services;	√		
7(1)(vii)	any service that the Audit Committee determines;	√		
7(1)(viii)	audit or certification services on compliance of corporate governance as required under condition No. 9(1); and	√		
7(1)(ix)	any other service that creates conflict of interest.	√		
7(2)	No partner or employees of the external audit firms shall possess any share of the company they audit at least during the tenure of their audit assignment of that company; his or her family members also shall not hold any shares in the said company:	√		



Condition No.	Title	Compliance Status		Remarks
		Complied	Not Complied	
7(3)	Representative of external or statutory auditors shall remain present in the Shareholders' Meeting (Annual General Meeting or Extraordinary General Meeting) to answer the queries of the shareholders.	√		
8	MAINTAINING A WEBSITE BY THE COMPANY			
8(1)	The company shall have an official website linked with the website of the stock exchange.	√		
8(2)	The company shall keep the website functional from the date of listing.	√		
8(3)	The company shall make available the detailed disclosures on its website as required under the listing regulations of the concerned stock exchange(s).	√		
9	REPORTING AND COMPLIANCE OF CORPORATE GOVERNANCE			
9(1)	The company shall obtain a certificate from a practicing Professional Accountant or Secretary (Chartered Accountant or Cost and Management Accountant or Chartered Secretary) other than its statutory auditors or audit firm on yearly basis regarding compliance of conditions of Corporate Governance Code of the Commission and shall such certificate shall be disclosed in the Annual Report.	√		
9(2)	The professional who will provide the certificate on compliance of this Corporate Governance Code shall be appointed by the shareholders in the annual general meeting.	√		
9(3)	The directors of the company shall state, in accordance with the Annexure-C attached, in the directors' report whether the company has complied with these conditions or not.	√		

** 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- বাস/টিও-১/এমডি/২১/২০১৬/৩২৬, তারিখ: ০২ জুলাই ২০১৭ .



MANAGEMENT DISCUSSION AND ANALYSIS OF BSRM'S POSITION AND OPERATION >>

INTRODUCTION

Bangladesh Steel Re-Rolling Mills Limited has solidified its position as a market leader due to its exceptional capabilities, top-tier manufacturing processes, optimal production capacity utilization, streamlined cost structures, dynamic sales and distribution network, exceptional post-sales support, and effective customer engagement initiatives. This strong standing is evident in the company's Financial Statements, meticulously prepared in accordance with both International Financial Reporting Standards and International Accounting Standards.

The Management Discussion and Analysis (MD&A) section of BSRM's annual report serves as a strategic narrative, providing shareholders, investors, and stakeholders with a comprehensive understanding of the company's financial performance, operational highlights, and future outlook. In this section, we delve into BSRM's key achievements, challenges faced, and the strategies employed to navigate the dynamic business environment during the reporting period.

In the following Management Discussion and Analysis, we offer a detailed insight into BSRM's financial year, highlighting our accomplishments and addressing the challenges encountered. This year, BSRM continued its steadfast commitment to excellence, focusing on innovation, sustainability, and customer satisfaction.

FINANCIAL AND OPERATIONAL HIGHLIGHTS

We commence by presenting an overview of our financial performance, including revenue growth, profit margins, and market share. This section sheds light on the factors driving our financial achievements, emphasizing our revenue streams, cost management strategies, and investments in cutting-edge technology.

ACCOUNTING POLICIES AND ESTIMATES FOR PREPARATION OF FINANCIAL STATEMENTS

The financial statements have been meticulously prepared in compliance with the International Financial Reporting Standards (IFRS), the Companies Act of 1994, the Securities and Exchange Rules of 1987, and other relevant laws and regulations in Bangladesh, adhering to the stipulations outlined in the Financial Reporting Act of 2015. Cash flows originating from operational activities have been presented using the direct method, as mandated by the Securities and Exchange Rules of 1987.

These financial statements have been formulated following the going concern basis and the historical cost convention, with the exception of certain categories of property, plant, and equipment, which have been assessed at revalued amounts.

Comprehensive details regarding significant accounting policies and estimations can be found in "Note no. 3 and 4 of the Financial Statements" for the fiscal year 2022-2023.

CHANGES IN ACCOUNTING POLICIES AND ESTIMATES:

The company has consistently adhered to the same accounting policies across all periods presented in these financial statements. Additionally, it is important to note that the company has not yet adopted any standards, interpretations, or amendments that have been issued but are not yet effective. This signifies a consistent approach in the application of accounting principles and standards throughout the specified periods

Comparative analysis of the financial performance of the Company:

Financial Performance:

Amount in BDT in million

Particulars	2022-23	2021-22	2020-21	2019-20	2018-19	2017-18
Sales	115,060.73	79,783.10	59,875.85	45,722.36	44,408.89	33,238.37
Cost of Goods Sold	104,741.61	73,296.88	52,778.62	42,048.07	39,416.65	28,410.05
Gross Profit	10,319.12	6,486.22	7,097.22	3,674.29	4,992.24	4,828.32
Selling & Distribution Expenses	1,151.40	901.02	1,080.88	1,223.32	992.03	638.54
Administrative Expenses	1,065.38	802.63	550.15	419.39	389.52	358.90
Net Finance Cost	4,853.77	1,340.32	710.26	1,205.61	1,905.85	1,834.51
Income Tax Expenses	1,193.56	1,294.73	533.52	413.78	879.43	242.75
Net Profit After Tax	2,913.57	3,088.28	4,970.33	921.84	1,860.63	2,778.78
Earnings Per Share (EPS) (Tk.)	9.76	10.34	18.96	3.90	7.88	12.95

The above-provided operating and financial review, the Management offers insights into the Company's economic and operational performance for the Financial Year 2022-23. The year was marked by significant challenges, particularly in the first two quarters. During this period, the company encountered difficulties due to the rise in dollar prices against local currencies. Unfortunately, the company was unable to increase sales prices to compensate for this currency fluctuation, leading to financial losses.

However, in the latter half of the year, despite a worsening economic climate, the company managed to turn the situation around. An increase in product prices helped maintain competitiveness in the market, leading the company back to profitability.

It's important to note that the global political landscape, particularly the Russia-Ukraine conflict, contributed to increased volatility. This geopolitical unrest, coupled with unfavorable hikes in the USD to BDT exchange rate, led to a rise in the cost of raw materials. Consequently, the overall cost of production escalated, posing additional challenges to the company's financial health.

In the face of these challenges, the company recorded a profit after tax of Tk. 2,913.57 Million for the year, compared to the previous year's figure of Tk. 3,088.28 Million. Notably, the company's net profit was significantly impacted by high finance costs, including losses incurred from foreign currency translation and transactions.

This review underscores the complex and dynamic economic environment in which the company operated during the fiscal year, reflecting the resilience and adaptability demonstrated by the management to navigate these challenges and maintain the company's profitability.

Comparative Analysis of the Financial Position of the Company

Financial Positions:

Amount in BDT in million

Particulars	2022-23	2021-22	2020-21	2019-20	2018-19	2017-18
Paid Up Capital	2,985.85	2,985.85	2,985.85	2,360.68	2,360.68	2,146.07
Share Holders' Equity	41,938.17	40,095.48	38,085.95	23,581.64	23,007.37	13,671.41
Current Liabilities	57,638.28	74,029.21	37,599.13	18,125.19	22,883.33	19,310.98
Non-current Liabilities	4,384.65	4,491.18	4,846.81	5,343.79	6,662.93	6,962.32
Addition to fixed assets & CWIP	971.98	771.80	1,346.65	982.93	192.12	327.70
Net Asset Value Per Share	140.46	134.29	127.55	99.89	97.46	63.70

In the fiscal year 2022-23, net worth of the company witnessed a notable increase of 4.60%, reaching BDT 41,938.17 Million from BDT 40,095.48 Million in the previous year. This uptick was primarily attributed to significant investments in fixed assets, including land, buildings, and the acquisition of plant and machinery. The company's inventory comprised finished goods valued at BDT 6,094.64 Million, raw materials at BDT 18,411.04 Million, and stores and consumable spares totaling BDT 3,285.57 Million. This strategic inventory management ensured uninterrupted business operations.

The "trade and other receivables" section in the balance sheet represents outstanding payments from customers, with the company typically collecting these debts within an average of 29 days. Additionally, the "cash and bank balances" category includes BDT 2.86 million in cash, BDT 1,822.17 million in various bank accounts, and BDT 7.96 million in fixed deposits. These liquid assets play a crucial role in maintaining the business's day-to-day operations.

Furthermore, as of June 30, 2023, the market value of the company's shares stood at BDT 90 on the Dhaka Stock Exchange (DSE), resulting in a market capitalization of BDT 26,872.62 Million. It is worth noting that the current liabilities encompass a BDT 305.53 Million component, representing the current portion of a long-term loan.

Comparative Analysis of the Cash Flow of the Company

Cash Flow Movements:

Amount in BDT in million

Particulars	2022-23	2021-22	2020-21	2019-20	2018-19	2017-18
Cash generate from operating activities	7,759.98	8,110.17	9,918.80	10,961.80	2,914.99	13.28
Interest Paid	(3,487.56)	(298.34)	(638.46)	(1,205.61)	(1,897.63)	(1,823.27)
Income Tax Paid	(1,067.09)	(1,094.89)	(549.95)	(201.75)	(353.20)	(74.77)
Net Cash Flow from operating activities	3,205.33	6,716.94	8,730.39	9,554.44	664.16	(1,884.73)
Net Cash Flow used in investing activities	2,633.29	(2,810.16)	(1,626.40)	(1,271.49)	(173.13)	(197.56)
Net Cash Flow used in financing activities	(9,656.33)	91.86	(5,756.40)	(8,818.39)	(435.42)	2,275.67
Net Increase/(Decrease) in Cash & Cash Equivalent	(3,817.71)	3,998.64	1,347.60	(535.44)	55.61	193.38

In the fiscal year 2022-23, there were significant changes in the company's cash flows across various activities:

CASH FLOW FROM OPERATING ACTIVITIES:

The net operating cash flow experienced a notable decline, decreasing from BDT 6,716.89 Million to BDT 3,205.32 Million. Consequently, the Net operational cash flow per share dropped to Tk. 10.74 in 2022-23 from Tk. 22.50 per share in 2021-22. This decline can be attributed primarily to increased payments related to inventory this year.

CASH FLOW FROM INVESTING ACTIVITIES:

In the realm of investing activities, there was a positive shift. The net cash used in investing activities decreased to BDT 2,633.29 Million in 2022-23 from the previous year's figure of BDT (2,810.16) Million. This suggests a more efficient management of investment-related cash flows during the fiscal year.

CASH FLOW FROM FINANCING ACTIVITIES:

In financing activities, the company utilized a net cash amount of BDT (9,656.23) Million in 2022-23. This substantial cash outflow was primarily due to payments made towards short-term borrowings and intercompany loans, indicating the company's financial decisions and restructuring efforts during the period.

These fluctuations in cash flows underscore the dynamic financial landscape in which the company operated, reflecting the challenges and strategic decisions made to navigate the changing economic conditions and optimize its financial resources.

Financial Performance of Peer Industry:

BSRM Steels Limited

Taka in Million

Operational Results:	2022-23	2021-22	2020-21	2019-20	2018-19	2017-18
Revenue	84,524	67,121	54,983	38,681.38	61,060.15	48,289.93
Gross Profit	8,114	7,046	7,231	5,172.54	5,051.91	4,879.17
Profit after Tax	2,979	3,279	3,047	742.28	1,728.13	1,800.80
EPS (Tk.)	7.92	8.72	8.1	1.97	4.60	5.27
Net Assets Value (NAV) Per Share (Tk.)	73.32	68.99	62.38	56.84	55.58	37.48
NOCF Per Share (Tk.)	30.67	10.62	20.87	5.81	(12.43)	2.90

GPH Ispat Limited (GPH)

Taka in Million

Operational Results:	2022-23	2021-22	2020-21	2019-20	2018-19	2017-18
Revenue	57,657	46,828	28,166	9,406	11,111	9,814
Gross Profit	7,960	6,349	4,201	1,553	2,158	1,603
Profit after Tax	268	1,494	1,661	299	806	644
EPS (Tk.)	0.58	3.42	4.18	0.79	2.24	1.97
Net Assets Value (NAV) Per Share (Tk.)	53.08	28.79	29.86	17.01	17.59	16.89
NOCF Per Share (Tk.)	(2.10)	(7.15)	(4.05)	(8.10)	1.44	1.12

MARKET CONDITIONS AND INDUSTRY TRENDS

Understanding the market dynamics is essential in making informed strategic decisions. Here, we analyze the prevailing market conditions, industry trends, and competitive landscape. We discuss the impact of global economic factors, changes in consumer behavior, and regulatory developments, providing a comprehensive view of the external factors influencing our operations.

The global economy is facing an unexpectedly widespread and severe slowdown, coupled with inflation rates not seen in decades. This challenging situation has severely impacted businesses worldwide. Contributing factors include not only the rise in living costs but also tighter financial conditions across many regions and the geopolitical tensions arising from Russia's invasion of Ukraine. Our latest projections indicate a decline in global economic growth from 3.5 percent in 2022 to 3 percent this year and further to 2.9 percent next year, marking a 0.1 percentage point decrease from the July 2024 forecast.

The upcoming year presents significant challenges for the global economy, including Bangladesh. Industrial commodity prices are surging, leading to a shortage of foreign currency. Consequently, the government is actively discouraging the import of non-essential materials, focusing only on those necessary for livelihood. Additionally, the increase of fuel prices and the looming possibility of a food crisis add to the economic uncertainties.

Despite these hurdles, Bangladesh has a remarkable history of growth and development, even during periods of global uncertainty. The nation has benefited from a strong demographic dividend, a thriving ready-made garment (RMG) industry, resilient remittance inflows, and stable macroeconomic conditions over the past two decades. However, the ongoing conflict in Ukraine has adversely affected the global economy, resulting in slower growth in 2023 and an inflationary surge. Consequently, fuel, commodity, and food prices have experienced significant increases.

In this challenging scenario, the steel industry may emerge as a potential catalyst for economic growth. It has the capacity to drive economic progress and support complementary sectors such as transportation, energy, heavy engineering, and construction. Therefore, it is crucial for the authorities to provide exceptional care and attention to nurture and sustain the well-established industries in the country, ensuring stability and fostering economic resilience amid these challenging times.

STRATEGIC INITIATIVES

BSRM's growth is propelled by a series of well-thought-out strategic initiatives. We are always committed to formulate our core strategies, encompassing market expansion, diversification of our product range, and our unwavering commitment to sustainability. We consistently delve into our ongoing research and development projects, highlighting our innovations in production processes and our concerted efforts to reduce our environmental impact.

RISK AND MITIGATION

Bangladesh's rapidly growing economy presents promising opportunities for the steel industry, yet it is not without its challenges. The country is vulnerable to cyclones due to climate change, and issues like foreign currency crises, energy shortages, port congestion, and inadequate infrastructure pose significant obstacles to the industry's expansion. Stability in foreign currency rates is particularly crucial for import-dependent sectors like steel, but the current volatility in exchange rates is adversely affecting the industry.

Despite these challenges, the government has initiated positive measures to address these issues. Efforts such as increasing LNG supply and the development of the Rooppur nuclear power plant aim to alleviate energy shortages. Additionally, ongoing projects involving the construction of new roads, bridges, and Exclusive Economic Zones are set to improve infrastructure. The government has also implemented favorable policies and regulations for the industry. Notably, a dedicated department has been established to identify and assess internal risks and develop strategies for their mitigation. The enforcement of an enterprise risk management policy and the continuous monitoring of risks by a specialized team underscores the government's commitment to overcoming challenges and ensuring the steel industry's sustainable growth.

FUTURE PLANNING

BSRM Group has ambitious plans for the upcoming year, aiming to sell 18.50 lac M. Ton of steel. To achieve this goal, approximately 9.30 lac M. Ton will be supplied by BSRMLTD, a significant contributor to the group's overall output. In addition to focusing on quantity, BSRM Group is dedicated to enhancing the quality of its steel products. The company is actively engaged in research and development initiatives, striving to provide superior services to its customers.

As part of these efforts, BSRM Group has recently introduced a new high-quality steel product called "BSRM Xtreme B500DWR." This innovation reflects the company's commitment to staying at the forefront of the industry by offering advanced and reliable steel solutions. Through these initiatives, BSRM Group is poised to meet the demands of its customers while maintaining a strong emphasis on product quality and innovation.

CONCLUSION

In conclusion, This discussion outlines BSRM Group's position and operations and provide valuable insights into the company's strategic direction and performance. The challenges faced by the company, including global economic uncertainties, currency fluctuations, and infrastructural limitations. Despite these challenges, BSRM Group remains proactive, leveraging its strengths in production capabilities and innovation.

In summary, the Management Discussion and Analysis reflect BSRM Group's proactive strategies, commitment to quality, and resilience in addressing challenges. These factors, combined with its focus on innovation, position the company for sustainable growth and success in the steel market.



Aameir Alihussain
Managing Director

REPORT OF THE AUDIT COMMITTEE

For the period from July 01, 2022, to June 30, 2023

The Audit Committee of **Bangladesh Steel Re-Rolling Mills Limited** is pleased to submit the following report on the activities for the financial year 2022-2023:

According to the Notification on Corporate Governance Code of the Bangladesh Securities & Exchange Commission (BSEC), dated June 03, 2018, the Board has established an Audit Committee as a sub-committee. The Committee assists the Board of Directors in ensuring that the financial statements reflect an accurate and fair view of the company's state of affairs and in providing a sound monitoring system within the business.

THE COMMITTEE:

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

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

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

TERMS OF REFERENCE:

The Board has determined the terms of reference of the Audit Committee 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 audits. It also ensures compliance with the Corporate Governance Code of BSEC.

ROLE OF AUDIT COMMITTEE:

The roles of the Audit Committee of Bangladesh Steel Re-Rolling Mills Limited are appended below:

- Oversee the financial reporting process.
- Monitor the choice of accounting policies and principles.
- Monitor the Internal Audit and Compliance process to ensure it is adequately resourced, including approval of the Internal Audit and Compliance Plan and review of the Internal Audit and Compliance Report.
- Oversee hiring and performance of external auditors.
- Hold a meeting with the external or statutory auditors to review the annual financial statements before submission to the Board for approval or adoption.
- Review, along with the management, the quarterly, half-yearly & annual financial statements before submission to the Board for approval.
- Review the adequacy of the internal audit function.
- Review the Management's Discussion and Analysis.
- Review the statement of all related party transactions submitted by the management.
- Review Management Letters or Letters of Internal Control weakness issued by statutory auditors.
- Review the Quarterly and Annual Financial Statements of the 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 the 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 them to the Board for adoption and circulation.
- Reviewed the Subsidiary Company's quarterly, half-yearly, and yearly Financial Statements.
- 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 the internal audit team and its corrective actions.
- Reviewed the changes made as per requirements of the IFRS-16 in the Company's financial statements.
- Assessed external auditors' findings and compliance with IAS/ IFRS to prepare Financial Statements.
- Reviewed the adequate internal control system of the Company is in place.
- Reviewed the compliance requirements of BSEC guidelines, notification, and other laws.

APPOINTMENT OF AUDITORS:

The existing external Auditors of Company A. Qasem & Co., Chartered Accountants, will retire on the conclusion of the 61st AGM, being the completion of 3rd year of their appointment, and will not be eligible to conduct an audit for the year 2023-24 as per the directive of Bangladesh Securities and Exchange Commission (BSEC).

The Audit Committee has recommended the Board to appoint Hussain Farhad & Co. Chartered Accountants, Yunusco City Center (9th Floor), 807 CDA Avenue, Nasirabad, Chattogram, for the position of the statutory auditors for the year 2023-24.

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

On behalf of the Audit Committee



Gobinda Chandra Paul FCA

Independent Director and Chairman of the Audit Committee

Date: October 12, 2023

REPORT OF THE NOMINATION AND REMUNERATION COMMITTEE (NRC)

For the period from July 01, 2022, to June 30, 2023

The Nomination and Remuneration Committee (NRC) of **Bangladesh Steel Re-Rolling Mills Limited** is pleased to submit the following report on the activities for the financial year 2022-2023:

FORMATION OF NRC:

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

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

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

TERMS OF REFERENCE:

The terms of reference of the Nomination and Remuneration Committee (NRC) have been determined by the Board as per BSEC notification. The NRC assists the Board in formulating the nomination criteria or policy for determining qualifications, positive attributes, experiences, and independence of directors and top-level executives, as well as an approach for the formal process of considering remuneration of 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 make 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 director's top-level executive, considering the following:
 - a) The level and composition of remuneration are

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 and 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 the Board's diversity, considering age, gender, experience, ethnicity, and educational background.
 - III. Identifying persons qualified to become directors and may be appointed to a top-level executive position by the criteria laid down and recommending their appointment and removal to the Board.
 - IV. Formulating the criteria for performance evaluation 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, one NRC meeting was held. The NRC of Bangladesh Steel Re-Rolling Mills Limited carried out the following activities during the year 2022-23:

The Nomination and Remuneration Committee (NRC) members have elaborately discussed the Company's Nomination and Remuneration Policy.

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 the performance of Directors and top-level executives.
- d) Remuneration policy for Directors and top-level Executives.

THE COMMITTEE ALSO REVIEWED THE FOLLOWING ACTIVITIES OF THE COMPANY:

- a) Organization Structure where the reporting line is clearly defined for the directors and top management team, along with standard workforce planning exercise for each position to identify the total requirements.
- b) Pay structure for each job level based on education, experience, and competency.
- c) A target-based online Performance Management System to evaluate the performance of employees, yearly Increments, Promotion of individuals, etc.
- d) Employee Benefits 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 plans for the individual or group.
- g) A transparent recruitment and selection policy where competent candidates get hired.
- h) Practicing a transparent career path system for employees, which is reflected in the 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 and long-term value creation for shareholders.

The objective of the policy is to ensure that-

- The level and composition of remuneration are reasonable and sufficient to attract, retain, and motivate the 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 and top-level executives reflecting short and long-term performance objectives appropriate to the company's work and 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 their appointment, per the Company's Policy & BSEC Guideline.

b) A person should possess adequate qualifications, expertise, and experience for the position they are considered for appointment. The Committee can decide whether a person's capability, knowledge, and expertise are sufficient/satisfactory for the position.

EVALUATION:

The Committee shall evaluate the performance of the Director and top-level executives yearly or at such intervals as necessary based on their qualifications, experience, etc.

REMOVAL:

The MD or CEO, CS, CFO, and HIAC shall not be removed from their position without approval of the Board and 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:

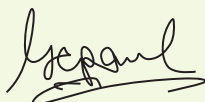
- a) The Remuneration to be paid to the Managing Director/other Directors as approved by the NRC.
- b) The Nomination and Remuneration Committee shall make such recommendations to the Board of Directors as it may consider appropriate remuneration to the Managing Director and other Directors.
- c) The Non-Executive / Independent Director may receive meeting fees and 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 by the Company's Policy.

IMPLEMENTATION:

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

The Nomination and Remuneration Committee sincerely thanks the members of the Board and the management for their support, guidance, and cooperation while carrying out the responsibilities.

On behalf of The Nomination and Remuneration Committee



Gobinda Chandra Paul FCA

Independent Director and Chairman of NRC

Date: October 12, 2023

DIVIDEND DISTRIBUTION POLICY

of Bangladesh Steel Re-Rolling Mills Limited

OBJECTIVE:

This Dividend Distribution Policy (“the Dividend Distribution Policy”) aims to ensure the entitlement of shareholders and 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 under 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:

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

Factors to be considered:

Before declaring the dividend, the 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, directives, or guidelines BSEC or other regulatory authorities issued.

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

Procedures for Declaration and Distribution of Dividends

1. Based on the financial performance and considering other factors, the Company's Board of Directors shall

declare/ recommend interim or final cash/stock Dividend as decided in the meeting.

2. Where a Dividend declaration or recommendation is proposed for consideration of the Board, it shall be a specific agenda.
3. Dividends will generally be recommended by the Board of Directors once a year after the announcement of the year-end financial results, which the shareholders will approve in the Annual General Meeting (AGM). The Board may also declare interim dividends as permitted by the Companies Act/ BSEC guidelines.
4. The Company shall pay all Dividends by this Policy through BEFTN.
5. The Company shall ensure compliance with applicable laws and this Policy about Dividend declaration and distribution by the Company.

Other conditions:

The Company Shall Comply with the following regarding dividends: -

1. The Dividend Distribution Policy shall be disclosed in the annual report and website of the Company.
2. The company shall pay off the annual or final dividend to the entitled shareholders within 30 days of approval/ AGM. It provided that the interim dividend shall be paid off to the entitled shareholders within 30 days of the 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 a debit balance or margin loan, or as per the intention of the client of a 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 the separate Bank account of the merchant banker or portfolio manager through BEFTN based on the information provided by the stock broker, merchant banker, or portfolio manager.
 - IV. The Company shall issue a cash dividend warrant in case of non-availability of bank account information, or it is impossible to distribute cash dividends through BEFTN or any electronic payment system.
 - V. The Company shall pay off cash dividends to non-resident sponsors, directors, shareholders, or foreign portfolio investors (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 of 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 on unpaid or unclaimed dividends of shareholders. It shall also disclose the summary of information above in the annual report and the statements of financial position (Quarterly/annually) as a separate line item as "Unclaimed Dividend Account" and publish the year-wise unclaimed dividend on the website.
4. The Company shall credit stock dividend directly to the BO account or issue the bonus share certificate of the entitled shareholder, as applicable, within 30 (thirty) days of declaration or approval or record date, as the case may be, subject to clearance of the exchange(s) and the Central Depository Bangladesh Limited (CDBL);
 5. The Company shall maintain a Suspense BO Account for undistributed or unclaimed stock dividends or bonus shares and follow the procedure per BSEC guidelines.
 6. The Company shall submit a compliance report to the Commission and the exchange(s) in a specified format provided by the Bangladesh Securities and Exchange Commission within 7 (seven) working days of completion of dividend distribution:

It provided that the Company shall publish the compliance report on its website.
 7. The Company shall not forfeit any unclaimed cash dividend or stock dividend till the claim becomes barred by the law of the land in force.
 8. If any cash dividend remains unpaid or unclaimed or unsettled, including accrued interest (after adjustment of bank charge, if any) thereon for 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 the transfer of cash dividends as directed or prescribed by the Commission:

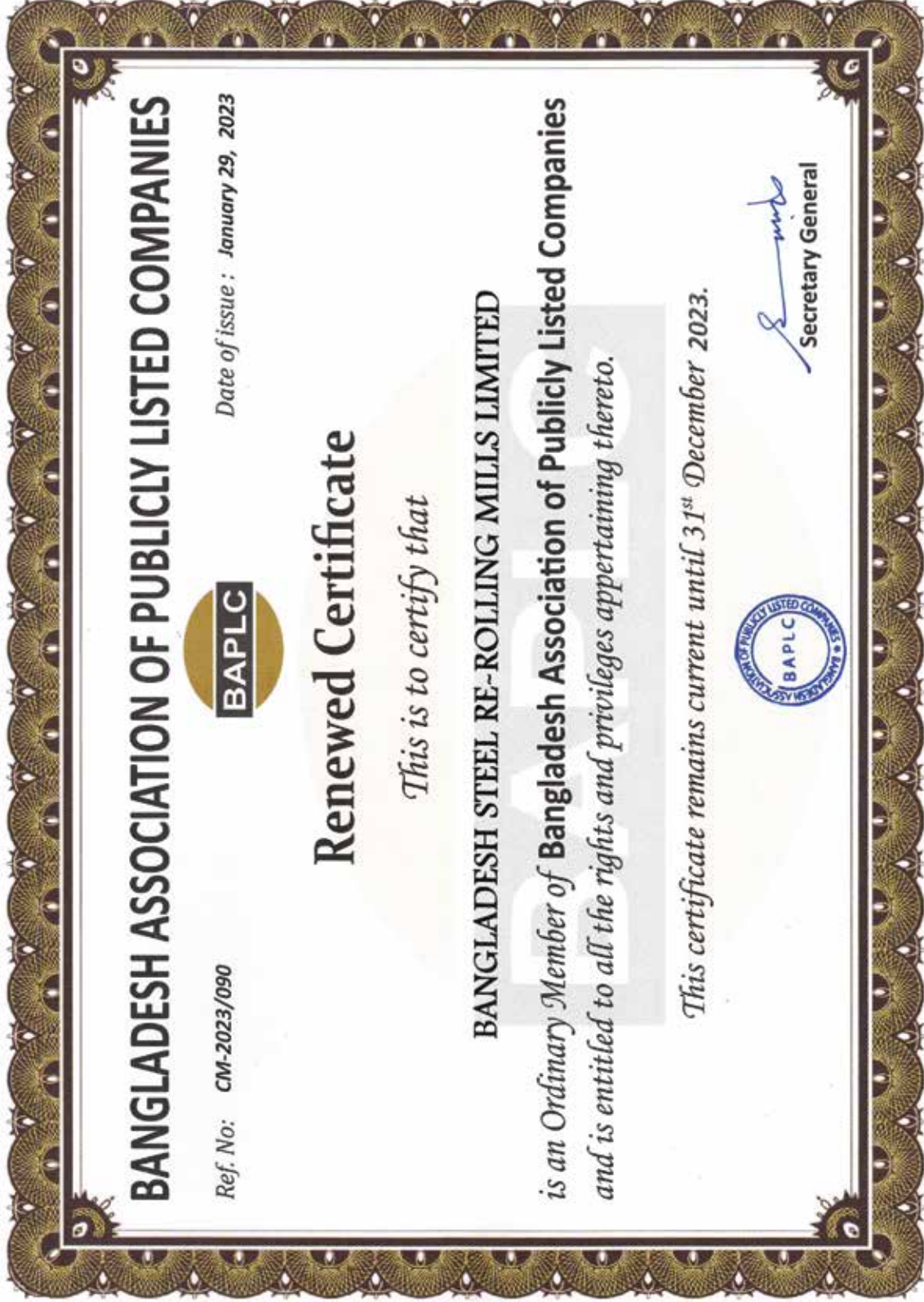
Provided further that if any shareholder or unit holder claims his cash dividend after transfer of such compensation to the Fund, within 15 (fifteen) days of receiving such claim, the Company shall, after proper verification of the claim, recommend to the manager of the Fund to pay off such dividend from the Fund and the manager of the Fund shall pay off such cash dividend to the claimant by the provisions and procedures as directed or prescribed by the Commission.
 9. If any stock dividend or bonus shares remain unclaimed or unsettled, including corporate benefit in terms of bonus shares thereon for 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 the transfer of stock dividend or bonus shares as directed or prescribed by the Commission:

Provided further that if any shareholder claims their 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 by the provisions and procedures as directed or prescribed by the Commission.

The Board may review this Policy if and where necessary, and they will be notified.

CERTIFICATE OF MEMBERSHIP OF BAPLC >>



KEY EVENTS 2022-23 >>

BSRM CELEBRATED ITS PRESTIGIOUS 12TH VISION & VALUES ANNIVERSARY PROGRAM

BSRM celebrated its prestigious 12th Vision & Values anniversary program recently. The theme of this year was 'Navigating the Future.' Our honorable Chairman and Managing Director echoed the theme and their words of wisdom inspired the entire BSRM Family. The magnificent event highlighted BSRM's past achievements and future goals to remain the industry leader. The program was graced by awarding last year's best performers in different categories for their outstanding contributions.



BSRM has organized a workshop named "LEADER'S EDGE IN ACCOUNTABILITY TOWARDS PEOPLE"

Recently BSRM has organized a workshop named "Leader's Edge in Accountability towards People". Mr. Rahul Dev, The Executive Director of Laureate Global, and Ms. Priyanka Das, The Director of India of Laureate Global facilitated the workshop.



RENAMING “BRAC UNIVERSITY SCHOOL OF ENGINEERING” TO THE “BSRM SCHOOL OF ENGINEERING”

BSRM and BRAC University jointly announced the renaming of its engineering school as the BSRM School of Engineering. It will recruit world-class faculty over the next several years, fund cutting-edge research in key impact areas and promote curriculum innovation. The contribution by BSRM to the University’s endowment will also provide several merit-based scholarships, including five full-tuition awards for engineering students.

“Following our longstanding tradition of giving established by the founders of BSRM Group, we continually seek meaningful ways to impact key drivers of sustainable development in Bangladesh. We are pleased to make this gift to enable a new generation of engineers to be ready to accept the challenges of designing and building sustainable solutions,” said Aameir Alihussain, Managing Director, of BSRM Group.

Founded by Sir Fazle Hasan Abed, BRAC University was established to create and empower communities with ethical leaders who will spearhead positive change for greater social inclusion. Evidence continues throughout the institutes, schools, departments and centers, with students and faculty engaged in multidisciplinary research and collaborating on various initiatives that ultimately benefit society. “We welcome the gift from BSRM Group of Companies as the University embarks on a path of transformation to lead global discourses on innovation for development and social progress, while remaining steadfast in the spirit of its founding,” said Tamara Hasan Abed, Chairperson, Board of Trustees, BRAC University.

BSRM RECEIVED THE HIGHEST TAXPAYER AWARD

BSRM received the Highest Tax Payer Award under the engineering category for the financial year 2021-22 by the National Board of Revenue (NBR). NBR Chairman Abu Hena Md Rahmatul Muneem handed the crest to BSRM at Officers’ Club Dhaka on Wednesday, December 28, 2022.



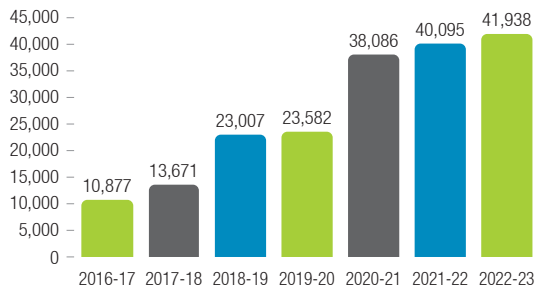
6 YEARS PERFORMANCE >>

Taka in Million

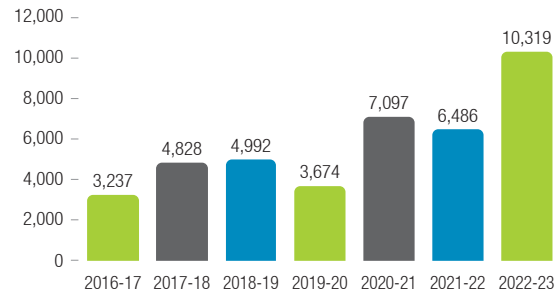
Particulars	2022-23	2021-22	2020-21	2019-20	2018-19	2017-18
Assets Employed						
Non- Current Assets	46,745.30	47,763.01	47,545.79	29,504.44	28,711.60	19,869.20
Net Current Assets	(422.49)	(3,176.35)	(4,613.04)	(579.00)	958.70	764.53
Total Assets Employed	46,322.81	44,586.67	42,932.75	28,925.43	29,670.30	20,633.72
Financed by						
Share Capital	2,985.85	2,985.85	2,985.85	2,360.68	2,360.68	2,146.07
Share Premium	2,057.51	2,057.51	2,057.51	511.97	511.97	511.97
Revaluation Reserve	17,051.42	17,579.80	17,491.27	12,130.38	12,151.48	3,974.79
General Reserve & Others	30.17	30.17	30.17	30.17	30.17	75.83
Retained Earnings	19,813.22	17,442.15	15,521.15	8,548.44	7,953.07	6,962.74
Shareholder's Equity	41,938.17	40,095.48	38,085.95	23,581.64	23,007.37	13,671.41
Long Term Borrowings	26.10	224.56	728.34	2,323.14	3,871.52	5,442.34
Lease Liabilities-Non current portion	99.61	87.55	81.93	84.78		
Defined Benefit obligations - Gratuity	410.91	409.32	366.32	259.30	231.91	196.16
Deferred Tax Liability	3,848.03	3,769.75	3,670.21	2,676.58	2,559.50	1,323.81
Total Capital Employed	46,322.81	44,586.67	42,932.75	28,925.43	29,670.30	20,633.72
Operational Results						
Revenue	1,15,060.73	79,783.10	59,875.85	45,722.36	44,408.89	33,238.37
Gross Profit	10,319.12	6,486.22	7,097.23	3,674.29	4,992.24	4,828.32
Profit from Operation	8,159.34	4,846.04	5,477.73	2,059.03	3,637.90	3,864.96
Profit before Interest, Taxes & Depreciation Allowances	10,717.02	7,484.24	7,532.00	3,276.89	5,434.28	5,704.00
Profit before Tax	4,107.13	4,383.02	5,503.86	1,335.62	2,740.07	3,021.53
Profit after Tax	2,913.57	3,088.28	4,970.33	921.84	1,860.63	2,778.78
Ratios						
Gross Profit Ratio - %	8.97%	8.13%	11.85%	8.04%	11.24%	14.53%
Net Profit Ratio - %	2.53%	3.87%	8.30%	2.02%	4.19%	8.36%
EBITDA margin to Sales - %	9.31%	9.38%	12.58%	7.17%	12.24%	17.16%
Return on Shareholders Equity - %	6.95%	7.70%	13.05%	3.91%	8.09%	20.33%
Return on Capital Employed - %	6.29%	6.93%	11.58%	3.19%	6.27%	13.47%
Current Ratio - Times	0.99	0.96	0.88	0.97	1.04	1.04
Quick/Acid test Ratio - Times	0.51	0.31	0.49	0.42	0.33	0.34
Inventory Turnover Ratio - Times	2.77	2.35	4.30	3.23	2.66	2.11
Total Assets Turnover Ratio - Times	1.11	0.67	0.74	0.97	0.85	0.83
Earning Per Share (EPS) - Taka	9.76	10.34	18.96	3.90	7.88	11.77
Price/ Earning (PE) Ratio - Times	9.22	9.55	4.57	13.72	9.00	8.33
Price/ Equity Ratio - Times	9.00	9.87	8.66	5.35	7.09	9.80
Dividend Per Share (DPS) - Taka	2.50	3.50	5.00	1.50	2.50	2.00
Dividend Pay out Ratio	0.26	0.34	0.26	0.38	0.32	0.17
Dividend Cover Ratio	3.90	2.96	3.33	2.60	3.15	6.47
Net Assets Value Per Share (NAV) -Taka	140.46	134.29	127.55	99.89	97.46	63.75
Net Operating Cash Flow Per Share - Taka	10.74	22.50	29.24	40.47	2.81	(8.78)
Debt Equity Ratio - Times	1.48	1.96	1.11	1.00	1.28	1.92
Interest Coverage Ratio	1.82	3.89	8.03	2.09	2.26	2.47
Market Price Per Share - Taka	90.00	98.70	86.60	53.50	70.90	98.00
Market Capitalization (Taka Million)	26,872.62	29,470.30	25,857.43	12,629.65	16,737.24	21,031.53
Contribution to National Exchequer (Taka Million)	16,298.86	14,531.40	15,168.39	3,302.96	3,108.09	3,274.91
Average Number of Employees	1,932	1,883	1,832	1,046	1,280	922

KEY PERFORMANCE INDICATORS >>

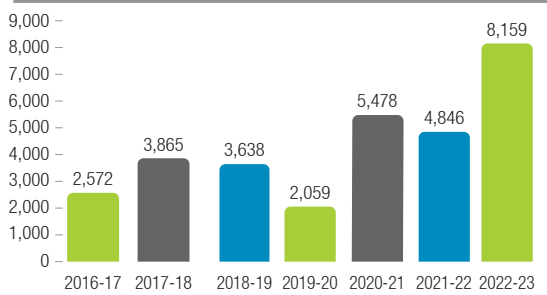
Shareholders' Equity (BDT in Million)



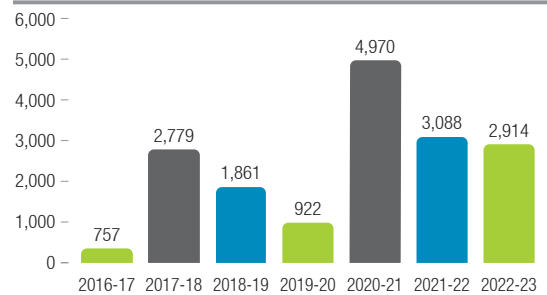
Gross Profit (BDT in Million)



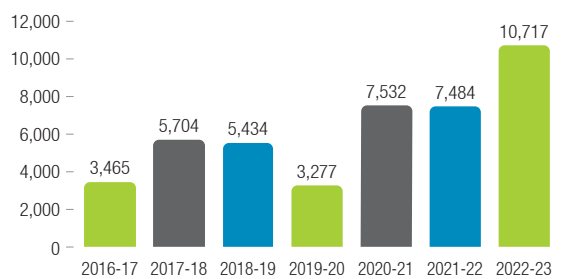
Operating Profit (BDT in Million)



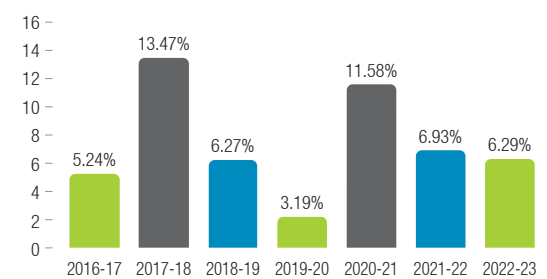
Net Profit after Tax (BDT in Million)



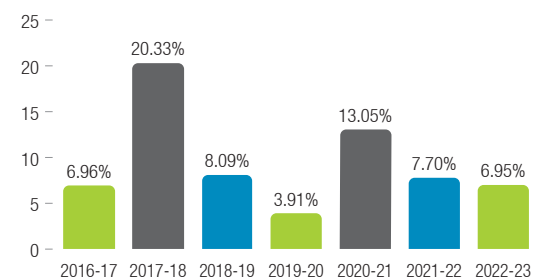
EBITDA (BDT in Million)



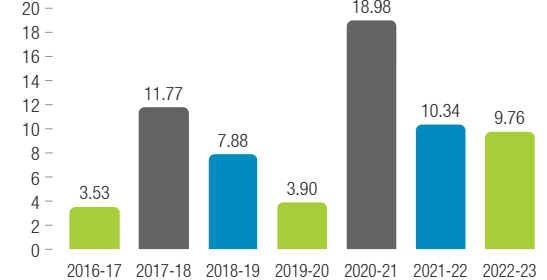
Return on Capital Employed (%)



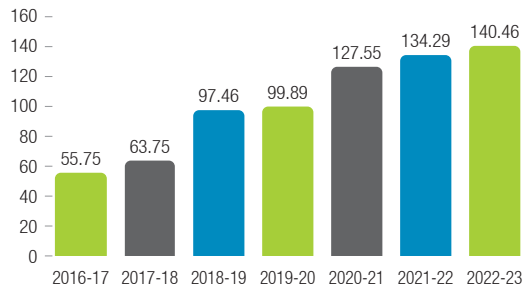
Return on Shareholders' Equity (%)



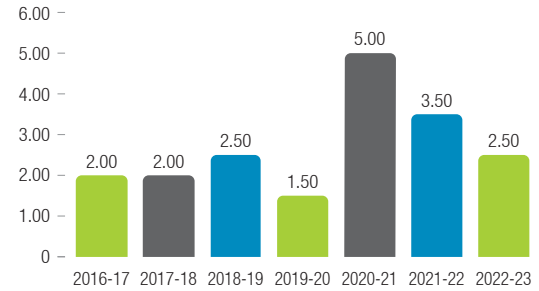
Earnings per Share (Taka)



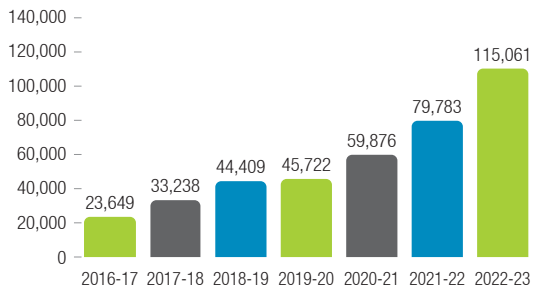
Net Assets Value Per Share (In Taka)



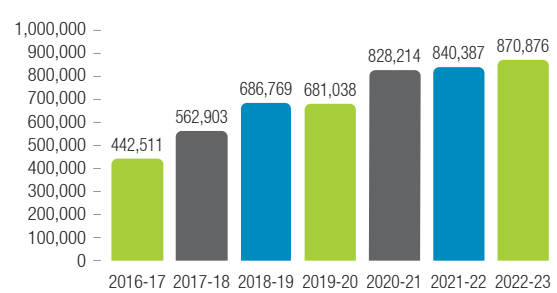
Dividend per Share (In Taka)



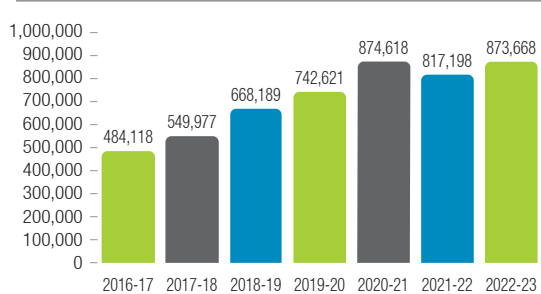
Turnover / Sales (BDT in Million)



Production (Qty. in M. Ton)



Sales (Qty. in M.Ton)





CREDIT RATINGS

Strong Credit Rating Maintained over the period
Outlook: Stable

AA+

VERY HIGH QUALITY
AND HIGHER SAFETY

↑

↑

↑

↑

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↑

↑

↑

HIGH CERTAINTY
OF TIMELY PAYMENT
AND STRONG
LIQUIDITY FACTORS

ST-2

RATINGS	2023	2022
LONG TERM	AA+	AA+
SHORT TERM	ST-2	ST-2

Rated By **CRISL** on November 29, 2023
 & valid up to November 03, 2024

Based on audited Financial Statements of FY 2022-23
 and unaudited Financial Statements up to September 30, 2023,



CREDIT RATINGS

CRISL has reaffirmed the long-term rating 'AA+' (pronounced as Double A plus) and the short-term rating 'ST-2' to Bangladesh Steel Re-Rolling Mills Limited ('BSRML'). While arriving at the above rating, CRISL has considered both quantitative and qualitative information available to it up to the date of the rating. The Above rating reflects, inter alia, consistent maintenance of some fundamentals such as good volume of business and profitability, good funding flexibility, regular loan repayment status, dominant market presence, experienced and qualified management team, sophisticated infrastructural arrangement, good promotional and branding strategy, vertically integrated operations, etc. However, the above, factors are constrained, by to some extent debt-based capital structure, bank-dependent working capital management risks of competition, cost inefficiency, exchange rate, raw materials supply,, global instability changes in government policy, etc.

The long-term rating indicates entity rated in this category is 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. The short-term rating indicates high certainty of timely payment. Liquidity factors are strong and supported by good fundamentals protection factors. Risk factors are very small.

CRISL also placed the company with "Stable Outlook" considering that its existing fundamentals may remain unchanged in the foreseeable future.

VALUE ADDED STATEMENT >>

Value Added:

Revenue

Other Income

Less : Paid to suppliers for materials and services

Distributed as follows:

EMPLOYEES

Wages, Salaries, bonus, commssions

pensions and other benefits

PROVIDERS OF FINANCE

GOVERNMENT

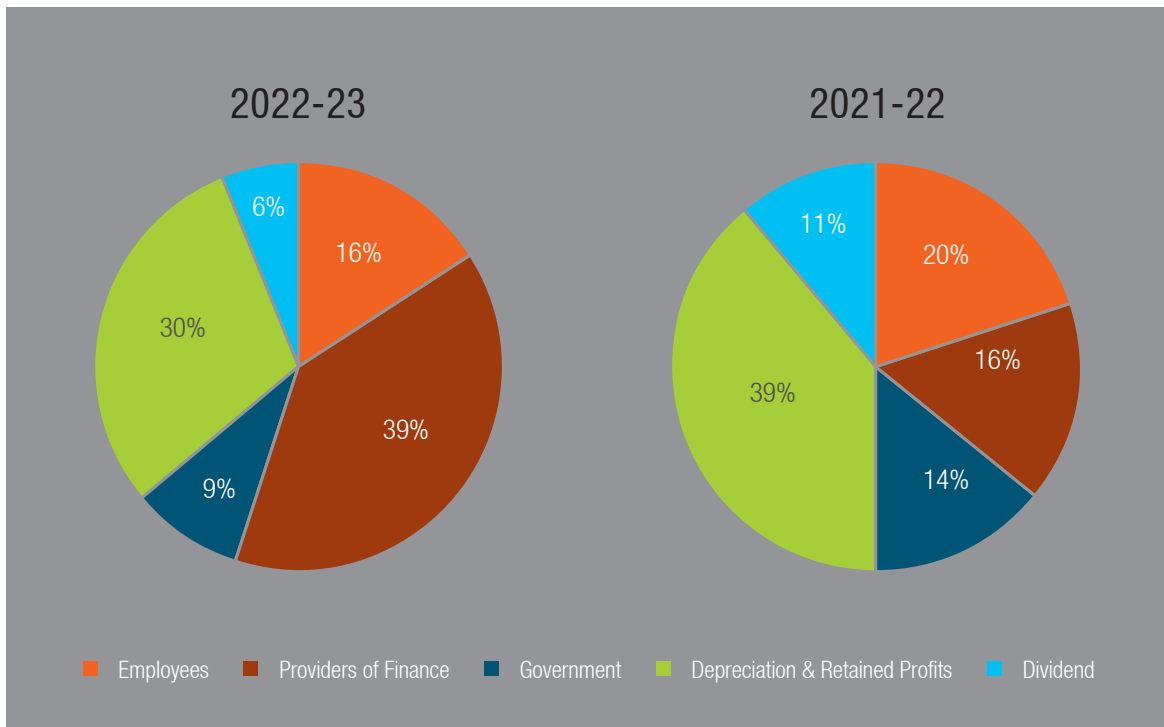
DIVIDEND

RETAINED FOR REINVESTMENT & FUTURE GROWTH

Depreciation & Amortization

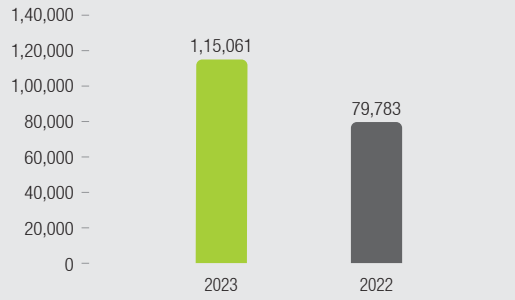
Retained Profit

2022-23 TK	%	2021-22 TK	%
115,060,731,490		79,783,104,400	
241,898,517		284,321,119	
115,302,630,007		80,067,425,519	
102,499,025,857		70,763,277,745	
12,803,604,149	100	9,304,147,774	100
EMPLOYEES			
2,095,559,468	16.37	1,840,242,578	19.78
4,984,755,405	38.93	1,515,161,187	16.28
1,193,560,608	9.32	1,294,734,622	13.92
746,461,565	5.89	1,045,046,191	11.22
9,020,337,046	70.51	5,695,184,578	61.21
RETAINED FOR REINVESTMENT & FUTURE GROWTH			
1,608,592,840	12.56	1,565,724,583	16.83
2,167,103,610	16.93	2,043,238,612	21.96
3,775,696,450	29.49	3,608,963,196	38.79
12,796,033,497	100	9,304,147,774	100

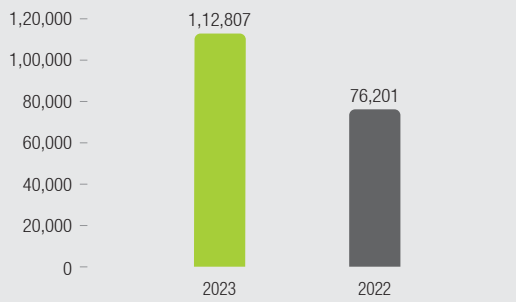


SEGMENT ANALYSIS >>

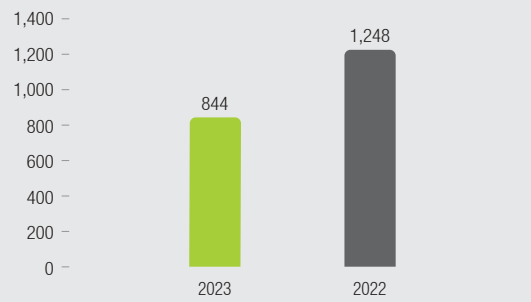
Revenue (BDT in Million)



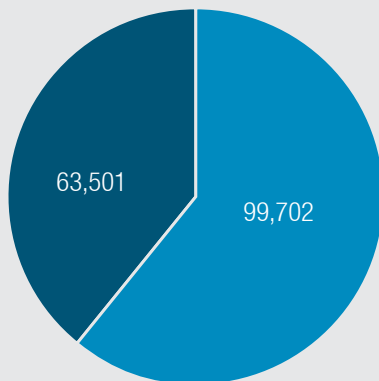
Local Sales (BDT in Million)



Export Sales (BDT in Million)

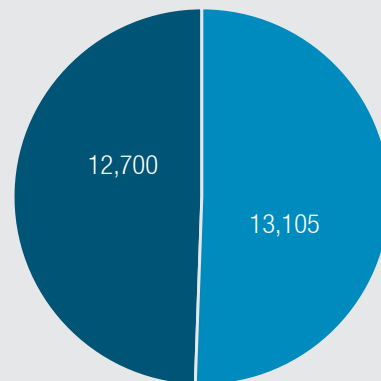


Local Sales of MS Rod/Channel/Angle



■ 2023 ■ 2022

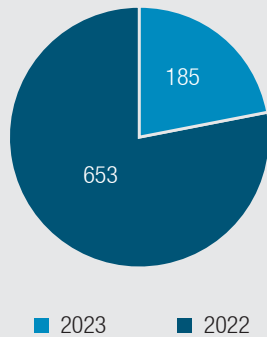
Local Sales of MS Billets, Scrap and By-Products



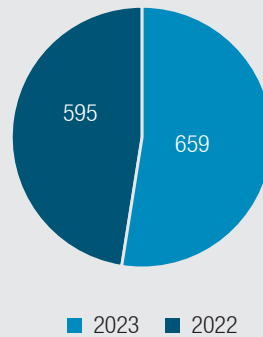
■ 2023 ■ 2022

SEGMENT ANALYSIS >>

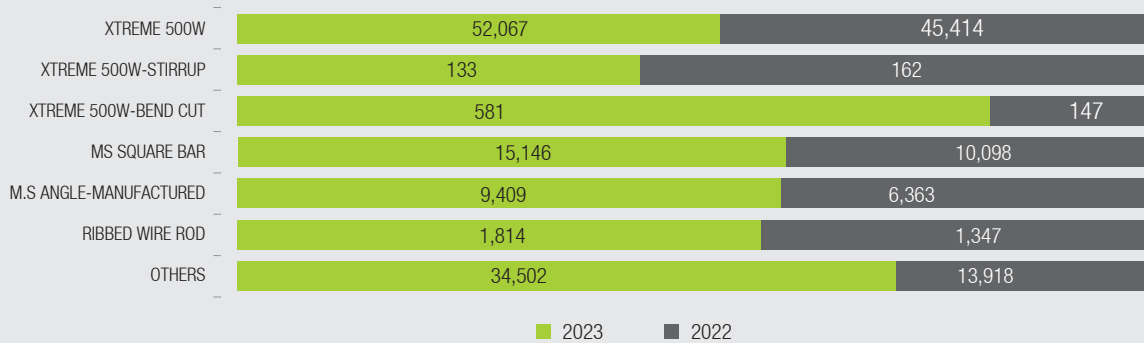
Export sales of By Product



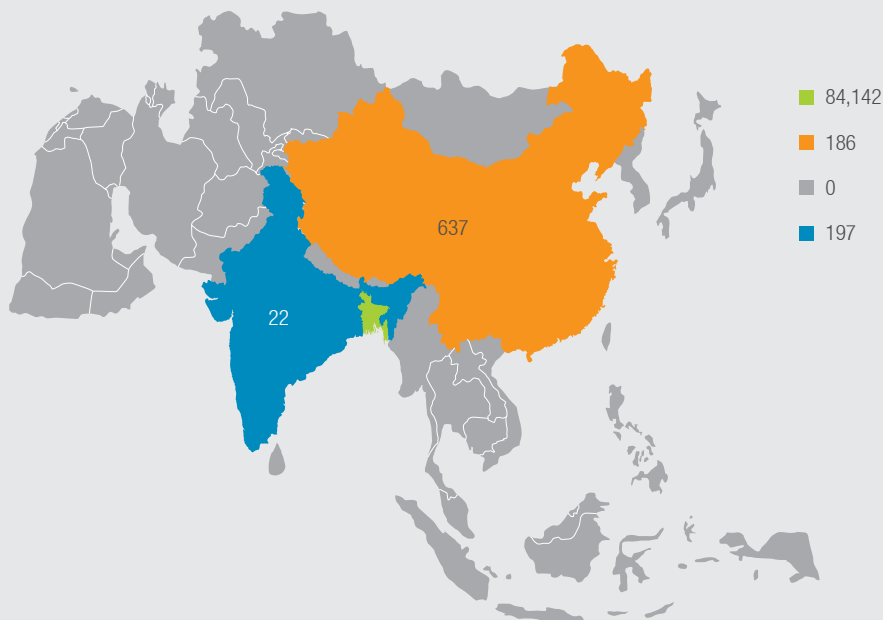
Export Sale of Finished Products



Product wise Revenue (BDT in million)



Geographical Market



SHARE MARKET PERFORMANCE >>

BSRMLTD SHARE PERFORMANCE ON STOCK EXCHANGES

Movement of share price on Dhaka Stock Exchange Ltd. (DSE) during the year 2022-23:



Closing Price of per share of your company as at 30th June 2023 was Tk. 90/-

MARKET CAPITALIZATION	
Year	Taka in million
2022-23	26,873
2021-22	29,470
2020-21	25,857
2019-20	12,630
2018-19	16,737
2017-18	21,032
2016-17	26,260
2015	23,340

History of Dividend

Year	Rate of Dividend	Form of Dividend
2022-23	25%	Cash (Recommended)
2021-22	35%	Cash
2020-21	40%	Cash
2020-21	10%	Cash (Interim)
2019-20	15%	Cash
2018-19	25%	Cash
2017-18	10% & 10%	Cash & Stock
2016-17	10%	Stock
2016-17	10%	Cash (Interim)
2015	10% & 5%	Stock & Cash
2014	10%	Cash
2013	Nil	N/a
2012	15%	Cash
2011	100%	Stock
2010	15%	Cash

History of Earning Per Share (EPS)


Year	Taka
2022-23	9.76
2021-22	10.34
2020-21	18.96
2019-20	3.90
2018-19	7.88
2017-18	11.77
2016-17	3.53
2015-16	6.12
2015	4.78
2014	0.70
2013	6.06
2012	2.91
2011	17.88
2010	4.43

History of Net Asset Value Per Share

Year	Taka
2022-23	140.46
2021-22	134.29
2020-21	127.55
2019-20	99.89
2018-19	97.46
2017-18	63.75
2016-17	55.75
2015-16	52.84
2015	55.28
2014	54.10
2013	53.09
2012	48.29
2011	68.46
2010	41.10

History of Net Operating Cash Flow Per Share

Year	Taka
2022-23	10.74
2021-22	22.50
2020-21	29.24
2019-20	40.47
2018-19	2.81
2017-18	(8.78)
2016-17	(11.38)
2015-16	(3.53)
2015	(10.16)
2014	(5.43)
2013	0.53
2012	3.42
2011	34.17
2010	(13.09)

A hand is shown in the upper left corner, firmly grasping a power cord. The background is a high-angle, aerial view of a large-scale infrastructure project, possibly a highway interchange or a complex road system, with multiple levels of overpasses and ramps. The scene is bathed in a warm, golden light, suggesting either sunrise or sunset. A prominent, bright green diagonal stripe runs across the lower half of the image, partially overlapping the infrastructure. The overall composition conveys a sense of strength, stability, and forward progress.

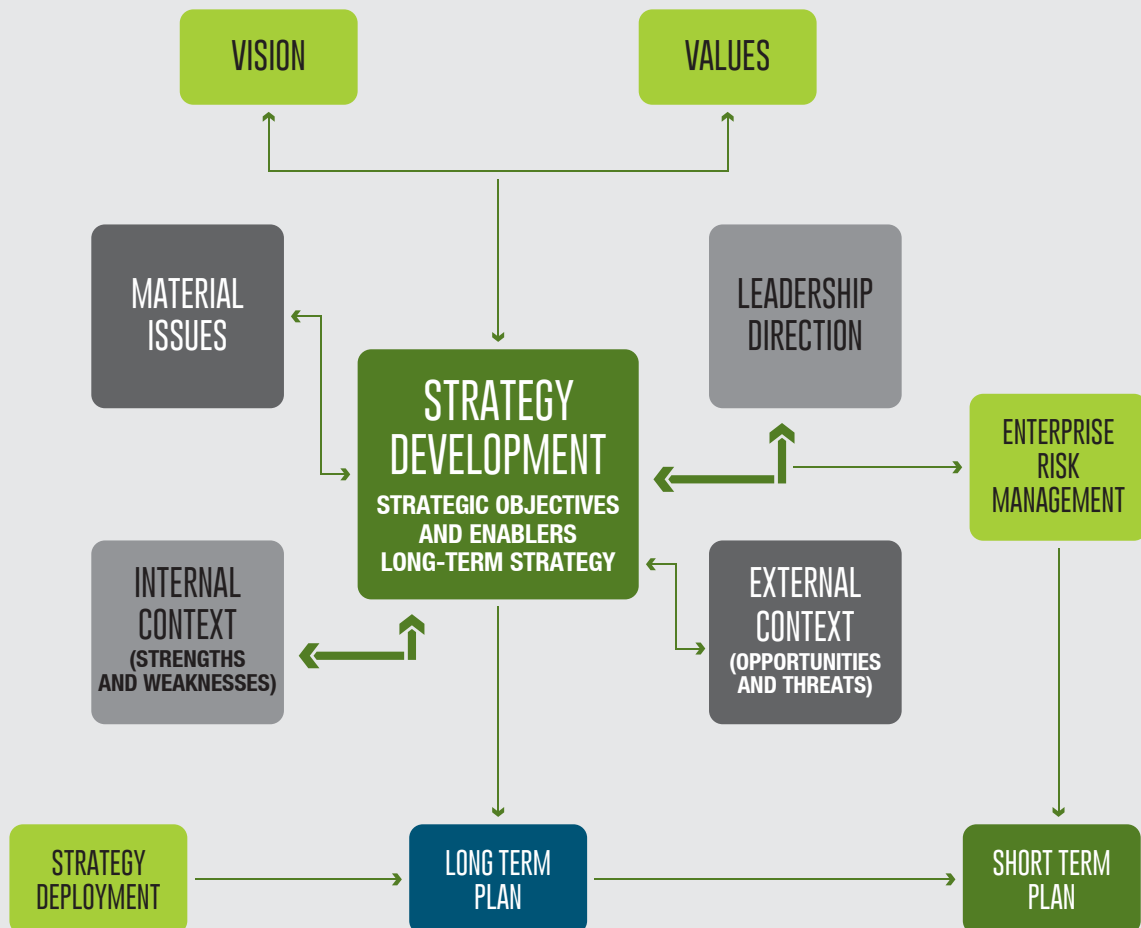
A solid infrastructure is essential for the survival of businesses worldwide. It supports every facet of human livelihood, from the well-being and survival of one person to the collaboration between individuals to achieve corporate or communal goals.

SOLID INFRASTRUCTURE

OUR STRATEGY >>

STRATEGIC FOCUS OF BSRM OUTLINING A BLUEPRINT FOR TOMORROW

The Vision and Values of the Organization guide our strategy planning process. As part of the process, we examine the external and internal business environment and factors in potential risks and opportunities that could disrupt the industry. Materiality assessment provides insights into the changing needs of all our stakeholders. Our long-term plans are formulated as an outcome of the integrated strategy planning process. The overall strategy and goals are cascaded down to individual departments with clearly defined responsibilities across all levels.



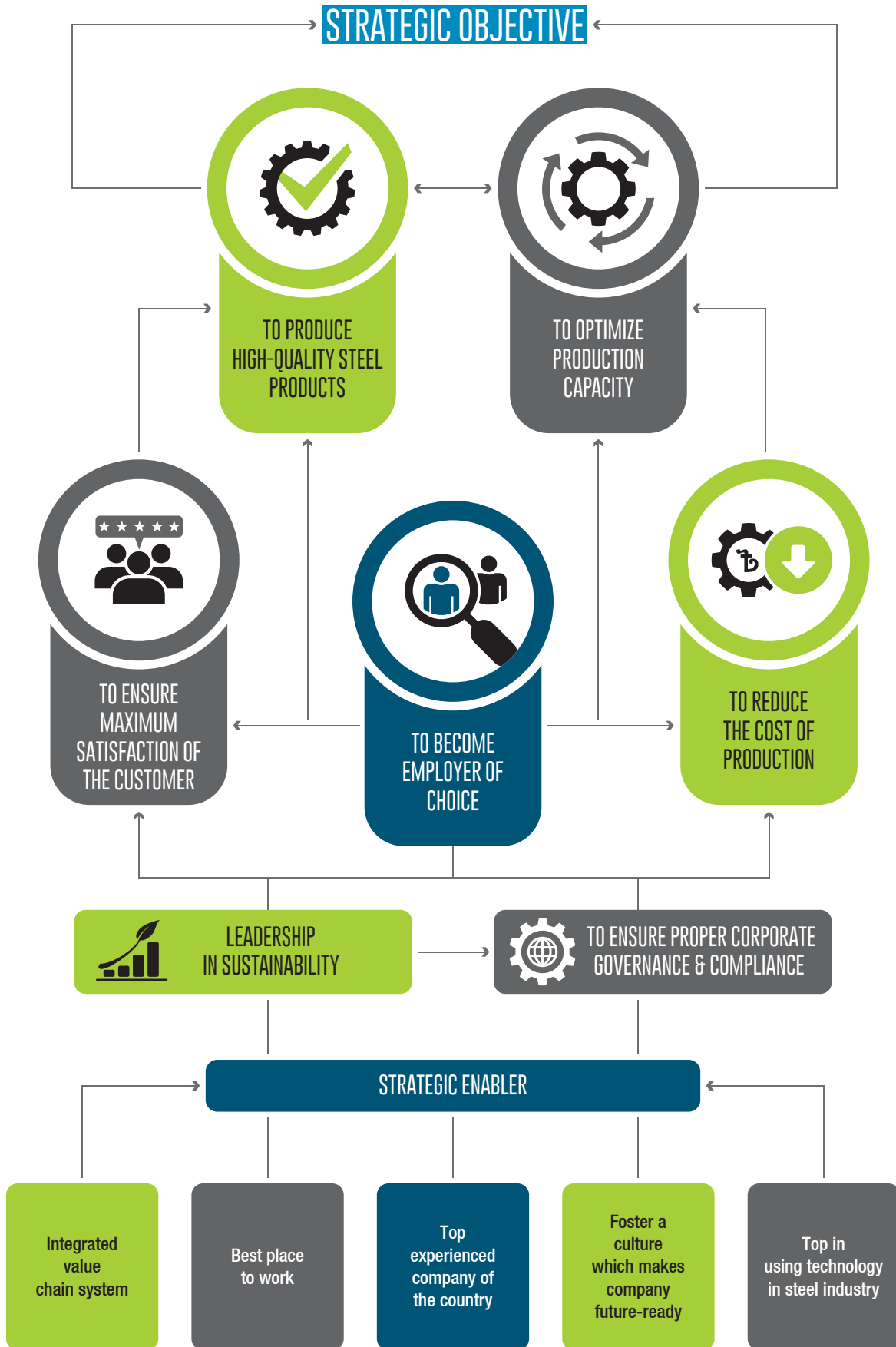
INTERACTION OF PROCESS AT TOP MANAGEMENT LEVEL



STRATEGIC ROADMAP

Our strategic objectives ensure alignment of our business goals with our Vision and Values. ESG principles are integrated with all aspects of our business.



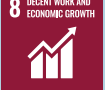























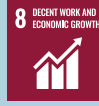








STRENGTHENING FUTURE READINESS STRATEGIC OBJECTIVES

At BSRM, we aspire to be future-ready structurally, financially, and culturally to be the most valuable and respected steel company. We have identified Seven Strategic Objectives (SOs) to create sustainable and profitable growth.

 <p>S01 to Produce High-Quality Steel Products</p>	 <p>S02 to Reduce the Cost of Production</p>	 <p>S03 to Optimize Production Capacity</p>	 <p>S04 to Ensure Maximum Satisfaction of the Customers</p>
 <p>S05 to Become Employe of Choice</p>	 <p>S06 to Ensure Proper Corporate Governance & Compliance</p>	 <p>S07 Leadership in Sustainability</p>	

STRATEGIC OBJECTIVES	FOCUS AREAS	GOALS	UN SDG GOAL
 <p>S01 TO PRODUCE HIGH-QUALITY STEEL PRODUCTS</p>	<ul style="list-style-type: none"> › Maintain product quality consistently › Innovate and introduce high-quality products › Use state-of-the-art technology 	<ul style="list-style-type: none"> › Continuous effort and investment to introduce innovative quality products › Revisiting existing product lines and realignment to cater to new customer segments 	   
 <p>S02 TO REDUCE THE COST OF PRODUCTION</p>	<ul style="list-style-type: none"> › Continue to invest in raw material security › Cost improvement and value enhancement through structural interventions and continuous improvement programmes 	<ul style="list-style-type: none"> › Maintain cost leadership at a market price of raw materials › Cost reduction and value enhancement 	  

STRATEGIC OBJECTIVES	FOCUS AREAS	GOALS	UN SDG GOAL
 <p>SO3 TO OPTIMIZE PRODUCTION CAPACITY</p>	<ul style="list-style-type: none"> › Increase capacity through organic and inorganic growth › Attain and retain leadership in chosen segments (current and new) 	<ul style="list-style-type: none"> › Enter new segments and sustain #1 position in existing chosen segments 	  
 <p>SO4 TO ENSURE MAXIMUM SATISFACTION OF THE CUSTOMER</p>	<ul style="list-style-type: none"> › Improve customer satisfaction and achieve brand loyalty › Attract new customer segments 	<ul style="list-style-type: none"> › Continue communication with the clients › Realignment to cater to new customer segments and offer a competitive rate › Development of AI/chat bot-based customer service solution 	 
 <p>SO5 TO BECOME AN EMPLOYER OF CHOICE</p>	<ul style="list-style-type: none"> › Increase productivity and engagement of Employees 	<ul style="list-style-type: none"> › Placing the right people in the right place, establishing career planning with a competitive remuneration package › Invest in human capital by regular spending on local/foreign training & development program 	    
 <p>SO6 TO ENSURE PROPER CORPORATE GOVERNANCE & COMPLIANCE</p>	<ul style="list-style-type: none"> › Comply with all applicable laws and regulations and adopt ethical and transparent practices in every action 	<ul style="list-style-type: none"> › Process reengineering to meet regulatory issues › Improvement of rapport with all regulators 	  
 <p>SO7 LEADERSHIP IN SUSTAINABILITY</p>	<ul style="list-style-type: none"> › Benchmark in CO₂ emissions › Benchmark in specific water consumption › Value creation using Circular Economy business models › Move closer to net zero emission 	<ul style="list-style-type: none"> › Increasing investments in green financing to leave a good impact on the environment and to build a better future. › Increase EBITDA of business 	   

ECONOMIC OUTLOOK >>

GLOBAL ECONOMY NEAR-TERM RESILIENCE, PERSISTENT CHALLENGES

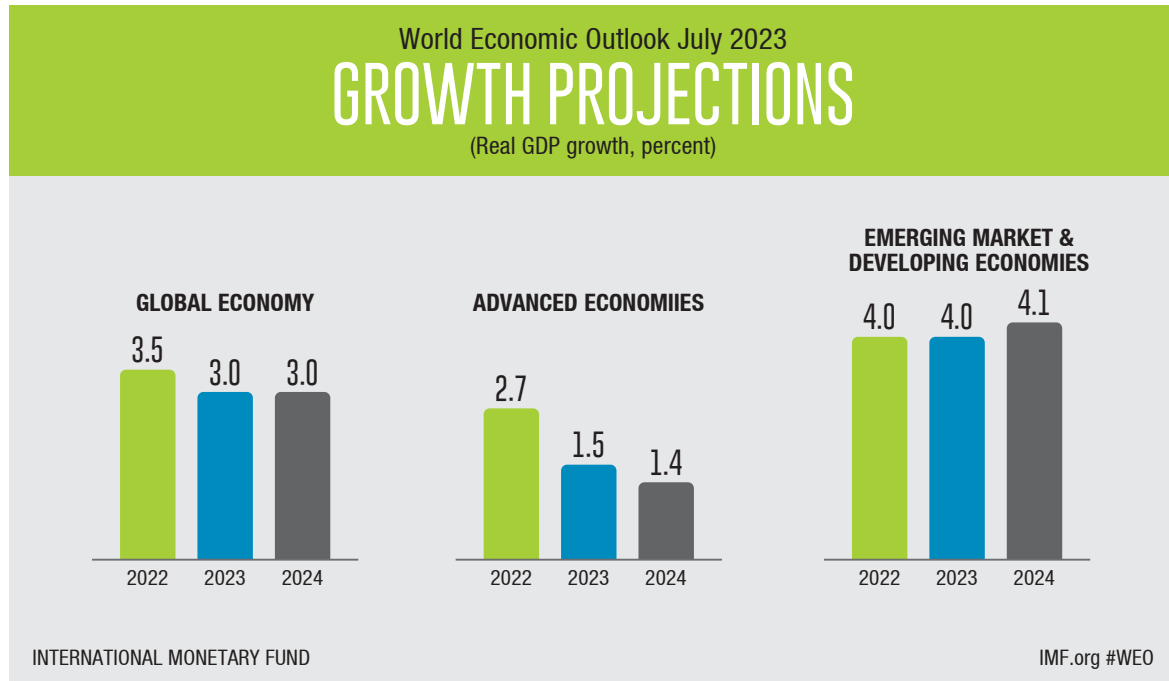
Global growth is projected to fall from an estimated 3.5 percent in 2022 to 3.0 percent in 2023 and 2024. While the forecast for 2023 is modestly higher than predicted in the April 2023 World Economic Outlook (WEO), it remains weak by historical standards. The global recovery from the COVID-19 pandemic and Russia's invasion of Ukraine is slowing amid widening divergences among economic sectors and regions.

The World Health Organization (WHO) announced in May that it no longer considers COVID-19 a "global health emergency." Supply chains have largely recovered, and shipping costs and suppliers' delivery times are back to pre-pandemic levels.

But forces that hindered growth in 2022 persist. Inflation remains high and continues to erode household purchasing power. Policy tightening by central banks in response to inflation has raised the cost of borrowing, constraining economic activity. The impact of higher interest rates extends to public finances, especially in poorer countries grappling with elevated debt costs, constraining room for priority investments. As a result, output losses compared with pre-pandemic forecasts remain large, especially for the world's poorest nations.



Despite these headwinds, global economic activity was resilient in the first quarter of 2023, with that resilience driven mainly by the services sector. At the same time, nonservices sectors, including manufacturing, have shown weakness, and high-frequency indicators for the second quarter point to a broader slowdown in activity. Amid softening consumption of goods, heightened uncertainties regarding the future geoeconomic landscape, weak productivity growth, and a more challenging financial environment, firms have scaled back investment in productive capacity. Monetary policy in many countries will need to curb inflationary pressures, while fiscal policy must prioritize health and social spending.



The fight against inflation continues.

Inflation is easing in most countries but remains high, with divergences across economies and inflation measures. Following the buildup of gas inventories in Europe and weaker-than-expected demand in China, energy and food prices have dropped substantially from their 2022 peaks, although food prices remain elevated. These developments and the normalization of supply chains have contributed to a rapid decline in headline inflation in most countries. Core inflation, however, has, on average, declined more gradually and remained well above most central banks' targets.

Acute stress in the banking sector has receded, but credit availability is tight.

Tight monetary policy continues to pressure some banks directly (through higher funding costs) and indirectly (by increasing credit risk). Bank lending surveys in the United States and Europe suggest that banks restricted access to credit considerably in the first quarter of 2023, and they are expected to continue to do so in the coming months. Corporate loans have been declining lately, as has commercial real estate lending.

For emerging markets and developing economies, growth is projected to be broadly stable at 4.0 percent in 2023 and 4.1 percent in 2024, with modest revisions of 0.1 percentage point for 2023 and -0.1 percentage point for 2024. However, this stable average masks divergences, with about 61 percent of the economies in this group growing faster in 2023 and the rest—including low-income countries and three of the five geographic regions described in what follows—growing more slowly.

Growth in emerging and developing Asia is on track to rise to 5.3 percent in 2023, then to moderate to 5.0 percent in 2024, reflecting a modest (0.1 percentage point) downward revision for 2024. The forecast for China is unchanged at 5.2 percent for 2023 and 4.5 percent for 2024 but with a change in composition: Consumption growth has evolved broadly in line with April 2023 WEO projections, but investment has underperformed due to the ongoing real estate downturn in that country. Stronger-than-expected net exports have offset some of the investment weakness, although their contribution is declining as the global economy slows. Growth in India is projected at 6.1 percent in 2023, a 0.2 percentage point upward revision compared with the April projection. This reflects momentum from stronger-than-expected growth in the fourth quarter of 2022 due to more robust domestic investment.

Core Inflation Declining More Gradually Than Headline Inflation

Global headline inflation is set to fall from an annual average of 8.7 percent in 2022 to 6.8 percent in 2023 and 5.2 percent in 2024, broadly as projected in April, but above pre-pandemic (2017–19) levels of about 3.5 percent. About three-quarters of the world's economies are expected to see lower annual average headline inflation in 2023. Monetary policy tightening is expected to dampen inflation gradually, but a central driver of the disinflation projected for 2023 is declining international commodity prices. Differences in the pace of disinflation across countries reflect different exposures to movements in commodity prices and currencies and different degrees of economic overheating. The forecast for 2023 is revised down by 0.2 percentage points, mainly due to subdued inflation in China. The forecast for 2024 has been revised upward by 0.3 percentage points, with the upgrade reflecting higher-than-expected core inflation.

RISKS TO THE OUTLOOK

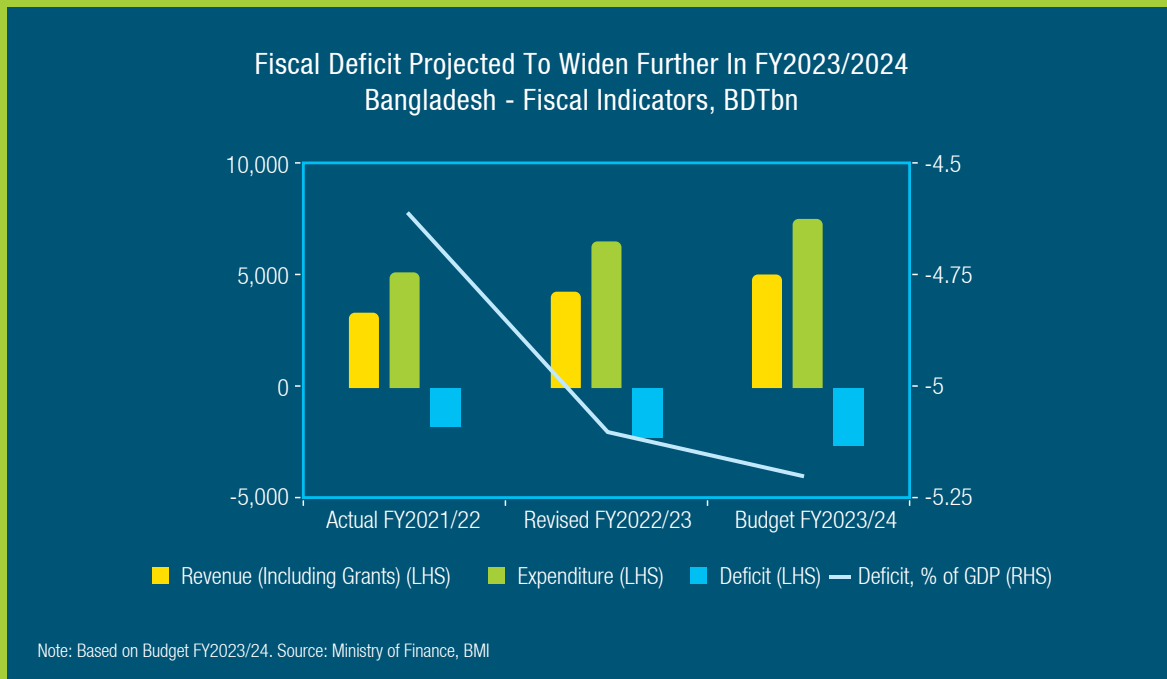
The balance of risks to global growth remains tilted downward, but adverse risks have receded since the publication of the April 2023 WEO. The resolution of US debt ceiling tensions has reduced the risk of disruptive rises in interest rates for sovereign debt, which would have increased pressure on countries already struggling with increased borrowing costs. The quick and robust action authorities took to contain banking sector turbulence in the United States, and Switzerland succeeded in reducing the risk of an immediate and broader crisis.

(Source International Monetary Fund | July 2023)

BANGLADESH ECONOMY

Capital Goods Import Restrictions, High-Interest Rates, and Fiscal Deficit to Weigh On Gross Capital Formation

Bangladesh's real GDP growth in FY2023/24 is forecasted at 5.4% y-o-y, up from 5.1% y-o-y in FY2022/23. The development will be supported by robust exports, which may be indicated to expand by 9.8% y-o-y (real terms) as the Bangladeshi taka remains on a depreciatory trend following the central bank's June 2023 decision to allow the currency to float freely. Undermining household purchasing power and fixed investment, high inflation will remain a drag on growth as forecast inflation to average 8.6% in FY2023/24. Fixed assets will be limited by the weakness of the taka and capital goods import curbs, which will pose headwinds to capital goods imports. The devaluation of the Bangladeshi taka will improve the country's export competitiveness and increase export growth. In the near term, comparatively high energy prices and currency weakness will keep inflation high, undermining household purchasing power and weighing on private consumption. Government consumption will be dampened by poor revenue collection and fiscal consolidation efforts. We expect that high interest rates and capital goods import restrictions will weigh on private-sector investment, and the need for budgetary consolidation will limit public infrastructure investment.



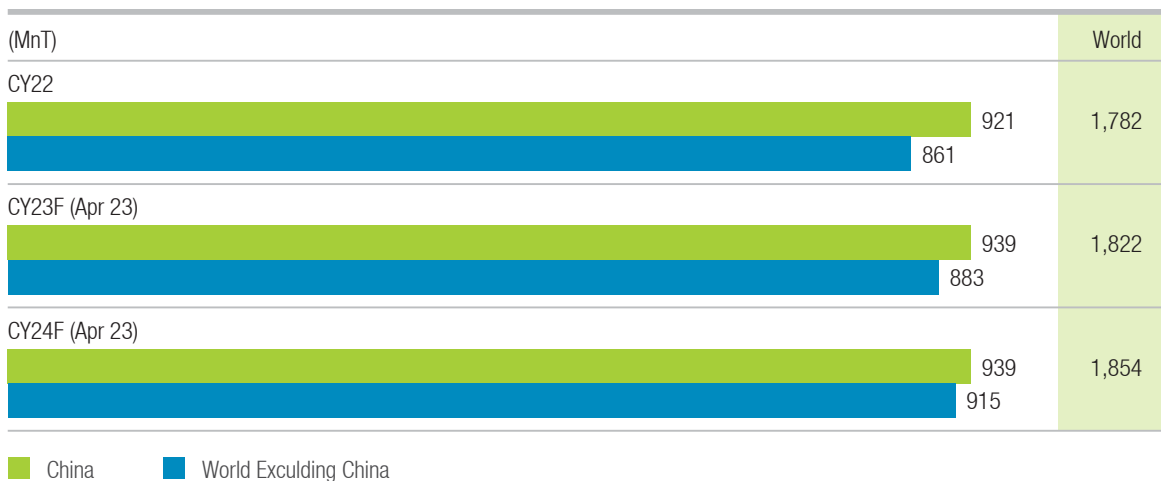
STEEL INDUSTRY

GLOBAL STEEL INDUSTRY

HIGH INFLATION CURBS DEMAND; SUPPLY FACES MARGIN PRESSURE

Global steel demand was impacted by high inflation and aggressive monetary policy tightening by major central banks, coupled with supply chain bottlenecks. In 2022, the developed economies experienced a significant decline in steel demand due to monetary tightening and surging energy expenditure. Following a substantial decrease of 6.2% during CY 2022, there is an anticipation of a modest rebound with a projected 1.3% increase in steel demand for CY 2023. Looking ahead to CY 2024, a more substantial recovery of 3.2% is expected. Further, the looming energy crisis in the EU led to weakened sentiment, aggravated by the fear of potential gas rationing in the absence of Russian supplies. China's steel demand contracted by 4% in 2022. In CY 2022, total crude steel production stood at 1,885 MnT, down 3.9% y-o-y, as steel producers reduced output in response to weak demand and weak margins due to falling steel prices and elevated raw material costs. The world's largest steel producer, China, recorded production of 1,018 MnT, a 1.6% y-o-y decline, and Japan's output fell 7.4% y-o-y to 89.2 MnT. This was partly offset by a 6.0% y-o-y increase in production to 125.3 MnT in India.

GLOBAL STEEL DEMAND TREND



TOP 10 CRUDE STEEL PRODUCTION COUNTRIES

Rank	Countries	2022 (MT)	2021 (MT)	% (2022/2001)
1	China	1,018.0	1,035.2	(1.6)
2	India	125.3	118.2	6.0
3	Japan	89.2	96.3	(7.4)
4	United States	80.5	85.8	(6.2)
5	Russia	71.5	77.0	(7.2)
6	South Korea	65.8	70.4	(6.5)
7	Germany	36.8	40.2	(8.4)
8	Turkey	35.1	40.4	(12.9)
9	Brazil	34.1	36.1	(5.8)
10	Iran	30.6	28.3	8.0

Source: World Steel Association

Improving outlook aided by infrastructure demand

China's re-opening, lower energy costs, and easing supply chain bottlenecks will likely lead to a ~2.3% increase (after the 2022 contraction) in global steel demand in CY 2023. Chinese steel demand is expected to grow by ~2% in CY 2023, aided by a marginal recovery in the property market. US orders are expected to grow moderately by ~1% in CY 2023, supported by the infrastructure sector following the 2021 Infrastructure Law and Inflation Reduction Act. A strengthening construction sector, easing supply chain and exports could boost steel demand in Japan and South Korea. Meanwhile, India's steel demand is on track with infrastructure investments and urban consumption driving demand for automobiles and capital goods.

STEEL PRICES

Weak prices owing to inventory build-up

The weaker-than-expected actual steel demand and increased inventory through the supply chain weighed on steel prices in 2022. While the Russia-Ukraine conflict temporarily lifted steel prices in early 2022, the prices corrected sharply from April/May 2022 onwards and stabilized towards the end of 2022. Prices are expected to remain stable, backed by Asian economies like China, Japan, and South Korea.





STATE-OF-THE-ART EQUIPMENT

By investing in state-of-the-art equipment, companies can maintain efficiency, optimize productivity, reduce costs, and gain valuable insight into customer behavior. This means having the latest software and hardware, and staying abreast of the latest trends.

HOW WE CREATE VALUE >>

VALUE CREATION

Our goal is to create long-term value for BSRM customers, employees, investors, stakeholders and society as a whole. We also work hard to minimize the negative effects of our operational activities on social issues and the environment.

BDT 115,061 MN
REVENUE ACHIEVED IN 2022-23

This section is devoted to value creation - over the next few pages, we will look in more detail at how we create value for our stakeholders.

HOW WE

C | R | E | A | T | E | V | A | L | U | E

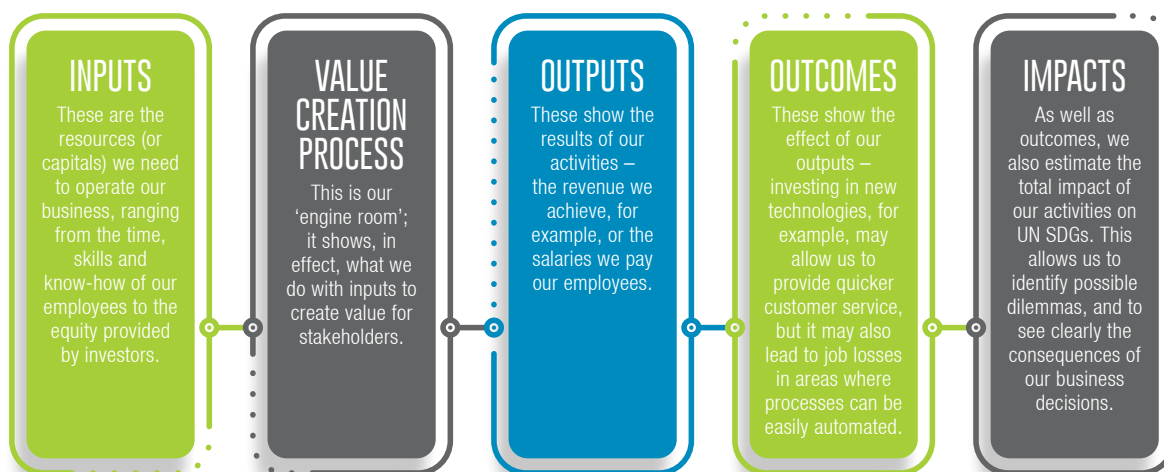
Value creation is central to our strategy. We create value in various ways – not just as a company but also as an employer. By producing steel, we support economic growth and job creation. We also provide solutions so that people can build their dreams.

OUR VALUE CREATION MODEL

Our value creation model (VCM) is intended to show the value creation process. VCM is based on the Framework the International Integrated Reporting Council (IIRC) published. The model uses the framework capitals – these capitals may be either increased or decreased due to the company’s activities. There are six capitals: financial, manufactured, intellectual, human, social, and natural. The VCM comprises inputs, outputs, outcomes, and impacts. Inputs relate to the resources we use to operate our business, work to the results of our business activities, and affect the consequences of these activities.

<IR> Capital	Definition
Financial	The funds for business activities may be obtained through financing actions or investments.
Manufactured	They manufactured physical objects, including plants and machinery, which may be purchased from other entities or internally generated.
Intellectual	Organizational, knowledge-based intangibles include intellectual property, patents, rights, and administrative capital like tacit knowledge, systems, and protocols.
Human	People’s competencies, capabilities, experience, and motivation to innovate.
Social and relationship	The institutions and relationships within and between organizations, communities, groups of shareholders, and other networks. This can include key stakeholder relationships, intangibles associated with reputation and brand, social norms, and values.
Natural	All renewable and non-renewable environmental resources and processes, including land, minerals, water, and biodiversity.

OUR VALUE CREATION MODEL COMPRISES FIVE SECTIONS.





WE HAVE A
**SUSTAINABLE
BUSINESS
MODEL**



Sustainability is part of BSRM's day-to-day as it is deeply embedded into the organization's thinking and acting. The company's suppliers and customers also bolster it, and it is a vital part of its integral strategy because it derives from its corporate culture and governance.

INTRODUCING OUR CAPITALS OUR ENGINES OF VALUE CREATION

Our multi-capital integrated approach defines our decision-making and disclosure practices. Communicating our business objectives using this approach helps our stakeholders identify the most significant levers for value creation and preservation.



FINANCIAL CAPITAL

At BSRM, our aim is to provide optimum returns to the providers of our financial capital. Our business processes are aligned to maximise surplus from business operations, relevant monetisation of assets and investments.

KPI 2022-2023	
Revenue (Million)	115,061
EBIDA (Million)	10,717.42
Return on capital employed (%)	6.29%
Contribution to National Exchequer (Million)	16,299

For more information see page 137



MANUFACTURED CAPITAL

We are continuously adopting the Best Available Technologies (BAT) to maintain and upgrade facilities in our integrated steel operations. This helps us in efficiency improvement, ensuring safety, Sustainability and reliability of our processes, products and solutions.

KPI 2022-2023	
Installed Capacity (M.Ton)	8,00,000
Rolling Production (M. Ton)	870,876
Capacity Utilization	109%
Sales of Own Product (M. Ton)	8,73,668

For more information see page 140



INTELLECTUAL CAPITAL

Research and innovation are key drivers for our operational efficiency, resource optimisation, sustainability and new product development. We continuously evaluate the existing needs and anticipate the future needs of our customers and implement this understanding in our product development strategy. We also collaborate with experts, academia, technology providers, research institutions, etc. to drive our R&D efforts.

KPI 2022-2023

R&D Spend (crore)	213
Patents Granted (nos.)	121
New Products Developed (nos.)	62

For more information
see page 146



HUMAN CAPITAL

Our human capital is our key business imperative. To drive performance excellence, we invest heavily in employee welfare and engagement activities. We regularly undertake skill development initiatives to align employees' skillset with evolving organisational requirements. We ensure a work culture that promotes safety, health, diversity, competency enhancement and overall wellbeing.

KPI 2022-2023

No. of Employee	1,932
Technical Strength	60%
Achieve Training Man-Hour	91,867
In-house Training Conducted	2357
Outside And Foreign Training Conducted	23
Employee with BSRM for more than 10 Years	29%
No. of Employee more than 25 years	84

For more information
see page 148



NUTURAL CAPITAL

Our raw material comprises various resources – iron scrap, natural gas, and other minerals. Besides, land and water are indispensable for our operations. We are conscious of our ecological footprint and are working relentlessly to optimize the use of the natural resources, restrict emissions and encourage circular economy.

KPI 2022-2023

Use Advanced Cooling Technologies for Recirculate Water to Conserve Water Consumption
Rainwater Harvesting
Export of used Refractory and APC Dust
Compliance with all Environmental Regulations
Installed Advanced Air Pollution Control Systems

For more information see page 158



SOCIAL CAPITAL

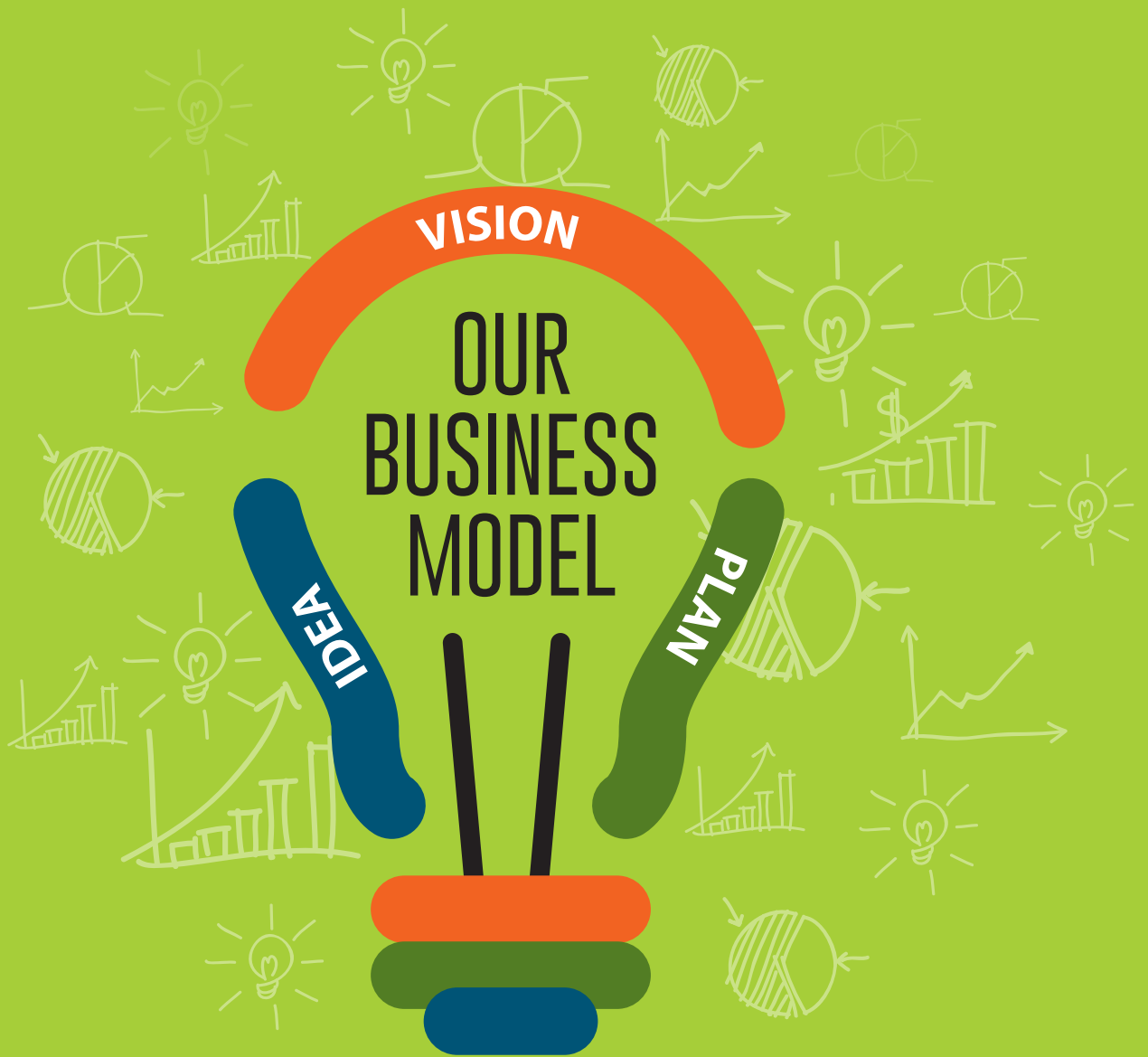
Our communities, customers and suppliers are critical to our business continuity and social license to operate.

We believe in building long-term, transparent and trust-based relationships with them through continuous stakeholder engagement and innovation.

KPI 2022-2023

Contributed for Autism School Multi Storied Building	TK 10 MN
Response to Flood Crisis (nos)	3000
Training Providing to Disable Children (nos)	3000
Job Training Provided to Transgenders (nos)	200
Free Medical Treatment Provided to Slams (nos)	1200
Tree Planted (nos)	20,000

For more information see page 160



The Business Model is a comprehensive exploration of the intricate mechanisms and workings that power our operations. As we navigate through the model, you will gain insights into the core elements of our operations, a dynamic fusion of cutting-edge technology, sustainable practices, and a relentless commitment to excellence. From the raw materials sourcing to the delivery of high-quality steel products, each step is meticulously composed to ensure efficiency, environmental responsibility, and customer satisfaction.



FINANCIAL CAPITAL

Market Capitalization
Capital Employed
Debt



MANUFACTURED CAPITAL

Plant Capacity
Installed Melting Capacity
Safety at Workplace
Shopfloor Training
Plant & Machinery



INTELLECTUAL CAPITAL

Royalty
Research & Development
Technological Innovation
Adoption of New Software



HUMAN CAPITAL

Employee Salaries and Benefits
Employee Training & Development
Employee Well-being
Employee empowerment
Succession planning
Diversity Equity and Inclusion



SOCIAL AND RELATIONSHIP CAPITAL

Community and Social Development
Stakeholder Engagement



NUTURAL CAPITAL

Zero-waste mindset
Responsible use of Scare Resources
Biodiversity and Eco-system Preservation

EXTERNAL ENVIRONMENT

GOVERNANCE



OUR VISION

- 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 VALUES

- SUSTAINABLE GROWTH
- QUALITY
- RELIABILITY
- TRUST
- LEADERSHIP
- SOCIAL RESPONSIBILITY
- CUSTOMER SATISFACTION



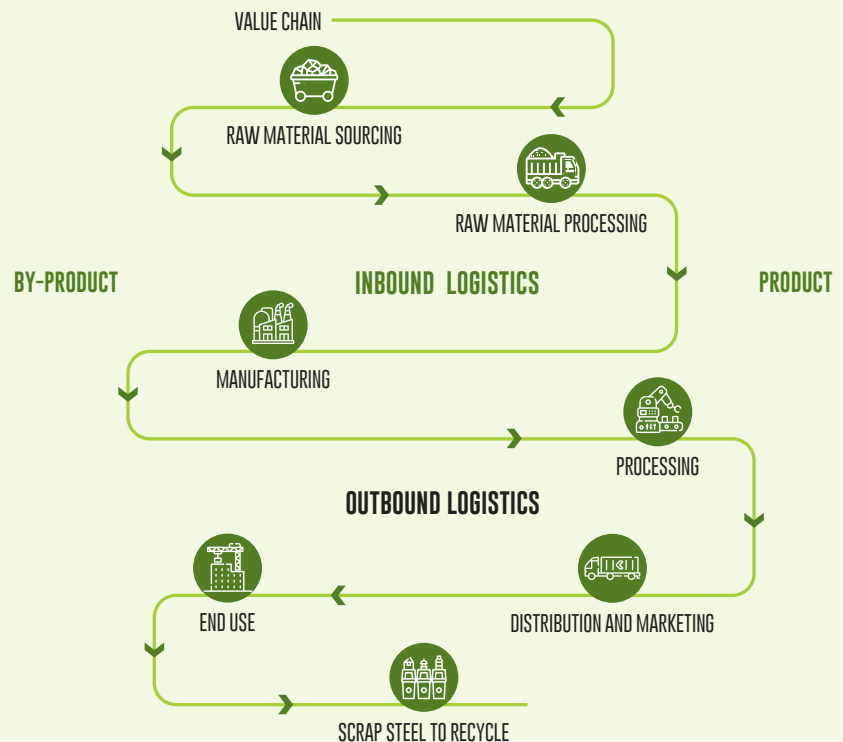
OVERALL STRATEGIC OBJECTIVES

- To Produce High-Quality Steel Products
- To Reduce the Cost of Production
- To Optimize Production Capacity
- To Ensure Maximum Satisfaction of the Customer
- To Recruit and Develop Workforce
- To Ensure Proper Corporate Governance & Compliance
- To Ensure Value Creation for the Shareholders

STRATEGY AND RESOURCE ALLOCATION

PERFORMANCE

ACTIVITIES ACROSS THE VALUE CHAIN



RISK MANAGEMENT

GROWTH DRIVERS



INTEGRATED VALUE CHAIN FOR BEST QUALITY PRODUCTS



FOCUSSED CAPACITY EXPANSION THROUGH INNOVATION



COMMERCIAL SUCCESS



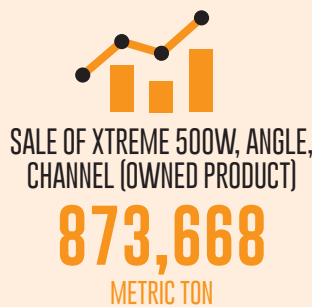
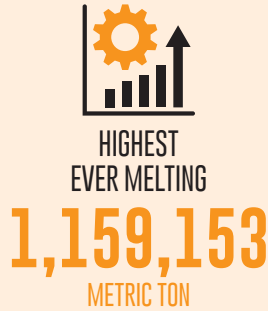
CUSTOMER & SUPPLIER PARTNERSHIP



STRONG BALANCE SHEET



SUSTAINABLE GROWTH



FINANCIAL CAPITAL

Net Revenue: **115,061 MN**
EBITDA: **10,717 MN**
Profit After Tax: **2,914 MN**
Contribution to National Exchequer: **16,297 MN**

For more information See page 137

MANUFACTURED CAPITAL

Highest Ever Production of Steel: **870,876 METRIC TON**
For more information See page 140

INTELLECTUAL CAPITAL

Royalty Payment Tk.: **86.61 MN**
Software Cost: **63.81 MN**
For more information See page 146

HUMAN CAPITAL

Employee Benefit Cost Tk.: **2091 MN**
Employee Training Hours: **91,867**
For more information See page 148

SOCIAL AND RELATIONSHIP CAPITAL

CSR Expenditure Tk.: **159.68 MN**
For more information See page 160

NATURAL CAPITAL

Climate Action
CO₂ Emission Control
Reduction of wastage through monitoring
Conserve Water Resources
Air Pollution Control
APC Dust Export

For more information See page 158

FINANCIAL CAPITAL



MANUFACTURED CAPITAL



INTELLECTUAL CAPITAL



HUMAN CAPITAL



SOCIAL AND RELATIONSHIP CAPITAL



NATURAL CAPITAL



Quality control methods help create a safe work environment, ensure product quality and the overall success of a business. It influences employees' attitudes about the workplace and creates a sense of ownership of the products and company.

STRONG QUALITY CONTROL



ADVANCING SUSTAINABLE GROWTH >>

At BSRM, we continue to develop innovative solutions and breakthrough technologies across the steel value chain by leveraging our strengths and collaborating with research and industrial organizations.

Our sustained success is attributed to our capability to strike the optimal balance between growth and sustainability. We prioritize integrated thinking, ensuring each of our capitals works harmoniously to foster long-term value creation for all stakeholders. This approach has played a pivotal role in ensuring the economic sustainability of our organization.

INTEGRATED APPROACH TO VALUE CREATION

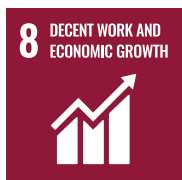
- FINANCIAL CAPITAL
- MANUFACTURED CAPITAL
- INTELLECTUAL CAPITAL
- HUMAN CAPITAL
- NATURAL CAPITAL
- SOCIAL AND RELATIONSHIP CAPITAL



FINANCIAL CAPITAL

Our financial capital includes the value we add to society through paying taxes to governments, dividends to investors, and salaries and benefits to employees. Beyond this, our profits allow us to reinvest in growth, innovation, and customer service improvement.

SDGs IMPACTED



FY 2022-23 PERFORMANCE

KEY INPUT

103,961 MN

Total Assets Employed

53,793 MN

Debt

1,868 MN

Cash & Cash Equivalent

KEY OUTPUT

44.22%

Growth in Consolidated Net Revenue

6.29%

Return on Capital Employed

16,299 MN

Contribution to the National Exchequer

746 MN

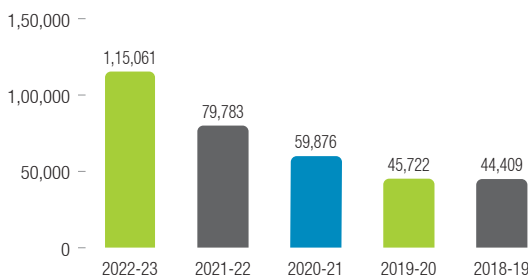
Dividend

MANAGEMENT APPROACH

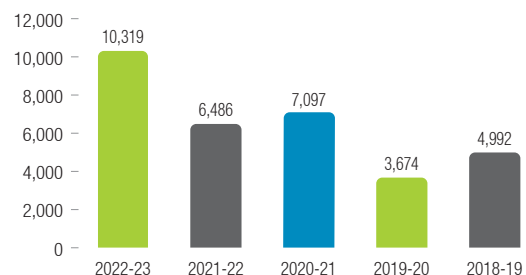
We focus on effectively managing foreign exchange, cash, investments, and debt, enabling us to optimize the allocation of our financial capital. This approach empowers us to strategically deploy resources, unlock new opportunities, and drive sustainable value creation. Deleveraging is a crucial priority, where we utilize internal cash flows to reduce our debt. We have aligned our debt maturity profiles with cash-generating operations, maximizing interest cost savings and maintaining desired liquidity levels.

FINANCIAL PERFORMANCE

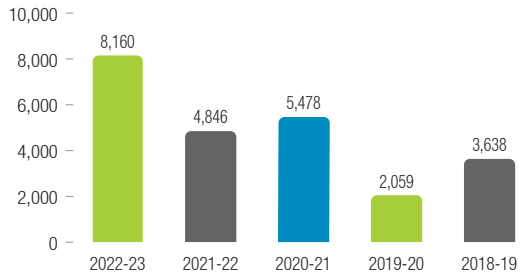
Net Revenue



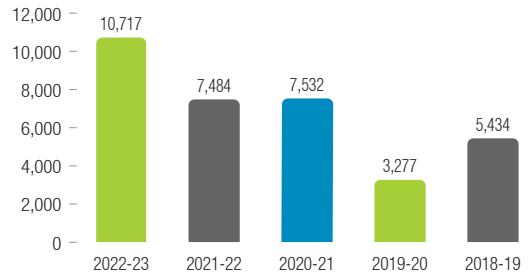
Gross Profit



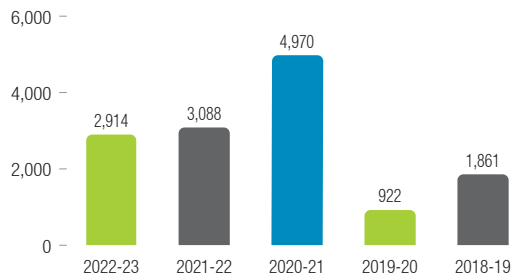
Profit form Operating Activities



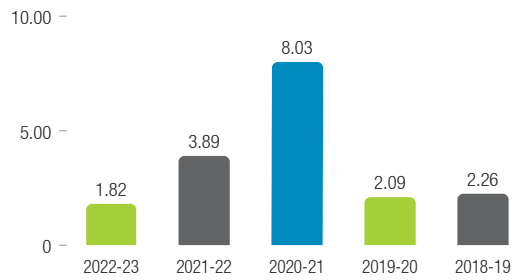
Profit before Interest, Taxes & Depreciation Allowances



Profit after Tax

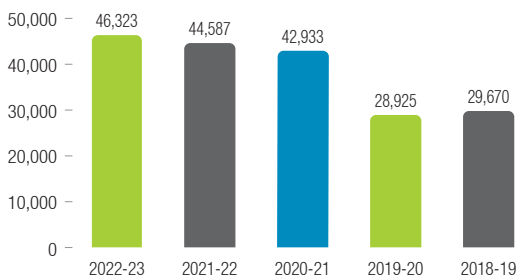


Interest Coverage Ratio

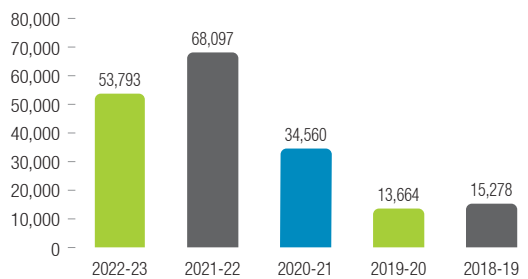


FINANCIAL POSITION

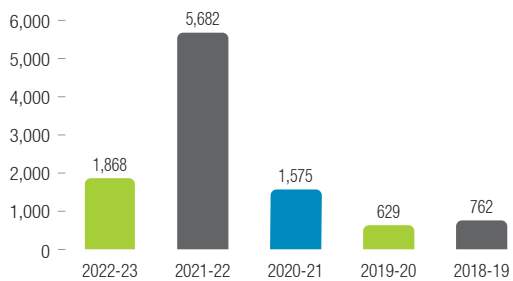
Total Asset Employed



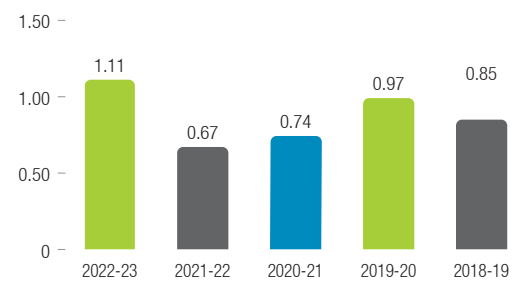
Total Debt



Cash & Cash Equivalents



Total Asset Turnover Ratio (TIMES)

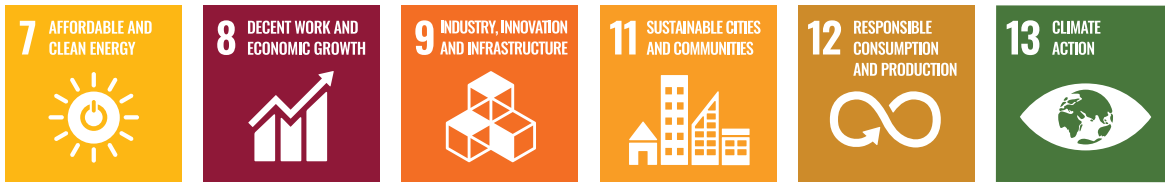




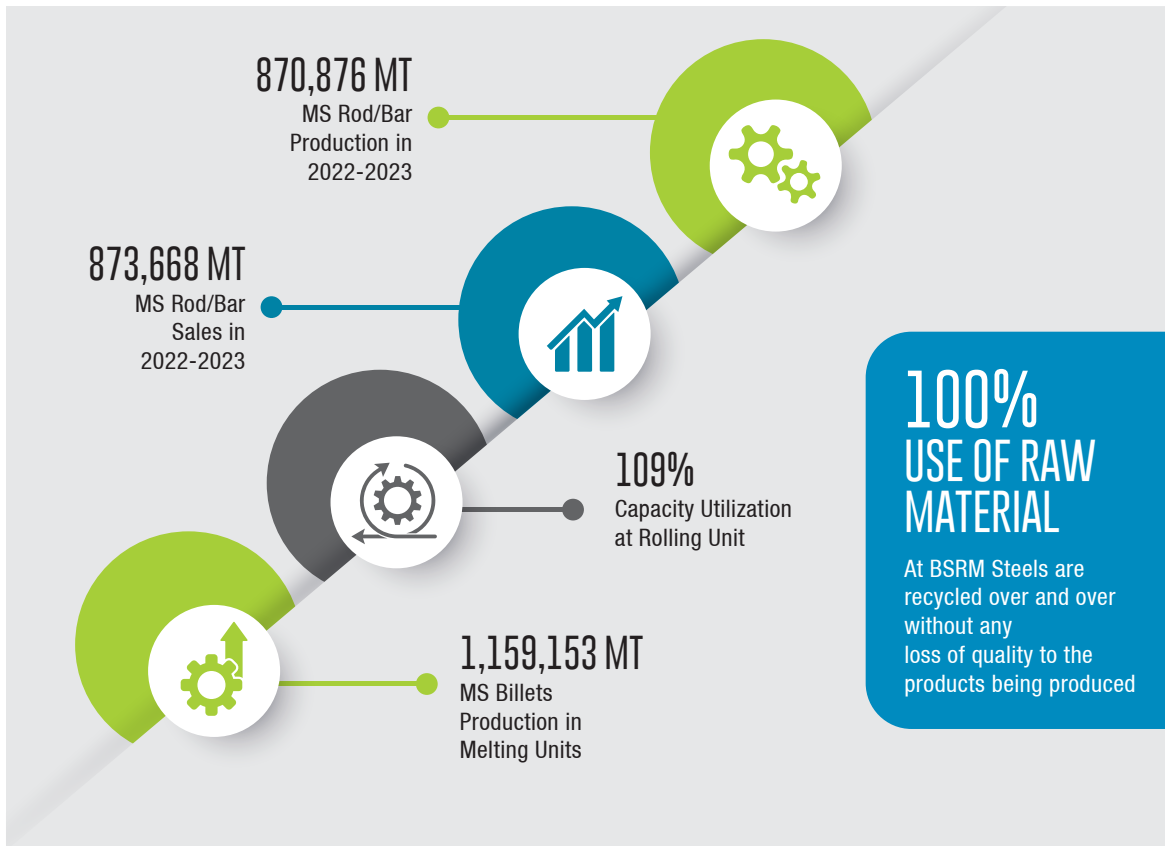
MANUFACTURED CAPITAL

BSRM strives to achieve excellence in Melting and rolling production, warehouses, and logistics facilities for our stakeholders. We are investing consistently in augmenting our capacities through organic routes and reinforcing BSRM's leadership in the industry. Our integrated operations and continuous efficiency-enhancing efforts are helping us remain cost-competitive in the markets.

SDGs IMPACTED



PERFORMANCE



OVERVIEW

Liquid Steel is produced using an Electric Induction furnace (EIF) where scrap is the primary input, and melting does not require carbonaceous material (Electrode/CPC/Met. Coke), Oxygen, or fluxes. Consumption of refractory is also less, resulting in reduced generation of dust, gas smoke, noise, and waste residue.



After melting scrap and DRI, the liquid steel is shifted to a ladle refining furnace for further refining and controlling/homogenizing its chemistry and temperature, which is then converted into continuously cast steel billets. These billets are then hot rolled (Rolling mill with water quenching facility) into different Rebar/Angle /Channel/Square bar sizes. Re-bars are further sent for Epoxy coating and to the bar service center for a customized process.

BSRM strictly adheres to its philosophy and commitment to producing and delivering quality products to its valued customers, continuous improvement, and practicing clean, safe, environment-friendly steel making.

KEY HIGHLIGHTS (2022-2023)

Rolled product volume
Increased by **3.9%** compared to FY 2021-2022.

Participated in “Voluntary Climate Programme, 2023,”
organized by the World Steel Association benchmarking system.

REDUCING WATER CONSUMPTION 3RS



REDUCE



REUSE



RECYCLE

Water consumption per MT has been reduced by **15.6%** in
our melting units compare to last financial year.

Added one induction furnace and additional
strand (4th) in the continuous casting machine for volume increase.

Induction furnace slag processing increased by **2.85%**
compared to FY 2021-2022.

About **4%** of metallic (recyclable) recovered from induction furnace processed slag

Reduced Power consumption by **1% per MT & Water 15.6% per MT**
in our melting unit compared to FY 2021-2022

Reduced natural gas consumption by **5.9% per MT** and **18.25% per MT**
in our rolling and melting units respectively compared to last year (2021-2022)

HIGHEST SALE QTY OF EPOXY COATED BAR AND RIBBED WIRE IN FY 2022-2023



**TOTAL
PRODUCTIVE
MAINTENANCE**
BSRM

**TOTAL PRODUCTIVE
MAINTENANCE CONCEPT ADOPTED
BY ALL THE MANUFACTURING UNIT
TO ACHIEVE THE EXCELLENCE**

Highest production and dispatch of welded wire mesh and bulk quantity dispatched to Matarbari coal based power plant project.

Achieved highest coupler selling and bar threading production in FY 2022-2023

LABORATORY EXCELLENCE

OVERVIEW

BSRM ensures quality at every step, from the input of raw material (examining the radioactive substances of scrap and specific quality requirements of other consumables) during manufacturing to the final product delivered on site. It can produce the country's best structural product with a highly automated plant and continuous checks at every level. The qualified and experienced quality team is equipped with modern testing facilities to ensure that the products meet stringent norms and quality standards.

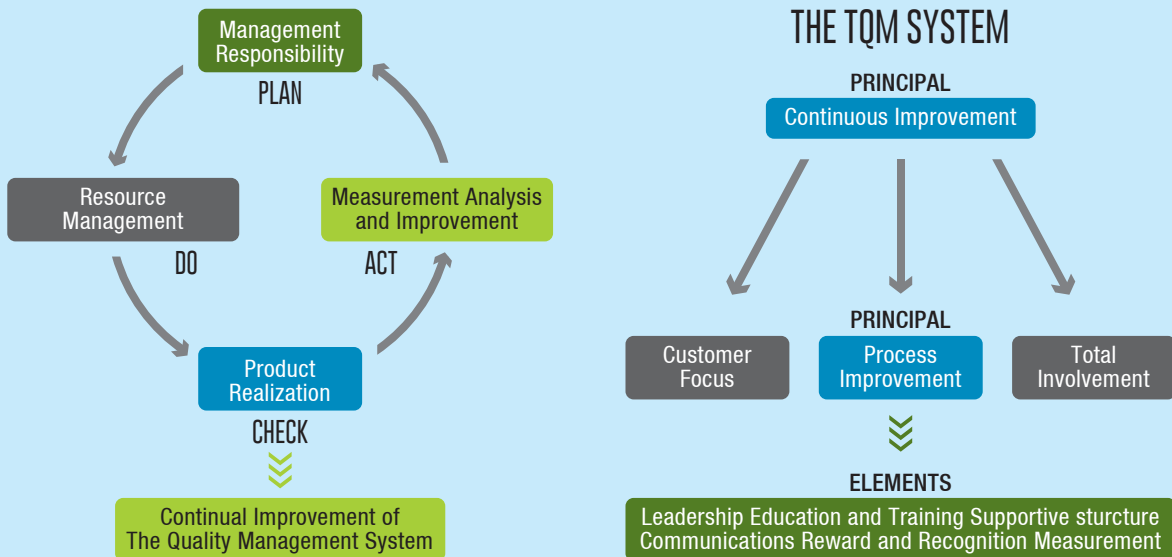
LABORATORY FACILITIES

- Wet Chemical analysis for testing of various consumables and by-products
- Spectrometer for quick and accurate chemical composition testing of steel
- Macro testing for checking the internal soundness of billets
- Universal testing machine for mechanical testing of finished products
- Bend testing machine
- Impact Testing Machine
- Metallurgical Microscope to check martensitic ring and microstructure.
- Various dimension and weight-checking instruments

QUALITY MANAGEMENT

The entire Quality Management passes through four levels:

- Inspection of raw material
- Control over the process of production
- Assurance--- Inspection, correction, and investigation to find the cause of the problems and take action to prevent errors from re-occurring.
- Total Quality Management (TQM)



PLAN: Establish the objectives and process necessary to deliver precise results per the Customer's requirements and the organization's policies.

DO: Implement the process.

CHECK: Monitor and measure processes and products against policies, objectives, and requirements of the product to ensure strict adherence to them and detailed reporting of the results.

ACT: Take action to improve process performance continuously.

KEY HIGHLIGHTS

- No genuine quality complaints were reported in the last two financial years.
- Only BSRM has the mechanical testing facility of 50mm dia rebar in Bangladesh, and support is also being provided to our customers.
- Calibration of all equipment as per defined procedures is ensured.
- BSTI approves steel for concrete reinforcement (Ribbed Bar).
- BSRM rolled products are approved by the Bureau of Indian Standards for sections and rebars.
- BSRM is an approved manufacturer of steel plates, Strips, sections, and bars for grade A with a maximum thickness of up to 160mm and 10mm, respectively, for semi-finished & rolled products by Lloyd's Register

Sl. No.	Product	Sizes(mm)	Brand Name	Grade (MPa/Ksi)	Conforming Standard
1	Rebar	8 to 50	BSRM XTREME 500W	500 MPa	ISO 6935-2:2016, IS:1786, ASTM A615, BS 4449:2008
			BSRM XTREME B500DWR	500 MPa	ISO 6935-2:2016, IS 1786
			BSRM ULTIMA 420DWR	420 MPa	ASTM A615, ISO 6935-2:2016
			BSRM MAXIMA 80G	80 Ksi	ASTM A706, ASTM A615, ISO 6935-2:2016
2	Epoxy coated Rebar	8 to 50	BSRM CENTURA	420 MPa, 500 MPa, 80 Ksi	ISO 14654, ASTM A775, IS:13620
3	Square Bar	10 & 12	BSRM Square Bar	415 MPa	ISO 630-3, ISO 1035-2, ISO 1035-4
4	Angle	3-12mm thickness	BSRM XTRONG 345 (25X25, 35X35, 50X50, 65X65, 75X75, 90X90 & 100X100)	345 MPa	ISO 630-3, ISO 657-1
5	Channel	75X40X5, 100X50X5, 125X65X6	BSRM Channel	345 MPa	ISO 630-3, ISO 657-11
6	Ribbed Wire	4.5, 6 & 7	BSRM Wires B500AWR	500 MPa	ISO 6935-2, ASTM A1064
7	Cut & Bend Rebar	As per Drawing	BSRM FastBuild Service	420 MPa, 500 MPa, 80 Ksi	ACI 315:99, ACI 117, ACI 318, BNBC
8	Wire Mesh	Standard-- 6X2.4meter & 6X2meter Customized-- minimum 2X1.2meter	Mesh	500AWR & 500CWR	ISO-6935-3

BSRM RECEIVED THE 'NATIONAL PRODUCTIVITY AND QUALITY EXCELLENCE AWARD 2021' UNDER THE 'LARGE INDUSTRY CATEGORY'



BSRM received the 'National Productivity and Quality Excellence Award 2021' under the 'Large Industry Category (Steel and Engineering)' for increasing productivity and achieving excellence in manufacturing quality products. BSRM is honored to receive this prestigious award and will continue to take such initiatives to build a better and safer nation.



INTELLECTUAL CAPITAL

INNOVATING FOR GOOD

Our intangible and knowledge-based assets make up our intellectual capital. Everything from our people's knowledge of protocols, procedures, divisions, and customers to the innovations we develop to meet customer needs and improve our processes and services to add value to society.

SDGs IMPACTED



OVERVIEW

Innovation is at the heart of all we do at BSRM. We endeavor to emerge future-ready by integrating sustainability as a business priority. To enhance efficiency and execution, we have accelerated the use of digitalization.

Intellectual capital is the foundation of BSRM's competitive advantage and long-term expansion within the steel manufacturing sector. This section overviews the organization's intellectual capital, including human, structural, and relational capital.

HOW WE DEVELOP OUR INTELLECTUAL CAPITAL

Our highly qualified and devoted personnel is the foundation of our intellectual capital. Our staff members, from metallurgists and engineers to professional operators and support personnel, bring a wealth of knowledge and experience. Key highlights of our human capital include:

- A workforce with higher industry experience, fostering deep domain knowledge.
- We prioritize doing business in a way that upholds the highest ethical standards, constantly keeping in mind that our values determine who we are as individuals and as a company. We support integrity, respect, cooperation, empowerment, and resolve matters. Since 2011, the BSRM Vision and Values has recognized employees who have led or participated in projects that have contributed to the firm in terms of culture, competition, finances, innovation, or sustainability as part of its annual accomplishment awards.
- Robust training and development programs ensuring continuous skill enhancement and adaptability to evolving industry standards.
- Employees are encouraged to contribute their knowledge and ideas to operational excellence in a culture that values safety and innovation (BSRM developed rolling of rebar 3X16 (2X16 earlier) in the previous financial year, which reduces power consumption by 5 to 6 KWH/Mt.).

STRUCTURAL CAPITAL:

Our structural capital comprises various resources and infrastructure that support our steel production processes' creativity, effectiveness, and quality. Key elements of our structural money include:

- Proprietary production techniques and steelmaking technology that enhance product quality and minimize waste.
- State-of-the-art knowledge management systems enable the capture, storage, and dissemination of critical data and best practices throughout the organization.

RELATIONAL CAPITAL:

We have cultivated strong relationships with key stakeholders, enriching our intellectual capital through collaboration and knowledge sharing. Some highlights in this category include:

- Long-standing partnerships with trustworthy suppliers ensure a continual supply of high-quality raw materials.
- Customer-centric approach resulting in enduring relationships with clients who value our consistent quality and timely deliveries.
- Collaborative research and development initiatives with local universities and industry associations, enabling access to cutting-edge technologies and market insights.

INNOVATION AND RESEARCH:

Our commitment to innovation is a testament to our intellectual capital's vibrancy. Recent achievements in this area encompass:

- Ongoing research and development programs focused on improving product quality, reducing environmental impact, and enhancing operational efficiency.
- Rigorous intellectual property protection strategies to safeguard our innovative breakthroughs.

OPERATIONAL EFFICIENCY:

We continuously harness our intellectual capital to optimize operations and reduce costs. Key elements in this regard include:

- Robust lean2lead programs applied across all operational areas, resulting in notable efficiency gains and cost reductions.
- Integrating advanced data analytics and machine learning tools to optimize production scheduling and maintenance.
- Implementing best practices, driven by knowledge sharing, leads to process improvements and waste reduction.

BSRM recognizes that its intellectual capital is the cornerstone of its success. We are committed to nurturing, expanding, and leveraging our human, structural, and relational capital to maintain our competitive edge, drive innovation, and contribute positively to steel manufacturing.

BSRM WINS THE BANGLADESH INNOVATION AWARD 2023



BSRM Slag – “REUSABILITY OF WASTE” wins the Bangladesh Innovation Award 2023 in two categories–

1. **The Most Innovative Environmental Solution**
2. **The Best Innovation – SDG Inclusion Award**

The Project is about recycling Waste Product Slag into usable construction material. Slag-made products are eco-friendly.



HUMAN CAPITAL

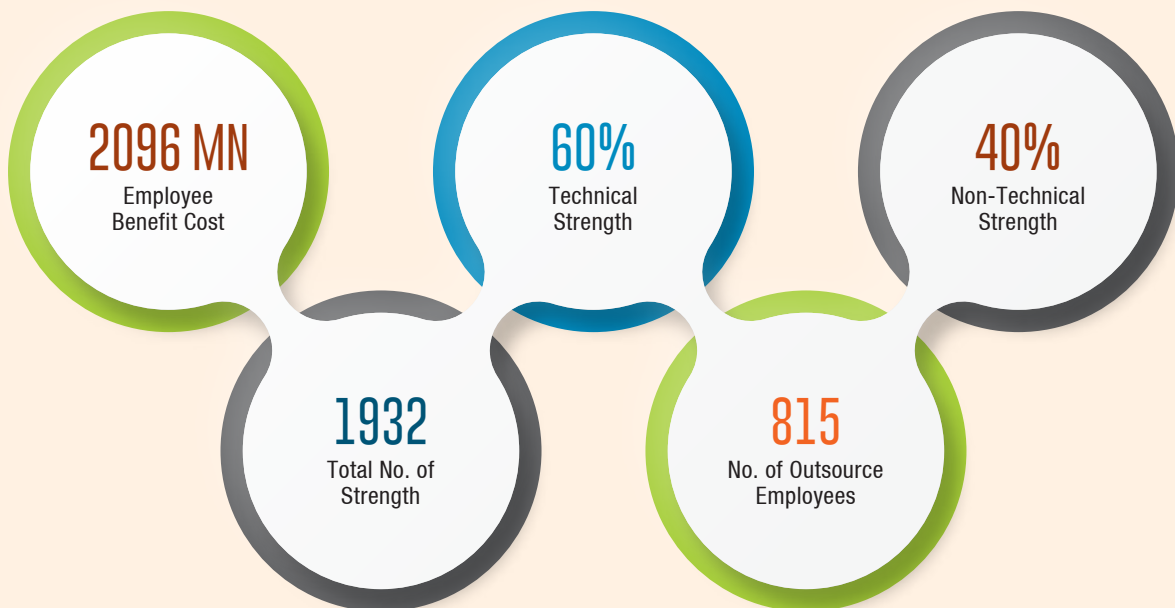
BUILDING A CULTURE OF CARE

We believe profoundly that our people are the heart and soul of our organization. Strengthening our human capital is vital to our growth strategy, achieved by offering an inclusive, fair, and safe workplace that empowers employees through learning and development initiatives.

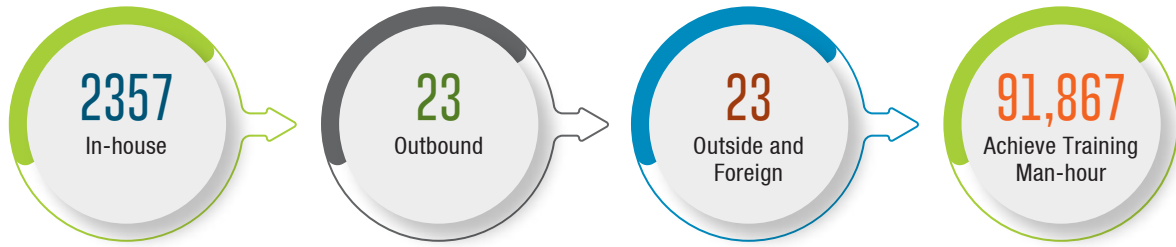
SDGs IMPACTED



FY 2022-23 PERFORMANCE



NO. OF TRAINING CONDUCTED:



OUR APPROACH

We believe in empowering our employees with a sense of ownership as we strive to create a culture to become the preferred employer in our industry. We are committed to fostering a supportive, inclusive work environment where every employee feels valued, secure, connected, and treated with respect and empathy.

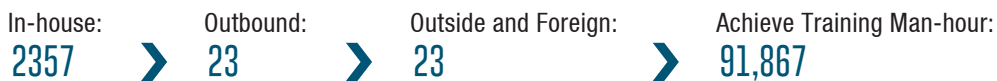
COMPETENCY-BASED RECRUITMENT

We always welcome candidates from different disciplines with adequate experience to join us. Our HR team works hard to search for talent for a role based on the required competencies. We are an equal-opportunity employer where candidates are judged on their ability to perform specific jobs. Our unbiased approach makes us an 'Employer of Choice.' We aspire to select people aligned with our vision and values and make them a key factor for success in business transformation and change processes.

LEARNING & DEVELOPMENT

To nurture talent, we believe institutionalizing a learning culture positively helps the organization's safety, sustainability, quality, and productivity. Our Learning and Development activities are systematic and organized and ensure that individual training needs are well-defined, understood, and catered to. Frequent training, local and abroad, are provided to confirm adequate development opportunities for all our people.

NO. OF TRAINING CONDUCTED:



TRAINING PROGRAM



PERFORMANCE BASED CULTURE

Our KPI-based performance management system helps people to be accountable for their roles and analyses their improvement areas that need further development. It helps us to identify high performers for more prominent roles within the group. HR team strives to maintain a performance-based culture, recognizing critical positions, finding possible successors, and helping them develop for future leadership.

We have a structured Succession Planning program to systematically identify and nurture the organization's talents and have successors ready for critical roles within the organization to minimize risks in smooth operation and future business growth.

HR PROCESS AUTOMATION

To reduce manual intervention in the HR process of our employees and offer better HR experience, we have introduced world-renowned HR software 'SAP SuccessFactors in BSRM. By enabling this modern HR software, people can access their HR database and relevant portals from anywhere, anytime. This helps employees to see individual career paths in the organization. It enables them to have accurate time reports and data analytics on a dashboard.

EMPLOYEE RETENTION

We are proud that people stay with BSRM for its culture of respect, work environment, scope of career progression, long-term service benefits, etc.

Employees with us for more than 10 Years

29%

No. of employees more than 25 Years

84 PERSONS

True motivation comes from achievement, personal development, job satisfaction, and recognition. We believe that when people are financially invested, they want returns, but when people are emotionally invested, they want to contribute. We have maintained a low employee turnover over the years by engaging our employees and ensuring they have a sense of ownership towards our organization.

For details on Human Capital, please see Page 240 Under Social of ESG Report

PRIORITISING SAFETY

HEALTH AND SAFETY

BSRM promotes high health and safety standards to ensure a healthy, safe, and secure workplace. Securing sustainable business practices is crucial to maintaining H&S for our employees and society. Ensuring well-being and a sustainable work-life balance will empower employees to perform in their roles and make BSRM an attractive employer.



BSRM'S AMBITION IS ZERO FATALITIES IN OUR OPERATIONS AND WAREHOUSES NATIONWIDE.

We continuously seek to improve and define relevant measures to improve our health and safety performance to reach our long-term objective. Focusing on our quality reporting is critical for BSRM, and we have implemented a revised set of key performance indicators (KPIs) to ensure quality reporting internally and externally.

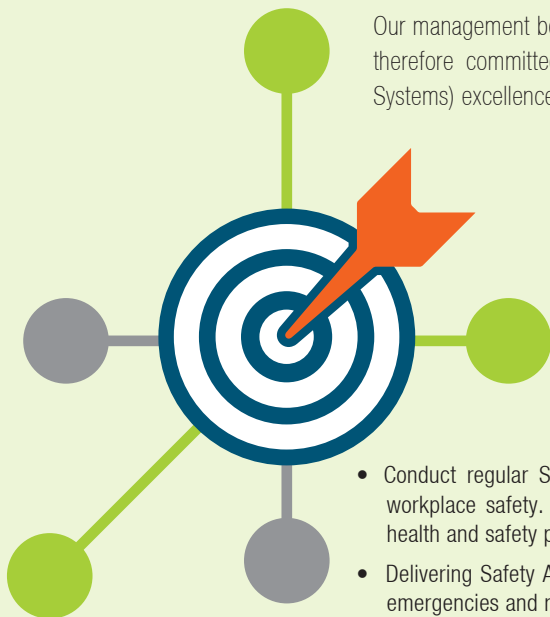


The company is focused on continuously improving HS&S parameters to establish a safe and healthy work environment by demonstrating its strong leadership commitment to people.

HSE POLICY SCHEME

BSRM is committed to achieving excellence in Health and Safety by providing and maintaining safe and healthy working conditions. Management is firmly devoted to the policy, enabling all work activities to be carried out safely and with all possible measures taken to remove (or at least reduce) risks to the health, safety, and welfare of workers, contractors, authorized visitors, and all other stakeholders.

Our management believes that all workplace injuries and occupational diseases are preventable. We are therefore committed to setting a culture of OHSMS (Occupational Health and Safety Management Systems) excellence in the organization that will result in an accident-free and healthy workplace.

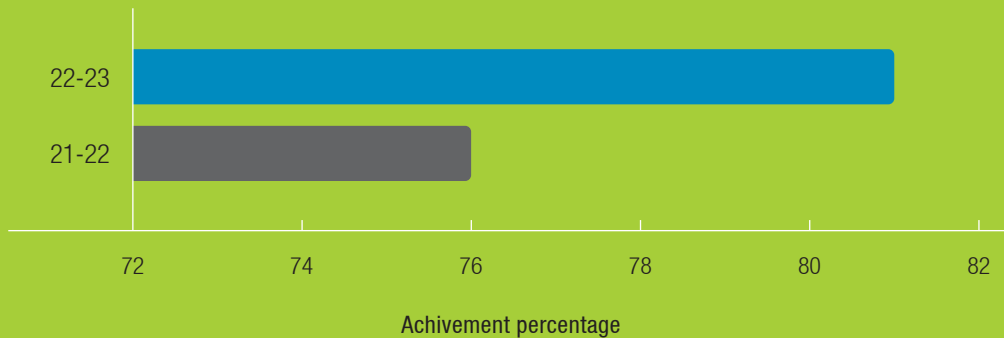


HSE GOALS & ACHIEVEMENT

- Conduct regular Safety Committee meeting, which is believed to be a driving force in guaranteeing workplace safety. The dedicated safety team actively shapes, executes, and oversees the company's health and safety policies and procedures.
- Delivering Safety Awareness Training at the plant level (on-site) to enhance employee preparedness for emergencies and reduce workplace hazards.
- Use Safety Observation Targets (SOT) and Safety Observation Resolutions (SOR) to enhance safety culture by identifying and addressing potential hazards and unsafe behaviors, contributing to a safer workplace.
- Using LTAR (Lost Time Accident Rate) and SR (Severity Rate) as key safety metrics to measure and mitigate accidents. By monitoring these rates and implementing proactive safety measures, organizations can identify trends, reduce accident occurrences, and enhance workplace safety.
- Monitoring Health, Safety, and Environmental (HSE) conditions to ensure compliance with site HSE rules involves regularly assessing the workplace environment, processes, and practices to ensure they align with established safety and environmental guidelines. This proactive approach helps identify potential violations, hazards, or deviations from safety protocols, allowing corrective actions to be taken promptly to maintain a safe and environmentally responsible work site.
- Utilizing Hazard Identification & Risk Assessment (HIRA) as a continual improvement tool is a proactive approach to maintaining a safe workplace. By regularly identifying potential hazards and assessing associated risks.
- Improving the reporting of unsafe conditions, unsafe acts, near misses, and first aid incidents to reduce further consequences and enhance workplace safety.

Achieving safety goals is a critical objective for BSRM committed to maintaining a safe and healthy work environment.

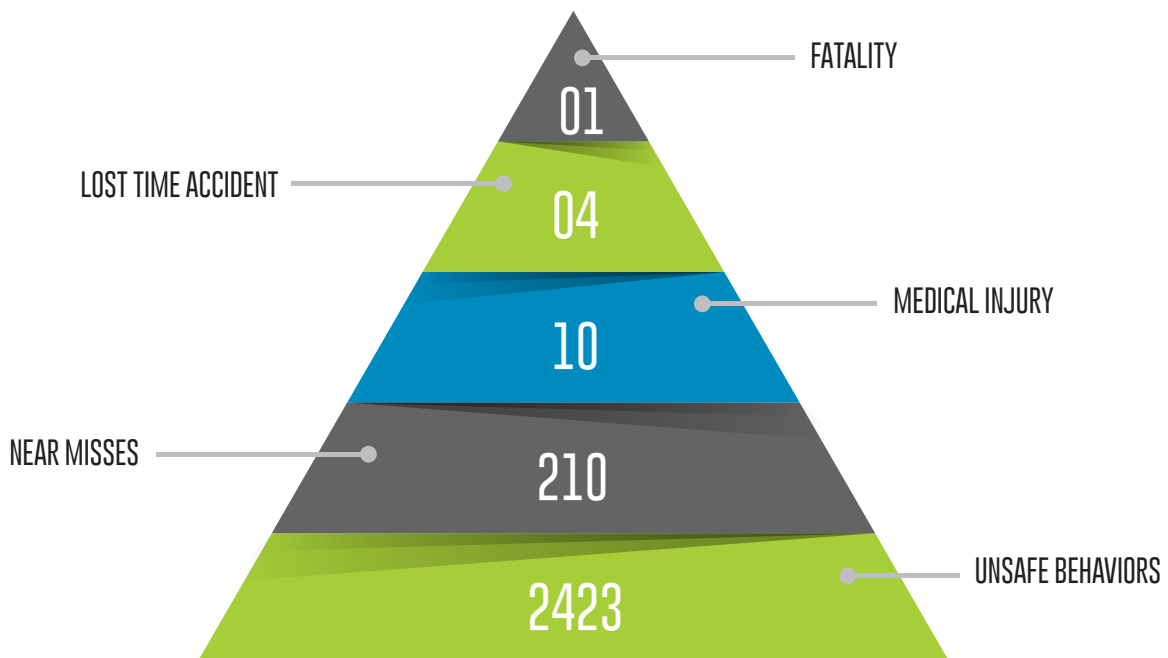
GOALS ACHIEVEMENT (FISCAL YEAR)



**This figure shows the last 02 fiscal years' improvement in achieving HSE goals

FOCUS ON SAFETY KPI.

BSRM, as a company, is dedicated to achieving better results in the Accident Triangle, a critical framework in safety management. With a commitment to its employees and stakeholders' safety and well-being, BSRM recognizes the significance of reducing near misses and minor incidents to prevent serious accidents. The company's proactive approach involves robust data collection and analysis, setting ambitious targets for incident reduction, and implementing effective preventive measures. BSRM fosters a culture of safety that encourages open reporting of near misses and minor incidents, enabling thorough root cause analysis and continuous improvement. By diligently working on improving its safety KPI related to the Accident Triangle, BSRM aims to create a workplace that prioritizes safety and safeguards its workforce, reinforcing its reputation as a responsible and reliable industry leader.



KEY HIGHLIGHTS 2022-23

- We are delighted to share that we have successfully implemented the TPM (Total Productive Maintenance) Safety Pillar across all our units. This achievement reflects our unwavering dedication to enhancing safety standards and fostering a culture of continuous improvement throughout our organization.

HEALTH, SAFETY & SECURITY PERFORMANCE

HS& S Incidents Reported	YTD data (2022-2023)		
	Employee	Supplier	Total
Near Miss	309	6	315
First-Aid	63	50	113
Medical Accident	12	3	15
Lost Time Injury	4	3	7
Fatality	0	4	4
Fire	15	5	20
Security	0	12	12
Any others	5	0	5
Unsafe acts/Unsafe condition	3000	635	3635

- BSRM has achieved ISO 45001:2018 certification for Occupational Health and Safety, and we're proud to announce successful certificate surveillance has been conducted across all our units. This certification is a testament to our ongoing commitment to maintaining a safe and healthy working environment.
- In 2023, BSRM marked Safety Day across all its units with the poignant slogan, "A safe and healthy working environment is a fundamental principle and right at work by ILO." The celebration encompassed many activities, including safety awareness workshops, live safety demonstrations, worker involvement in diverse safety quizzes, a competition highlighting the importance of Personal Protective Equipment (PPE), enlightening safety exhibitions, and meticulously executed safety drills. Furthermore, deserving individuals were acknowledged and rewarded with safety awards. This comprehensive approach underscores BSRM's unwavering commitment to fostering a robust safety culture and ensuring the well-being of its workforce, aligning with the principles advocated by the International Labour Organization (ILO).
- At all our units, we've established dedicated 'Safety Corners' designed to actively involve all employees, including third-party labor, in our Health and Safety (H&S) management system. These Safety Corners are central hubs for promoting and practicing safety throughout our organization.

TPM SAFETY PILLAR IMPLEMENTATION

BSRM has embarked on a comprehensive journey towards enhancing safety and operational excellence by implementing TPM (Total Productive Maintenance) safety pillar activities. This strategic approach includes establishing key safety metrics through HSE KPIs for 2022-2023, with clear targets for the upcoming year. The organization has fortified its safety infrastructure with an Emergency Team Organogram, ensuring a structured and efficient response during critical situations. Furthermore, a well-defined HSE Organogram has been introduced to delineate roles and responsibilities within the Health, Safety, and Environment department. BSRM has actively incorporated key elements of Total Productive Maintenance (TPM) into its safety initiatives:

- Manager model line safety mapping
- Injury Mapping based on previous accident on Site Layout
- Safety Corner – Toolbox talk, PPE Matrix, Area layout with critical equipment
- LOTO & Work permit stations



Safety Corner of BSRM Steels Ltd (Melting1) Factory, Chittagong

SAFETY HANDBOOK

- HEALTH
- SAFETY
- ENVIRONMENT



BSRM SAFETY HANDBOOK

The BSRM Safety Handbook is a comprehensive guide and a testament to our unwavering commitment to the safety and well-being of our employees, partners, and communities. This invaluable resource encapsulates our safety protocols, procedures, and best practices, providing a clear roadmap for everyone within our organization to follow. It emphasizes the importance of safety as an integral part of our daily operations, highlighting our dedication to preventing accidents, injuries, and incidents.

In the Safety Handbook, you will find a wealth of information covering various safety aspects, including guidelines for safe work practices, emergency procedures, and instructions for handling hazardous materials. We encourage every member of the BSRM family to familiarize themselves with the contents of this handbook and to apply its principles rigorously in their day-to-day activities.

DRILL AT BSRM

BSRM conducts regular drills focused on fire response, emergency procedures, and chemical spillage management. Fire drills hold significant importance within BSRM's safety framework. These drills are not merely routine exercises but are pivotal in preparing employees and stakeholders for potential fire emergencies. By regularly conducting fire drills, BSRM ensures that individuals are well-versed in evacuation procedures, escape routes, and assembly points, thus enhancing their ability to respond calmly and efficiently during a real fire.



ACCIDENT MANAGEMENT

BSRM COMMITMENT TO PREVENT ACCIDENT

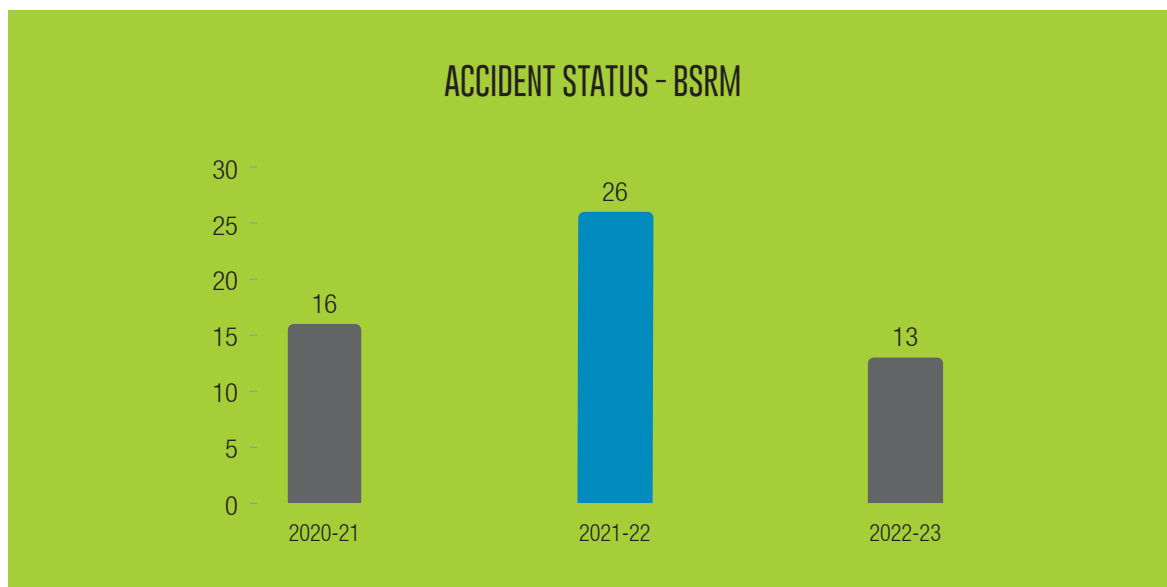
BSRM is committed to conducting thorough investigations for all types of accidents and incidents, including Lost Time Accidents (LTA), medical accidents requiring first aid, and dangerous occurrences. This dedication to comprehensive investigation underscores their unwavering commitment to safety and proactive risk management.

In the case of Lost Time Accidents (LTA), BSRM recognizes the critical importance of understanding the root causes and contributing factors. Their rigorous investigation process delves deep into the circumstances surrounding these incidents, leaving no stone unturned. By doing so, BSRM aims not only to determine what went wrong but also to identify opportunities for improvement, preventive measures, and corrective actions that can be implemented to prevent future LTAs.

ENERGETIC SAFETY TEAM

BSRM's Energetic Safety Team is vital to the organization's commitment to accident prevention and workplace safety. The Energetic Safety Team leads by example, actively participating in safety training programs, conducting risk assessments, and consistently advocating for security best practices. They investigate incidents to understand root causes, enabling the implementation of preventive measures to avoid similar occurrences in the future. Additionally, the team promotes safety awareness campaigns, maintains open lines of communication for reporting concerns, and prepares the organization for emergency response scenarios.

- BSRM diligently conducts thorough investigations into accidents across all its units. These investigations aim to identify the accidents' root causes and contributing factors, allowing for a deeper understanding of what went wrong.
- BSRM's ongoing commitment to safety includes comprehensive training in safe working procedures for our employees. This equips them with the skills and awareness to identify hazards and assess risks in their tasks, allowing them to work by established safety protocols. This proactive approach significantly reduces the risk of accidents and fosters a safer working environment.



FIRE MANAGEMENT

Accident management is a critical component of any organization's safety program, and BSRM places paramount importance on this aspect. It encompasses a systematic approach to effectively respond to accidents when they occur, with the primary goals of ensuring the well-being of employees, mitigating the impact of the incident, and preventing future occurrences. BSRM's accident management process involves immediate response and medical attention, thorough incident investigations to identify root causes, and swift corrective actions to prevent similar incidents. This proactive approach helps protect the safety and health of its workforce. It contributes to the continuous improvement of safety protocols, reinforcing BSRM's commitment to maintaining a secure and incident-free workplace.



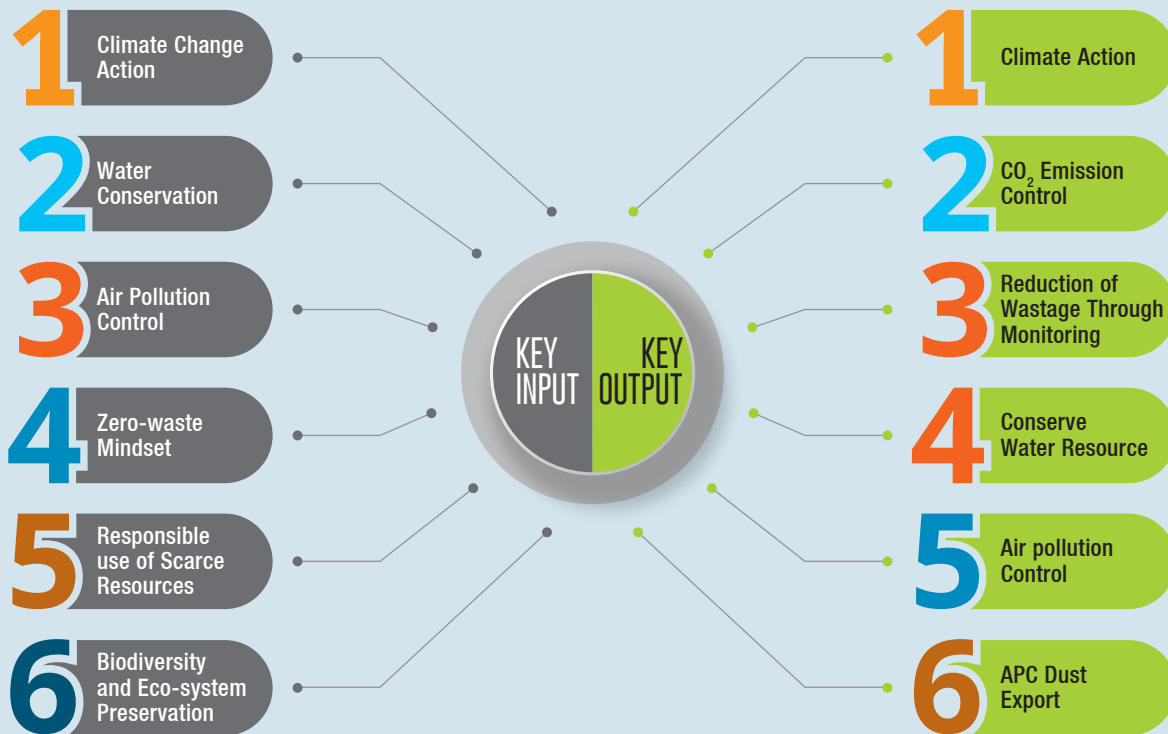
BSRM's robust hydrant system, boasting an impressive capacity of 273 cubic meters per hour (m^3/hr), is a testament to the organization's commitment to fire safety and emergency preparedness. This system is pivotal in ensuring an ample and immediate water supply is available for firefighting efforts in a fire emergency. With such a high capacity, BSRM can effectively tackle fires, protecting lives, property, and the continuity of operations. This investment in fire safety infrastructure underscores BSRM's dedication to maintaining a secure and well-prepared work environment.



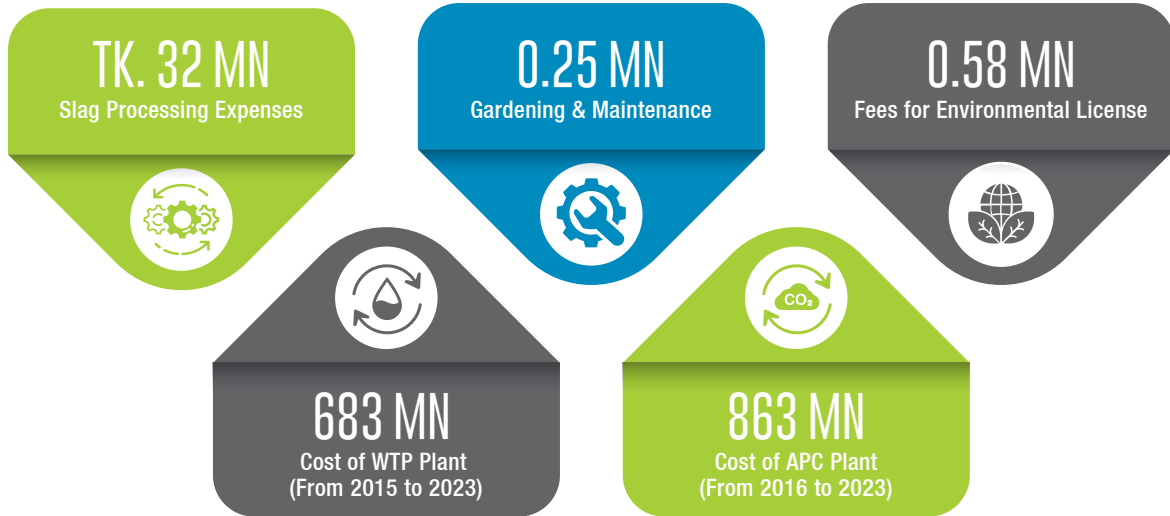
NATURAL CAPITAL

We are aware of our business impacts on the environment and communities. In keeping with this, we are conscious of our environmental performance, and we employ the most stringent systems, processes, and controls across our units for monitoring our ecological footprint. Our top priorities are incorporating the latest technologies, being mindful of proper waste management, prudent resource allocation, energy-saving initiatives, and other measures.

SDGs IMPACTED



MAJOR HIGHLIGHT



For details, please see Page 227 Under Environment of ESG Report

BSRM WINS THE SDG BRAND CHAMPION AWARDS 2023

BSRM received the 'SDG Brand Champion Awards 2023' under the category of 'SDG Brand Champion in Responsible Consumption and Production' for their initiative 'Converting Waste Materials to a Useable Product'. BSRM is honored to receive this prestigious award and will continue to take such initiatives to build a better and safer nation.

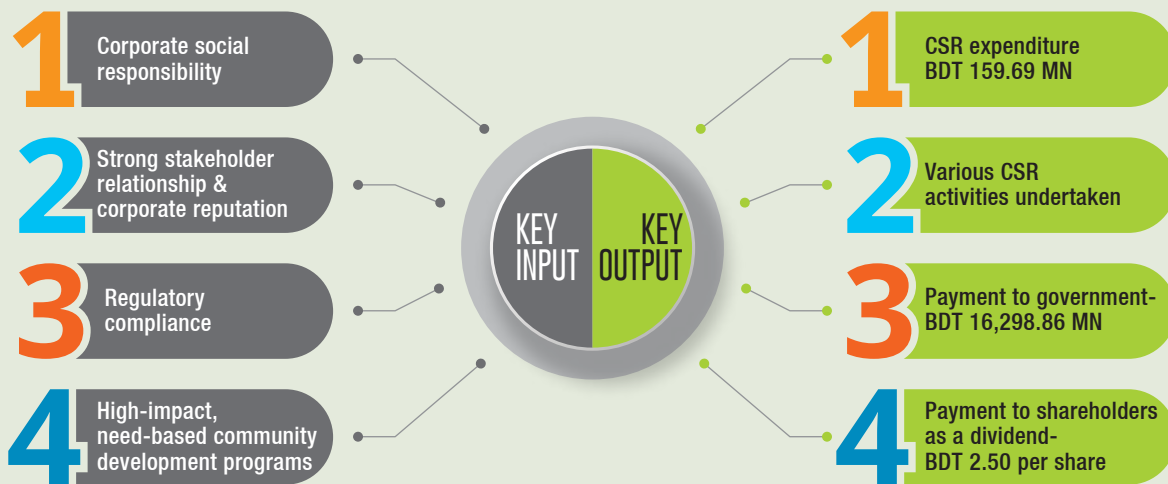




SOCIAL AND RELATIONSHIP CAPITAL

A long-term relationship is a crucial foundation for our long-term growth. Our relationships with our stakeholders are built on mutual trust, respect, and benefits, which are the cornerstones for building a robust relationship with our stakeholders. This protects us from adverse business and economic cycles.

SDGs IMPACTED



MAJOR HIGHLIGHT

Contributed one crore taka worth of steel rods to support the construction of the multi-storied Autism School by the FARE Foundation.

Over 600 underprivileged children in the slums have been provided education through Burhani BSRM School with the involvement of 35 teachers and support staff

In the fiscal year 2022-2023, 300 students were granted scholarships and stipends from various educational institutions

3,000 children with disabilities received training, benefiting over 5,000 families indirectly through BSRM CSR.

Two hundred transgender individuals have undergone job training

Empowering 200 Dalit and Horizon women through skill training in Naksi Katha, Jute product handicraft making, and block batik, leading them to self-employment

Over 1,200 individuals from slum areas and underprivileged communities have received free medical treatment

For more information See page 254 under Social of ESG Report.

BUILDING RELATIONSHIPS WITH CUSTOMERS

BSRM's Marketing and Communication Strategy

BSRM, which stands for Business Strategy and Resource Management, is crucial to success. Effective communication is pivotal in ensuring stakeholders understand, embrace, and execute a company's strategy. Here's an overview of how BSRM strategy and communication intersect:

Defining BSRM's Strategy:

BSRM strategy involves setting clear objectives, allocating resources efficiently, and formulating plans to achieve long-term and short-term goals. It's a holistic approach encompassing various business aspects, including finance, human resources, operations, and marketing.

Long-Term Goals:

Long-term goals typically span several years and are crucial for a company's sustainability and growth. When it comes to communication in this context, it's essential to create a narrative that outlines the company's vision, mission, Objective, Market Positioning, and overarching goals. This narrative should be communicated consistently to all stakeholders, including employees, investors, customers, and partners. Essential communication strategies for long-term goals include:

1. Define the Vision and Mission: We Start by clearly defining the overarching vision and mission of BSRM. What does the organization aim to achieve long-term, and what values and principles guide its actions are the key points we consider. This forms the foundation for all our marketing and communication efforts.

2. **Identifying Key Objectives:** Long-term marketing and communication goals should align with the broader objectives of the company's strategy. These objectives can encompass various aspects, such as financial growth, market expansion, brand recognition, and stakeholder engagement.
3. **Understanding our Audience:** Effective communication starts with knowing the target audience. In the context of BSRM, our audience may include employees, customers, investors, regulators, and the wider community.
4. **Create Tailored Content Strategy:** We develop tailored content strategies that help us to achieve our Marketing Goals in the long term. We ensure our content is educational, informative, relevant, and aligned with your vision.
5. **Leverage Digital Platforms:** Given our digital age, a robust online presence is essential for long-term marketing and communication success. We invest in building and maintaining a user-friendly website, active social media profiles, and other relevant online platforms. Consistently share valuable content and engage with your audience to foster lasting relationships.
6. **Measurement and Metrics:** We measure the key performance indicators (KPIs) to understand the effectiveness of our long-term marketing and communication efforts. Metrics include website traffic, conversion rates, social media engagement, customer feedback, and brand sentiment analysis. We regularly review these metrics to gauge progress and make necessary adjustments.
7. **Sustainability and CSR Communication:** Sustainability and corporate social responsibility (CSR) are integral to BSRM's strategy, so these initiatives are well-communicated long-term.
8. **Stakeholder Engagement:** We engage our stakeholders proactively and transparently in our communication. Regular meetings (We Value You Program), webinars, and conferences are organized to update them on your progress and address their concerns. Testimonial videos of our customers are also crucial to our communication in Digital media.

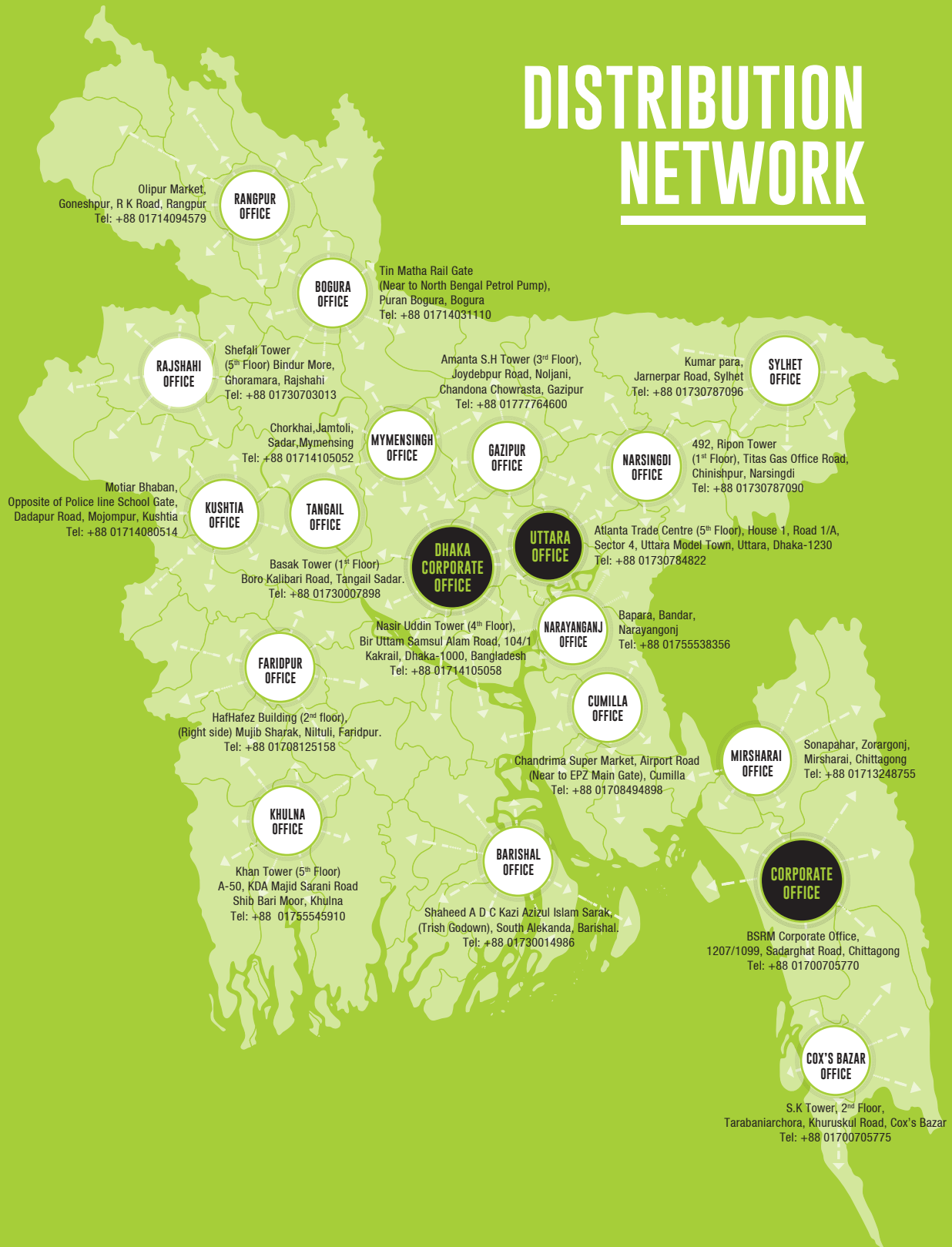
Setting Short-Term Goals:

Short-term goals usually focus on achieving specific outcomes within a shorter timeframe, often within a year or less. Effective communication of short-term goals is critical to keep employees aligned and motivated. Essential communication strategies for short-term goals include:

1. **Marketing Campaigns:** We launch short-term marketing campaigns to promote specific products, services, or offers that align with immediate business objectives. Effective marketing communication is essential to drive sales and engagement.
2. **Sales:** Achieving a specific percentage increase in monthly sales, launching a new product campaign, or growing the social media following by a certain number within the next quarter.
3. **Customer Service:** Reducing customer response times, resolving a backlog of support tickets, or increasing customer satisfaction scores within a set timeframe.
4. **Product Development:** We are continuously investing in Product development. The results of our initiative are apparent. In the last few years, we introduced BSRM FastBuild, a customized steel solution, for the first time in the country. We also developed BSRM Centura, the first-ever corrosion-resistant steel in Bangladesh.
5. **Sustainability:** We also set our target in reducing energy consumption by a certain percentage, implementing waste reduction initiatives, or achieving specific sustainability certifications within a year.

In conclusion, effective communication is integral to the success of BSRM's strategy, whether it involves setting long-term or short-term goals. Clear, consistent, and transparent communication ensures that everyone within and outside the organization understands the company's direction, stays motivated, and works collectively toward achieving its strategic objectives. It's not just about what a company does but also how effectively it communicates its actions and intentions to its stakeholders.

DISTRIBUTION NETWORK



Supply chains are vital to the growth and survival of a business. A smooth supply chain ensures that there are no issues in the supply side of a business; that raw materials are transformed into final products, and that goods and services flow where they are meant to.

SMOOTH SUPPLY CHAIN



STAKEHOLDERS' MANAGEMENT TO CREATE SHARED VALUE >>

GREATER INVOLVEMENT STRONGER TOGETHER

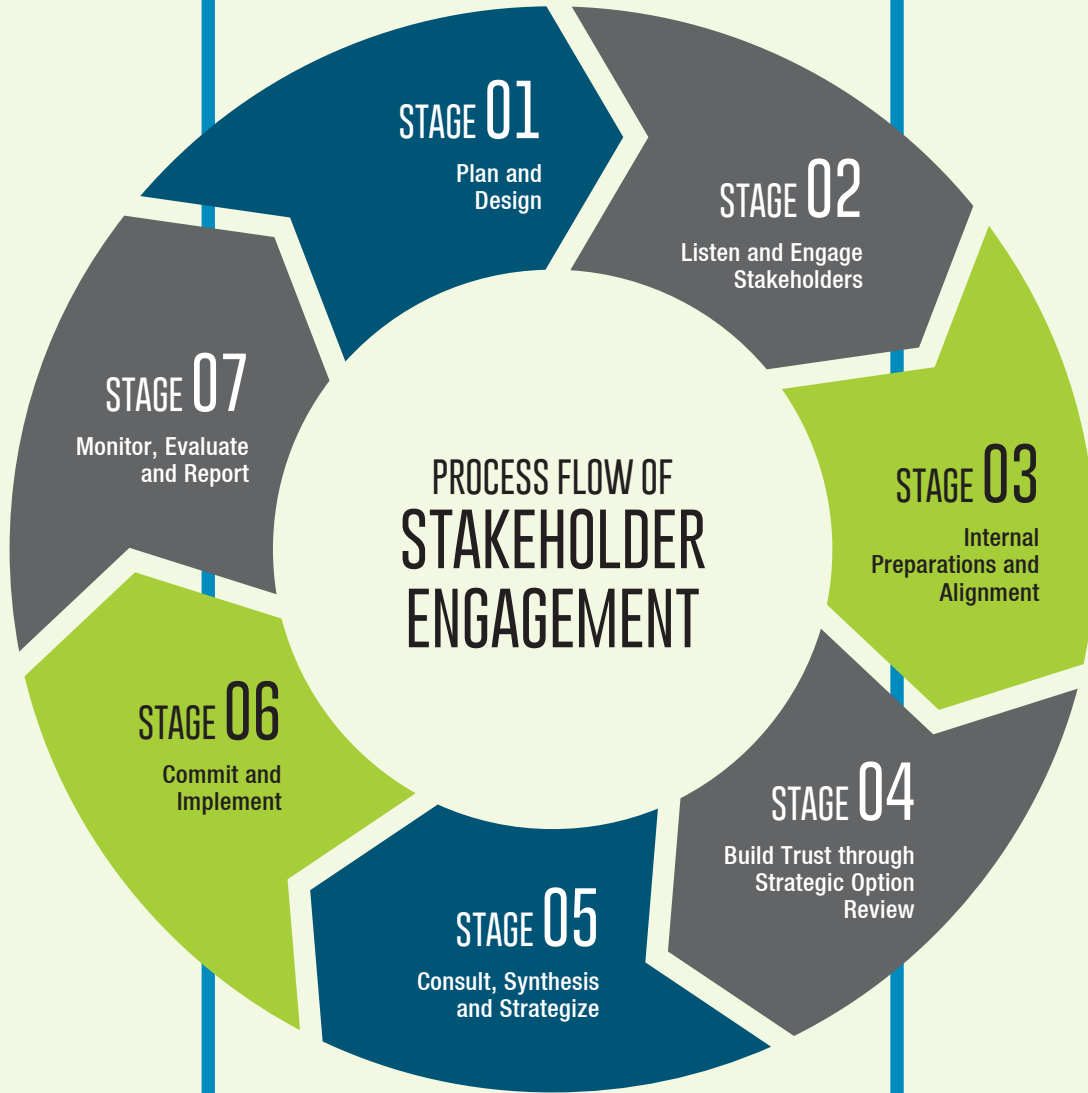
Our purpose can only be realized by working with our stakeholders. Through empowering our employees, engaging with our customers and suppliers, and with the support of our investors, we will create a more substantial legacy and a brighter future for generations to come. We regularly discuss topics relevant to our operations and our impact on society with our stakeholders. These conversations shape how we define and execute our strategy, including risk management, materiality, and new business opportunities.

Key Stakeholders

1. Customers
2. Employees
3. Suppliers & Vendors
4. Government & Regulatory Bodies
5. Investors and Lenders
6. Communities and societies
7. Media
8. Industry Bodies



STAKEHOLDER ENGAGEMENT PROCESS

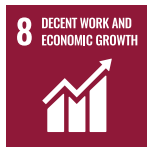


STAKEHOLDER CATEGORIES

CUSTOMERS



Aligned with SDG



Value proposition

Strong brands, differentiated products, services and solutions, engineering support, partnering for growth

Importance of the relationship

We sell our products and services to customers in the private and public sectors. Strong relationships with customers ensure the profitability and sustainability of our business. This ensures that BSRM attains and retains market leadership (current and new).

How we engage

- Various physical and digital platforms to connect with customers, influencers, and channel partners

Emphasis areas

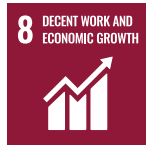
- Competitive Pricing
- Reducing the cost of logistics
- Customer service
- Focus on the development of an enriched portfolio of high-end and downstream products and solutions
- Leveraging digitally to enhance customer experience across routes to market
- Focus on extending market-differentiating value-added services to discerning customers
- Ensure sustainable practices across the supply chain (channel partners) through the implementation of a Responsible Supply Chain Policy

STAKEHOLDER CATEGORIES

EMPLOYEES



Aligned with SDG



Value proposition

Fair employee benefits, joint consultation system for working together, self-supervised structures, robust Reward and recognition schemes, opportunity for learning and growth, and focus on employee well-being, experience, and engagement.

Importance of the relationship

Our employees are critical stakeholders that support the BSRM's ability to create value by developing and delivering our products and services to our customers

- Understand and respond to the needs and concerns of our employees.
- Ensure we remain an employer of choice by providing a conducive working environment.
- Share the strategic direction of the Company.
- Share the performance of the Company

How we engage

- Personal dialog
- Annual performance dialog
- Special Recognition award
- Speak up campaign
- Evaluation of training and development program

Emphasis areas

- Salaries and benefits
- Competence building
- Leadership Skills
- Occupational health, safety and well-being
- Integrity
- Diversity

STAKEHOLDER CATEGORIES

SUPPLIERS



Aligned with SDG



Value proposition

Building capabilities through skill development, growth opportunity, safe operations, and opportunity to innovate

Importance of the relationship

Suppliers support the services and products we supply to our customers, and ensuring good relationships with these stakeholders secures our ability to create value. Moreover, it provides us with operational leverage to optimize the value chain, be cost-competitive, sustainable, and exceed customer expectations.

How we engage

- Vendor meet
- Vendor satisfaction survey
- Vendor Capability Advancement Programme
- Vendor Grievance Redressal Committee
- Vendor Sustainability Assessment
- Program' – for smooth and faster onboarding of new vendors
- Helpdesk Service for addressing issues/queries
- Leadership Meetings: CEO/MD to CEO/MD connect with Strategic Suppliers
- Vendor Sustainability Meet

Emphasis areas

- Health, safety, and human rights
- Carbon emission, water, air pollution, waste management, and renewable and clean energy
- Embed sustainability in the supply chain and promote responsible sourcing and circular economy
- Innovation and Technology

STAKEHOLDER CATEGORIES

GOVERNMENT & REGULATORY BODIES



Aligned with SDG



Value proposition

Regular interaction with government to engage on industry concerns on existing/ future policies and regulations to advance ease of doing business

Importance of the relationship

Ensuring compliance and business continuity in line with changing policies and partnering with agencies to create a favorable business ecosystem

How we engage

- Working with the government to develop policies and regulations that enable the growth of the industrial sector and steel sector in particular
- Advocating for new approaches/ amendments to existing rules at the national and regional levels to create and sustain an environment conducive to the development of Bangladesh
- Interacting with think tanks and sectoral experts to enable understanding of complex issues and global best practices

Emphasis areas

- Improving ease and cost of doing business by reducing the compliance burden for the industry
- Achieving leadership in sustainability to move forward on the path of sustainable development
- Focus on technology and innovation, demand creation and enrichment of product portfolio, capacity expansion, etc.

STAKEHOLDER CATEGORIES

INVESTOR & LENDER



Aligned with SDG



Value proposition

- Consistent returns on investments
- Highly profitable and best-in-class assets in Bangladesh
- Focus on deleveraging and funding profitable growth in Bangladesh
- Better disclosures, transparency, and credibility of financials

Importance of the relationship

Providers of financial capital essential to fund growth

How we engage

- Investor and analyst meets
- Periodic meetings including one-on-one or group meetings
- Annual Report, media updates, or earnings call on the Company's performance

Emphasis areas

- Focus on strong operating and financial performance
- Focus on highlighting ESG commitments and disclosure

STAKEHOLDER CATEGORIES

COMMUNITIES & SOCIETIES



Aligned with SDG



Value proposition

- Enable lasting betterment in the well-being of communities in the operating region through regional development models prioritizing the excluded and those proximate to business operations
- Addressing core development gaps at a national scale through replicable models of development

Importance of the relationship

Conducive working environment ensuring social support, amity, and peace; avoid hostility, community agitations and protests

How we engage

- A range of Proximate Community Development models with programs touching all significant aspects of life in the operating region
- Large-scale signature themes focusing on critical national development challenges creating aspirational development models
- Public consultations before business expansion

Emphasis areas

- To ensure safety in operating sites so that the health & safety of communities is not compromised
- Sustain community outreach activities in areas where we operate
- Actively support communities through various initiatives encompassing public health, household nutrition, access to and conservation of water, household sanitation, holistic education, stable livelihoods, nurturing sporting talent, creating necessary public infrastructure and amenities, enabling grassroots leadership

STAKEHOLDER CATEGORIES

MEDIA



Aligned with SDG



Value proposition

Disclosing and sharing relevant information and updates with the public

Importance of the relationship

Reaching out to society and various stakeholders to communicate about the brand's vision and initiatives and drive corporate equity

How we engage

- Press communication: Press releases, press meets, conference calls
- Response management for media queries
- Interviews of Senior Leadership
- Thought leadership and thematic articles
- Media events and sports engagement initiatives
- Familiarisations visits to manufacturing sites

Emphasis areas

- Health, safety, and human rights
- Diversity, Equity & Inclusion
- Environment footprint – carbon, water, and energy
- Sustainability – processes and products
- Circular economy
- Innovation & technology
- Focus on operating and financial performance
- Business developments
- Steel Industry outlook/dynamics - global and domestic

STAKEHOLDER CATEGORIES

INDUSTRY BODIES



Aligned with SDG



Value proposition

Sector-specific and industry-wide collaboration on crucial policy issues in sectors related to melting, rolling, manufacturing, trade, finance, sustainability, etc.

Importance of the relationship

Industry bodies are essential to develop networks and enable consensus building to present a unified and mutually agreeable perspective to the government on various policy interventions.

How we engage

- Participating in conferences and seminars/ meetings organized by industry bodies
- Participation in national and regional committees and sub-committees to deliberate on critical issues impacting the industry

Emphasis areas

- Manufacturing, melting, and rolling-related issues impacting operations such as regulatory clearances, auctions, labor, logistics, Production Linked Incentives, etc.
- Trade and finance issues, including Free Trade Agreements (FTAs), level playing field, demand creation, tariff and non-tariff barriers, Tax, VAT, etc.
- Sustainability and low-carbon transition pathways on environmental, climate change, water, etc.

We continue our support of the UN Global Compact and remain committed to reporting our progress within this framework via this Report.



MATERIALITY >>

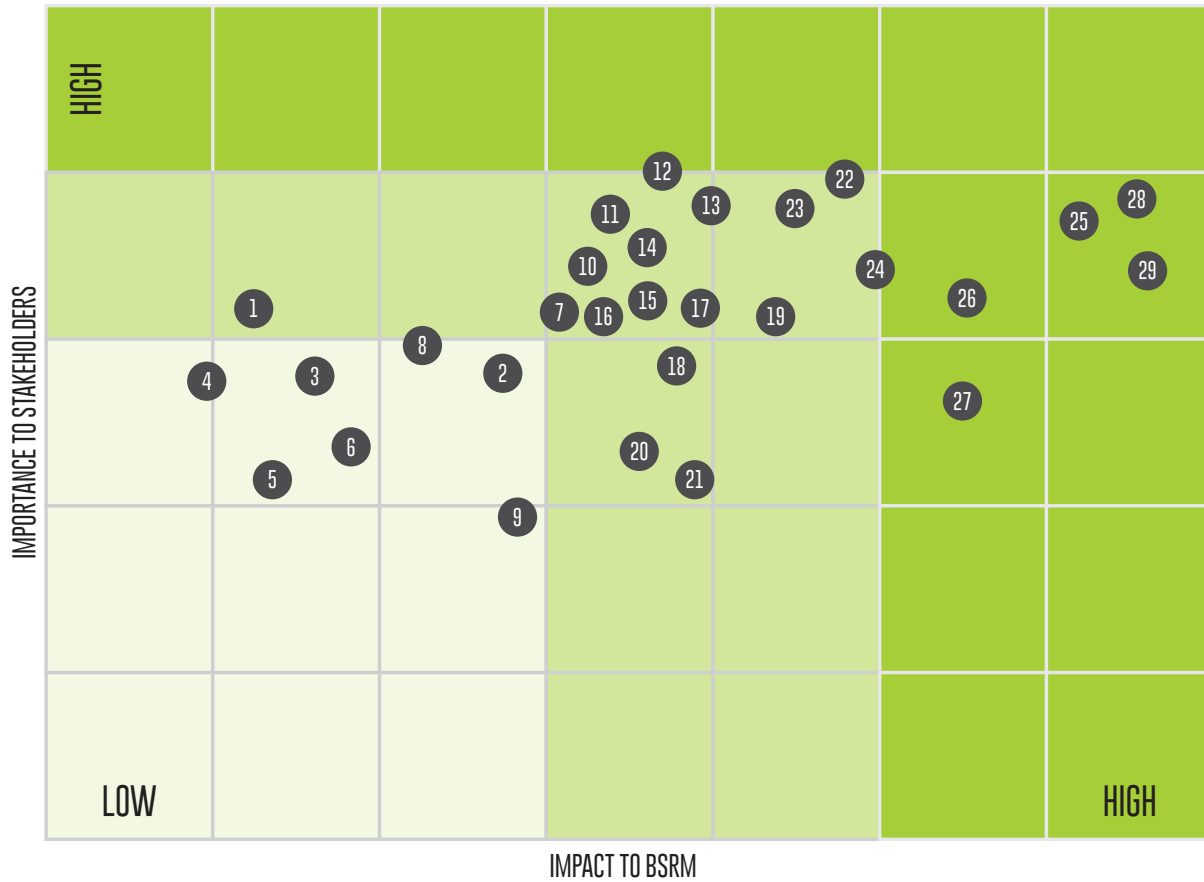
SHAPING OUR STRATEGY. ALIGNING OUR PRIORITIES.

As part of our strategic action plan, we regularly conduct materiality assessments and identify issues that have a significant potential to influence our business. We recognize the matters that are or have the potential to significantly impact our ability to deliver on our strategy and ensure sustainable value over the short-, medium- or long-term for our stakeholders.

MATERIALITY DETERMINATION PROCESS

We apply the principle of materiality in assessing what information should be included in our integrated report through a structured process.





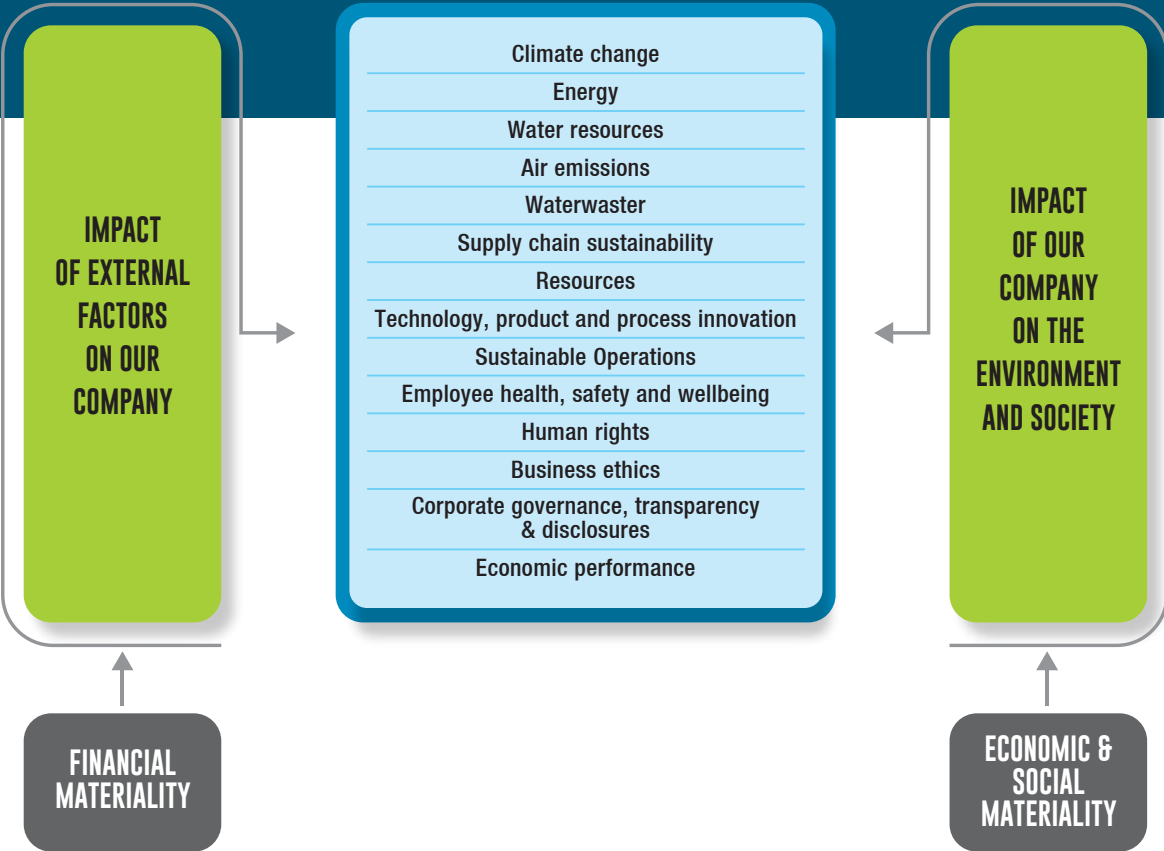
1	Fair business practices and regulatory compliance
2	Market presence and customer focus
3	Vendor management and development
4	Contribution to local economy
5	Diversified product portfolio
6	Data privacy and security
7	Corporate governance, transparency and disclosures
8	Investment in clean technology and environmentally friendly products
9	Digitalisation and automation
10	Business ethics

11	Human rights
12	Water resources
13	Waste
14	Biodiversity
15	Waste Water
16	Technology, product and process innovation
17	Cultural heritage
18	Social sustainability
19	Economic performance
20	New growth opportunities

21	Resilient business model
22	Air emission
23	Energy
24	Employee health, safety and wellbeing
25	Use of Resources
26	Sustainable sourcing
27	Supply chain sustainability
28	Climate change
29	Local considerations

DOUBLE MATERIALITY

Double materiality is a comprehensive framework that combines two distinct but interconnected aspects—impact materiality and financial materiality. It recognizes the reciprocal relationship between an organization's sustainability impacts and financial performance. This is based on how sustainability affects the company's position and how the entity impacts the environment and society. By integrating impact materiality and financial materiality, the double materiality framework enables organizations to take a holistic approach to sustainability and value creation. It recognizes that an organization's value creation depends on financial considerations and its ability to address and manage sustainability impacts. At BSRM, we are committed to operating as a responsible and sustainable organization, and we believe that by adopting a comprehensive approach that encompasses both aspects, we can develop strategies that align economic success with environmental and social responsibility, fostering long-term resilience, stakeholder trust, and sustainable development. We are conducting a comprehensive double materiality assessment to guide future sustainability strategies, policies, and practices. It will enable us to make more informed decisions that balance our economic, social, and environmental impacts and make our organization more sustainable and resilient.



A company's values are the guiding principles that dictate how a business operates. They shape the culture and provide a cohesive vision for the business. Defining and living by strong values helps a company attract the right employees.

STRONG VALUES



INTEGRATED REPORTING FRAMEWORK

IN THIS REPORT

OUR APPROACH TO INTEGRATED REPORT

ORGANIZATIONAL OVERVIEW AND EXTERNAL ENVIRONMENT

- Porter's Five Forces Model
- PESTEL Analysis
- SWOT Analysis

GOVERNANCE

BUSINESS MODEL

RISK AND OPPORTUNITIES

- Managing Our Risks
- Challenges and Opportunities

STRATEGY AND RESOURCE ALLOCATION

PERFORMANCE

OUTLOOK

BASIS OF PREPARATION AND PRESENTATION OF INTEGRATED REPORT

QUALITATIVE CHARACTERISTICS OF BSRM'S INTEGRATED REPORT

Connectivity of information

Strategic focus & Future Orientation

Conciseness

Consistency and comparability

Reliability and completeness

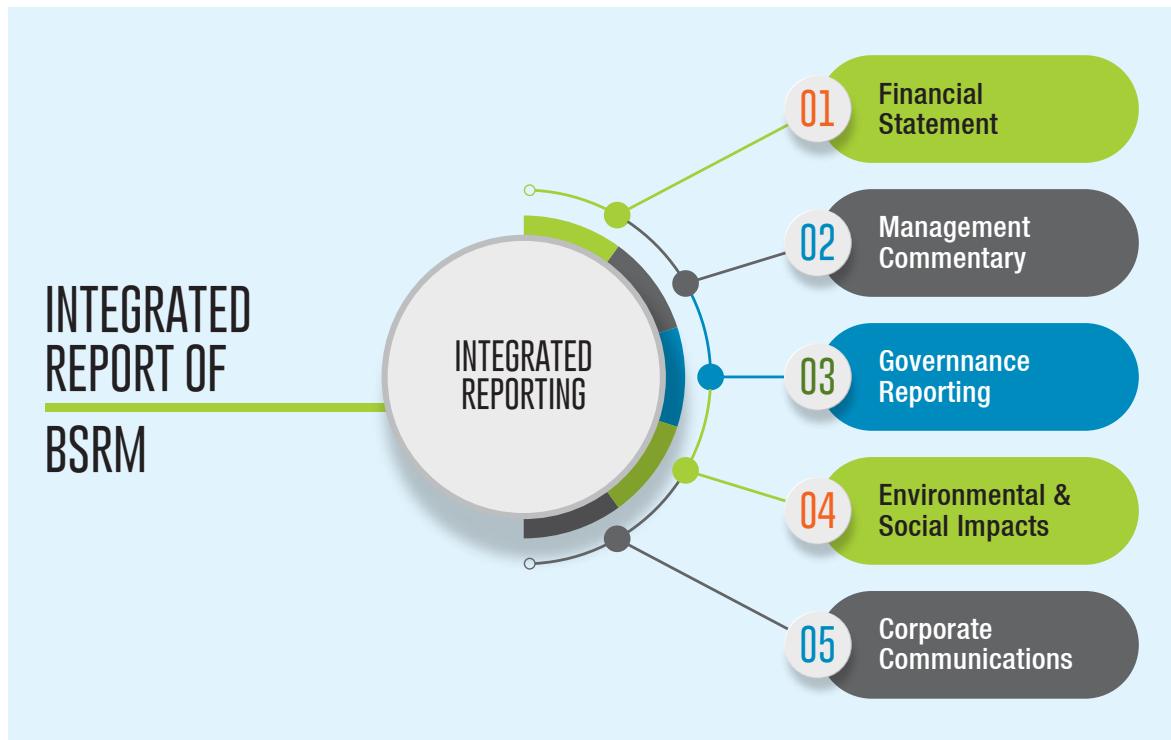
Materiality

Stakeholder Relationship

Assurance on the Report

OUR APPROACH TO INTEGRATED REPORT >>

Welcome to Bangladesh Steel Re-Rolling Mills Limited (BSRM) First Integrated Annual Report 2023. The report aims to provide a holistic view of our strategic vision, performance, governance, and value creation. It provides a concise overview of our overall performance and prospects to assist the stakeholder in making an informed decision on our ability to create value in the short, medium, and long term and contribute to long-term well-being and prosperity.

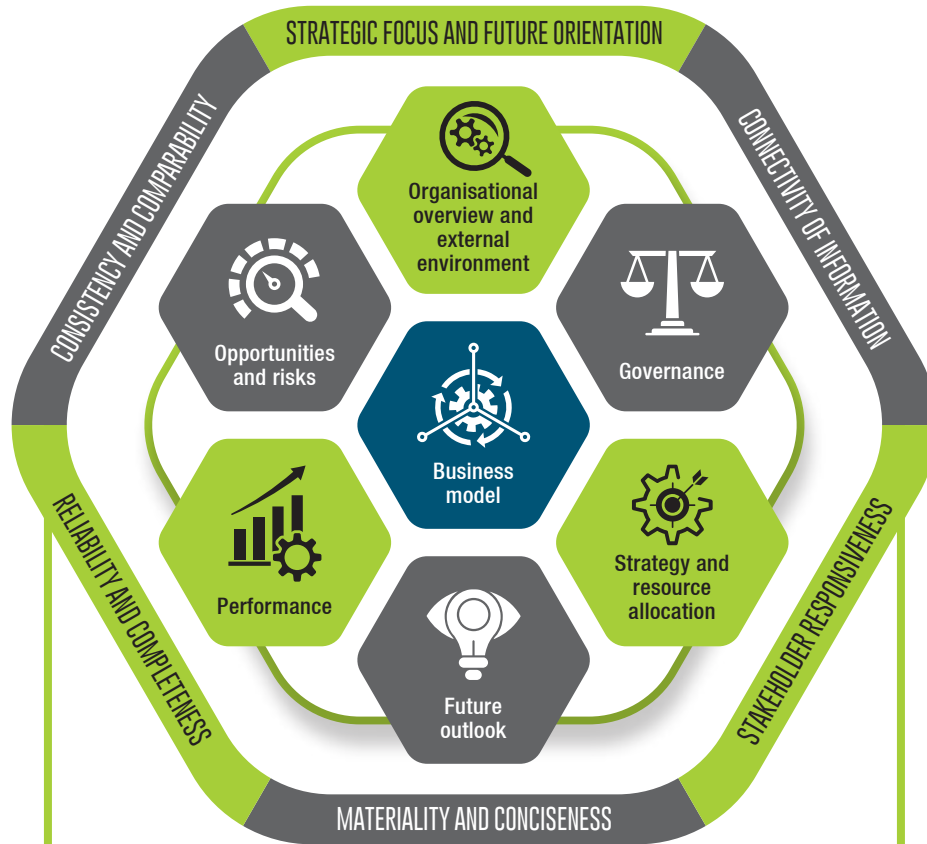


SCOPE AND BOUNDARY

The report has been prepared by the International Integrated Reporting framework published by the International Integrated Reporting Council (IIRC). This Report describes our business model, strategy, significant risks, opportunities and issues, overall performance, and related outcomes and prospects for the year under review. The report is centered on the six capitals, a fundamental feature of Integrated Reporting. It addresses how, through efforts to transform the capital to create value for the company and others. Further to our financial performance, we also present information relating to our non-financial Environmental, Social, and Governance version to give the stakeholder an understanding of the company's contribution to the SDGs while reducing corporate risk and increasing opportunities that arise from sustainable development issues. The report is concise, reliable, and complete, including all material matters, both positive and negative, in a balanced way and without material error.

REPORTING PERIOD

This Report covers the performance of BSRM for the financial year from 01 July 2022 to 30 June 2023. Comparative figures for the last three to five years have been incorporated in this Report to provide a holistic view.



The 7 Guiding Principles and 8 Content Elements from the IIRC (reproduced from the <IR> framework)

Guiding Principles

- Strategic focus and future orientation:**
 Description of the strategy of the company and its relation to value creation and capitals.
- Connectivity of information:**
 Relates to the interrelatedness of the factors that affect the organization's ability to create value over time.
- Stakeholder relationships:**
 Description of the key stakeholders, including how the stakeholder's interests are taken into account.
- Materiality:**
 Relates to the number of disclosures about matters that affect the organization's ability to create value.
- Conciseness:**
 Relates to the concise format of the report.
- Reliability and completeness:**
 Relates to the balanced, complete character of the report, which should not include any material errors.
- Consistency and comparability:**
 Relates to the consistency and comparability of the information within the report.

Content Elements

- Organizational overview and external environment:**
 Description of the organization and the external environment (e.g. competition).
- Governance:**
 Description of the governance structure and its relation to value creation.
- Business model:**
 Description of the business model with input, output and capitals included.
- Risks and opportunities:**
 Description of the risks and opportunities and the risk mitigation system,
- Strategy and resource allocation:**
 Description of the concrete strategy of the company, both short-term and long-term focused.
- Performance:**
 Description of the results, compared with targets, previous years and capitals.
- Outlook:**
 Description of the future challenges in relation to the company.
- Basis of preparation and presentation:**
 Description of the materiality determination process, reporting boundaries and frameworks used.

REPORTING FRAMEWORK









The financial and statutory data is presented in this Integrated Annual Report in compliance with the following frameworks:

 <h2>INTEGRATED REPORTING</h2> <p>International Integrated</p> <ul style="list-style-type: none"> Reporting <IR> Framework of the International Integrated Reporting Council (IIRC) 	 <h2>SUSTAINABILITY REPORTING</h2> <p>United Nations Sustainable Development Goals (SDGs)</p>	 <h2>FINANCIAL REPORTING</h2> <p>The Companies Act, 1994 Regulatory requirements</p> <ul style="list-style-type: none"> BSEC DSE CSE and Other applicable rules International Financial Reporting Standards (IFRS)
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FORWARD-LOOKING STATEMENTS

Certain statements in this report concerning our future growth prospects are forward-looking, which involve several risks and uncertainties that could cause results to differ materially from those in such forward-looking statements. These assumptions are based on expectations, judgments, aspects, and opportunities. As there are uncertainties about the future outcomes, these statements are valid only for the publication date.

OUR STAKEHOLDERS

 Investors & Lenders	 Employees	 Customers
 Vendors Partners	 Community	 Media
 Government Regulatory Bodies		 Industry Bodies

OUR CAPITALS

 Financial Capital	 Manufactured Capital	 Intellectual Capital
 Human Capital	 Natural Capital	 Social Capital & Relationship

RESPONSIBILITY AND INTEGRITY OF THE INTEGRATED ANNUAL REPORT

The Board and the management ensure that the Integrated Annual Report has been prepared under the checklist by the International Integrated Reporting Framework of the International Integrated Reporting Council (IIRC). The Board and the management also ensure that reasonable care has been taken in preparing and presenting this Integrated Annual Report. It addresses all material issues and gives the company integrated performance and overall impact.

INTEGRATED THINKING AND REPORTING PROCESS

INTERNAL CONTROLS AND ASSURANCE

BSRM has adopted a combined assurance model that is risk-based and that covers strategy level risks and related material matters.

Accountability is clear within the lines of defense model, with assurance providers working together to provide coordinated assurance.

It applies as follows to the assurance over the IR:

- > To support the integrity and transparency underlying integrated reporting, the combined assurance (CA) model incorporates independent assurance by Internal Audit, stakeholders and other regulators on non-financial metrics in addition to assurance on the integrity of the Annual Financial Statements
- > The external auditors undertake audits of the Annual Financial Statements.
- > External assurance for this report relating to financial information was provided by A.Qashem & Co. Chartered Accounts. (see the Independent Auditors Report pages 298)



PROCESS TO PRODUCE OUR INTEGRATED REPORT

> The report preparation and presentation process is governed by our Board and management, with active participation by their direct reports. The management discuss, review and provide input for the production of the integrated report

> Our 2023 integrated report is prepared from internal management reports, including our dashboard reporting, SOPs, and using other resources.

Report drafts are reviewed and approved by the management.

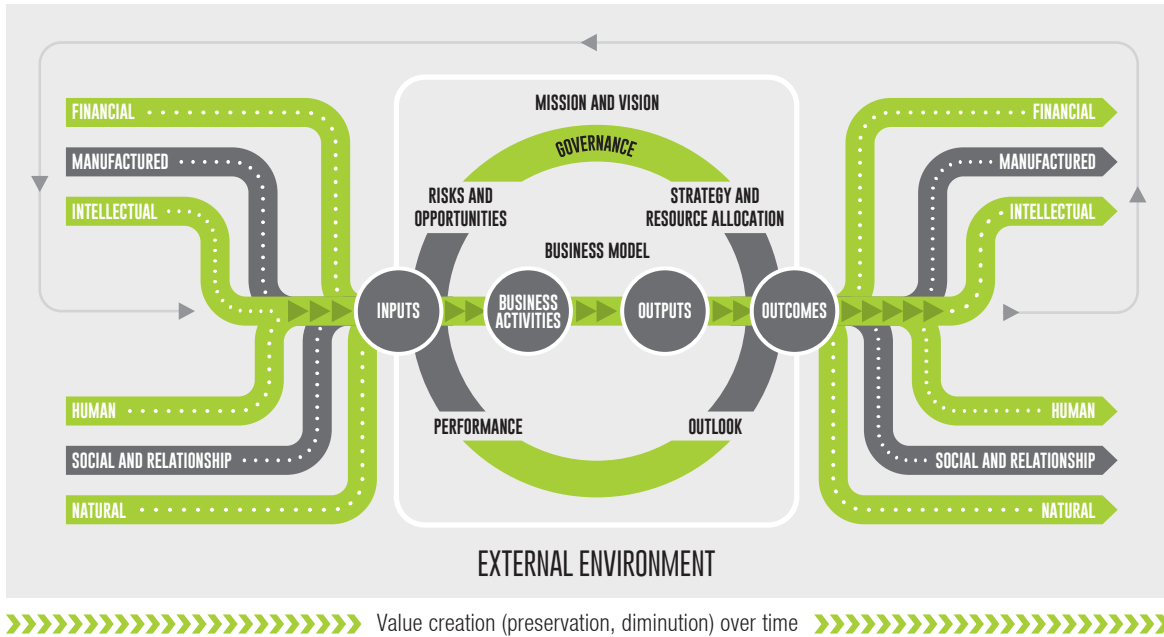


INTEGRATED THINKING

> Integrated thinking helps us to expand the boundaries of our mindset, seeing ourselves as part of a larger system and taking into account the wider impact of our decisions, beyond short-term financial rewards

> BSRM embraces integrated thinking and with the enduring effects of the macro-economic impact for a substantial part of the year under review, It is through our strong stakeholder relations, robust risk mitigation processes, strong governance, how we care for our employees, customers and all stakeholders, ongoing effective, transparent communication and embracing opportunities for innovation, that we ensured that our business has remained resilient

THE PROCESS THROUGH WHICH VALUE IS CREATED, PRESERVED, AND ERODED OVER TIME



MATERIALITY OF THE REPORT APPROACH TO MATERIALITY

This report focusses on factors that have the potential to significantly affect our ability to create value in the short, medium and long term and which are of most interest to investors, the primary audience. Report content and presentation are based on issues material to BSRM and its stakeholders. Material issues are gathered from multiple channels and forums of engagement across the organisation and from external stakeholders. In FY 2022-23, BSRM updated its Environmental, Social and Governance (ESG) material issues and incorporated them into its long-term plans.



ENVIRONMENT



SOCIAL



GOVERNMENT

INTEGRATED REPORT <IR> ELEMENTS OF AN INTEGRATED REPORT

The integrated reporting framework has outlined eight content elements that are fundamentally linked to each other and are not mutually exclusive. Parts of the integrated report:



1.1 ORGANIZATIONAL OVERVIEW AND EXTERNAL ENVIRONMENT

a) Organizational Overview

Bangladesh Steel Re-Rolling Mills Ltd., commonly known as BSRM, is a Bangladeshi steel manufacturing company based in Chittagong. It is the largest construction steel manufacturer company in Bangladesh. The details are available on page no. 37 of IAR-23 under Corporate Profile.

1.1.a.1 BSRM Vision and Values

As a corporate legal entity, we always try to uphold and embrace our specific vision and values in every possible business context—details on page 34 & 35 of IAR-23.

1.1.a.2 BSRM Culture, Ethics, and Values

We have maintained a solid corporate culture with strict ethical policies and values. The details of which can be found on Page 35 of IAR-23.

1.1.a.3 Ownership and Operating Structure

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

1.1.a.4 BSRM Principal activities and markets

The group manufactures high-strength reinforced steel conforming to 10 global standards under the “BSRM.” During the year, the company earned revenue of a total of BDT 115,061 million with a net profit after tax of 2,914 million. The current production capacity of the rolling unit is 800,000 M.Ton, and the Melting unit is 1,012,000 M.Ton per annum, meeting around 25% market demand of Bangladesh. See page 41 for principal activities and market.

1.1.a.5 Competitive landscape and market positioning of BSRM

We analyzed the competitive landscape and market positioning of BSRM considering Porter's five forces: the Threat of new entrants, the Bargaining power of buyers, the Bargaining power of suppliers, unused substitutes, and Competitive rivalry. This framework helps the company to understand what makes the industry profitable and provides insights needed to make strategic choices.



COMPETITIVE LANDSCAPE AND MARKET POSITIONING OF BSRM

BUYER POWER

MODERATE

Factors

- Buyer may find the same product elsewhere at a low price;
- Chance of buyer backward integration to get the products;
- Distributors may exert a strong influence over end customers;
- Corporate clients exhibit greater price rate sensitivity compared to dealer/retail clients;
- Large infrastructure clients may increase buyer power as they can switch to one that offers them better.

Our strategic response

- The company sells its product to a wide range of customers, including corporate, government, and dealer/retailer, to tackle or not depend on a single customer base;
- As price sensitivity is so high, the company consistently maintains the quality of products and always delivers innovative products;
- As the industry is so capital-intensive, buyer backward integration power is low.

SUPPLIER POWER

MODERATE TO HIGH

Factors

- Due to high dependency on import materials, importers may have more power than general suppliers;
- Switching the cost of the supplier to another manufacturer;
- Supplier backward integration.

Our strategic response

- Create value through collaboration with suppliers and strive for fairness in all interactions;
- Retaining diversified valuable suppliers through maintaining strong relationships;
- Offering training to employees to improve their productivity and quality of service;
- Boosting employee morale through providing attractive remuneration and benefit packages in recognition of their efforts;
- Explore other suppliers consistently through R&D activities;

THREAT OF NEW ENTRANTS

LOW TO MODERATE

Factors

- Due to sizeable initial capital requirements and necessary regulatory requirements, barrier entry is high;
- Shifting focus to the unstructured market segment;
- The establishment of a new entity in the current market is competitive;

Our strategic response

- Being the pioneer, the company has an edge in the steel sector, and we can utilize our expertise to tap into the grassroots-level segment;
- Being one of the largest and most well-reputed steel manufacturing companies in the country, BSRM has already built a sufficiently diverse and loyal customer base, which only continues to grow every year;
- Enact and maintain proper regulations in the corporation to capture the prestigious value of the company.

THREAT OF SUBSTITUTE

LOW

Factors

- Relative Price of substitute products;
- Switching Costs;
- Buyer propensity to substitutes;

Our strategic response

- Relative price of substitutes is high;
- High switching cost. Quality reliability is not yet justified;
- Not much prevalent in Bangladesh.

COMPETITIVE RIVALRY

HIGH

Factors

- Competition from a large number of different steel companies;
- Low cost of switching for customers;
- Substitute products also competing for the same customer segment;
- Competitors are increasingly shifting their focus from corporate to the dealer and retail segment

Our strategic response

- Always trying to maintain a good governance practice;
- More concentration on the adoption of best practices for providing innovative quality products and services to the customers;
- Retain existing and attract newer customers;
- Retain the trust of customers by providing quality services consistently;
- Extend the countrywide network to bring more customers under the company's umbrella;

1.1.B COMPANY'S POSITION WITHIN THE VALUE CHAIN

As the largest steel manufacturing company, BSRM is fundamentally strong and has one of the highest capital bases in the steel Industry. Our position in terms of significant manufacturing company indicators is highlighted below:

BSRM PRODUCT PERFORMANCE		
Name of Products	2022-23	2021-22
Xtreme 500W	52,066,557,855	45,414,438,967
Xtreme 500W-Stirrup	133,139,551	161,595,042
Xtreme 500W-Bend Cut	580,866,353	146,525,707
Xtreme 500W -Trading	-	8,650,382
MS Square Bar	15,146,247,502	10,097,643,608
M.S Angle-Manufactured	9,408,783,008	6,363,463,997
Ribbed Wire Rod	1,813,918,416	1,347,498,109
Others	34,501,688,470	13,909,079,560
Total	113,651,201,155	77,448,895,372

CRITICAL QUANTITATIVE INFORMATION ON BSRM

The company's number of employees, revenue, and several countries in which the organization operates highlight, in particular, significant changes from prior periods. Details have been given on page no. 16 of IAR-23 under Corporate Profile.

1.1.C EXTERNAL ENVIRONMENT

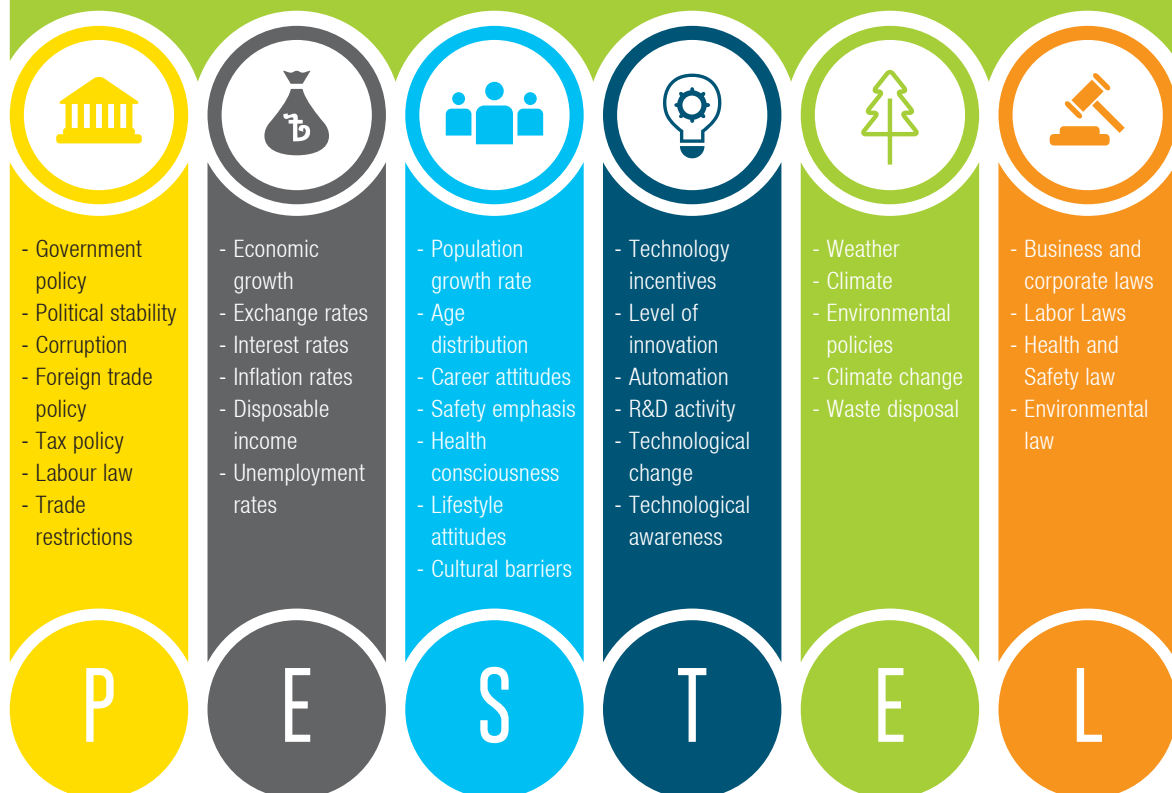
We have analyzed the significant external factors through PESTEL Analysis, including political, environmental, social, technological, economic, legal, and regulatory factors that impact our business and our response to those risks.

PESTEL ANALYSIS

A PESTEL analysis is a tool that allows the company to discover and evaluate the factors that may affect the business in the present and the future. A company must overcome these challenges and develop appropriate mitigation methods to prosper.

A company in an economy is affected by both micro and macro factors in its external environment. In addition, these factors are not in control of the company.

PESTEL analysis is a tool that helps in analyzing these factors. Furthermore, the company uses this to understand and monitor the macro-environmental aspects.



BSRM'S PESTEL ANALYSIS

POLITICAL DIMENSION

Factors

- Political climate
- Ease of doing business index
- Higher mobilization in infrastructure development (large Mega Projects)

Our strategic response

- Bangladesh's political climate has remained stable for a few years as no significant political strikes or blockades have occurred. The following general elections will be held in Bangladesh in January 2024. And we expect political stability will continue in the future.
- BIDA (Bangladesh Investment Development Authority) is undertaking a new program called Bangladesh Investment Climate Improvement (BICI), which aims to increase investment and firm registration by 10% annually by simplifying tight registration procedures. This may allow BSRM to register new entities within the shortest period than before.
- BSRM expects that adopting OSS (One Stop Solution) by BIDA will open a new business door for BSRM.
- With the decision to become a developing country, Bangladesh is constantly creating a milestone in infrastructure development. This creates an avenue for BSRM to get orders from Mega projects with the advantage of having a national image.

ECONOMIC

Factors

- Global Economic instability due to the Russia-Ukraine war and monetary tightening policy stances by major central banks
- High inflationary pressure
- Decrease in Disposable income or discretionary funds

Our strategic response

- We are always committed to providing high customer service, even at any uncertain time, by continuing our manufacturing operations. In every situation, we are also committed to doing so in the future.
- To curb the inflationary pressure arising from geo-political tension, Bangladesh Bank has issued several circulars and guidelines for monetary policy, fiscal policy control of money supply, etc. The company is combatting inflation by monitoring the business's overhead costs and variable expenses closely.

See Also Page 210 of Strategic Plan and Outlook

SOCIAL

Factors

- Career Attitudes and Work-Life Balance
- Labour force participation and Women Empowerment
- Health and Lifestyle
- Active participation in social networking

Our strategic response

- For BSRM to remain competitive and retain the best talents, BSRM always adopts the best practices to keep its talents
- Bangladesh is the second in Asia in terms of Gender Parity to the World Economic Forum; BSRM always ensures work-life balance and a sound working environment for all employees, including female colleagues
- BSRM provides a suitable environment for its employees, which ensures employees' health and lifestyle up to mark
- We actively participate in various social and philanthropic activities to share values with society and to achieve economic growth, environmental protection, and social welfare

See Also Page 254 of Social in ESG Report

TECHNOLOGICAL

Factors

- Advancement in technologies and machineries
- Development in the ICT sector in Bangladesh
- New technology development and obsolescence

Our strategic response

- To provide efficient customer service and establish a robust, faster, and uninterrupted service, the company continuously adopts the generation market competitive and secured technology. The company has also implemented the Oracle system with an upgraded database version that allows high availability, significantly improving system performance and horizontal scalability.
- World-class machinery and equipment are available at our manufacturing plant, and
- With the advancement of technology, we want to stay ahead of the curve and be a benchmark in technological adoption for others to follow. With our long-term vision to cater to customers' different needs, the Company always strives to achieve it.

ENVIRONMENTAL

Factors

- Climate change
- Conserve natural resources
- Air pollution control
- Waste Disposal

Our strategic response

- As a responsible business entity, the company aims to build a better future by growing responsibly and sustainably, followed by eco-friendly measures across the organization. The company circulated environmental, social, and governance guidelines as per UN SDGs to raise awareness and conserve energy and water, as well as waste management and fundamental resources. In addition, the company always strongly prioritizes pollution prevention at its source through advanced technologies, process optimization, and continuous improvement.
- Adapt sustainable practices in resource management, including efficient use of raw materials, energy, and water. For instance, BSRM 100% recycled its use of water.
- Adherence to all environmental laws, regulations, and standards, ensuring full compliance and cooperation with regulatory authorities.

See Also Page 229 of Environment in ESG Report

LEGAL

Factors

- Comply with existing Laws and regulations and may enact new laws and regulations to comply
- Health and safety regulations
- Industry Conductive Laws in Economic Zones
- New Tax/VAT Laws

Our strategic response

- The company has consistently been one of the most compliant institutions since its inception. The company always has and will continue to take an active stance in being the most effective at complying with the legal and regulatory requirements through practical policy discussion. Maintaining ethical standards has been integral to our organization's culture since its inception. Our employees always work with integrity and diligence.
- It is our firm belief that the company has always been honest and sincere about honoring and adhering to any standards.
- As an ethical organization, BSRM always ensures workers' safety and security first and puts extra effort into ensuring it in every stage of operations.

SWOT ANALYSIS

BSRM uses SWOT (strengths, weaknesses, opportunities, and threats) analysis to evaluate the company's competitive position and to develop strategic planning. SWOT analysis assesses internal and external factors and current and future potential. It is designed to facilitate a realistic, fact-based, data-driven look at the strengths and weaknesses of the company's initiatives or within the industry.

STRENGTH

- Strong capital base
- Sound Credit Rating over the years
- Robust network to reach wide spread customer
- Focusing customer satisfaction as the main priority
- Brand Image validated locally as well as internationally through exploring transparency and reliability
- Pioneer in Manufacturing inclusion
- Strong human resource base

WEAKNESS

- Diversification of products & services
- Significantly dependent on imported scrap
- Dependency on industry culture
- Bottleneck in production capacity

OPPORTUNITIES

- Continuous expansion in untapped business and grab new opportunities
- Digitization to cater different needs of customers
- Emerging in new local and international market
- GDP Growth and National Development Plan
- Positive Investment Climate
- LDC Graduation

THREATS

- Economic Zones tax benefit
- Raw Material price volatility and availability
- Rise in Competition
- Non availability of Natural Resources (Gas, water)
- Environmental Legislation
- Logistical Challenges

1.2 GOVERNANCE

Corporate governance is the system of rules, practices, and processes by which the company is directed and controlled. Corporate governance essentially involves balancing the interests of the company's stakeholders, such as shareholders, employees, customers, suppliers, financiers, the government, and the community. It provides the framework for attaining the company's objectives; it encompasses practically every management sphere, from action plans and internal controls to performance measurement and corporate disclosure. As a legal corporate entity, we are committed to maintaining high levels of Corporate Governance by engaging the stakeholders to maximize our short-, medium-, and long-term values. Details on page no. 282 of IAR-23 under Corporate Governance Framework in BSRM.



1.2. a) BSRM's leadership structure, including the skills and diversity (e.g., range of backgrounds, gender, competence, and experience) of those charged with governance and whether regulatory requirements influence the design of the governance structure

BSRM's corporate governance structure refers to how companies interact with other businesses, customers, and stakeholders. The corporate governance strategy directly relates to the company's vision. The facilities and systems for corporations are regulated and governed by pertinent guidelines, rules, and regulations of the Companies Act 1994 and Bangladesh Securities and Exchange Commission (BSEC) Notifications. The shareholders in the AGM elect the Directors. All Board members' profiles, including their qualifications and experience, are disclosed on page no. 43 of IAR-23.

1.2.b) Mandatory and voluntary code of corporate governance adopted by the Company

The company's corporate Governance policies and practices are focused on ensuring fairness, transparency, and accountability in the organization. The company is structured and systems and processes organized aligned with accepted Corporate Governance practices and also in line with guidelines of the revised Corporate Governance Code (CGC) BSEC/ CMRRCD/2006-158/207/ Admin/80, dated June 3, 2018, on financial reporting and disclosure issued by Bangladesh Securities and Exchange Commission (BSEC), listing regulations and directives of DSE and CSE and all aspects of other regulators directives.

1.2.c) Code of ethical conduct adopted by the Company about honest business..

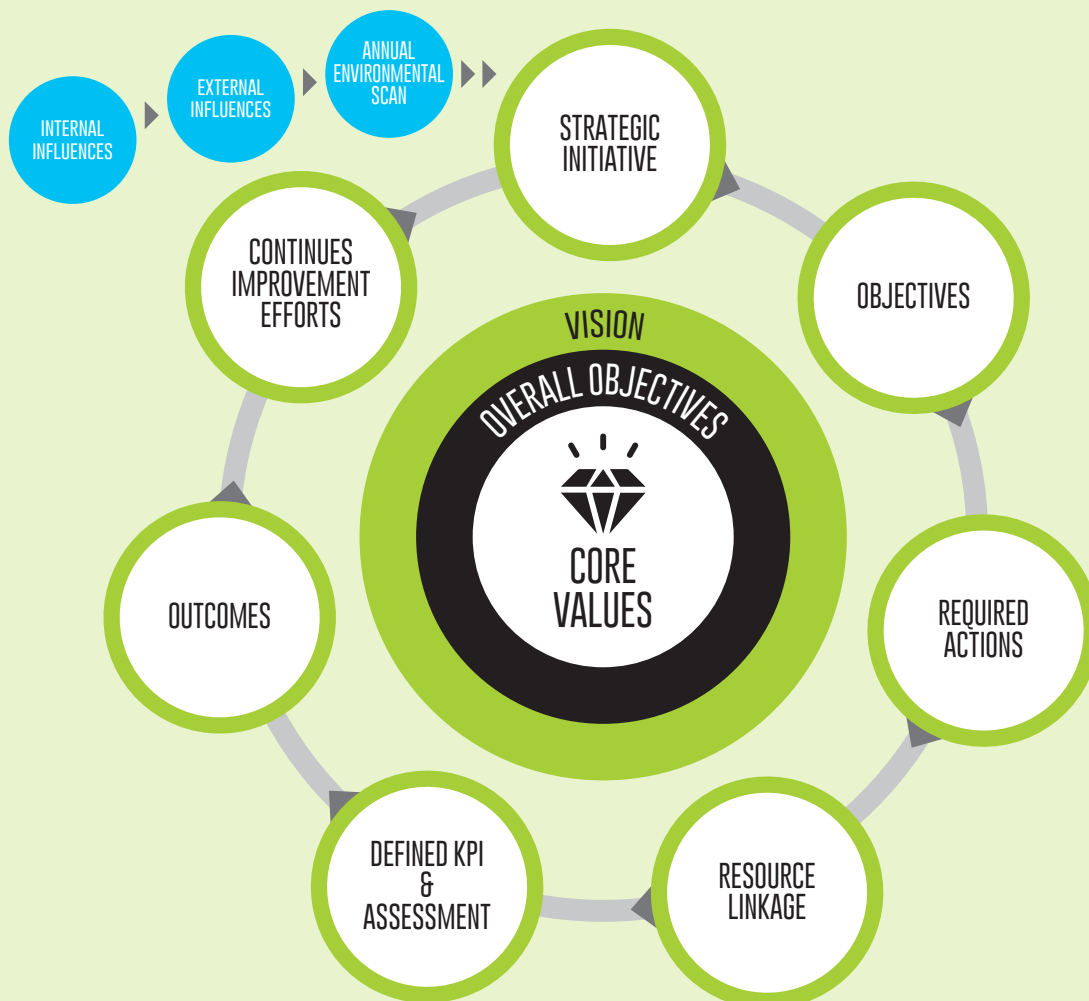
To maintain high standards of governance, BSRM recognizes the virtues of honesty and accountability and serves as a guideline for addressing situations involving ethical issues in all spheres of activities of the company. The Board of Directors follows a code of conduct which was adopted to guide directors to perform their duty in an honest, responsible, and business-like manner and within the scope of their authority, permitted by the Companies Act 1994 (amended up to 2020), as well as Memorandum of Association (MoA) and Articles of Association (AoA) of the company.

1.2.d) Specific processes used to make strategic decisions and to establish and monitor the culture of the organization, including its attitude to risk and mechanisms for addressing integrity and ethical issues

PROCESSES USED TO MAKE STRATEGIC DECISIONS

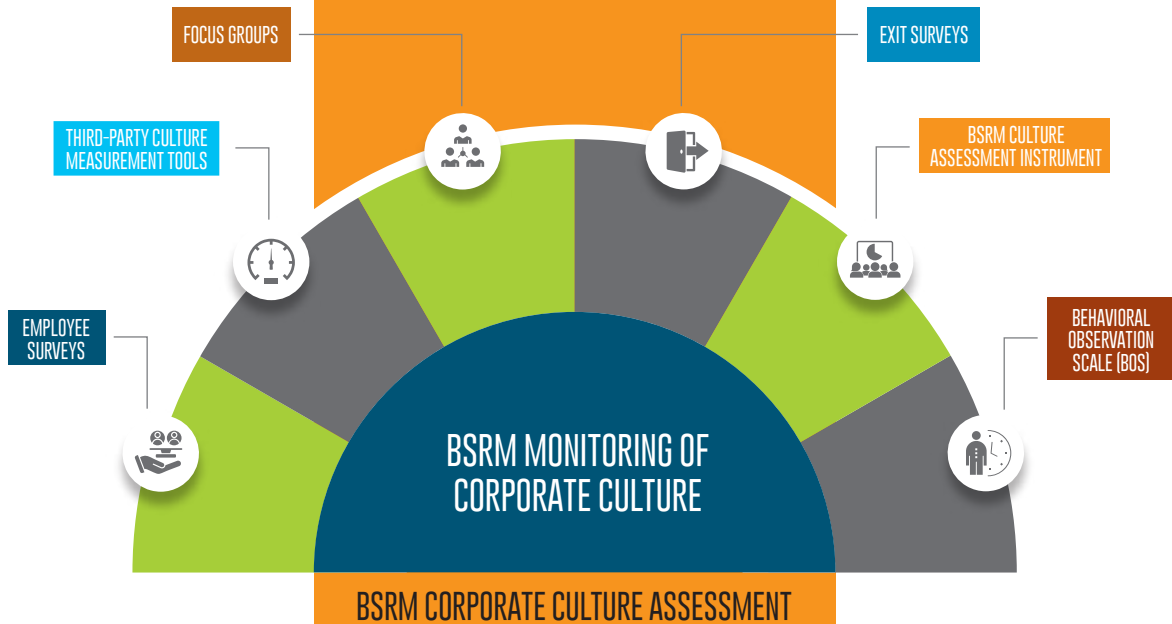
The process of strategic decision-making of BSRM is to align the company's short-term goals with long-term ones. So, whenever we are trying to launch a new product or service proposition, our strategy would include goal-setting, evaluating customer needs, and assessing the competition. BSRM follows a data-driven, holistic, balanced, risk-aware, innovative, and agile approach for effective strategic decisions. By embracing these strategies, BSRM makes informed and effective strategic decisions that position us for long-term success.

BSRM STRATEGIC DECISION-MAKING PROCESS



MONITORING CORPORATE CULTURE

BSRM constantly monitors its workforce by developing and maintaining a strong corporate culture to maintain a healthy, happy, and motivated work environment. It impacts the BSRM's capacity to create, retain, and inspire good, productive employees. It also affects perceptions of the BSRM's brand and reputation. BSRM is perceived as having an excellent corporate culture that increases its attractiveness to prospective new hires in monitoring and measuring corporate culture. BSRM's management review and discuss employee survey/engagement metrics with the employees regularly.

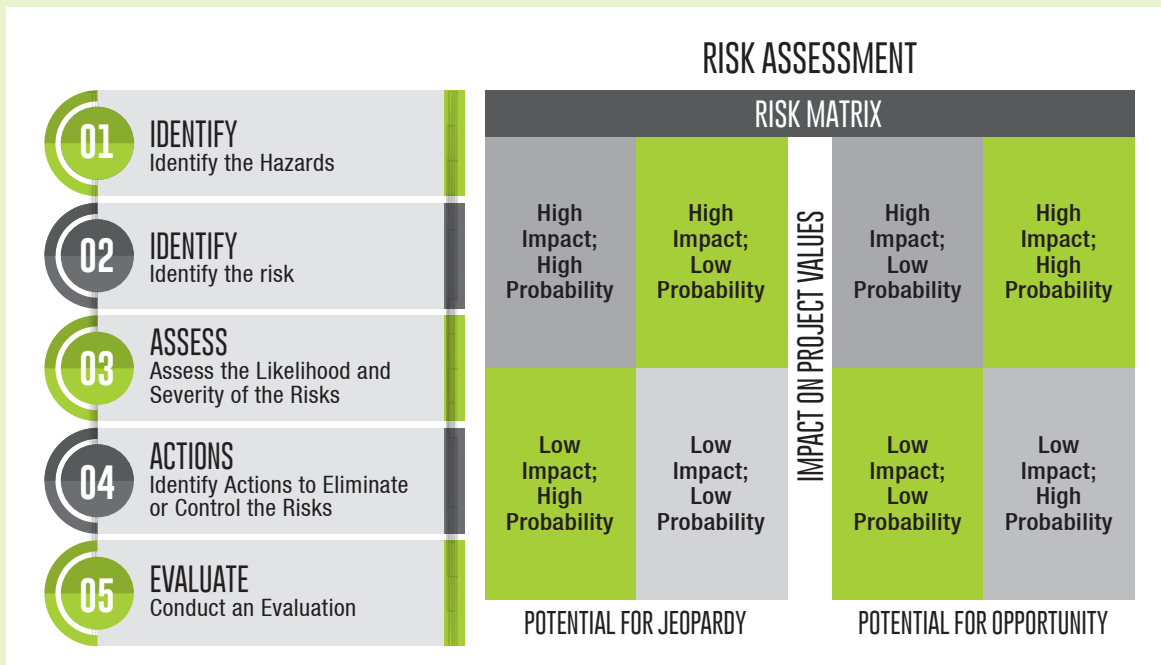


Risk management is not only about avoiding or minimizing threats but also about seizing opportunities and creating value. As a leader in the steel industry, BSRM uses risk management to make strategic decisions that align with our vision and values to monitor the organization's culture, including its attitude to risk and mechanisms for addressing integrity and ethical issues. Effective risk management is beyond the regulatory requirement. In broad sight, risk can be divided into 02 (two) significant parts:

- Systematic Risk and
- Non-systematic.



BSRM risk assessment is applied on an enterprise-wide basis and considering the following steps



BSRM strongly believes in maintaining smooth and interactive relationships with the stakeholders.

1.2.e) Actions of those charged with overlooking governance and their actions to monitor the organization's strategic direction and approach to risk management

BSRM risk management encompasses identifying, analyzing, and responding to risk factors that form part of the business's life. Effective risk management means controlling future outcomes as much as possible by acting proactively rather than reactively. Therefore, effective risk management offers the potential to reduce the possibility of a risk occurring and its potential impact. The company's risk management combines board-level oversight, Management oversight, and Operational oversight. The company's Risk management sets out the company's primary risk categories and related subcategories to which the businesses and operations could be exposed. The company's primary risk categories are Geopolitical scenario – the Russia-Ukraine conflict, Infrastructure and logistics, Environmental protection and climate change, Occupational health and safety, Human resources, Cyber security, and Financial and Regulatory Compliance risk.



DISCLOSURE OF RISK REPORTING

Risk reporting is a method of identifying risks tied to or potentially impacting the company's business processes. The identified risks are usually compiled into a formal risk report, which is then delivered to the company's senior management or various management teams.

1.2.f) The organization's culture, ethics, and values are reflected in its use of and effects on the capital, including its relationships with key stakeholders

Stakeholder relationships are professional connections. BSRM forms with people or groups interested in their activities and decisions. A good relationship with stakeholders is crucial because it helps BSRM know their needs, interests, and requirements. This helps BSRM to make informed business decisions that meet their expectations and improve the company's chance of success.

1.2.g) BSRM's governance practices

Details on BSRM's governance practices implemented within legal boundaries and critical policies are given on page no. 282 under Governance of ESG.

1.2.h) The responsibility those charged with governance take for promoting and enabling innovation

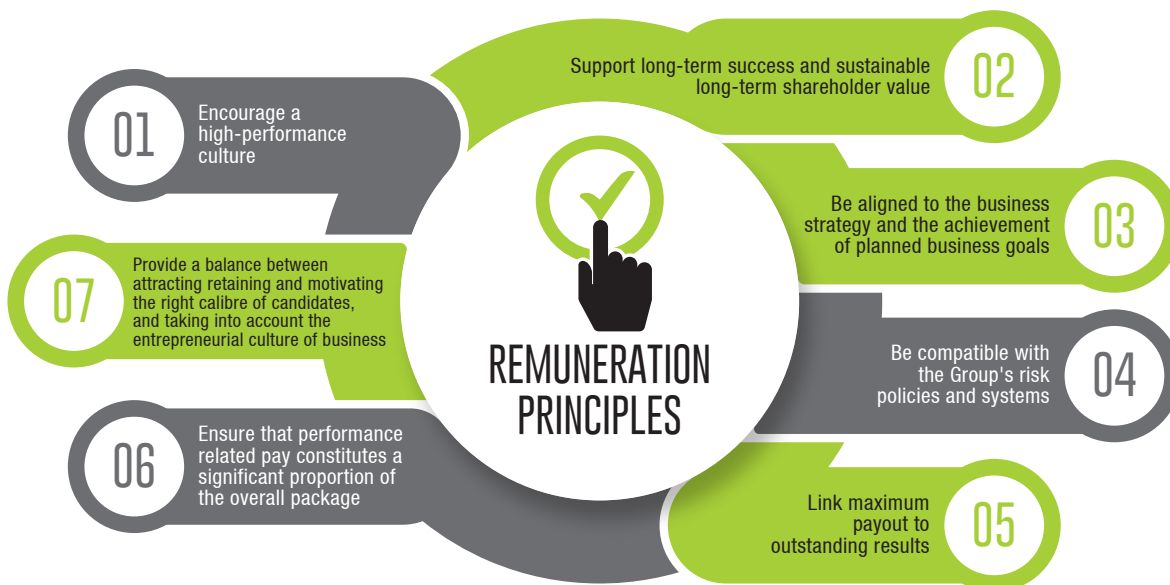
BSRM's boards are engaged with the company's innovation journey and provide meaningful oversight and support. Boards acknowledge where the company is now, seek outside views, and understand trends to help determine how to innovate for the future. When obstacles to innovation arise, boards take steps to guide the company around these challenges and stay focused on the ultimate destination.



BSRM has a well-defined and well-structured Corporate Governance framework to support the Board’s aim of achieving long-term and sustainable value. Various committees across the company assist the Board in fulfilling its governance role effectively for promoting and enabling innovation for the long-term sustainability of the company businesses.

C1.2.i) Remuneration and incentives linked to short, medium, and long-term value creation as well as the organization’s use of and effects on the capitals

REMUNERATION POLICIES
Performance Based



Successful implementation of the company’s business strategy and the fostering of the company’s long-term interests, including its sustainability, requires that the company is able, through competitive remuneration on market terms, to recruit, incentivize, and retain skilled employees.

1.3 BUSINESS MODEL

The business model of BSRM describes how the company creates, delivers, and captures value in economic, social, cultural, or other contexts. It is a system of transforming inputs, through its business activities, into outputs and outcomes that aim to fulfill the organization's strategic purposes and create value over the short, medium, and long term. Details of the Business model are given on page no. 133 of IAR-23.

1.3.1 Multiple Business Model of BSRM

BSRM's business model can be divided into two distinct segments:

Revenue generation from MS Steel Production and Sale and Subsidiary & Associate Company Operations.



MS Steel Production and Sale: The Company generates revenue through MS steel production and sales to multiple segments of customers. This is further classified into the following

Segments:

- Local sales: MS Rod/Billet/Channel/Angle etc
- Export sales: By products/Finished products etc.

Subsidiary & Associate Company Operations:

BSRM has Subsidiary & Associate Company Operations: Company earns shared income from the following subsidiary and associate company:

- BSRM (Hong Kong) Limited
- BSRM Steels Limited- associate

The consolidated financial statements have been prepared by the International Financial Reporting Standards (IFRS) adopted by the Financial Reporting Council, Bangladesh, the Companies Act 1994, the Bangladesh Securities and Exchange Rules 1987, and other applicable laws and regulations in Bangladesh. Cash flows from operating activities are prepared directly as prescribed by the Bangladesh Securities and Exchange Rules 1987.

1.4 RISK AND OPPORTUNITIES

1.4.1 Managing Our Risks

Deploying a proactive and structured approach

In an ever-changing economic landscape of dynamic customer demand, we proactively monitor emerging risks to evaluate their potential short-term and long-term impact and strategically plan for effective risk mitigation.

RISK CATEGORY	DESCRIPTION	MITIGATION STRATEGY
Geopolitical scenario – the Russia-Ukraine conflict	Due to the geopolitical tension and war, oil and natural gas prices have increased and are expected to drive up logistics costs further, resulting in higher inflation.	<p>We are continuously monitoring the situation. The risk is being managed by</p> <ul style="list-style-type: none"> • Broadening sourcing options – different geographies, multiple vendors • Prudent hedging strategies to mitigate the foreign exchange fluctuation risk • Various contract options like long-term contracts and monthly/quarterly/spot contracts for cost-effectiveness
Operational Risks	Disruption to BSRM's manufacturing processes caused due to various factors, such as equipment failures, natural disasters, epidemics, pandemics, or extreme weather events, etc., could adversely affect operations and customer service levels.	<ul style="list-style-type: none"> • Adopting advanced maintenance practices to improve plant availability and reliability • Predictive maintenance- based practices • Digital initiatives were undertaken to optimize inventory and improve process efficiencies • Disaster plan and related SOPs to proactively respond to natural disasters, epidemics, or extreme weather events • Institutionalized business continuity management
Occupational health and safety	Associated hazards include accidents involving moving machinery, on-site transport, forklifts, overhead cranes, explosions, and resulting fires. These may lead to severe damage or destruction of property, equipment, and environment and cause personal injury or even fatalities among personnel. Consequently, there may be temporary or lengthy interruptions in operations, damage to reputation and corporate image, and perhaps even civil and criminal liabilities.	<ul style="list-style-type: none"> • Ensuring compliance with local and international laws, regulations and standards with a primary focus on protecting employees and communities from harm and operations from business interruptions • Construction Guidance to improve construction safety • Periodic safety training, mandatory usage of safety gadgets such as safety shoes, helmets, hand gloves, masks on the floor and plants • External, detailed Fire Prevention Audit carried out at all downstream units • Safety made a mandatory KPI for employees, requiring them to undergo compulsory learning sessions on safety • Employee Assistance Program to provide psychological and emotional counseling support to employees • Safety meetings are held for review of safety aspects, fatal accidents/near miss accidents, if any • Medical facilities cover for employees and their families; Group insurance policy for employees • Strong security arrangements like security checkposts, entry pass/identity cards, access control system, CCTVs at critical locations

RISK CATEGORY	DESCRIPTION	MITIGATION STRATEGY
Human resources	Human capital with the requisite skillset and experience is critical to maintaining the current level of operations and upcoming expansion at plants. While we consider our labor relations good, we cannot discount future disruptions in operations due to disputes or other employee problems.	<ul style="list-style-type: none"> • Strong HR policies and processes in place for hiring and retaining talent • Robust performance management system to reward performers, which helps attract and retain talent • Group-wide employee remuneration is given alignment with the market scenario • Candid Conversation program for enabling more significant interaction between employees and senior leaders to build strong relationships • A separate pool of employees identified from the different institutes for next-level roles • Gender diversity initiative to encourage female employees • Training and development program for team building, communication, and other skills
Cyber security	<ul style="list-style-type: none"> • Projects may be exposed to a wide array of cyber risks. • A potential breach could lead to loss of process control and impact day-to-day functions. • Cyber security risk could damage reputation and lead to financial loss. Such threats arise from: <ul style="list-style-type: none"> -Theft of corporate information -Theft of financial information (e.g., financial results and bank details) -Ransomware – cyber extortion -Disruption to business (e.g., inability to carry out ORACLE transactions) -Loss of business or contract 	<ul style="list-style-type: none"> • All the Information technology management system confirms robust internal control systems • Controlling system vulnerability through: <ul style="list-style-type: none"> • Vulnerability assessment and penetration testing for all public-facing assets • Firewall hardening rule sets implemented • Firewall remediation tool deployed and improvements done in identified areas • Breach assessment through: <ul style="list-style-type: none"> • Strengthening the cyber security posture; carried out self-assessment and continuous monitoring are going on • Third-party view and peer comparison undertaken • Breach assessment done with subject expert partners • Incorporating cyber security and privacy into everyday business decisions and processes • Cyber security awareness program conducted across all the locations, given the growing threats of cyberattacks due to increased online trades and transactions • Progress of cyber security roadmap being tracked regularly • Monitor threats and respond, investigate and remediate cyber security related incidents and data breaches

RISK CATEGORY	DESCRIPTION	MITIGATION STRATEGY
Financial	<ul style="list-style-type: none"> • Foreign exchange fluctuations – resulting in profit or loss due to changes in foreign exchange rates between the time of incurrence of expense/ income and actual payment/ collection. • Financing cost fluctuations – resulting in elevated funding costs, reduced investment returns, or credit rating downgrades • Liquidity constraints – resulting in the Company's inability to meet short-term obligations. 	<ul style="list-style-type: none"> • A robust hedging policy in place to mitigate the risk of currency • Hedging strategy with a judicious mix of forwards and other tools • Optimum combination of fixed and floating interest rates for borrowings • To mitigate the risk of increasing interest rate, conversion of floating rate to fixed rate (and vice versa) depends on profitable terms. • Approach and coordinate with multiple banks to ensure the availability of foreign currency at the time of settlement of dollar, euro, etc. • Focus on driving operating efficiency and cash generation. • Balance between growth and deleveraging and reduction of debt. • Maintain strong cash flow management practices to ensure sufficient liquidity • All credit sales are backed by security margin, for example, bank guarantee, post-dated cheque, etc.
Regulatory Compliance	Potential risk that posed to an organization's financial or reputational standing resulting from violations of laws, regulations, codes of conduct, or organizational standards of practice.	<ul style="list-style-type: none"> – Investment in capacity building and training of resources for creating awareness of emerging regulations and applicable compliances. – A policy of zero tolerance for non-compliance. – Constant monitoring of the regulatory landscape.

1.4.2 CHALLENGES AND OPPORTUNITIES

As a leading player in the steel industry, we recognize the importance of staying agile and adapting to an ever-changing economic landscape. With opportunities and challenges becoming progressively interconnected, we know the potential impact they can have on our operations.

GROWTH OF THE BANGLADESH ECONOMY

Bangladesh's growth story holds immense promise and dynamism for the forthcoming decades. Bangladesh is poised favorably to achieve the ambitious goal of attaining a poverty-free and advanced economy by 2041. Bangladesh's economy grew consistently over a decade, crossing the 7.0 percent milestone in FY 2015-16 and the 8.0 percent milestone in FY 2018-19. According to a provisional estimate of BBS, the economy grew by 6.03 percent in FY 2022-23. Bangladesh has already become the fastest-growing economy in the world. Bangladesh's economy will be \$1 trillion by 2040 if the current consecutive growth of over 6% continues, while it will be achieved by 2030 if the development goes above 8%. This upcoming period of twenty years presents a remarkable opportunity for Bangladesh to lead the way into a new global era. By prioritizing the development of world-class infrastructure, implementing investment-oriented policies, and undertaking necessary reforms, Bangladesh aspires to establish itself as a perfect place for the steel industry.

43KG

Bangladesh's Per Capita Consumption of Steel

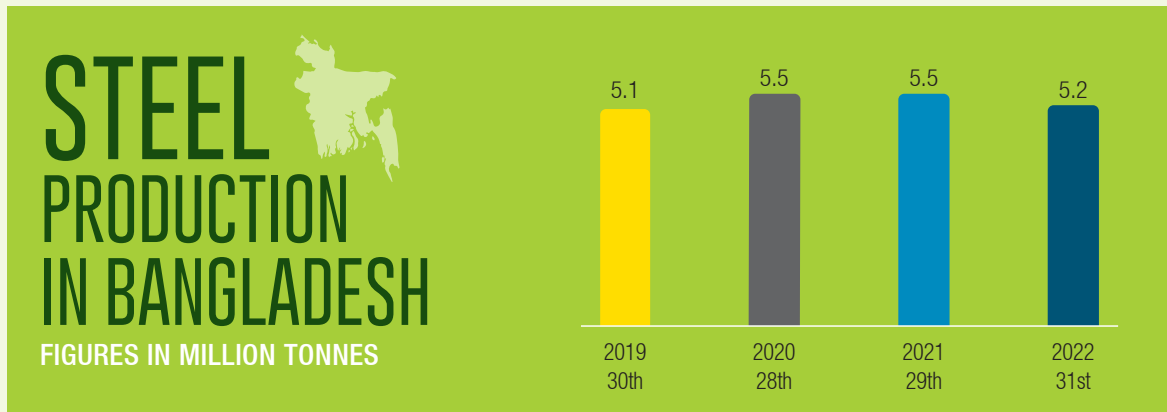
100KG

In 2030, Bangladesh's Per Capita Consumption of Steel is considering the industry growth rate at 10%.

OPPORTUNITIES

GROWTH OF THE STEEL SECTOR

The story of the Bangladesh steel industry and Bangladesh's economic growth is one of intertwined progress. A notable illustration of this correlation is reflected in the national consumption of finished steel; even a decade ago, the demand was 1.6 million metric tons, but it reached 7 million tons in 2023 and is expected to rise to 18 million tons by 2030. Within the same time frame, Bangladesh's GDP, measured at constant prices in 2010, witnessed substantial growth, expanding from US\$ 115.3 billion to US\$ 485.51 billion in 2023. And it is expected that if economic growth increases to 8-9% and internal stability is maintained, it will reach \$1 trillion by 2030.



ATTRACTIVE GROWTH POTENTIAL

Bangladesh will likely become the 24th largest economy by 2030, and the steel industry will play a pivotal role in this growth journey. With an average mean age of 27 years, a strong base workforce, and one of the fastest-growing markets globally, Bangladesh offers visible structural advantages for the steel industry to flourish. The country's low per capita steel consumption versus the global average provides significant headroom for growth.

WELL-POSITIONED TO CAPITALIZE ON OPPORTUNITIES

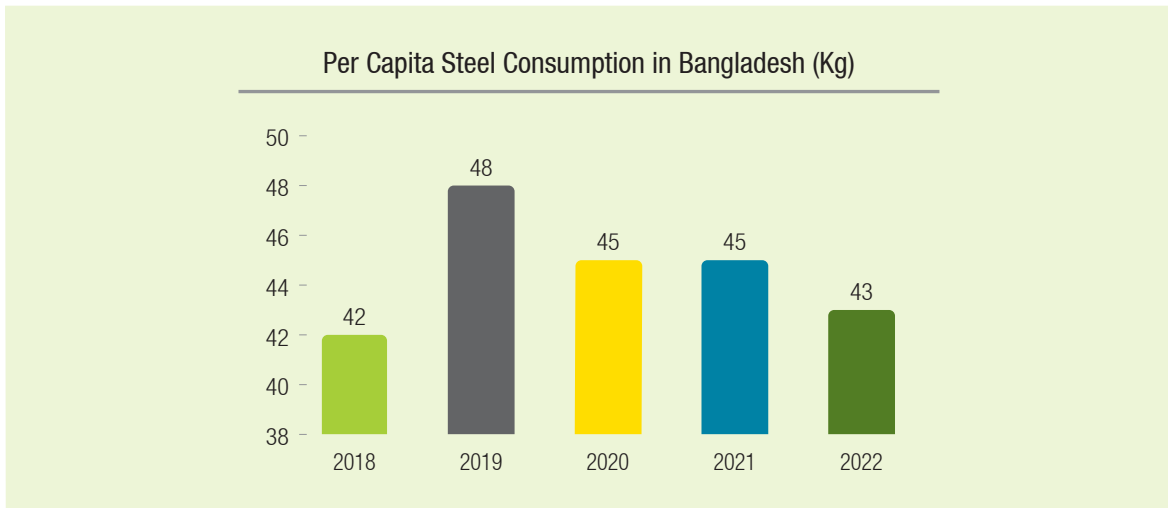
Bangladesh's steelmaking capacity is expected to reach 1.6 crore tonnes twice the current production level. Government-led investment in infrastructure, rapid urbanization, rising preference for personal mobility, growth in the capital goods sector, and the government's focus on making Bangladesh a developed country by 2041 are expected to stimulate steel demand in Bangladesh. With a leadership position in key market segments, world-class production facilities, and cost leadership, we plan to expand our capacity to capitalize on this vast opportunity and contribute towards the nation's development agenda.

GOVERNMENT'S FOCUS ON INFRASTRUCTURE

The infrastructure, building, and construction sectors contribute to ~60% of steel consumption in the Bangladesh domestic market. This highlights the significance of the government's recent emphasis on infrastructure development, which is poised to ensure long-term growth in steel demand. The National Industry Policy 2016 sets the following three goals: i) to improve the socioeconomic condition of Bangladesh through concerted efforts of public-private initiatives for rapid industrialization and employment generation; ii) to raise the contribution of industry GDP from 29% to 35% by 2021; and iii) to ensure accomplishing inclusive growth by increasing quality employment generation through industrialization. In the National Industry Policy, the steel industry is designated one of the priority sectors for industrial promotion.

DEMAND GROWTH FROM USERS & INDUSTRIES

Twenty-five percent of the steel is used in Bangladesh's households, and 15 percent is used in commercial construction. Demand for steel in Bangladesh is increasing. As Bangladesh's GDP continues to expand, a significant outcome is a notable surge in demand witnessed across essential steel-consuming industries such as infrastructure, construction, and natural state, among others. This growing demand from steel-consuming sectors is anticipated to bring substantial benefits to steel players within the country, allowing them to capitalize on the opportunities presented.



ADDRESSING EVOLVING CUSTOMER NEEDS

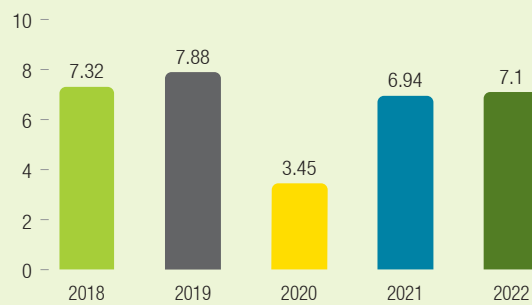
Customer needs are evolving, and the channel deployed to reach the customer is changing. Digital platforms like steel are gaining more traction even in the industrial sectors. Growing urbanization will see demand for steel focused on modularization, amenable to the fast pace of construction and better aesthetics. We aspire to be the supplier of choice for discerning customers, driven by a culture of customer obsession and the ability to provide the best products and service experience.

SUSTAINABILITY DRIVING NEW BUSINESS MODELS

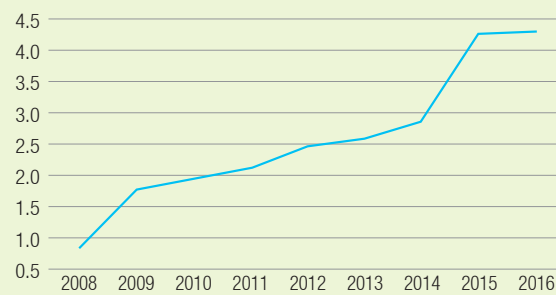
Climate change is challenging for a 'hard-to-abate' sector such as steel. However, it also provides opportunities. With sustainability gaining center stage globally and significant investments being directed towards green technology, we have identified focused intervention across hydrogen fuel technology, carbon capture and use, and reduction in specific water consumption, among others. Particular plans are in place to improve sustainability performance across the locations.

COMPARISON OF GDP GROWTH RATES AND STEEL CONSUMPTION IN BANGLADESH

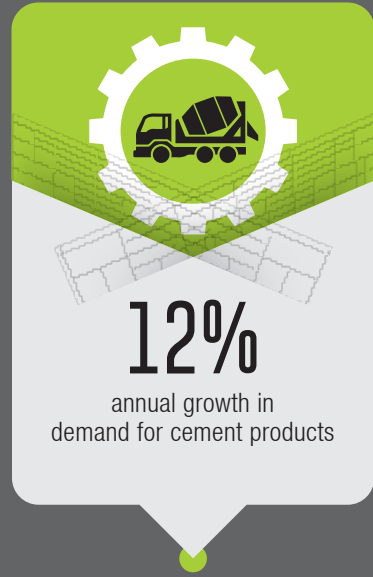
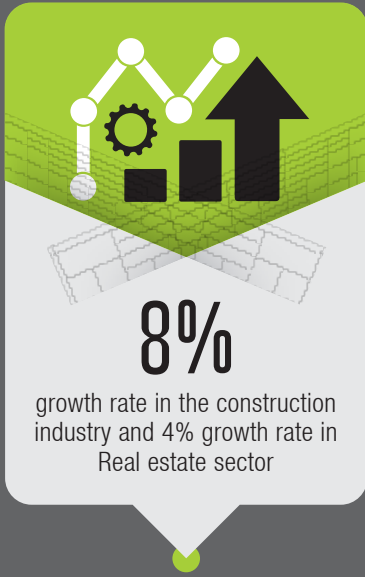
GDP Growth Rate (%)



Steel Consumption in Bangladesh (Million tons)



OPPORTUNITY LANDSCAPE



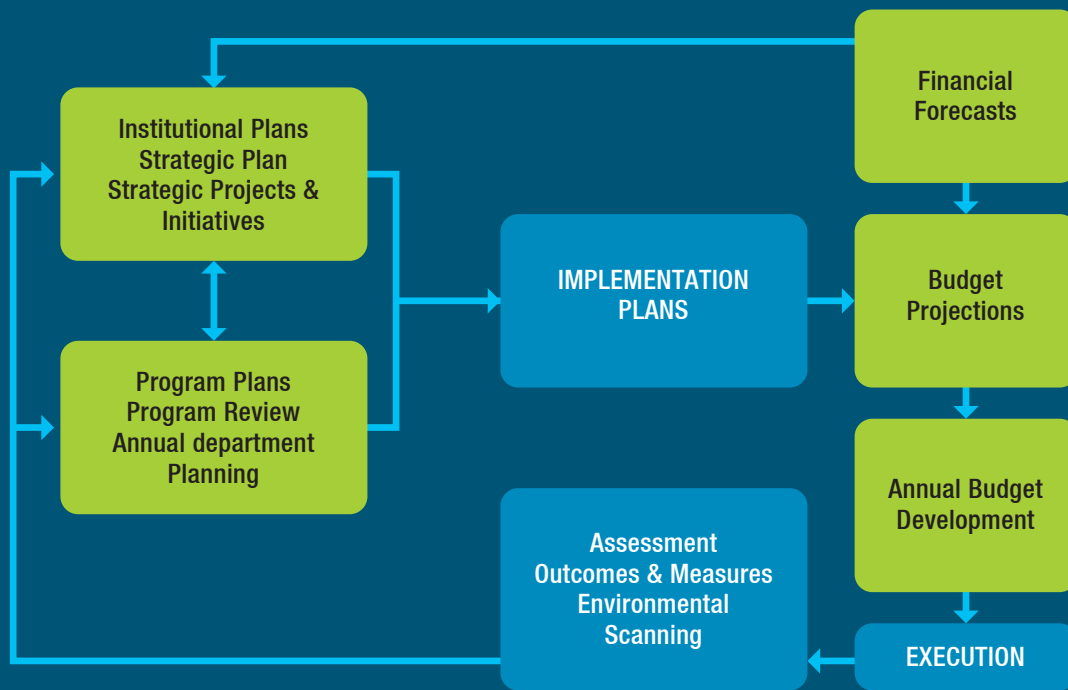
Mega infrastructure projects being implemented continually in response to robust economic growth.

Incentives Related to the Steel Industry

4% cash incentive on export of MS steel products

1.5 STRATEGY AND RESOURCE ALLOCATION

PLANNING AND RESOURCE ALLOCATION



BSRM's resource allocation is strategically selecting and assigning available resources to the task to support the business vision and values. Resource allocation involves balancing competing needs and priorities and determining the best course of action to maximize the use of limited resources and get the best return on investment. Our Integrated Report describes BSRM's strategic objectives for our current business model and the resource allocation plans to implement these strategies.

1.5.a) BSRM's short, medium, and long-term strategic objectives

BSRM has identified several short-, medium-, and long-term objectives that may affect our business operations. Details on page no. 115 of IAR-23 under Strategic Plans of BSRM.

1.5.b) BSRM's Strategic Focus to Implement Our Organizational Vision



The strategic objectives are the specific outcomes that we wish to achieve to attain the company's vision. These objectives are clear, measurable, and time-bound. Once realized, other purposes replace these detailed, quantifiable results. Achieving each strategic goal is a clear indicator of the progress of the strategic plan and tells the company that we are moving closer to your vision.

1.5.c) BSRM's Segment Analysis and industry position in terms of MS product production and sale, as well as Export and Import business

Through Segment Analysis, we have provided an overview of BSRM's Operating Profit, Total Assets, and Profit Before Tax on a Consolidated and Solo basis. Details on page no. 109 of IAR-23 under company performance

An analysis of the BSRMS's performance compared to the steel industry and other competitor companies has been detailed on page no. 109 of IAR-23.

1.5.d) BSRM's current business model related to our strategic objectives

BSRM's business model defines transforming inputs through our business activities into outputs and outcomes that aim to fulfill our strategic purposes and create value over the short, medium, and long term, details on page no. 133 of IAR-23 under Our Business Model.

1.5.e) BSRM's resource allocation plans to implement our strategic objectives

BSRM's Resource allocation plan is discussed in detail under the BSRM strategic plan and our six capitals. Page no 210 for the strategic plan and page no. 137 for six capitals of IAR-23.

1.5.f) BSRM's measure of achievements against target Outcomes

BSRM's achievement against set targets over major financial indicators, i.e., Debt to equity ratio, Gross profit margin, net profit margin, Return on Equity, Inventory turnover, working capital, and return on asset, etc., are detailed on page no. 103 Under Performance Highlights.

1.6 PERFORMANCE

BSRM's integrated report explains how much we have achieved our Goals in line with our company's vision and values.

Vission

- 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 society through Corporate Social Responsibility initiatives.

Values

- SUSTAINABLE GROWTH
- QUALITY
- RELIABILITY
- TRUST
- LEADERSHIP
- SOCIAL RESPONSIBILITY
- CUSTOMER SATISFACTION

1.6.a) Comparative analysis through Quantitative indicators of BSRM

An analysis of BSRM Six Years' Performance of several vital factors has been detailed on page no. 103 of IAR-23.

1.6.b) BSRM's material effects on capitals up and down the value chain

We have provided a detailed explanation of the material matters impacting our capital in the following pages:

Financial Capital: Page no. 137

Human Capital: Page no. 148

Manufactured Capital: Page no. 140

Intellectual Capital: Page no. 146

Natural Capital: Page no. 158

Social & Relationship Capital: Page no. 160

1.6.c) Key stakeholder relationships and how BSRM has responded to critical stakeholders' legitimate needs and interests

Stakeholder engagement is the process by which BSRM involves people affected by the decisions it makes or can influence the implementation of its findings. They may support or oppose the decisions, be influential in the organization or within the company's community, hold relevant official positions, or be affected in the long term. Details on how we engage with our stakeholders have been provided on page no. 166 under Stakeholder engagement, and how we resolve stakeholder complaints and concerns have been provided on page no. 273 under Stakeholders Relationship/ Grievance Redressal.

1.6.d) Organisation's outlook describes the linkages between past and current performance

Million Tk.

Particular	2022-23	2021-22	Growth
Revenue	115,061	79,783	44.22%
Gross Profit	10,319	6,486	59.09%
Net Profit	2,914	3,088	(5.66%)

KPIs that combine financial measures with other components

Balance Sheet Including Human Capital

Particular	2022-23	2021-22	Growth
Total assets	101,769	116,681	(13%)
Human Asset (Individuals' value)	2,096	1,840	14%
Value of investments	96	95	2%
Total Asset including Human Asset	103,961	118,616	(12%)
Capital & liabilities			
Total Equity	41,938	40,095	5%
Total Liabilities	61,612	78,111	(21%)
Human Capital	411	409	0%
Total Equity and liabilities, including Human capital	103,961	118,616	(12%)

1.7 OUTLOOK

The outlook segment in our Integrated Report describes the challenges in pursuing our strategic objectives and the potential implications to our business model and future financial performance.

Details on page no. 210 of IAR-23 under Strategic Plans and Outlook of BSRM, page no. 137 of IAR-23 under Capital Planning

1.8 BASIS OF PREPARATION AND PRESENTATION OF INTEGRATED REPORT

BSRM's Integrated Report 2023 has been prepared by the <IR> framework guideline as its basis as outlined by the International Integrated Reporting Council (IIRC).



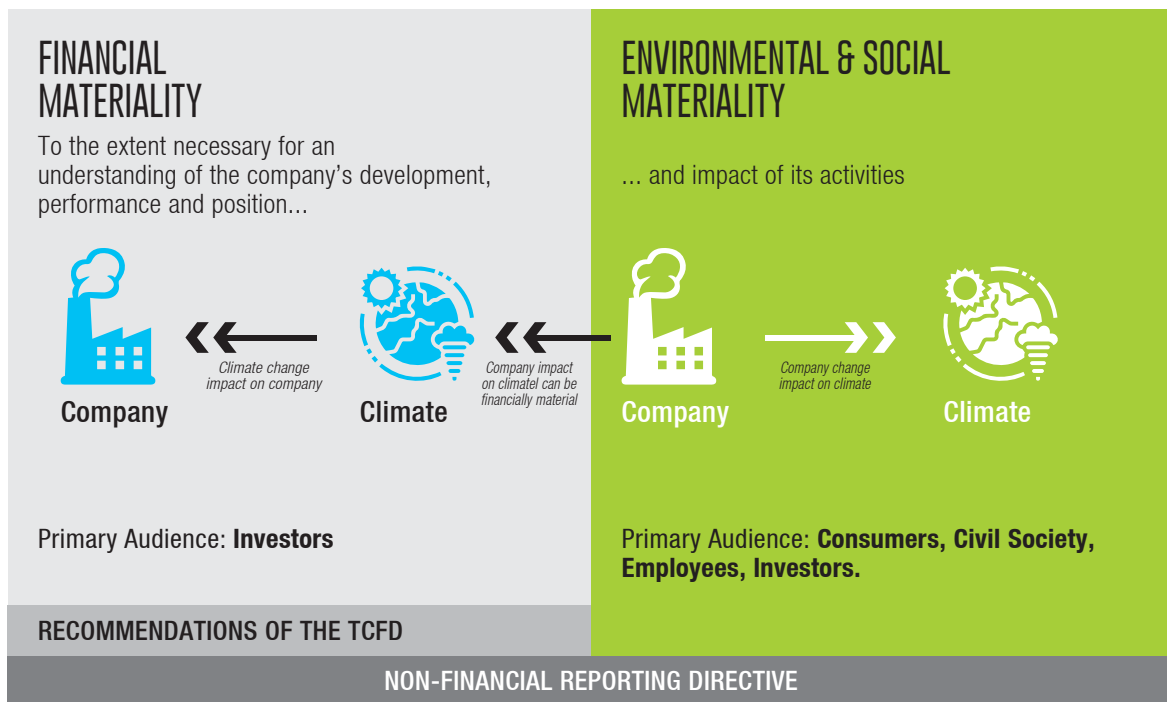
1.8.a) Factors considered in our materiality determination process

In our Integrated Report, the matters significantly affecting our organization's ability to create value in the short, medium, and long term are considered material. Details on page no. 175 of IAR-23 under materiality. of IAR-23 under materiality.

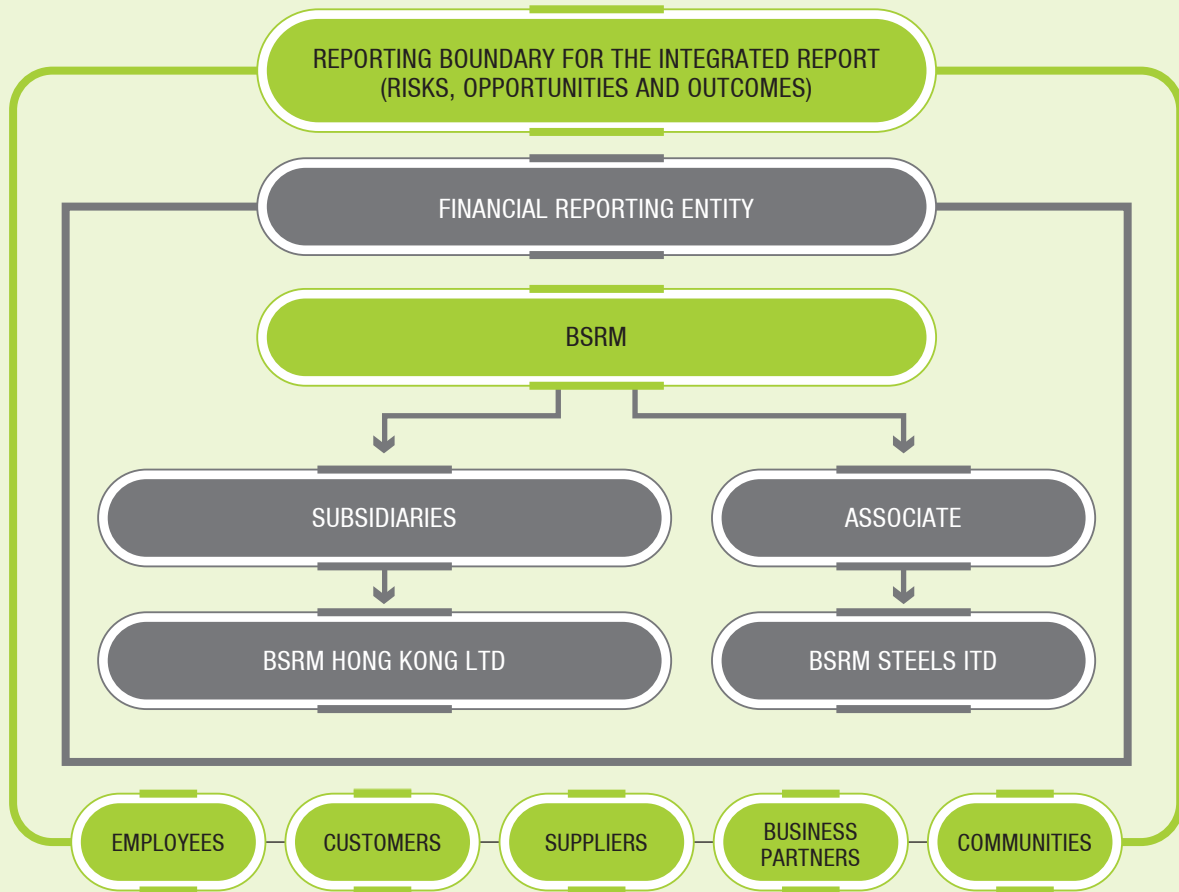
1.8.a.i) BSRM's Materiality Determination Process

The process of determining materiality is entity-specific, based on industry and other factors, and multi-stakeholder perspectives. Through materiality analysis, BSRM can identify the vital priorities of the company so that we can delineate our key triple bottom line, keeping the short, medium, and long-term goals in mind. BSRM has an edge by developing strategies focusing on our fundamental priorities to facilitate our operational activities, embolden our goal-oriented performance, vitalize our sustainability framework, and institutionalize our corporate governance philosophy for internal and external stakeholders. Details on page no. 175 of IAR-23 under materiality.

DOUBLE MATERIALITY

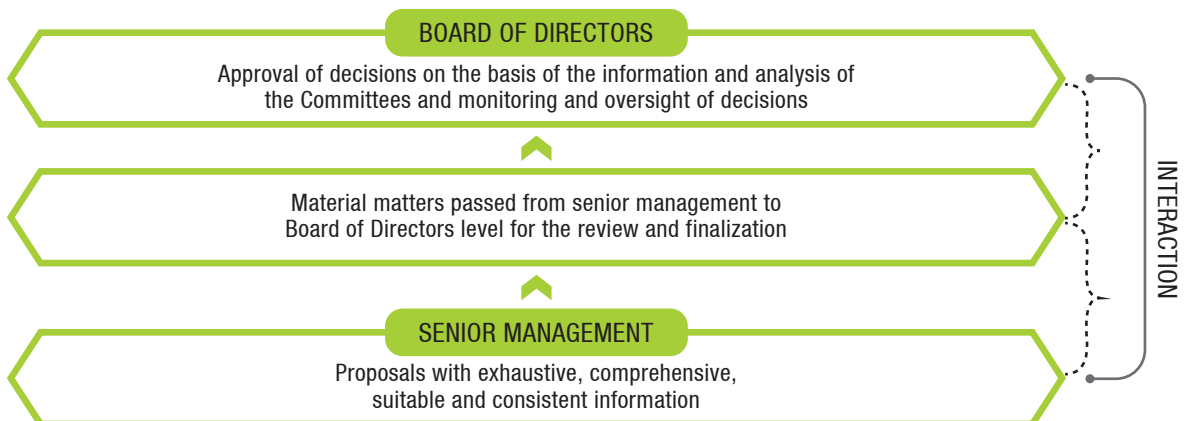


MATERIALITY BOUNDARY



1.8.a.ii) Role of those charged with governance and key personnel in the identification and prioritization of material matters

The Board and Senior Management Team are the key personnel in identifying and prioritizing material matters of BSRM. The senior management team prepares proposals after thorough analysis and feedback from the operational level, which the Board then approves of the Directors.



1.8.b) Reporting Boundary

The report boundary 2023 covers the BSRM's operation run by the corporate office and its networks in Bangladesh. Impacts of the activities of our branches located in Kolkata and subsidiaries located in Hong Kong are not within the scope of this report.

1.8.c) Summary of the significant frameworks, standards, and principles used to evaluate BSRM material matters

STANDARDS AND PRINCIPLES

Integrated Reporting >International Framework of the International Integrated Reporting Council (IIRC)	Governance, Risk management, and operations >Company Act, 1994 >BSEC Ordinance 1969 >Corporate Governance Code by BSEC in 2018 >DSE & CSE Listing Rules
Sustainability Reporting > By the GRI Standards >United Nations Sustainable Development Goals >Task Force on Climate-related Financial Disclosures	Financial Reporting >International Financial Reporting Standards >International Accounting Standards >Hong Kong Financial Reporting Standards (HKFRSs) >Indian Accounting Standard >Generally Accepted Accounting Principle
Additional Reporting >International Standards on Auditing (ISAs) >The Income Tax Ordinance 1984 >The Income Tax ACT 2023 >Value Added Tax Act 2012 >Value Added Tax Rules 2016 >Rules & Regulations of CDBL >Other applicable rules and regulations of the land	

GUIDING PRINCIPLES

The Guiding Principles underpin the preparation of the Integrated Report, informing the report's content and how information is presented. BSRM's Integrated Annual Report has been prepared by the Guiding Principles as laid out by the <IR> framework. Below is a brief outline of the key elements addressed by BSRM.

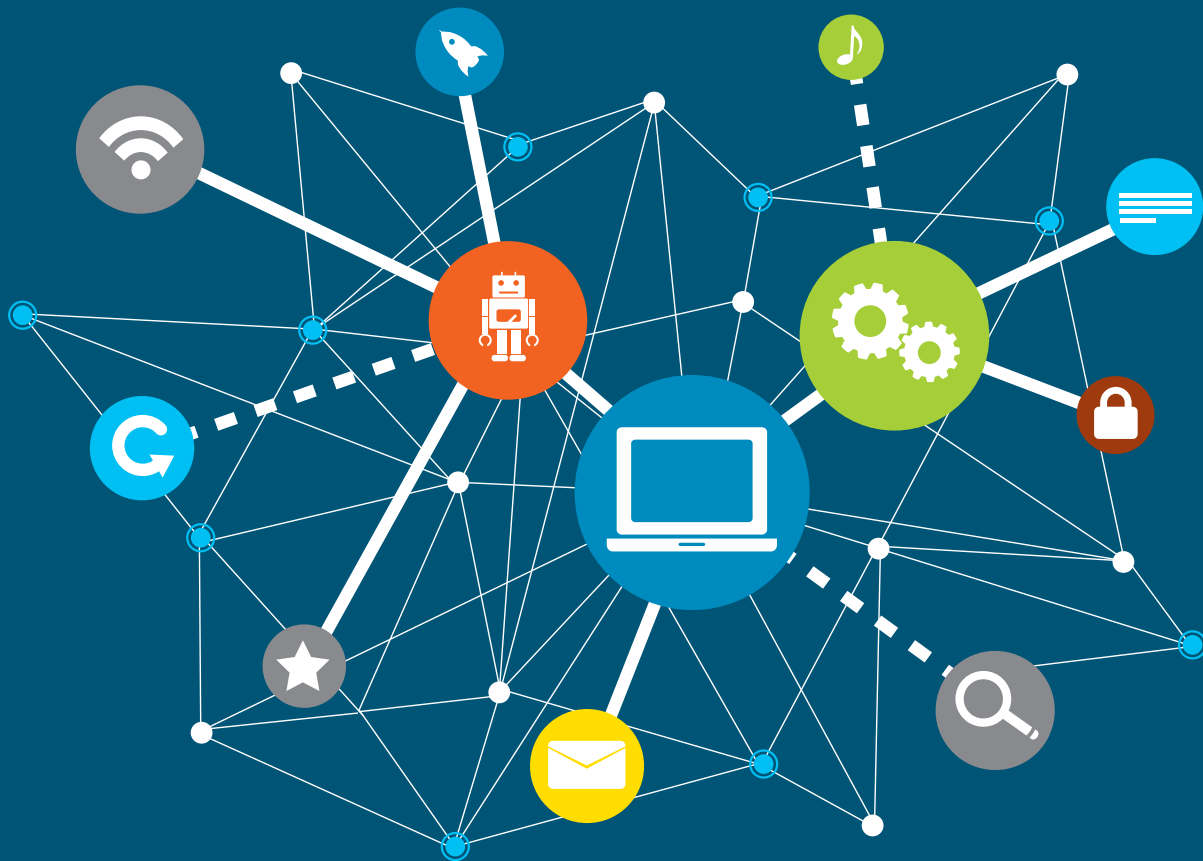


STRATEGIC FOCUS & FUTURE ORIENTATION

The strategic focus of BSRM refers to the concentrated effort and attention that the company directs toward achieving its core objectives and long-term vision. It involves prioritizing certain areas, initiatives, or goals aligned with the organization's strategic direction. The importance of strategic focus lies in its ability to provide clarity and alignment within the organization.

Strategic focus and future orientation are discussed in detail on page 210 of IAR 23. Under Strategic Plan and Business Outlook

CONNECTIVITY OF INFORMATION



BSRM integrated report shows the combination, inter-relatedness, and dependencies between the components that are material to the organization's ability to create value over time. To demonstrate the principle of connectivity in the BSRM integrated report, consider the following guidelines:



Demonstrate the various aspects of the company connect. For instance, Our strategy is connected with our business model



Shows how the past is connected with the present, and has set the direction we hope to go



That the availability, quality and affordability of the six capitals and the trade-offs we make that are linked to creating value



Financial information is connected to non-financial information.



Management information, board information and information reported outside of the organisation are connected and coherent



That the integrated report connects with and is coherent with information in the organisation's other communications, and information from other sources

Value creation activities: This segment explains our overall operational activities that create value over time by considering the external factors that impact our key business activities, how those are linked to the value we have initiated through our actions, and the overall outcome of our value creation process. All these factors are then interlinked with the relevant UN SDGs. Details on page no. 137 of IAR-23 under six capitals

CONCISENESS

BSRM integrated reports are prepared concisely and include sufficient context to understand the organization's strategy, governance, performance, and prospects without being burdened with less relevant information. The report provides cross-referencing where appropriate and keeps repetition minimal, if not avoided altogether. However, detailed explanation and referencing has been provided where necessary.

CONSISTENCY AND COMPARABILITY

The information of BSRM's integrated report is presented (a) consistently over time and (b) in a way that enables comparison with other organizations to the extent it is material to the organization's ability to create value over time.

BSRM's environmental performance: This segment details the ecologically friendly initiatives undertaken by BSRM, such as Energy Savings, Waste Management, Reducing Carbon Footprint, and some of our investments in Environmentally friendly sustainable projects. Details on page no. 229 of IAR-23

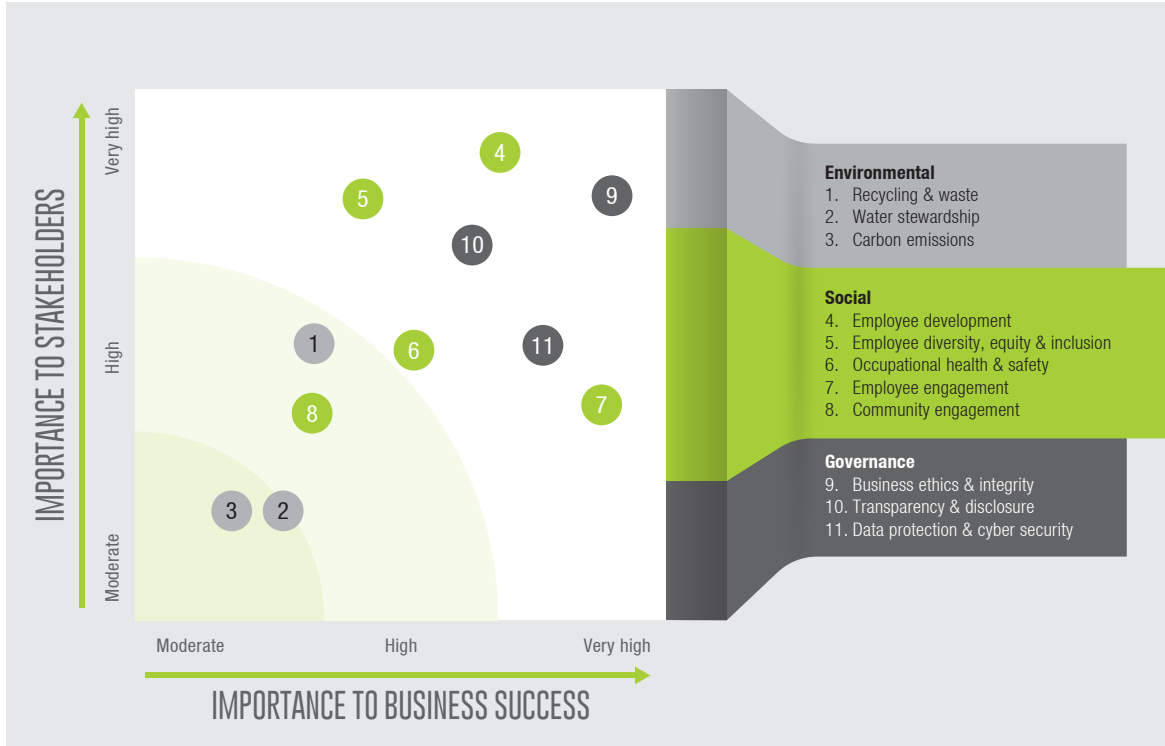
RELIABILITY AND COMPLETENESS



Robust internal reporting systems, appropriate stakeholder engagement, and independent external assurance enhance BSRM's Integrated report's reliability and completeness. BSRM's integrated information includes all material matters, both internal and external, in a balanced way and without material error. BSRM's overall material aspects and boundaries have been explained on page no. 175 of IAR-23 and the material aspects of the six individual IR capitals and their capital trade-offs have been described in their respective segments from page no. 137 of IAR-23.

MATERIALITY

BSRM's integrated report discloses matters that substantively affect our ability to create value over the short, medium, and long term. Details of materiality are given on page 175 of IAR 23



STAKEHOLDER RELATIONSHIP

BSRM's stakeholder relationships are discussed in detail on page 173 of IAR 23 of stakeholder relationship and grievance redressal.

ASSURANCE OF THE REPORT

To maintain proper transparency, BSRM has always obtained Combined Assurance from the following perspective:



Innovation is not just about creating new products or services, but fostering a culture that encourages creativity, experimentation, and risk-taking. Adaptability is about being resilient and open to change, while staying attuned to customers' evolving needs.

INNOVATION AND ADAPTABILITY





ESG REPORT

ENVIRONMENTAL
SOCIAL
GOVERNANCE

IN THIS REPORT

Introduction

Our Approach to ESG
Priority ESG Issues
SDG Alignment

Environment

Environment Governance Policy
Environment Strategy
Our environmental manifesto
Climate Change
The impact of our operation on the environment

- Air
- Water
- Waste
- Noise and Vibration:
- Safety

Environmental related initiative

- Energy efficient system/use of renewable energy
- Disaster Response initiative
- Clean Air/CO2 Emission
- Water Conservation
- Waste Management
- Plantation

Social

Human Resource

- Our People
- Overview of Human Resource
- Our Human Capital
- Our Working Culture
- Performance Based Culture
- Succession Planning Program
- Engage Our Employee
- Diversity, Equality & Inclusion
- Workplace Wellbeing
- Women Empowerment
- Industry-Academia Collaboration:
- Internship Program
- Job Fair, Workshop, and Seminar

Health & Safety

- Our principles
- Campaign and Day Celebration
- World Safety Day celebration
- Best Practice sharing
- Drivers' Awareness Week

Supplier Diversity

Corporate Social Responsibility

- CSR Approach
- BSRM CSR Focus Area
- Key Outcomes: Project & Lives Impacted
- Skilling for Livelihood Opportunities for Transgender
- Sustainable Development & Women Empowerment
- Skill Based Livelihood
- BSRM-SARM (Social Advancement of Rural Mass) Livelihood Project
- BSRM- UDDAYOG Foundation Self-help project
- Ashar Alo -The Hope Center
- Distribution of Assistive Aids and Appliances
- Empowering Individuals through Education
- BSRM School of Engineering
- Burhani BSRM School
- BSRM Foundation Medical Center
- Health & Hygiene Project in Chattogram
- Agriculture Initiative
- YPSA-BSRM Integrated Agro Development Project at Sitakunda and Mirshari
- Response to Crisis
- Stakeholder Relationship and Grievance Redressal
- Snapshot 2023
- BSRM in Media 2023
- BSRM in social media 2023

Governance

Our Governances
Formation of Board of Directors
Integrated Management System
Board Oversight
Management of ESG
Code of Conduct of Board Members
BSRM - One Step Ahead in Digitization and Information Security
Enterprise Risk Management
Enterprise Risk Management structure
Fundamental principles of ERM Framework
Risk Management Methodology of BSRM
Risk Management Guidelines
Disclosure of Risk Reporting
Regulatory Compliance Report

INTRODUCTION >>

OUR APPROACH TO ESG

At the heart of BSRM’s ESG approach is the idea that our vision and values for long-term sustainability are how we strive to responsibly fulfill our purpose – breakthroughs that change community lives – build trust, and take accountability for our impact on society.

ESG issues are increasingly a priority to stakeholders, including shareholders. We recognize environmental issues' impact on society and seek to harness our cutting-edge science to create a healthier, more equitable world. We are committed to acting ethically, thoughtfully, and responsibly in all that we do. Guided by our purpose, we are focused on:



PRIORITY ESG ISSUES



SDG ALIGNMENT

Our purpose is more important now than ever, as societal, environmental, and economic shifts impact global health and health equity. We laid the foundation to connect our goal more intentionally with our ESG strategy to understand better and address the needs of colleagues, partners, shareholders, and communities. We are advancing this work further by embedding ESG throughout our corporate strategy, business operations, and governance structure. The diagram below shows the alignment of SDG goals with the Environmental, social, and Governance Perspectives we are adhering to achieve.



ENVIRONMENT >>

INVESTING IN POSITIVE IMPACT

Operating sustainably is no longer a choice— it’s an imperative. Making meaningful progress in addressing climate change takes unprecedented action across all industries and societies.








BSRM recognizes this and acknowledges that our business impacts areas far beyond our company. There’s no time to waste, so we are investing in efforts to protect the environments of the people and communities we serve—both now and in the future.



ENVIRONMENT GOVERNANCE POLICY



We at BSRM are fully committed to the protection of our environment, prevention of pollution, and compliance with current environmental legislation. BSRM policies and practices cover entire BSRM processes, services, and activities considering product life cycle perspectives and following our commitments

 <p>Ensuring pollution free operations and identifying environment aspect and impact to meet our EMS objectives.</p>	 <p>Minimizing wastes by adopting latest technology, efficient control and also segregating and recycling.</p>	 <p>Consuming energy, water, materials and other natural resources efficiently considering long term sustainability of consumable items.</p>	 <p>Protecting environment by installing air pollution control (APC) Chimney and water treatment plant.</p>	 <p>Providing adequate resources to employees and others needed for EMS, including support, direction and encouragement to fulfil the requirements, commensurate with their role.</p>	 <p>Identifying needs and expectations of our interested parties and meeting their requirements.</p>	 <p>Making aware our internal and external interested parties about the environmental impacts of our business.</p>
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ENVIRONMENT STRATEGY

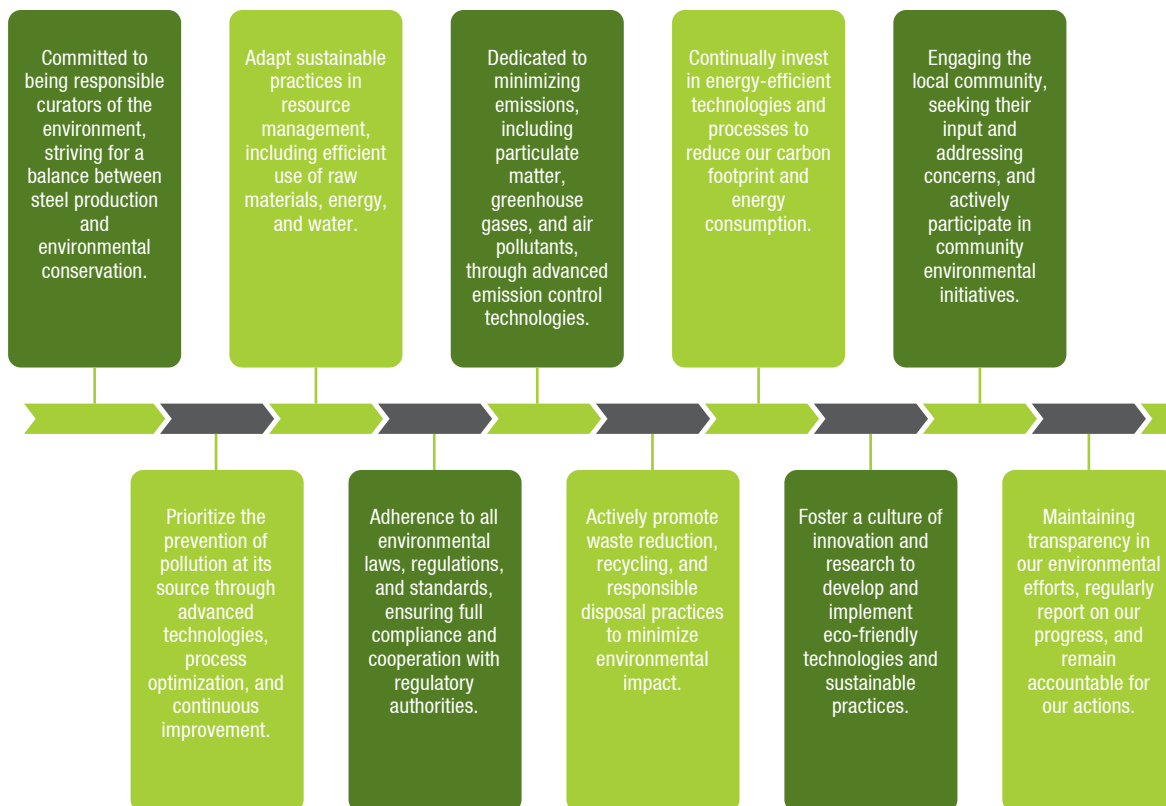
BSRM environment strategy defines the core principles and policies for creating, granting access to, and decommissioning environments of different types, along with the necessary governance process.

BSRM Environmental strategies define a set of initiatives that reduce the impact of operations on the natural environment through products, processes, and corporate policies such as reducing energy consumption and waste, using green, sustainable resources, and environmental management system implementation.

BSRM acts as responsible green stewards, with prudent use of natural capital as inputs and minimal footprint as the outcome. We have in place a dedicated Environmental Management System (EMS) with certification of ISO14001:2015 to achieve this. We are taking mindful steps to decarbonize our operations and reduce carbon dioxide (CO2) emissions across the board. We pursue circularity in mission mode, thus striving to become a part of the solution. Our innovation spectrum across water stewardship has been well-recognised and we continue to manage wastes and by-products efficiently. We also map diligently our dust and air emissions to ensure the well-being of the communities living in and around our impact zones.

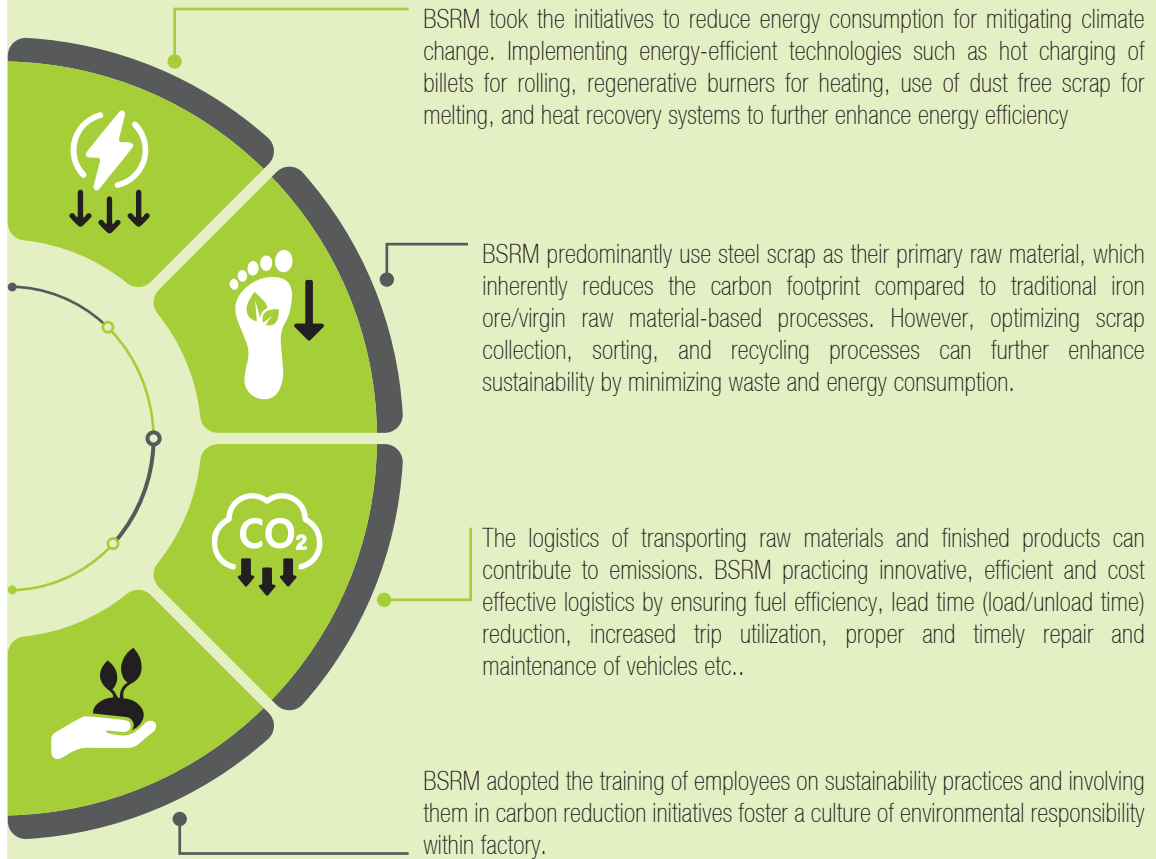
OUR ENVIRONMENTAL MANIFESTO

The manifesto identifies several priorities relating to how environmental sustainability is dealt with; action is taken on sustainability, and more sustainable resources and practices will be used across the operations.



CLIMATE CHANGE

BSRM uses an Electric Induction furnace (EIF) to melt steel scrap, which offers environmental benefits over traditional blast furnaces or ElectricArc furnace (EAF). However, BSRM still contributes significantly to carbon emissions due to energy-intensive processes and reliance on fossil fuels.



THE IMPACT OF OUR OPERATION ON THE ENVIRONMENT



BSRM GREEN INITIATIVES

BSRM Green initiative seeks to equip the world of work better to understand the challenges and opportunities of the coming transition and help the company take an active role in managing this change. It provides a platform of knowledge and research to further the case that decent work approaches and social dialogue are indispensable for genuinely transformative change.



ENVIRONMENTAL TECHNOLOGY

BSRM made Environmental Product Declarations (EPDs) for all finished products and have completed life-cycle assessment (LCA) for all 7 final products (Rebar, Angle, Channel, Square bar, Ribbed wire, Epoxy coated rebar, Cut & Bend). LCA study has been completed for all of our products, using the GaBi ts software system for life cycle engineering, developed by Sphera (formerly Thinkstep AG).

BSRM attains product-specific Environmental Product Declarations (EPDs) that are made according to a transparent standard and verified by the external agency according to international standards. Through this, we aim to communicate the environmental impact of our products transparently to all our stakeholders.

HEALTH, SAFETY, AND ENVIRONMENT MANAGEMENT TEAM

At BSRM we have dedicated health, safety and environment management team for overseeing and implementing the environmental policy and initiatives.

COMPLY WITH LAWS, REGULATIONS, AND POLICIES

- Vigilant monitoring of environmental laws and regulations
- Regular updates to policies and procedures to ensure compliance with evolving regulations
- Conducting thorough environmental impact assessments (EIAs) to understand the potential impacts of plant operations on the surrounding environment
- Integration of EIA findings into decision-making processes
- Regular internal and external audits to assess compliance with environmental policies and regulations
- Corrective actions taken promptly to address any non-compliance issues
- Regular reporting of environmental performance to relevant authorities and stakeholders
- Establishing mechanisms for receiving and addressing public complaints or inquiries related to Environmental issues

ADVANCE TECHNOLOGY FOR AIR POLLUTION CONTROL

- BSRM Implementated advanced pollution control technologies to reduce emissions of air pollutants and effluents
- Regular maintenance and monitoring of pollution control equipment to ensure optimal performance.

OTHER PRACTICE

- Adoption of resource-efficient practices, including energy and water conservation, waste reduction and material recycling.
- Evaluation of resource consumption data to identify areas for improvement.
- Training programs for employees to promote awareness of environmental responsibilities and safety practices.
- Development of emergency response plans to address potential environmental incidents or accidents.
- Regular drills and training to ensure that employees are well-prepared to respond effectively to environmental emergencies.

ENERGY EFFICIENT SYSTEM/USE OF RENEWABLE ENERGY

Energy efficiency and integrating renewable energy sources are crucial to sustainable industrial operations. These initiatives reduce environmental impact and enhance cost-effectiveness and long-term viability.



Invest in energy-efficient technologies such as direct charging of hot billet from continuous casting to rolling reheating furnace, which consume less energy compared to traditional process of billet cooling to room temperature and then again heated for rolling.

Ordered for installation 3.35MW solar panel for BSRM Wires unit and soon after that approx. 10MW additional solar panels procurement discussion is going on for new rolling mill, existing two rolling mills and the balance warehouses.

Continuously optimizing the production processes to reduce energy consumption, minimize heat losses, and improve overall efficiency.

Implementation of energy-efficient lighting, motors, and HVAC systems throughout the plant.

Utilizing recovered heat for air preheating, reducing the need for additional energy inputs.



DISASTER RESPONSE INITIATIVE

Disasters, whether natural or man-made, can devastate communities and industries. BSRM disaster response initiatives play a crucial role in ensuring the safety of employees, minimizing environmental impact, and expediting recovery efforts.

BSRM has implemented a comprehensive disaster response initiative encompassing the following key elements:



CLEAN AIR/CO₂ EMISSION

Activities like scrap melting, steel refining, casting, and rolling release pollutants such as particulate matter, sulfur dioxide (SO₂), nitrogen oxides (NO_x), and carbon monoxide (CO) into the atmosphere. These emissions contribute to smog formation and respiratory diseases, making air pollution reduction a priority for the industry.



Initiative Overview:

BSRM has undertaken a comprehensive air pollution reduction initiative to minimize emissions and improve air quality. Critical components of this initiative include:



BSRM Installed advanced pollution control equipment such as Primary Air pollution control system (APC), Secondary APC, baghouse filters which capture and remove particulate matter from exhaust gases.



Additional sub hood has been installed with existing secondary APC system to reduce spreading of smoke & dust and to improve performance of secondary APC.



Adoption of energy efficient practices/ technologies to reduce fuel consumption and associated emissions.



Implementation of waste heat recovery systems to optimize energy utilization.



Continuous process monitoring and optimization to minimize excess air and enhance combustion efficiency.



Adoption of best practices in steelmaking to reduce waste generation and emissions.



Training programs for plant personnel to ensure proper operation and maintenance of pollution control equipment.



Safety protocols for handling and storing hazardous materials.

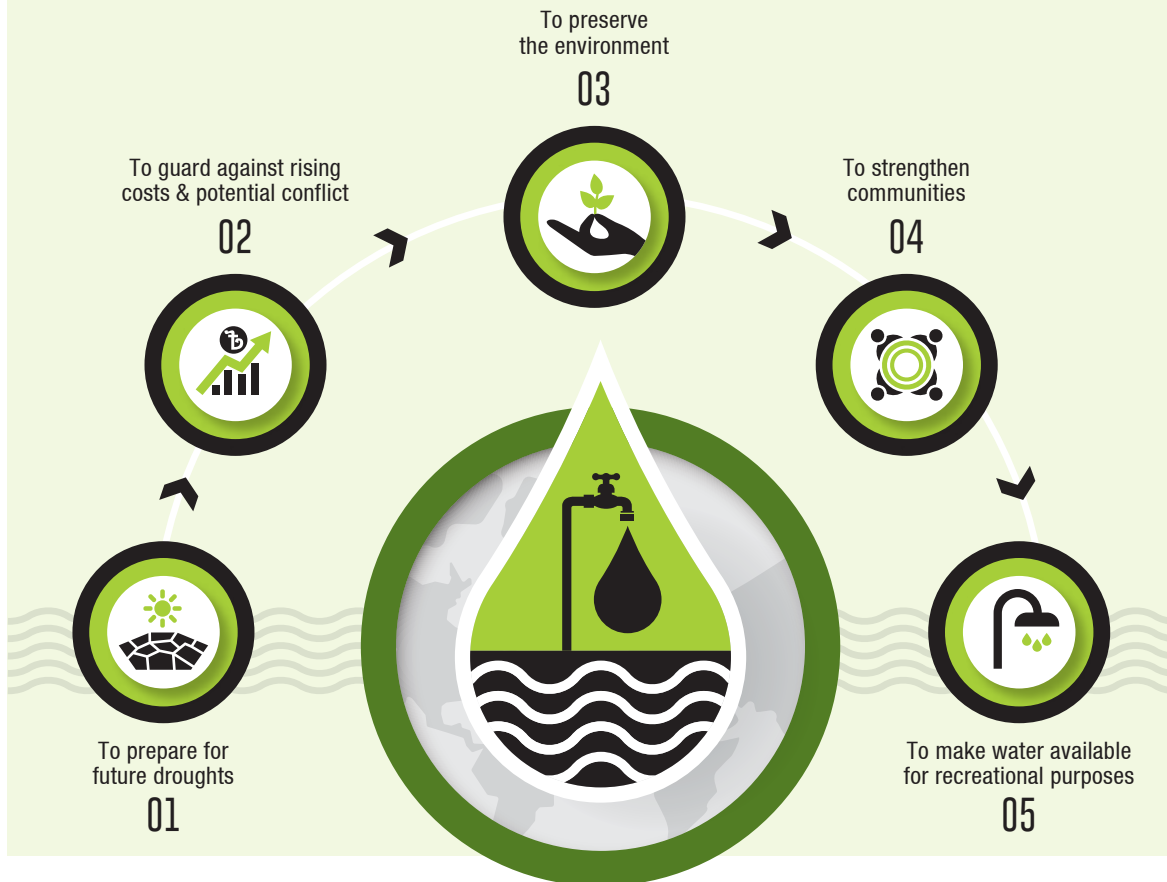


Regular communication with neighboring communities to address concerns and provide information on air quality and emission reduction efforts.

WATER CONSERVATION

Water conservation is a crucial aspect of sustainable industrial practices and is particularly important in steel manufacturing. BSRM produces steel by recycling metal scrap and consumes significant amounts of water. Implementing water conservation measures at BSRM is not only environmentally responsible but also economically beneficial. The following strategies for water conservation are being practiced.

WHY IT'S IMPORTANT TO CONSERVE WATER



Cooling is an integral part of the steel manufacturing process. BSRM uses water for cooling in various stages, including cooling of steel products, equipment, and industrial processes. To conserve water, we invested in advanced cooling technologies like closed-loop cooling systems, which recirculate water instead of constantly drawing fresh water. These systems minimize water consumption while maintaining efficient cooling.

Implementing a robust water recycling system is one of the most effective ways to conserve water at BSRM. Wastewater generated during various processes, such as quenching and descaling, can be treated and reused. This reduces the need for fresh water intake and minimizes wastewater discharge into the environment.

BSRM is taking advantage of rainwater harvesting to supplement their water needs. Rainwater collected and stored in reservoirs. This reduces the demand on municipal water/Deep Tube-well sources and provides an alternative water supply during dry seasons.

BSRM regularly assess their operations to identify opportunities for process improvements that can lead to water savings. This involves adjusting production schedules, optimizing equipment, and fine-tuning process parameters to minimize water usage.

BSRM Implemented a proactive leak detection and repair program which helps to identify and address leaks promptly. Regular maintenance and inspections are essential to prevent water losses.

BSRM created a culture of water conservation within the factory and offices. Employees are trained on the importance of water conservation.

BSRM implemented a robust monitoring system to track water usage and efficiency metrics. Regular reporting on water consumption helps in identifying trends and areas that require attention.

WASTE MANAGEMENT

Waste management is critical to responsible industrial operations and critical to ensuring sustainability. Proper waste management at BSRM is an environmental obligation and a cost-effective strategy that can enhance efficiency and reputation. Following strategies for waste management adopted by BSRM.



WASTE SEGREGATION AND COLLECTION

One of the first steps in efficient waste management is appropriately segregating and collecting waste materials, e.g., Slag, refractory materials, Mill scale, APC dust, Packaging materials, used hydraulic & cutting oil, etc. Segregating these materials at the source allows for easier recycling, reuse, or proper disposal.

RECYCLING AND REUSE

Recycling helps reduce reliance on landfills and improves sustainability through raw material and resource management. BSRM recycles substantial quantities of scrap metal and other steelmaking coproducts and byproducts every year.

We continually improve recycling practices by investing in advanced sorting and processing technologies.

SLAG MANAGEMENT

We are processing the induction furnace slag and recovering magnetic material, which is again recycled. The remaining slag is used to produce road dividers and pavement/hollow blocks, and some fraction is sold as aggregate for road/building construction. Ladle refining slag is used for cement production.

WASTE HANDLING

BSRM generates waste, such as refractories, oils, and chemicals used in various processes. Used refractory and APC dust are exported to India and China, respectively while other waste like packaging material, Plastic, used hydraulic, and cutting oil are sold for further use.

EMPLOYEE TRAINING AND AWARENESS

Creating a culture of waste reduction and responsible management among employees is vital. Regular training and awareness programs are helping to ensure that all personnel understand the importance of waste management practices, including waste segregation and proper disposal.

COMPLIANCE WITH ENVIRONMENTAL REGULATIONS

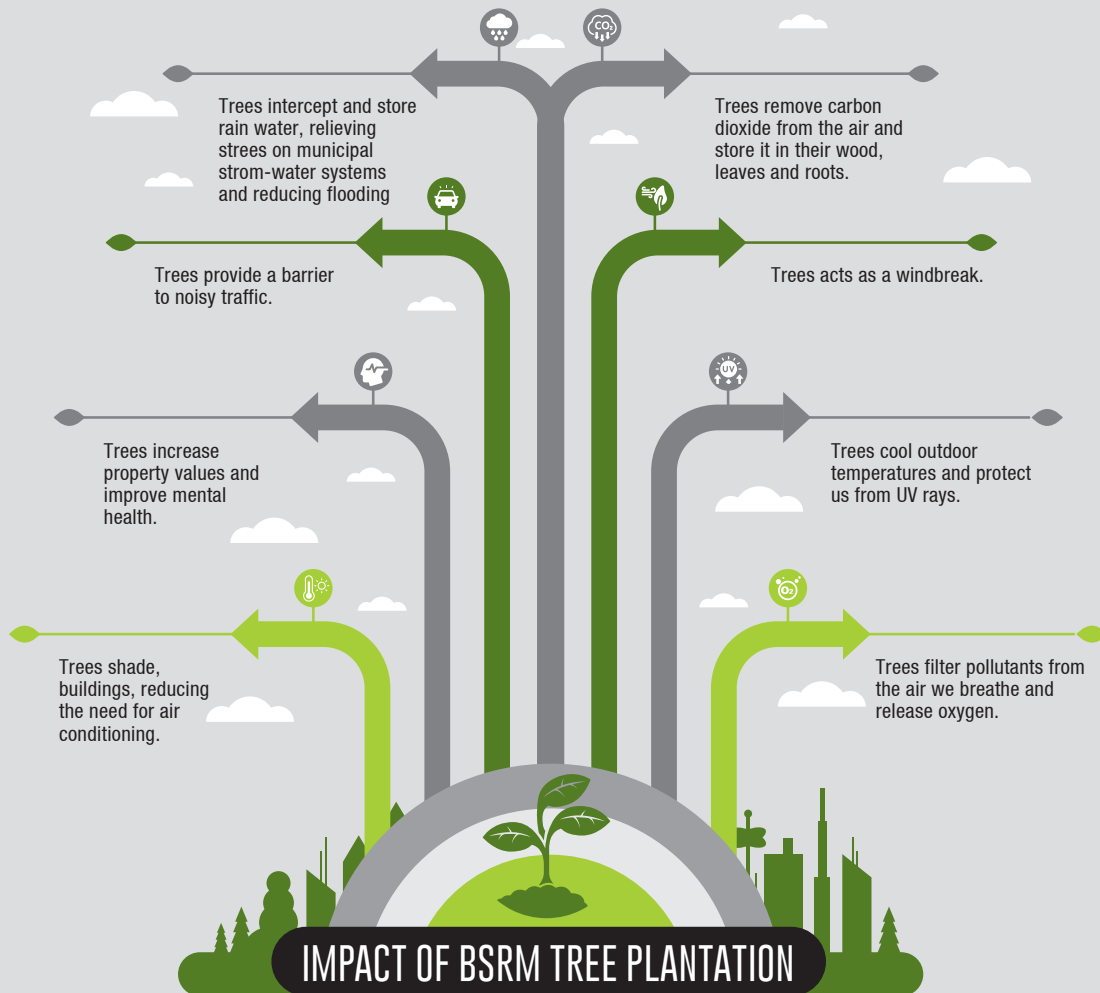
BSRM complies with environmental regulations regarding waste management. Staying up-to-date with these regulations and maintaining transparent reporting are ensured to avoid penalties and maintain a positive reputation.

PLANTATION

BSRM enhances sustainability efforts by integrating plantation initiatives into operations. Plantation offers benefits in terms of sustainability and environmental responsibility.

We strive to reduce our environmental footprint and mitigate the impact of steel production.

BENEFITS OF PLANTATION





Steel production are known for their carbon-intensive operations. However, the integration of plantation initiatives helps to offset carbon emissions. Strategically planting trees around the plant, we contribute to carbon sequestration, helping combat climate change.



Steel production releases pollutants and particulate matter into the air, which can have adverse effects on local air quality and public health. Trees play a crucial role in improving air quality by trapping airborne pollutants and releasing oxygen. Planting trees around the plant's periphery act as a natural air filter, making the surrounding environment healthier for both employees and nearby communities.



Steel production unit generate a significant amount of heat during their operations, which contributes to the urban heat island effect in the surrounding areas. Trees provide natural shade and helps in regulating temperatures by reducing heat buildup. This create a more comfortable working environment for plant employees and lower energy consumption for cooling systems.



By incorporating green spaces and planting native vegetation, these plants can contribute to biodiversity preservation. This not only enhances the overall ecological balance but also fosters a more attractive and sustainable industrial landscape.



BSRM planted approx. 2000 nos. in FY 2022-2023 and its active engagement in plantation initiatives demonstrates its commitment to environmental responsibility. This boosts the company's reputation and strengthens its relationships with local communities and regulatory bodies.



BSRM PLANTATION PROGRAM...



SOCIAL >>

HUMAN RESOURCE

CULTIVATING CONNECTIONS

BSRM strives to create a culture that embraces diversity, equity, and inclusion and continues to optimize the success of its employees at every stage of the employee journey through benefits, growth opportunities, and wellness initiatives.



HOW OUR APPROACH TO SOCIAL ISSUES SUPPORTS THE SDGS

3 GOOD HEALTH AND WELL-BEING



GOOD HEALTH AND WELL-BEING

We aspire to ensure health and well-being for all ages through equitable access to medicines and vaccines.

5 GENDER EQUALITY



GENDER EQUALITY

We aim to end discrimination against women and ensure equal leadership and workplace opportunities.

8 DECENT WORK AND ECONOMIC GROWTH



DECENT WORK AND ECONOMIC GROWTH

We promote inclusive and sustainable economic growth, employment, and decent and safe working environments.

10 REDUCED INEQUALITIES



REDUCED INEQUALITIES

We empower and promote the social and economic inclusion of all, irrespective of age, sex, disability, race, ethnicity, origin, religion, or financial or other status.

17 PARTNERSHIPS FOR THE GOALS



PARTNERSHIPS FOR THE GOALS

We are working to create new partnerships to help attain relevant sustainable development goals.

OUR PEOPLE

PEOPLE are the center of BSRM Success. OUR PEOPLE POWER OUR PURPOSE. Our focus on people starts with our employees. They steward our beloved steel brands, fuel our innovation agenda, drive our sustainability priorities and programs and create a multiplier effect in local communities through partnerships with governments, nonprofits, industry peers and other stakeholders. We remain committed to caring for the people across our value chain who contribute to our success by respecting human rights across our operations and supply chain, empowering access to equal opportunities, supporting more sustainable agriculture practices, and giving back to communities through our philanthropic initiatives.

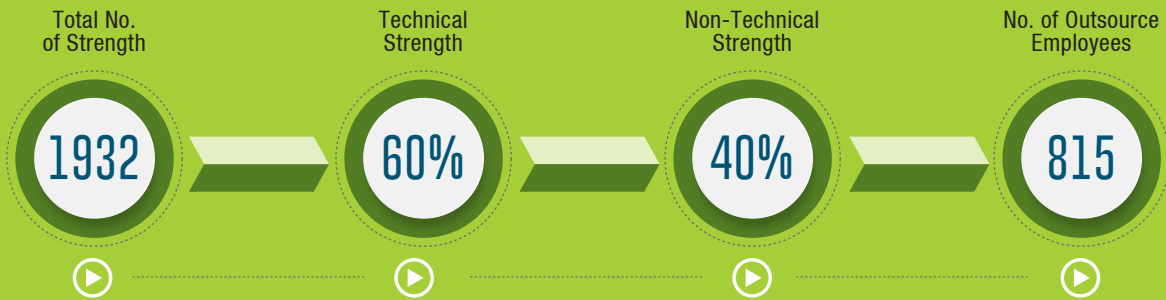
OVERVIEW OF HUMAN RESOURCES

BSRM has always sought dynamic, talented and ambitious people who can lead in an ever-changing world and also possess the mindset of taking on challenges. We aspire to align our people with our vision and values and make them valued partners in business transformation and change processes. We firmly believe our people are the ultimate reason for success and inspire us to advance. We empower our talent to explore, innovate and grow personally and professionally.

CULTIVATE BEST PRACTICE

BSRM provides opportunities to learn about modern technologies and best practices. In addition, working with a diverse workforce is always challenging and rewarding. We ensure a safe and productive workplace while maintaining a work-life balance. We ensure an environment where employees are free to express ideas and thoughts. We nurture our people to become future leaders.

OUR HUMAN CAPITAL



OUR WORKING CULTURE

We are a structured organization where individuals are responsible for their unique roles and have clear guidelines for their reporting relationship. This helps to delegate responsibilities and achieve the organization's goals.



Our policies are formulated to give the best to our people and also at the same time guarantee the control and utilization of resources. Team HR continuously analyzes employee feedback to benchmark employee benefits and other related HR policies. Our well-defined policies help us to establish equal treatment/opportunity for our employees and their family members. Our policies are easily accessible to our employees through the HRIS portal.

PERFORMANCE BASED CULTURE

Our KPI-based performance management system helps people to be accountable for their roles and analyses their improvement areas that need further development. It helps us to identify high performers for more prominent roles within the group. HR team strives to maintain a performance-based culture, recognizing critical positions, finding possible successors, and helping them develop for future leadership.

SUCCESSION PLANNING PROGRAM

We have a structured Succession Planning Program to identify and nurture the organization's talents systematically and have successors ready for critical roles to minimize risks in smooth operation and future business growth.

ENGAGE OUR EMPLOYEE

Employee Engagement programs are rolled out to engage employees and develop employee ethics through positive motivation and promote a work environment characterized by fair treatment of staff, open communication, personal accountability, trust, and mutual respect. We engage our employees throughout the year in various activities, like Attitude of Gratitude, Team Huddle, Vision and Values celebration, Employees' Children Day celebration, Employees' Children Education Achievement Award celebration, Annual Mezban, etc.



• Vision & Values celebration



• Attitude of Gratitude Day celebration



• Children's Day celebration

DIVERSITY, EQUALITY & INCLUSION

BSRM is committed to promoting diversity and inclusion in our workforce and in the communities where we operate. We believe diversity and inclusion are essential to create a culture of respect and understanding and foster innovation and creativity.



BSRM promotes diversity and inclusion in recruitment and hiring processes, and always focuses on creating and embracing equity in the workplace.



BSRM provides support and development opportunities to the female employees including career progression, training, mentoring programs, etc.



BSRM engages with the communities where we operate to promote diversity & inclusion, and we work with local organisations to support the empowerment of underrepresented groups.

WORKPLACE WELLBEING

A healthy workplace and employees are the first things to ensure productivity and efficiency. We care for our people's health by introducing Hospitalization and Domiciliary schemes. We have tie-ups with renowned hospitals and diagnostic centers nationwide and abroad. In BSRM, we have programs like Eye Camp, Heart Checkup, Diabetes Screening, Basic Life Support, etc. Also, for our employees, we have an Executive Health Checkup facility.





WOMEN EMPOWERMENT

We believe gender diversity is equally essential for the growth of our organization and nation. BSRM is an equal-opportunity employer. We encourage female employees to join our esteemed organization. We ensure a workplace where women feel safe and motivated to work.





INDUSTRY-ACADEMIA COLLABORATION

BSRM recognizes the importance of investing in the future workforce and is committed to providing training and development opportunities for young people in the local community. The organization has implemented several initiatives to support youth upskilling university students.

The industrial attachment has been given for
182 students from 34 institutes.
Some of the institutes were from India and China.

Industry visited

298 students from different institutes as part of their academic purpose.

Seen our modern technology of steel manufacturing process.



INTERNSHIP PROGRAMS

BSRM runs an internship program and this program is designed so that the students, during their tenure, can gain practical knowledge/experience through on-job training along with their project work, which they can utilize afterward in their professional lives. It helps us to identify potential candidates for our future requirements.



INTERNSHIP

Attended an Internship Program

35 STUDENTS

from different universities



JOB FAIRS, WORKSHOPS AND SEMINARS

Workshops and career fairs are excellent opportunities to gain perspective on a future career, make contacts and meet with potential employers.

BSRM regularly conducts Job Fairs, Workshops, and Seminars to attract competent young freshers/professionals and recruit them at competitive compensation packages.

• Job Fair



BSRM HR attended in LEADING PARAGON - a Seminar organized by the Chittagong University HR Club



HEALTH & SAFETY

Health and Safety At BSRM, protecting the health, safety and well-being of colleagues and contingent workers, all essential to delivering our business objectives, is an integral part of our operations. BSRM is committed to achieving excellence in Health and Safety by providing and maintaining safe and healthy working conditions. Management is firmly devoted to the policy, enabling all work activities to be carried out safely and with all possible measures taken to remove (or at least reduce) risks to the health, safety and welfare of workers, contractors, authorized visitors, and all other stakeholders.

BSRM believes that all workplace injuries and occupational diseases are preventable. Therefore, we are committed to setting a culture of OHSMS (Occupational Health and Safety Management Systems) excellence in the organization, resulting in an accident-free and healthy workplace.



OUR PRINCIPLES



- I know which jobs to do and how to do them
- I work according to procedures, instructions and agreements
- I am aware of risks and how to handle them
- I am responsible and accountable for my own behaviour
- I interrupt my work when necessary and discuss any measure to be taken
- I understand how my activities affect those of others
- I keep my professional knowledge up to date

safe@bsrm

To exhibit conspicuous and energized leadership within Occupational Health and Safety Management Systems (OHSMS) we inspire proactive employee involvement in OHSMS enhancement endeavors. We prioritize compliance with all relevant legislation and requirements in our commitment to Occupational Health and Safety Management Systems (OHSMS). We actively equip our staff with the necessary information, training, and resources to ensure their well-being at work and to minimize workplace hazards and risks through continuous hazard identification and risk assessment. OHSMS is seamlessly integrated into our daily operations and project planning. We are dedicated to reviewing and enhancing our policies, setting objectives, benchmarking performance, and adopting best practices to ensure a continually improving safety culture at BSRM.

CAMPAIGN AND DAY CELEBRATION

NEAR MISS CAMPAIGN

The Near Miss Campaign is a vital safety initiative that focuses on identifying and reporting incidents that almost resulted in accidents but, fortunately, did not. This campaign is a crucial part of our commitment to safety at BSRM. By encouraging employees and stakeholders to report near misses, we create an environment where safety is paramount. The data collected from these near misses provides valuable insights into potential hazards and risks, allowing us to take proactive measures to prevent future incidents. At BSRM, we understand that avoiding accidents begins with understanding the close calls and near accidents that could have occurred. Our Near Miss Campaign helps us learn from these incidents, continuously improve our safety protocols and ensure the well-being of our workforce. Safety is our top priority and the Near Miss Campaign reinforces our dedication to keeping everyone safe.



• Near Miss campaign inauguration in BSRM Ltd Factory in Shershah, Chittagong

WORLD SAFETY DAY CELEBRATION

BSRM celebrated World Safety Day on April 28th, 2023, with engaging and educational activities reinforcing its commitment to workplace safety and health. Here are some key points highlighting the various events and competitions in the company.



01

Quiz Competition: BSRM organized a quiz competition for both management and non-management employees as part of its World Safety Day festivities. This competition challenged employees' knowledge of safety protocols, procedures, and best practices. It served as a fun and interactive way to test and enhance employees' understanding of safety in the workplace.

02

Word Game Competition: Another engaging activity was the Word Game Competition, which not only provided entertainment but also encouraged participants to think critically about safety-related terms and concepts. This competition added an element of creativity to the event.

03

Best Safety Observation/Near Miss Observation: Recognizing the importance of near-miss reporting, BSRM rewarded and acknowledged employees who had made outstanding safety observations over the years in their respective units. This initiative encouraged a culture of vigilance and proactive reporting of potential hazards.

04

Slogan Competition: A Slogan Competition was held to encourage employees to come up with catchy and memorable safety slogans. These slogans can serve as powerful reminders of the importance of safety in the workplace and can be displayed prominently throughout the organization.

05

PPE Wearing Competition (Safety Harness): This competition highlighted the importance of correctly wearing personal protective equipment (PPE). Employees were encouraged to demonstrate their knowledge and skills in wearing safety harnesses properly.

06

Fire Fighting Competition: Fire safety is paramount in industrial settings. BSRM conducted a fire-fighting competition to assess employees' readiness and proficiency in responding to fire emergencies. This activity aimed to enhance their practical knowledge of fire safety measures.



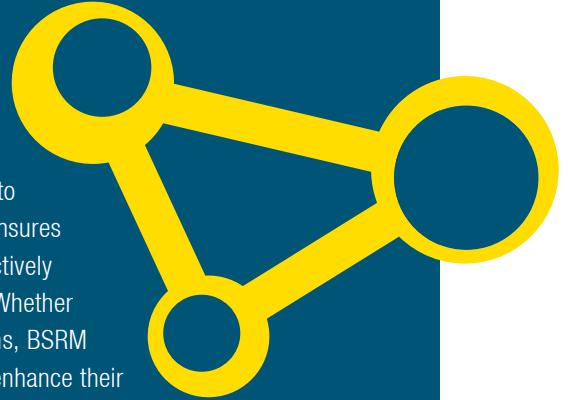
Overall, BSRM's World Safety Day program for 2023 was a comprehensive and engaging effort to reinforce the importance of safety in the workplace. These activities educated employees and fostered a sense of ownership and responsibility for security, making it a memorable and impactful celebration.

World Safety Day celebrations in all our units



BEST PRACTICE SHARING

BSRM's commitment to safety is exemplified by its proactive approach to sharing security best practices across the organization. The company ensures that valuable safety insights and lessons learned are disseminated effectively by fostering a culture of open communication and knowledge sharing. Whether through regular safety meetings, internal newsletters, or online platforms, BSRM strives to provide employees with access to a wealth of information to enhance their safety awareness and practices. Sharing safety best practices from one unit of BSRM with other teams is a proactive and commendable approach to improving safety across the entire organization.



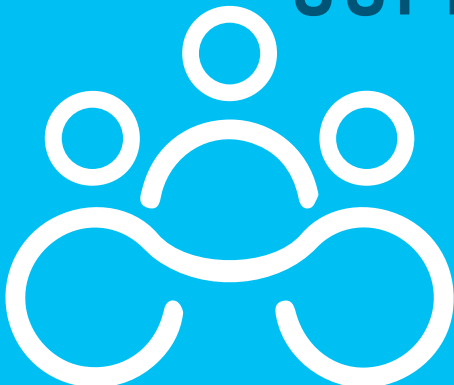
DRIVERS' AWARENESS WEEK

BSRM has taken a proactive step toward enhancing road safety by initiating its driver's awareness campaign. This campaign is a testament to BSRM's commitment to excel in its industry and prioritize the safety and well-being of its employees, stakeholders, and the broader community. By educating and raising awareness among drivers, BSRM aims to reduce accidents and promote responsible and safe driving behaviors. BSRM recognizes the importance of collective responsibility in road safety and, through this campaign, reinforces its dedication to creating safer roads for everyone.

- Drivers' awareness week at BSRM Steels, Fouzdarhat plant



SUPPLIER DIVERSITY



Supplier diversity is a business strategy of BSRM aimed at developing a more inclusive base of suppliers when procuring goods and services.

Supplier diversity enables companies to encourage entrepreneurship in underserved, underrepresented communities, creating jobs, wealth, better health, and education in those disadvantaged communities. Moreover, a more diverse supply chain impacts the bottom line through innovation, competitiveness, and sustainability.

OUR EXPECTATION

Being at the forefront of the industry, BSRM consistently upholds the quality of its steel products through efficient and effective raw material sourcing. This achievement is made possible through the trust and strong partnerships we have cultivated with our suppliers. In line with this, BSRM seeks enduring relationships with reliable suppliers who can guarantee the delivery of high-quality materials on schedule.



CORPORATE SOCIAL RESPONSIBILITY



CSR APPROACH

Corporate social responsibility (CSR) has become a standard business practice. Companies like BSRM incorporate CSR into their mission and vision, aiming to impact society while benefiting all stakeholders positively. CSR involves giving back to the community through programs that help those in need and promoting socially responsible business practices.



BSRM carries out CSR projects in a comprehensive way, including steps like analyzing community needs, forming projects with stakeholders, implementing them, monitoring progress together, and evaluating their social impact. This ensures that sustainability and social and ecological resilience principles are integrated for everyone involved.

BSRM CSR FOCUS AREA

HEALTH



EDUCATION & SKILL DEVELOPMENT



SUSTAINABLE LIVELIHOOD



ENVIRONMENT



ARTS, SPORTS AND CULTURE



RURAL INFRASTRUCTURE AND SOCIAL INCLUSION



The company follows a Triple Bottom Line (TBL) framework, considering environmental and community needs. It builds partnerships to promote sustainable development in the regions it operates. BSRM CSR activities provide leadership and support. It aligns business values with sustainability principles, emphasizing compliance, ethics, and academic rigor in CSR.



BSRM adopts a 360° approach to implement CSR programs, ensuring successful project implementation and community adoption. It involves various stakeholders, uses community participation tools like surveys and discussions, and focuses on building community ownership of projects.

BSRM CSR efforts are aligned with the United Nations Sustainable Development Goals (SDGs) to impact society positively. They assess community needs through discussions, questionnaires, and communication with different groups to design programs that address the most pressing issues.

KEY OUTCOMES

PROJECT	LIVES IMPACTED
Burhani BSRM School	Over 600 underprivileged children in the slums have been taking education, with the involvement of 35 teachers and support staff.
Scholarship and stipend assistance for disadvantaged students.	<ul style="list-style-type: none"> • Over 5000 students have been recipients of scholarships and stipends for various categories of education through CSR. • In the fiscal year 2022-2023, 300 students were granted scholarships and stipends of various educational institutions.
Assistance for children with special needs and livelihood training.	<ul style="list-style-type: none"> • 3,000 children with disabilities received training, benefiting over 5,000 families indirectly through BSRM CSR. • In the fiscal year 2022-2023, Nearly 300 individuals directly benefited from training and assistive devices provided by CSR.
"Nurturing Smiles: Cleft Lip Child Support Program	500 children underwent life-changing surgery, now their laughter fills the air. In the fiscal year 2022-2023, 130 more children received this transformative benefit
Guiding Transgender Individuals Toward Inclusion in the Mainstream	Two hundred transgender individuals have undergone job training and received a revolving fund from Unnayan Snagha potential partner of BSRM to kickstart their businesses. This support aims to help them become integral members of society and contribute to the nation's growth.
Sustainable Livelihood and women empowerment	Empowering 200 Dalit and Horizon women through skill training in Naksi Katha, Jute product handicraft making, and block batik, leading them to self-employment. Additionally, 500 underprivileged women from North Bengal have gained training in livestock management and shop operations, fostering financial independence.
Medical and health camp	Over 1,200 individuals from slum areas and underprivileged communities have received free medical treatment and support through organized medical camps. BSRM has also partnered with ICDDRDB to assist ICU patients in Dhaka. Additionally, the BSRM Foundation Medical Center in Mirsari provides care to around 4,000 patients annually
Sports, Art and culture	<ul style="list-style-type: none"> • celebrated the Flamboyant 15th Anniversary Program of Burhani School, and • Funded the establishment of libraries in four schools • Sponsored the Bangabandhu Shishu Kishor Mela, supported the Youth- • Led Innovation Lab organized by Save the Children,
BSRM-BRAC School Of Engineering	The BSRM School of Engineering within BRAC University stands as an exceptional hub for fostering education, research, and innovation in the field of engineering across the region. Our foremost goal is to cultivate technically proficient engineers who are not only adept in their craft but also socially conscious, upholding the highest ethical principles and human values, while also possessing effective communication skills.
Plantation And Forest protection	<ul style="list-style-type: none"> • More than 20,000 community driven planation have been done. • BSRM has its own Tree plantation project in each plant and warehouse environment friendly trees and fruits are planted.
Community infrastructure	<ul style="list-style-type: none"> • Contributed 1 crore taka worth of steel rods to support the construction of the multi-storied Autism School by FARE Foundation. • Generously provided Physiotherapy equipment to enhance the facilities at Ashar Alo Autism School. • Actively sponsored events and initiatives on the International Day of Persons with Disabilities organized by CRP. • Extended a helping hand to individuals battling cancer and kidney diseases by assisting with their medical treatments. • Made substantial contributions towards constructing mosques, Khanas, and Madrasahs. • Supported education by donating books to multiple school libraries.

SKILLING FOR LIVELIHOOD OPPORTUNITIES FOR TRANSGENDER



BSRM-Unnayan Sangha to support 200 transgender persons

in the skill development program under Corporate Social Responsibility (CSR).

The Partnership Aims to Upskill Transgender at Jamalpur.

Unnayan Sangha provides comprehensive training and support to transgender individuals, including cow rearing, small entrepreneurship, screen printing, basic computer skills, tailoring, and beautification for brides. These diverse skills empower trainees to lead independent lives, relieve economic burdens, and boost self-esteem. By encouraging collaboration and offering livelihood opportunities, Unnayan Sangha helps break down societal barriers, allowing transgender individuals to participate confidently in public life and social events.

SUCCESS STORY



TOMA'S DREAM

Ripon Ahmed, also known as Toma, is a determined transgender individual from Jamalpur. Despite facing societal challenges due to his feminine nature, he excelled academically and pursued a diploma in civil engineering. Toma later joined Unnayan Sangha's program, which supported him in establishing a small business in Nandina Bazar, producing hand-printed clothing. He now employs part-time workers from the Hijra community and earns a monthly income of 15,000 to 18,000 Taka. Toma dreams of expanding this cottage industry to create more job opportunities for the Hijra community and is grateful for the support he received.

SUSTAINABLE DEVELOPMENT & WOMEN EMPOWERMENT



DECENT WORK AND ECONOMIC GROWTH

Promote sustained, inclusive, sustainable economic growth, full and productive employment, and decent work.



ZERO HUNGER

Achieve food security & improve nutrition & promote sustainable agriculture.

SKILL BASED LIVELIHOOD

BSRM has been financing and partnering with several programs to promote women's livelihood and empowerment through the formation of SGH, skill-based training, capacity building, and backward and forward linkages to sustain income-generating activities.

BSRM-SARM (SOCIAL ADVANCEMENT OF RURAL MASS) LIVELIHOOD PROJECT

Dalit and horizon people of Nhilpahamarai are very neglected. They don't get access to govt and private jobs, even if they are inferior in the community. Considering their social status, BSRM and SARM arrange Nkashi katha making, Jute handicraft making, Block batik training, etc., and provide them revolving funds for starting their business. Two hundred women will come under this training and by engaging in decent jobs, they will be self-reliant and more confident. In such a way, they will contribute to the SDG as well as the GDP



BSRM-UDDAYOG FOUNDATION SELF-HELP PROJECT

Gaibandha district in Bangladesh is one of the poorest and most food-insecure areas. It consists of 7 Upazilas, with Sadullapur and Sundarganj Upazilas being the most vulnerable, including some char land areas. These regions face frequent natural disasters like floods, river erosion, storms, cold spells, and droughts, leading to significant losses in lives, income, livestock, crops, properties, and access to clean water facilities each year. Climate change also negatively affects agricultural production.

The UDDYOG Foundation (UF) is dedicated to improving the lives of marginalized and impoverished people through sustainable livelihood initiatives. To achieve this, BSRM has joined hands with UF and will provide financial support to implement a project aimed at helping the disadvantaged communities in these areas. The project will benefit 1,500 families who will receive training in livestock rearing (including goats and poultry), shop management, and nutrition education. They will also receive a revolving fund to kickstart their businesses.



ASHAR ALO – THE HOPE CENTER

Ashar Alo – Autism School works to rehabilitate and empower persons with disabilities. This initiative aims to enable persons with disabilities to be included and integrate into mainstream society. Ashar also has been providing state-of-the-art rehabilitation services, such as Physiotherapy, Occupational therapy, Speech therapy, Special education, and vocational training, through its center-based and community-based methodologies at Potenga Chattogram. In FY 22-23, BSRM partnered with Ashar Alo to support 90 special children.



BSRM-Ashar Alo aided partnership provides

- Physiotherapy for mobility improvement
- Special education to mentally disabled children for cognitive, social, and psychological development with appropriate life skills
- Special education for speech and deaf children and
- Creating opportunities for skill training to make them self-reliant

DISTRIBUTION OF ASSISTIVE AIDS AND APPLIANCES BSRM-HI SELF-HELP PROJECT

BSRM, along with Handicap International, is working together to support children and individuals with special needs. We've been running programs in Kurigram villages to provide training, medicine, and assistive devices to those with disabilities. In this project, we'll help 720 people with various types of disabilities by giving them different training and support to start their businesses.

SUCCESS STORY



WHERE THERE IS A WILL THERE IS A WAY FROM MISERY TO HOPE BABUL CHANDRA BARMON A PERSON WITH A DISABILITY AND HIS FAMILY!

Babul Chandra Barmon, a man with a disability in Kurigram, Bangladesh, faced financial hardship after a leg amputation following a work accident. His wife became a housemaid to support the family.

In 2019, they received help from BSRM and Handicap International, including a modified tricycle, a toilet chair, medical support, and business funding. They started making paper packets, earning a stable income.

The support allowed their children to continue their education without worry. Babul and his family thank BSRM and Handicap International for changing their lives.

EMPOWERING INDIVIDUALS THROUGH EDUCATION



BSRM SCHOOL OF ENGINEERING

BSRM and BRAC University have teamed up to rename their engineering school as the BSRM School of Engineering. They plan to bring top-class teachers, fund vital research in critical areas, and improve the curriculum. BSRM is also contributing money to the university's funds, which will be used to provide scholarships for five engineering students

Aameir Alihussain, the Managing Director of BSRM Group, said they're happy to support sustainable development in Bangladesh, a tradition they've followed for a long time. BRAC University, founded by Sir Fazle Hasan Abed, aims to train ethical leaders who can positively change society. Students and teachers there work together on various projects that benefit the community in many ways.

Tamara Hasan Abed, Chairperson of the Board of Trustees at BRAC University, welcomed the contribution from the BSRM Group of Companies. She mentioned that it will help the university lead discussions on innovation, development, and social progress worldwide while staying true to its founding values.



BURHANI BSRM SCHOOL

In 2006, the Burhani BSRM School was created in Depar Par, Shershah, Bangla Bazar, Chattogram. This area has many poor people who struggle to pay for their basic needs. Some work as rickshaw pullers, day laborers, or in small shops. Women often work as maids or in temporary jobs.

The school provides free education for kids from nursery to grade 10. As Nelson Mandela once said, "Education is the most powerful weapon you can use to change the world." We aim to help students succeed in their studies, prepare them for the future, and teach them to be responsible citizens. We give students free books, extra study help, computer lessons, and sports and art activities. Some students even get scholarships based on their excellent grades.

Currently, over 600 children from the slum areas go to our school. We have 35 teachers and staff working hard to provide a good education. This helps make our community safer and better.

We're happy we got permission to teach up to grade 9 this year. As Burhani BSRM School marks its 15th anniversary, we're proud to keep making a difference in the lives of many kids and their families in our community.



HEALTH

BSRM FOUNDATION MEDICAL CENTER

To alleviate the financial and mental distress experienced by underprivileged patients, who either lack access to quality healthcare or are burdened by exorbitant medical expenses, BSRM has established a diagnostic center in the South Sona Pahar area of Zorargonj, located within the Mirsarai upazila in Chittagong.

The primary objective of this diagnostic center is to offer Outpatient (OPD) services to approximately 5,000 families residing in the Mirsarai and Sitakunda upazilas, as well as to all BSRM employees and their families living in these areas. Inaugurated in June 2016, the center has expanded its range of services, including doctor consultations, diagnostic assessments, operating theater services, accident and emergency care, physiotherapy, dispensary services, and ultrasonography. A team of four doctors provides essential medical care to the patients.



HEALTH & HYGIENE PROJECT IN CHATTOGRAM

The project's primary objective is to provide curative and preventative healthcare services to support the economically disadvantaged residents of Chattogram. This is accomplished through the Health Camp service of the Chattogram Field Hospital Foundation, which aims to improve overall community health. Specific objectives include conducting health camps, offering medical support to marginalized individuals, providing comprehensive treatment and rehabilitation, raising awareness, early disease intervention, and ensuring institutional health service delivery. The campaign aims to reach 1,200 slums in total.



AGRICULTURE INITIATIVE



YPSA-BSRM INTEGRATED AGRO DEVELOPMENT PROJECT AT SITAKUNDA AND MIRSHARI

This agricultural project with YPSA targets 1,000 farmers to advance their skills and knowledge in sustainable farming. By embracing eco-friendly practices, including organic cultivation and reduced pesticide use, it aims to increase crop yields, preserve the environment, and reduce farming expenses. Ultimately, this initiative strives to empower farmers, improve their livelihoods, ensure food security, and promote a more resilient and sustainable agricultural sector.



RESPONSE TO CRISIS

SUPPORTING PEOPLE AFFECTED BY FLOODS

Every year, heavy rains and floods bring suffering to our country. Floods have hit many areas, including Sylhet, causing problems for people and animals. The situation was terrible in Sylhet, Sunamganj, and other northern districts like Kurigram.

These areas are still recovering from the first flood, and now they're hit by a second wave of flooding. The continuous rain and hilly terrain are causing water levels to rise, and many villages and areas are underwater. This year's flood is unlike any we've seen before.

To help, BSRM has joined hands with organizations like OBAT Helpers, GUK, SARM, and YPSA to assist people affected by the floods. They've provided essential items like medicine, materials for fixing houses, food, and clean drinking water to help 3,000 people in need.



SUPPORT DURING COVID-19 PANDEMIC

When COVID was at its peak, BSRM supplied high-flow nasal cannulas, oxygen cylinders, oxy flow meters, pulse oximeters, non-rebreathing masks and a central oxygen system. BSRM also distributed PPEs, masks, oxygen cylinders, hand sanitizers and other necessary health kits in public and private healthcare facilities. BSRM also stood by people with low incomes during any emergency or after any natural event amid the pandemic. For instance, during last year's countrywide lockdown, the company distributed relief materials to the urban poor in Dhaka and Chittagong. They were handed over food and hygiene packages. The contribution came when the Covid-19 crisis worsened and people lost employment. In such a situation, financial aid was a little reason to smile on the face of the beneficiaries.





CONTRIBUTION TO PEOPLE IN FLOOD-AFFECTED AREAS

BSRM supported flood-affected people in various areas by distributing emergency food items, daily necessities, medicines, and house-building essentials. This project provided food support to 250 families in the Sylhet area, 400 in the Kurigram area, and 235 in the 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, and SARM, to reach out to people in flood-affected areas to implement the objective.



CANTONMENT PUBLIC SCHOOL AND COLLEGE - ENHANCING THE CAPACITY OF THE SCHOOL

Cantonment Public School and College was established in Bangladesh Military Academy premises in Bhatiyari Chattogram to facilitate elementary education primarily for BMA officers' children and partly for civilians. The institution is run by a Bangladesh Military Academy (BMA) governing panel. Initially BSRM was allowed to enhance the school's capacity by sponsoring the construction of a classroom. From 2015-2018, BSRM gave stipends to ten hard-working, deserving students from low-income families to help them complete their education up to the SSC level. Now, 30 students are given a grant to pursue their education.

CONDITIONAL CASH TRANSFER SUPPORT FOR CHILDREN WITH DISABILITIES

BSRM has partnered with the United Nations Children's Fund (UNICEF) to provide cash support to children with disabilities. The number of beneficiaries of the project is 160. The project lasts three years (October 2019 to October 2022).





KEEP SMILING (CLEFT LIP PROJECT)

Cleft lip and cleft palate are congenital disabilities, according to medical science. In a low-income family, when a child is born with such defects, the child's treatment can't be ensured due to the parents' financial condition. Most often, the children's mother is blamed for the child's deformity, worsening the situation in their respective families. In most cases, these children are deprived of education as they are not welcome in school. Their life becomes more brutal when they grow up as they fail to make a better living because of their academic debacle. They are even neglected in the society. Keeping all these issues in mind, the Child Health Awareness Foundation (CHAF) signed a deal to raise funds, on a cost-sharing basis. As many as 900 children underwent surgeries under the project's first phase, with BSRM funding 85 surgeries at a local private hospital. In 2021, BSRM bear the expenses of 55 surgeries.



INTEGRATED AGRO DEVELOPMENT PROJECT AT SITAKUNDA AND MIRSHARAI

BSRM joined hands with Young Power in Social Action (YPSA) to support poor farmers with agriculture-based skill development training. The professional training program is planned to enhance the farmers' knowledge, upgrading their capacity in agriculture practices. This initiative ensures improved livelihood and family food security through sustainable integrated farming. Under this project, farmers are facilitated with free pesticides and fertilizers to ensure maximum success from integrated agriculture. Through this project, 800 farmers will be receiving benefits over time. In the first year, a total of 300 farmers will receive benefits.



ZERO CLUBFOOT PROJECT

BSRM has partnered with LMRF and SNADF since September 2015 to cure neglected club foot. This project has supported a scheme of modified PONSETI treatment comprising serial casting, TENOTOMY, and long-term wearing of special shoes for children born with clubfoot deformity. Under this project, 320 children of Chattogram have been supported so far.

SUPPORT AND EMPOWER THE DISPLACED LANDLESS IN THE REMOTE CHARS OF SIRAJGONJ DISTRICT

BSRM partnered with the National Development Program (NDP) to support poor people with no scope or access to microfinance to improve their living standards. Through this project, BSRM aims to enhance the livelihood of the disadvantaged people living in remote Chars of Sirajgonj district through better financial services. The focus area of this project is to ensure access to micro-credit services, reduce the char dwellers' dependency on the local money lenders that usually charge higher interest, and provide a friendly customized micro-finance model. BSRM will offer interest-free loans to scale up NDP's capacity. The project will facilitate about 1050 households or lives of about 5,000 people, including school-going children.



SUPPORT AND EMPOWER THE DISPLACED, LANDLESS AND HILL DEPENDENT PEOPLE IN THE MIRSHARAI AREA

BSRM in partnership with YPSA, has taken the initiative to Support and Empower the Displaced, Landless and Hill Dependent People in the Mirsharai Area to improve the livelihood of disadvantaged people. Through this project, marginalized people will have access to micro-credit services. Besides, the project will attempt to reduce the dependency of the community people on the forest by creating non-forest-based livelihood opportunities. It is expected that 1,219 households of 7 villages of 4 unions in Mirsharai Upazilla will benefit from this project.



SUPPORT FOR VULNERABLE WOMEN TO IRREGULAR MIGRATION AND TRAFFICKING

Women residing in border areas desperate to provide financial support for their families are regularly exploited and targeted by human traffickers. BSRM joined hands with ADORE to support marginalized women vulnerable to trafficking, sexual harassment, and high health risks. In association with the Alternative Development Organization for Research & Evaluation (ADORE), BSRM set up a skill training center to train these women in the Durgapur area of Bagherpara Upazila under the Jashore district. Initiated in September 2013, this project aims to teach women valuable skills to help them become self-reliant and support their children and families. The training center is equipped with the required tools and machines to facilitate training on tailoring, stitching cloths, embroidery, block printing, etc. It has changed the lives of many women vulnerable to irregular migration and trafficking, who can not only stay at home with their families now but also make enough money to live a decent life. Now, 250 women have been trained in sewing, block batik, and hand stitching. Some are now entrepreneurs, and some are engaged in income-generating activities.

BURHANI BSRM SCHOOL

Burhani BSRM School was established in 2006 in Deparpar, Shershah of Bangla Bazar, Chattogram. The majority of the population in that area is impoverished and finds it challenging to manage daily basic living expenses. Many worked as rickshaw pullers, day laborers, or art menial jobs in small shops. The women who work get a job as maids or day laborers. Burhani BSRM School provides free education from nursery to grade 8 kids. This project aims to prepare students for academic success in their further education, enable students for future endeavors, and 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 get scholarships based on academic results. After grade 8, BSRM financially supports these students to continue studying in nearby schools to pursue higher education. BSRM takes the responsibility of providing all the funding for the school expenses. More than 500 slum children are taking instruction from the school.



STAKEHOLDERS RELATIONSHIP GRIEVANCE REDRESSAL

CUSTOMER'S PERSPECTIVE

At BSRM, we are committed to providing our customers with the highest level of satisfaction. However, we understand that issues and concerns may arise from time to time. This Customer Redressal Policy outlines our approach to promptly and effectively addressing customer grievances and ensuring a positive experience.

1. Accessibility

We provide multiple channels for customers to reach us and voice their concerns

- Online Ticketing System: Customers can raise problem tickets in the system.
- Email Support: Customers can email us at [email address] for written communication.
- Website Contact Form: An online form available on our website for submitting grievances.
- Physical Offices: Customers can also visit our offices for in-person assistance.

2. Prompt Response

We are committed to acknowledging customer grievances within 24 hours of receipt, regardless of the channel used for communication. This acknowledgment will include a reference number for tracking the status of the complaint.

3. Investigation and Resolution

Upon receipt of a grievance, our Customer Support team will initiate an investigation to understand the issue thoroughly. The resolution process will involve

1. Gathering relevant information and documents.
2. Evaluating the issue's validity and severity.
3. Identifying potential solutions or actions for resolution.
4. Communicating with the customer to keep them informed of progress.

4. Escalation

Customers can escalate the matter if dissatisfied with the initial response or resolution. The escalation process involves

1. Contacting a designated senior representative within BSRM.
2. A fresh review of the grievance.
3. Providing an escalated response.

5. Regular Updates

We keep customers informed of the progress of their grievances at regular intervals until resolution. If a complaint requires more time for investigation or solution, we will provide an interim update explaining the delay.

6. Privacy and Confidentiality

We treat all customer grievances with the utmost privacy and confidentiality. Customer information and complaint details are shared only with those directly involved in the resolution process

7. Customer Feedback

After resolving a grievance, we encourage customers to provide feedback on their experience with our redressal process. This feedback will help us continually improve our services.

8. Closure and Documentation

Once a grievance is resolved to the customer's satisfaction, we will formally close the case, documenting the details of the complaint, investigation, and resolution for future reference.

9. Continuous Improvement

BSRM is committed to continuously improving our products and services based on customer feedback and the lessons learned from handling grievances. We use this feedback to enhance our processes and avoid similar issues in the future.

At BSRM, we believe effective grievance redressal is essential to building and maintaining trust with our customers. This Customer Redressal Policy ensures that we are responsive, accountable, and committed to resolving customer concerns promptly and fairly. We value our customers' feedback and are dedicated to providing them with the best possible experience.

EMPLOYEE'S PERSPECTIVE

Employees are the human capital of the company. We are committed to providing a comfortable work environment to our employees to enrich their productivity. To resolve undesirable issues in the workplace and create a conducive working environment, we have a robust Grievance Handling practice where employees can raise the case through the SuccessFactors portal or drop it in the suggestion box. Our HR department takes necessary measures to redress if any adverse situation arises. In 2023, we received no significant complaints about our employees.

SHAREHOLDER'S PERSPECTIVE

BSRM strongly believes in maintaining smooth and interactive relationships with the stakeholders. We proactively pursue a high-quality stakeholder redressal policy to handle all types of grievances and complaints effectively and fairly. BSRM strongly believes in the equitable treatment of every shareholder. We resolve any shareholders' complaint on a priority basis and have committed to serve the appropriate mechanism to address the shareholders' grievance within the company's stipulated time frame.

REDRESSAL POLICY

BSRM redressal system covers the following issues

- Receiving complaints for non-receipt of dividend warrant, dividend intimation letter, cash dividend;
- Clarification of any price-sensitive information over the telephone;
- Grievance for not receiving the Annual Report, quarterly. Half-yearly financial information/ position within the timeframe.

Any Investors may lodge their complaint about their investment in the company through a formal letter, the Company's official e-mail ID, i.e., investors@bsrm.com and a phone call to the Company Secretary and Share Department. We focus on addressing those complaints within the shortest possible time.

REDRESSAL PROCESS OF BSRM

- Complaints raised by the investors/ shareholders dealt with courtesy and promptly
- Complaints are treated and solved efficiently and treated fairly
- We communicate to the shareholders to collect the dividend warrants, which have been refunded for non-delivery by the courier.
- Cheques are re-issued against expired dividend warrants upon demand.
- Dividend warrants are issued in case of failure to send dividends through the BEFTN system.
- We issue dividend notice (CDBL Shareholding report as on record date) after completing dividend disbursement and send dividend notice through e-mail/courier/direct as and when required.
- An E-mail or letter must be sent to all the investors who have submitted written complaints.

REDRESSAL STATISTICS 2023

Requests received from shareholders

35% CASH DIVIDEND

has been credited to Shareholders' Bank accounts through Standard Chartered Bank (SCB) using the BEFTN System of Bangladesh Bank on January 24, 2023, which was approved in the 60th Annual General Meeting of the company held on December 28, 2022.

828 DIVIDEND WARRANTS

have been re-issued for 2021-22 (which were returned from BEFTN).

A Dividend Notice for 2021-22 has been issued for income tax and other purposes.

The company continues to communicate regularly with the shareholders through periodic performance updates and at any time when it believes it is generally in the best interest of shareholders.

PROCESS	REDRESSAL	CHECKLIST	
		YES	NO
Queries/Complaints/ grievance lodged by Shareholder	Shareholders are adequately communicated that collection warrants have been refunded for non-delivery by the Courier.	√	
	Cheque re-issue against expired dividend warrants upon demand	√	
Review all logs objectively and fairly and give solutions within a short time frame	Issue of dividend warrants, in case of failure to send dividends through the BEFTN system	√	
Send information to concerned shareholders after redressal by the Share department	Issue dividend notice (CDBL Shareholding report as on record date) after completing dividend disbursement, send dividend notice through e-mail/courier/direct as and when required	√	

SNAPSHOT 2022-23

BSRM received the 'National Productivity and Quality Excellence Award 2021' under the 'Large Industry Category (Steel and Engineering)'



BSRM received the 'SDG Brand Champion Awards 2023 under the 'SDG Brand Champion in Responsible Consumption and Production' for their initiative 'Converting Waste Materials to a Useable Product'



BSRM Slag – "REUSABILITY OF WASTE" wins the Bangladesh Innovation Award 2023 in two categories;

- a) The Most Innovative Environmental Solution
- b) The Best Innovation – SDG Inclusion Award





Our beloved Chairman, Mr. Alihussain Akberali FCA has been honoured with the FBCCI Business Excellence Award 2023 in the Business Leadership Category



BSRM won gold from the ICMAB Best Corporate Award 2021 under the "Others Manufacturing" category



BSRM received Tax Payer Award 2021-22 under Engineering Category

BSRM IN MEDIA 2022-23



ECONOMY

Ahsan Habib Tuhin

15 October, 2023, 12:00 am

Last modified: 15 October, 2023, 05:14 pm



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BSRM opens first LC in rupee in Ctg

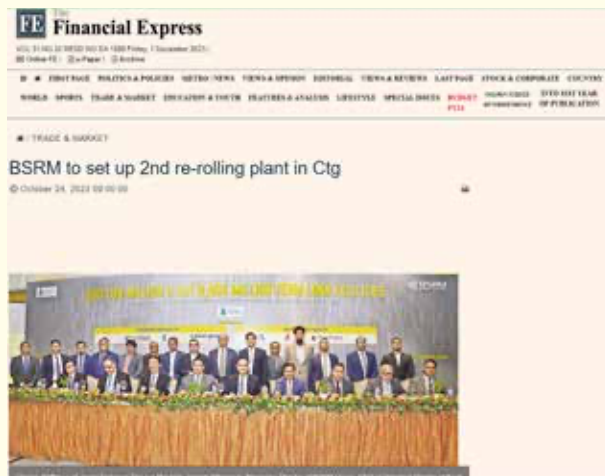
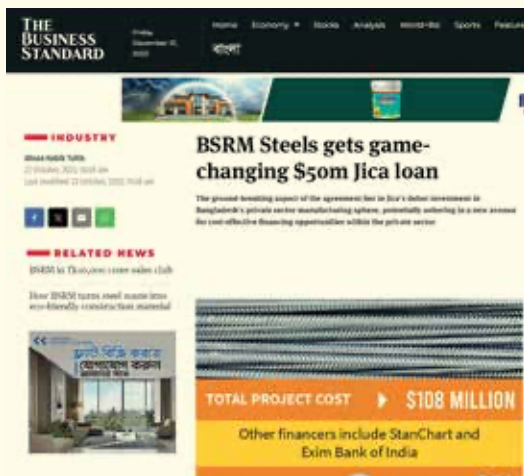
How BSRM turns steel waste into eco-friendly construction material

BSRM in Tk10,000 crore sales club

The leading steelmaker is the fourth among 392 listed firms to join the list of four with Titas Gas, Grameenphone and British American Tobacco Bangladesh Company Limited (BATBC).

BSRM EARNS RECORD REVENUE IN FY23

- Revenue crossed Tk10,000 crore mark for the first time
- Grameenphone, Titas Gas, and BAT Bangladesh were the only listed firms with revenue over Tk10,000 crore
- Despite robust revenue, profit fell slightly year-on-year
- Dividend recommended for FY23: 25% CASH
- It was 35% cash in FY22



প্রথম আলো

ব্র্যাক ইউনিভার্সিটির স্কুল অব ইঞ্জিনিয়ারিং এখন বিএসআরএম স্কুল অব ইঞ্জিনিয়ারিং

ব্র্যাক ইউনিভার্সিটির স্কুল অব ইঞ্জিনিয়ারিং এখন বিএসআরএম স্কুল অব ইঞ্জিনিয়ারিং

প্রথম আলো

ইস্পাতশিল্পের যত পরিবর্তন তাঁর হাত দিয়েই

ইস্পাতশিল্পের যত পরিবর্তন তাঁর হাত দিয়েই

The Daily Star

BRSM takes Tk 1,900cr project to expand production capacity

BRSM takes Tk 1,900cr project to expand production capacity

The Daily Star

BRAC engineering school renamed to BSRM School of Engineering

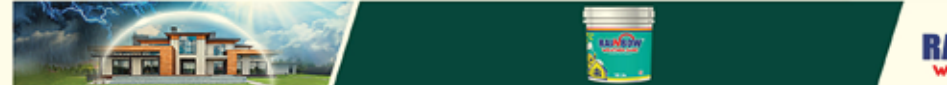
BRAC engineering school renamed to BSRM School of Engineering

THE BUSINESS STANDARD

Friday December 01, 2023

Home Economy Stocks Analysis World+Biz Sports Features

বাংলা



ENVIRONMENT

Jobaer Chowdhury
05 June, 2023, 11:45 am
Last modified: 05 June, 2023, 01:13 pm

How BSRM turns steel waste into eco-friendly construction material



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ENVIRONMENT

How BSRM turns steel waste into eco-friendly construction material

Watch on YouTube | STANDARD

BSRM IN SOCIAL MEDIA 2022-23



FOLLOWER

243,383



REACH

25,157,909



BSRM 243K followers

#BSRM #BuildingASaferNation

সামার প্রতিরোধ করতে হলে জনজন্মের সকল ছবে গড়ে তুলতে হবে সচেতনতা

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মনুদ্র উসকুল থেকে আসছে সন্মুক্তির বস্তুর চেউ

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COUPLER

হাই-স্পিড সেকালিব্রাল জয়েন্টিং সিস্টেম

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শুরু হলো নতুন সড়ক দুলালা রাজধানীর সাতলে থেকে

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স্ট্যান্ডার্ড মাই ভো সেইফটি বাই

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আমার হাতেই

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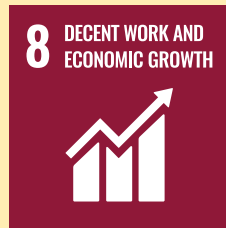
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BSRM WINS GOLD

Like Comment Share

GOVERNANCE >>

GOVERNING FOR AN AGILE, RESILIENT, AND RESPONSIBLE BSRM



Strong governance is behind the culture of invention and curiosity that has driven our business across regions and industries. Today, we focus on implementing best practice governance principles to operate an ethical company that our stakeholders trust.

OUR GOVERNANCE

The Management of BSRM Group is committed to ensuring good corporate governance by following all applicable rules, regulations, and business ethics for sustainability and growth. Our corporate governance emerges from applying the best and sound management practices and compliance with all applicable laws and regulations. BSRM has been a business leader in the steel sector since its beginning in 1952. It earns a considerable reputation for its transparent and ethical practices. The management continuously reviews and updates its corporate governance framework and practices.

Environmental, social, and governance (ESG) matters are overseen and managed at multiple levels within BSRM.

The board of directors of the Company is involved in preparing and monitoring Company's strategy, its operational performance and effectiveness of internal control system.

FORMATION OF BOARD OF DIRECTORS & MANAGEMENT COMMITTEE

A five-member Board of Directors regularly reviews the operation of the Company. All those directors are elected in the Annual General Meeting. The directors periodically attend the board meeting after the board approves a detailed discussion agenda.

Inclusion of independent director

According to the Bangladesh Securities and Exchange Commission directive, one independent director has been included in the board. He is a non-executive director.

Formation of Audit Committee and some other committees.

Several committees have been formed to ensure good governance.

Management Committee with the following personnel:

Tapan Sengupta	Deputy Managing Director
Hasan Zafar Chowdhury	Chief Operating Officer, Steels
Shekhar Ranjan Kar FCA	Head of Finance & Accounts and Company Secretary
Md. Azizul Haque	Head of Manufacturing
Jamil Ahmed	Head of Human Resources
Mohammad Imtiaz Uddin Chowdhury	Head of Sales & Marketing
Sanjoy Kumar Ghosh	Head of Supply Chain Management

Audit Committee with the following personnel

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

Nomination and Remuneration Committee with following personnel

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

The scope and roles of these committees are clearly defined and approved by the Board of Directors.

As per the Corporate governance guidelines of BSEC Mr. Sidhartha Barua FCA, partner of MM Rahman & Co, Chartered Accountants has been appointed to observe and certify Corporate Governance Compliance Report as the Compliance Auditor.

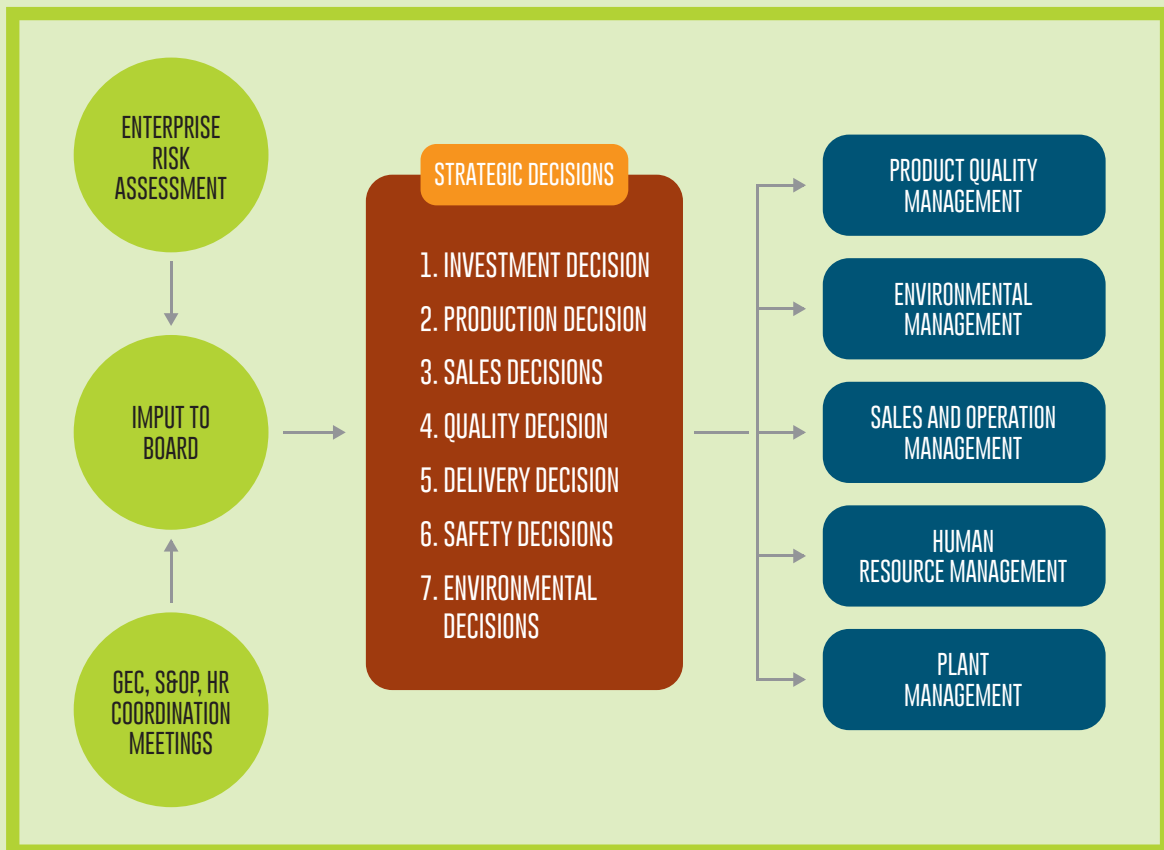
INTEGRATED MANAGEMENT SYSTEM

BSRM implemented an integrated management system (IMS) combining various management systems (e.g., quality, environmental, occupational health and safety, information security, energy, and asset management) into a comprehensive, and harmonized management system.



The combined approach provides a valuable overview of essential business processes, creates significant synergies, and pools resources, forming a solid enterprise foundation. During management review, the top management of BSRM evaluates processes and makes changes needed to ensure that the methods achieve intended results and improve the IMS.

INTERACTION OF PROCESS AT TOP MANAGEMENT LEVEL



BOARD OVERSIGHT

BSRM's Board, assisted by its sub-committees, oversees significant risks affecting the company's business, including environmental, social and governance matters. BSRM's Board and its committees exercise oversight of our values and our people through review and discussion with the management of progress relating to our values: Sustainable growth, quality, reliability, trust, leadership, social responsibility and customer satisfaction.

Matters that benefit from specialized attention are reserved for specific committees. For example, the Audit Committee oversees our Financial Reporting Process (see page 93), while the Nomination and Remuneration Committee (NRC) oversees our formulation of policy on Nomination and Remuneration (see page 95). The full Board also directly oversees specific issues such as BSRM's progress toward implementing the vision, essential procedures, SOPs etc.

MANAGEMENT OF ESG

Work on environmental and social initiatives is embedded across the business lines, with broad collaboration to drive forward initiatives that are important to BSRM. BSRM's management is responsible for the development, review, and execution of plans designed to minimize BSRM's impact on the environment. Management leads our efforts and progress in protecting people and the planet across our supply chain.

Across our business, BSRM has developed internal systems and procedures for managing environmental, social, and governance topics, including engaging with external stakeholders to learn about their priorities, get feedback, and coordinate relevant projects and initiatives.



CODE OF CONDUCT OF BOARD MEMBERS

OBJECTIVE

To maintain high standards of governance, to recognize the virtues of honesty and accountability, and to serve as a guideline for addressing situations involving ethical issues in all spheres of activities of the Company, the following code of conduct is required to be observed.

KEY REQUIREMENTS

The Board Members must act within the authority conferred upon them and in the best interests of the Company and observe the following code of conduct:



BSRM – ONE STEP AHEAD IN DIGITIZATION AND INFORMATION SECURITY

In a strategic move aimed at optimizing efficiency, enhancing collaboration and fortifying our information security, BSRM has successfully shifted the Enterprise Resource Planning (ERP) system to the cloud. This transition marks a significant milestone for the organization, as it empowers us to leverage the advantages of cloud technology while implementing robust security processes. By embracing this innovative approach, BSRM exemplifies the commitment to staying ahead in an increasingly digitized and interconnected business landscape.

BSRM's migration to the cloud has been accompanied by implementing of different security processes, ensuring our valuable data remains safe and protected. Recognizing the evolving nature of cyber threats, we have proactively strengthened our information security framework to safeguard against potential vulnerabilities and breaches.

Implementing SAP Success Factors (SF) modules provides BSRM's structured approach to measuring, managing, and improving performance, leading to increased productivity, efficiency, and effectiveness across various levels and functions. SF also provides a measurable framework for evaluating performance and progress by developing a culture of continuous improvement by identifying areas for optimization and innovation. By regularly reviewing performance metrics, BSRM can identify bottlenecks, streamline processes, and implement best practices to improve efficiency and productivity.

BSRM IT has successfully implemented various automation processes, such as transitioning from industry level 2 to level 4, adopting e-budgeting practices, sales process digitization, etc. These innovative processes leverage advanced technologies, automation, and data analytics to optimize processes, reduce manual work, and streamline operations. This increased efficiency translates into cost savings, faster turnaround times, and improved productivity for BSRM.

Investing in information security measures represents a forward-thinking approach to business operations by management and BSRM IT. This strategic move positions BSRM as an industry leader in embracing digital transformation and fortifying our information security framework for a resilient future.

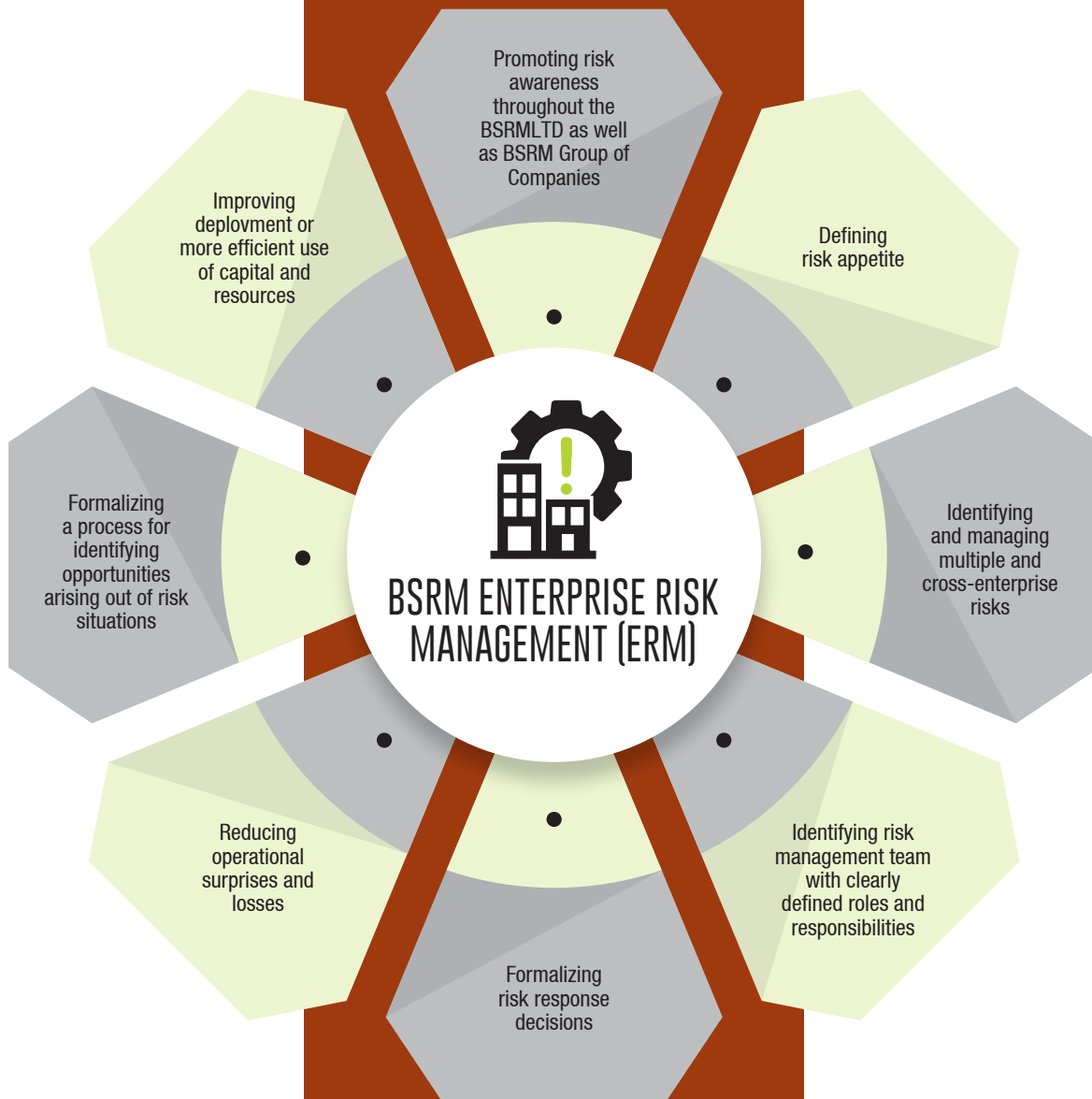
ENTERPRISE RISK MANAGEMENT

The Enterprise Risk Management framework (ERM) is a set of components that provide the foundation for designing, implementing, monitoring, reviewing and continually improving risk management throughout the 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 been incorporated into BSRM Group's endeavor to build a world-class ERM framework and processes.

BSRM Enterprise Risk Management ("ERM") Framework guides implementation of a consistent, efficient, and economical approach to identify, evaluate, and respond to critical risks that may impact business objectives. BSRM's enterprise risk management framework enables management to effectively deal with uncertainty and associated risks and opportunities, enhancing the capacity to build value. The Steps are:



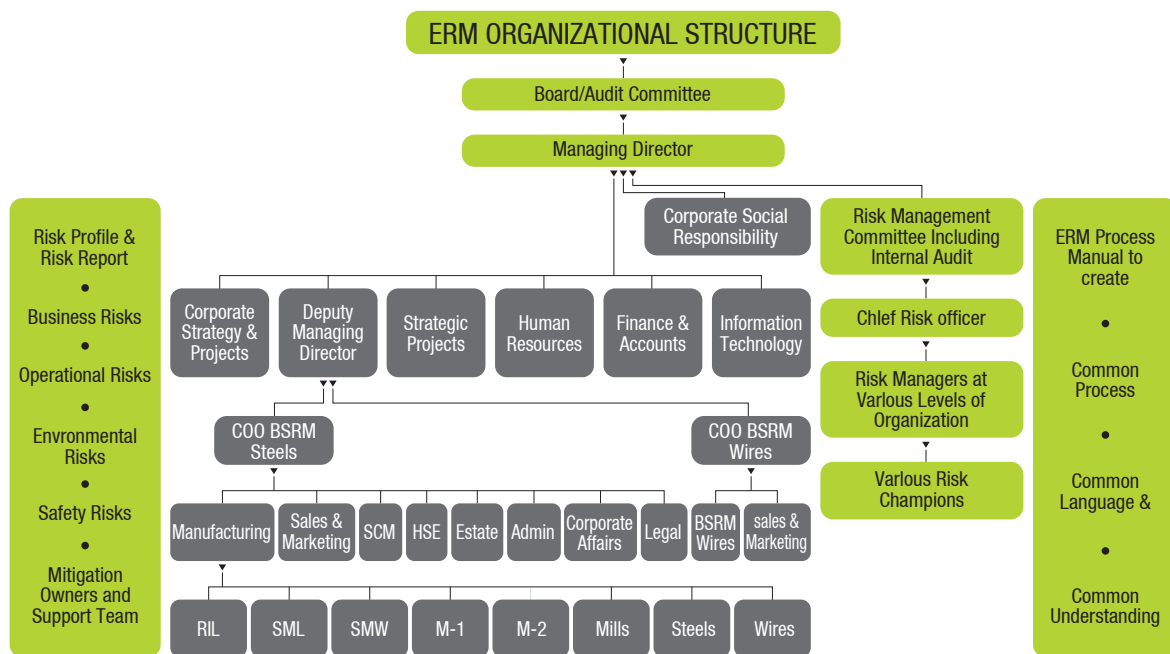
ERM helps BSRM LTD manage risks proactively towards achieving its business objectives, performance & profitability targets and prevent loss of resources. BSRM's ERM is directed to help ensure effective reporting and compliance with laws and regulations to avoid damage to the entity's reputation and its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

ENTERPRISE RISK MANAGEMENT STRUCTURE

The Group's Enterprise Risk Management (ERM) organization structure identifies key internal stakeholders responsible for creating, implementing and sustaining the ERM initiative in the Group. The ERM structure leverages the existing Organizational structure in the Group.

The ERM structure aligns individuals, teams and departments with the intent of establishing responsibility and accountability for:

- Integrating ERM into the Group's culture
- Facilitating and monitoring effective implementation of the ERM framework
- Ensuring that the ERM framework and its components are current



FUNDAMENTAL PRINCIPLES OF ERM FRAMEWORK

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

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

BSRM's Risk Management Framework comprises of:



RISK MANAGEMENT METHODOLOGY OF BSRM

Risk

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



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 communicate, consult and establish the context for ERM in BSRM Group of Companies. The ERM process comprising risk identification & assessment, risk treatment and monitoring applies across the organizational lifecycle.

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



DISCLOSURE OF RISK REPORTING

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

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

REGULATORY COMPLIANCE REPORT

Corporate Governance Report

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

The Board of Directors of **Bangladesh Steel Re-Rolling Mills Limited** is firmly committed to upholding sound corporate governance principles. The main objective of corporate governance is creating lasting value for stakeholders.

Transparency in the 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 **Bangladesh Steel Re-Rolling Mills Limited** comprises five members including the Chairman, Managing Director, and one Independent Director in compliance with the Corporate Governance Code of BSEC. The Board of Directors performs its responsibilities, including setting the Company's strategic objectives, providing leadership, supervision, and safeguarding shareholders' interests.

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.

Audit Committee

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

The Audit Committee holds regular meetings on the following significant issues:

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

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

Nomination and Remuneration Committee (NRC)

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

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

Chairman of the Board and Managing Director

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

Directors' Report to Shareholders

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

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

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

Internal Audit and Control

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

External Auditors

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

Subsidiary Company

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

Key Management Committee

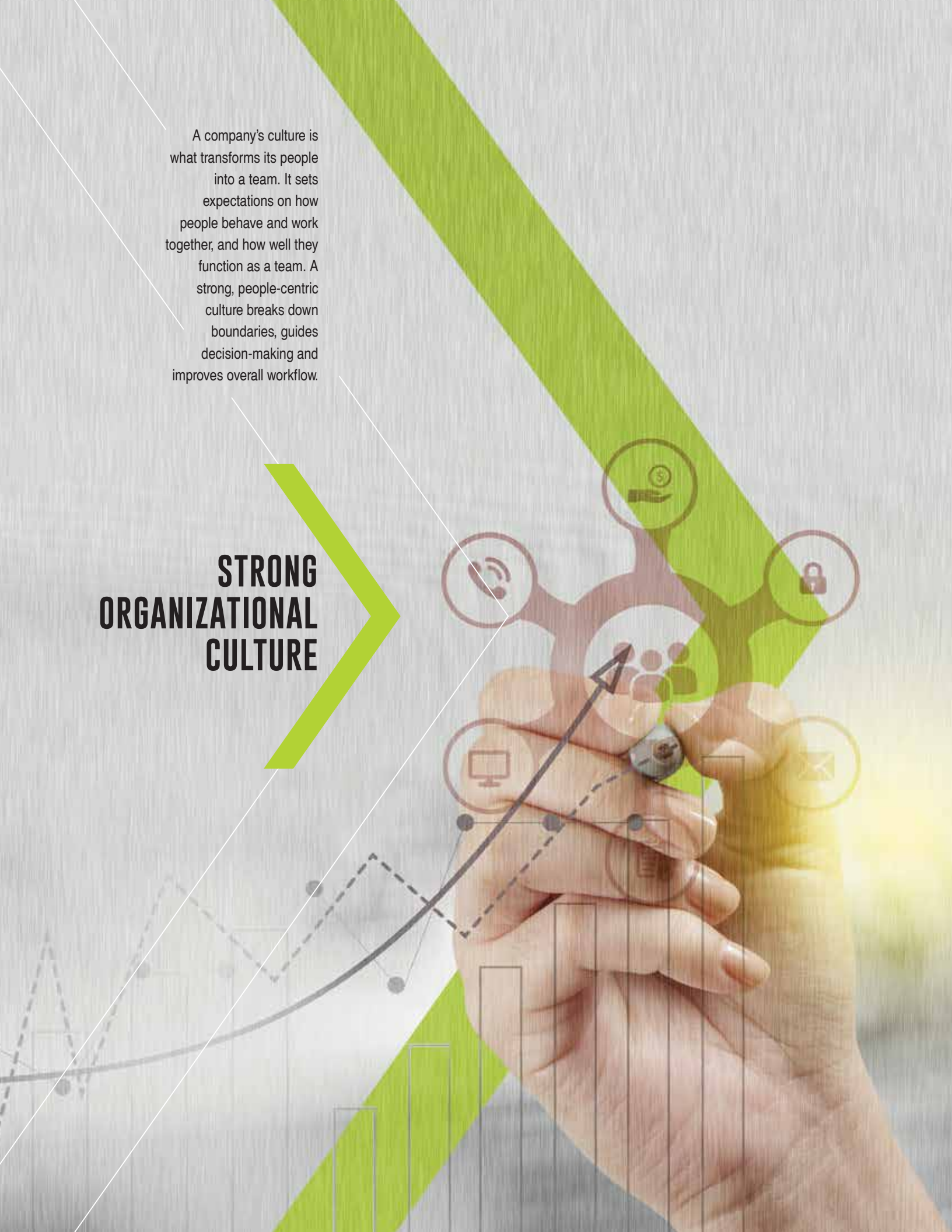
There are other sub-committees to the Board of Directors to assist the Board in making and formulating the company's strategic objectives and policies, namely the Management Committee. The committee members regularly sit for discussing and reviewing the activities of the Company.

Certification in Compliance with the Corporate Governance Code of BSEC

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

A company's culture is what transforms its people into a team. It sets expectations on how people behave and work together, and how well they function as a team. A strong, people-centric culture breaks down boundaries, guides decision-making and improves overall workflow.

STRONG ORGANIZATIONAL CULTURE



**INDEPENDENT
AUDITOR'S
REPORT &
AUDITED
FINANCIAL
STATEMENTS OF**



**Bangladesh
Steel Re-Rolling
Mills Limited**

**FOR THE YEAR ENDED
JUNE 30, 2023**

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

Report on the Audit of the Consolidated and Separate Financial Statements

Opinion

We have audited the consolidated financial statements of Bangladesh Steel Re-Rolling Mills Limited and its subsidiaries ("the Group") as well as the separate financial statements of Bangladesh Steel Re-Rolling Mills Limited ("the Company") which comprise the consolidated and separate statement of financial position as at 30 June 2023, and the consolidated and separate statement of profit or loss and other comprehensive income, consolidated and separate statement of changes in equity and consolidated and separate statement of cash flows for the year then ended, and notes to the consolidated and separate financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated and separate financial statements give a true and fair view of the consolidated financial position of the Group and the separate financial position of the Company as at 30 June 2023, and of its consolidated and separate financial performance and its consolidated and separate cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated and Separate Financial Statements* section of our report. We are independent of the Group and the Company in accordance with the International Ethics Standards Board for Accountants' *Code of Ethics for Professional Accountants (IESBA Code)*, and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in the audit of the consolidated and the separate financial statements of the current period. These matters were addressed in the context of the audit of the consolidated and the separate financial statements as a whole, and in forming the auditor's 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.



Key Audit Matter	How our audit addressed the key audit matter
<p>Revenue from sale of goods recognition-</p> <p>As described in the Notes 33.00 to the separate and consolidated financial statements of the Group/Company, Revenue from the sale of goods is recognized, when the Group/Company has delivered products to the customers at the shipping point and control has passed. The sales of the Company are derived from factories and various depots located across the country with relatively transactions of small amounts. In determining the sales price, the Group/ Company considers the effect of discounts. During the year ended 30 June 2023, the Group/Company has recognized revenues of BDT 115,060 million and BDT 115,061 million respectively.</p> <p>We focused on the proper cut-off on sales to the Company's customers due to the fact that the documents of confirming the acceptance of the products were provided by numerous customers based in different locations. There is a risk of differences between the timing of acceptance of the products by the Company's customers and when revenue was recorded. Accordingly, there could be potential misstatements that these revenue transactions are not recognized in the proper reporting periods.</p> <p>We identified revenue recognition as a key audit matter because revenue is one of the key performance indicators of the Company and therefore there is an inherent risk of manipulation of the timing of recognition of revenue by management to meet specific targets or expectations.</p>	<p>Our audit procedures included the following:</p> <ul style="list-style-type: none"> ▪ We read the Group/Company's revenue recognition policy and assessed its compliance in terms of IFRS 15 'Revenue from contracts with customers' ▪ We assessed the design and tested the operating effectiveness of internal controls related to revenue recognition and applicable discounts. ▪ Performed sample tests of individual sales transaction and traced to sales invoices, sales orders and other related documents. In respect of the samples selected, we tested recognition of revenue based on underlying sales invoices, sales orders and other related documents. ▪ We selected a sample of invoices on which discounts were given and obtained the discount schemes approved by the management. We noted the accounting of discounts by the Group/Company for the selected sample. ▪ Selected samples of sales transactions recognized shortly before and after the reporting date, including the sales returns recorded after that date, to examine whether sales transactions were recorded in the correct reporting periods. ▪ Assessed the relevant disclosures made within the financial statements



The key audit matter	How our audit addressed the key audit matter
<p>Accuracy and completeness of disclosure of related party transactions- see notes 8, 13, 26, and 46 to the financial statements</p> <p>We identified the accuracy and completeness of disclosure of related party transactions as set out in respective notes to the separate and consolidated financial statements as a key audit matter due to the high volume of business transactions with related parties during the year ended 30 June 2023.</p>	<p>Our procedures in relation to the accuracy and completeness of disclosure of related parties' transactions included:</p> <ul style="list-style-type: none"> ▪ Obtaining an understanding of the Group/Company's policies and procedures in respect of identifying related parties; approval and recording of related party transactions including how management determines all transactions/ balances with related parties are determined at arm's length and entered into in the normal course of business and further fully disclosed in the financial statement. ▪ We tested, on a sample basis, related party transactions with the underlying contracts and other documents and for appropriate authorization and approval for such transactions. ▪ We read minutes of shareholder meetings, board meetings and minutes of meetings of those charged with governance in connection with transaction with related parties effected during the year. ▪ Evaluating the completeness of the disclosures through review of statutory information, books and records and other documents obtained during the course of our audit



The Key Audit Matter	How our audit addressed the key audit matter
<p>Completeness and accuracy of deferred tax liabilities- see note 23 to the financial statements</p> <p>As at 30 June 2023, deferred tax liabilities amounted to BDT 3,848 million</p> <p>Deferred tax is recognized on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements.</p> <p>The calculation of deferred taxes takes into account the expected point in time when, and the manner in which, the assets and liabilities are expected to be realized or settled. The applied tax rates correspond to those that are enacted or substantively enacted at the balance sheet date.</p> <p>Deferred taxes primarily result from Tangible and intangible assets (including revalued tangible assets), Investment in associate, employee benefits, and unabsorbed depreciation.</p> <p>These calculations are complex because of the applicable tax rules and the necessary subjective estimates and accompanying uncertainty.</p> <p>Therefore, we have defined the carrying amount of deferred tax liabilities as a key audit matter.</p>	<p>Our audit procedures in relation to the completeness and accuracy of deferred tax liabilities included the following:</p> <ul style="list-style-type: none"> ▪ We obtained an understanding, evaluated the design, and tested the operational effectiveness of the Group/Company's key controls over the recognition and measurement of deferred tax liabilities and the assumptions used in estimating the group/company's deductible temporary difference. ▪ We also assessed the completeness and accuracy of the data used for the estimations of the deductible temporary difference. ▪ We performed the mathematical accuracy of the deferred tax calculation. ▪ We involved tax specialties to assess key assumptions, controls, recognition, and measurement of deferred tax liabilities. ▪ We also assessed the appropriateness of presentation of disclosures against IAS 12 - Income Tax.

Other information included in the Company's 30 June 2023 Annual Report

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

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

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



and the separate financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

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

Management is responsible for the preparation of consolidated and separate financial statements that give a true and fair view in accordance with IFRSs, and for such internal control as management determines is necessary to enable the preparation of consolidated and separate financial statements that are free from material misstatement, whether due to fraud or error.

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

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

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

Our objectives are to obtain reasonable assurance about whether the consolidated and separate financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated and separate financial statements.

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

- Identify and assess the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.



- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated and separate financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure, and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision, and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated and separate financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other legal and regulatory requirements

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

- i) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit and made due verification thereof;



- ii) In our opinion, proper books of account as required by law have been kept by the company so far as it appeared from our examination of these books;
- iii) The statement of financial position and statement of profit or loss and other comprehensive income dealt with by the report are in agreement with the books of account and returns; and
- iv) The expenditure incurred was for the purposes of the company's business.

A. Qasem & Co.

Chartered Accountants

RJSC Firm Registration Number: 2-PC7202

Md. Johirul Islam FCA

Partner

Enrolment Number: 1257

DVC: **2310121257AS866975**

Place: Chattogram

Date: **12 OCT 2023**



Statement of financial position

Bangladesh Steel Re-Rolling Mills Limited

As at 30 June 2023

Assets:	Notes	Separated		Consolidated	
		30-Jun-23	30-Jun-22	30-Jun-23	30-Jun-22
Non-current assets					
Property, plant and equipment	5.00	36,745,942,106	38,493,345,628	36,745,942,106	38,493,508,025
Capital work-in-progress	6.00	971,979,504	771,803,003	971,979,504	771,803,003
Right-of-use assets	31.00	130,365,111	118,079,383	130,365,111	118,079,383
Intangible assets	7.00	10,959,972	16,205,442	10,959,972	16,205,442
Investment in subsidiary and associate	8.00	8,674,947,315	8,152,477,496	8,596,650,873	8,088,476,202
Other investments	9.00	211,103,121	211,103,121	211,103,121	211,103,121
Total non-current assets		46,745,297,129	47,763,014,074	46,667,000,687	47,699,175,176
Current assets					
Short term investments	10.00	1,713,438,543	4,024,122,027	1,713,438,543	4,024,122,027
Inventories	11.00	27,831,434,156	47,792,565,315	27,831,434,156	47,793,057,669
Trade and other receivables	12.00	5,433,526,873	2,238,938,860	5,433,526,873	2,246,362,749
Current account with related companies	13.00	4,236,181,646	3,531,088,122	4,222,444,290	3,519,235,486
Advances and deposits	14.00	16,133,048,372	7,583,683,739	16,300,485,131	7,584,601,231
Cash and cash equivalents	15.00	1,868,160,881	5,682,463,553	1,873,768,817	5,750,673,133
Total Current assets		57,215,790,471	70,852,861,616	57,375,097,810	70,918,052,295
Total assets		103,961,087,600	118,615,875,690	104,042,098,497	118,617,227,471
Equity and liabilities:					
Shareholder's equity					
Share capital	16.00	2,985,846,260	2,985,846,260	2,985,846,260	2,985,846,260
Share premium	17.00	2,057,514,350	2,057,514,350	2,057,514,350	2,057,514,350
General reserve	18.01	30,170,818	30,170,818	30,170,818	30,170,818
Revaluation reserve	18.02	16,604,549,418	17,062,603,779	16,604,549,420	17,062,603,781
Fair value reserve		446,867,474	517,198,576	446,867,474	517,198,576
Foreign currency translation reserve		52,856,841	26,460,769	52,856,841	26,460,769
Retained earnings		19,760,360,238	17,415,689,542	19,760,360,236	17,415,689,540
Equity attributable to owners of the company		41,938,165,398	40,095,484,094	41,938,165,398	40,095,484,094
Non-controlling interest		-	-	-	-
Total Equity		41,938,165,398	40,095,484,094	41,938,165,398	40,095,484,094
Non-current liabilities					
Long term borrowings- non-current portion	19.00	26,103,658	224,563,056	26,103,658	224,563,056
Defined benefit obligations- gratuity	20.00	410,905,411	409,316,636	410,905,411	409,316,636
Lease liabilities- non-current portion	31.00	99,605,774	87,549,700	99,605,774	87,549,700
Deferred tax liabilities	23.00	3,848,030,684	3,769,754,917	3,848,030,684	3,769,754,917
Total non-current liabilities		4,384,645,527	4,491,184,309	4,384,645,527	4,491,184,309
Current liabilities					
Trade payables	24.00	687,650,579	665,060,676	687,650,579	665,060,676
Short term borrowings	25.01	53,459,038,280	66,969,381,141	53,538,269,009	66,969,381,141
Long term borrowings - current portion	25.02	307,528,271	903,156,973	307,528,271	903,156,973
Current account with related companies	26.00	-	2,397,778,830	-	2,397,778,830
Contract liabilities	27.00	528,907,843	318,655,890	528,907,843	318,690,253
Liabilities for expenses	28.00	1,221,275,338	1,122,655,703	1,221,596,539	1,122,890,433
Provision for income tax	21.00	1,044,185,027	1,158,741,465	1,045,643,995	1,159,824,151
Provision for WPPF and Welfare Fund	29.00	185,561,343	195,174,768	185,561,343	195,174,768
Lease liabilities-current portion	31.00	42,688,189	40,204,947	42,688,189	40,204,947
Other liabilities	30.00	159,266,115	235,040,549	159,266,115	235,040,549
Unclaimed dividend account	32.00	2,175,688	23,356,348	2,175,688	23,356,348
Total current liabilities		57,638,276,674	74,029,207,287	57,719,287,572	74,030,559,069
Total liabilities		62,022,922,201	78,520,391,596	62,103,933,098	78,521,743,377
Total equity and liabilities		103,961,087,600	118,615,875,690	104,042,098,497	118,617,227,471
Net Assets Value (NAV) per share	43.00	140.46	134.29	140.46	134.29

Footnotes:

These Financial Statements should be read in conjunction with the annexed notes 1 to 55

A. Qasem & Co.

Chartered Accountants

RJSC Firm Registration Number: 2-PC7202



Md. Johirul Islam FCA

Partner

Enrolment Number: 1257


DVC: 2310121257AS866975

Place: Chattogram

Dated:

12 OCT 2023




Aihussain AKBERALI FCA
Chairman


Aameir Aihussain
Managing Director


Shekhar Ranjan Kar FCA
Company Secretary

Statement of profit or loss and other comprehensive income

Bangladesh Steel Re-Rolling Mills Limited
For the year ended 30 June 2023

Note	Separated		Consolidated		
	30-Jun-23	30-Jun-22	30-Jun-23	30-Jun-22	
Revenue	33.00	115,060,731,490	79,783,104,398	115,061,642,084	79,952,801,290
Cost of Sales	34.00	(104,741,609,510)	(73,296,884,708)	(104,741,229,019)	(73,462,557,105)
Gross profit		10,319,121,980	6,486,219,690	10,320,413,065	6,490,244,185
Selling and distribution expenses	35.00	(1,151,403,348)	(901,019,247)	(1,151,403,348)	(901,019,247)
Administrative expenses	36.00	(1,065,382,960)	(802,625,801)	(1,083,180,502)	(818,821,298)
Other operating income	37.00	57,004,743	63,468,112	78,141,362	63,468,112
Operating profit		8,159,340,415	4,846,042,754	8,163,970,578	4,833,871,752
Finance costs	38.00	(4,984,768,109)	(1,515,161,187)	(4,985,206,582)	(1,516,026,242)
Finance income	39.00	130,989,163	174,842,427	130,989,163	174,842,427
Net finance cost		(4,853,778,946)	(1,340,318,760)	(4,854,217,419)	(1,341,183,815)
Non-operating income	40.00	53,904,610	46,010,581	53,904,610	63,174,367
Profit before WPPF and Welfare Fund		3,359,466,080	3,551,734,575	3,363,657,769	3,555,862,304
Contribution to WPPF and Welfare Fund	29.01	(185,561,343)	(195,174,767)	(185,561,343)	(195,174,767)
Share of profit of subsidiary and associate (net of tax)	41.00	933,221,045	1,026,459,617	929,227,311	1,022,511,566
Profit before tax		4,107,125,783	4,383,019,425	4,107,323,738	4,383,199,102
Income tax expenses/benefits					
Current Tax	22.00	(1,097,660,244)	(1,191,091,697)	(1,097,858,198)	(1,191,271,374)
Deferred Tax	23.00	(95,900,365)	(103,642,925)	(95,900,365)	(103,642,925)
Profit after tax		2,913,565,175	3,088,284,803	2,913,565,175	3,088,284,803
Profit attributable to:					
Owners of the parent		-	-	2,913,565,175	3,088,284,803
Non-controlling interests		-	-	-	-
		2,913,565,175	3,088,284,803	2,913,565,175	3,088,284,803
Other comprehensive income					
Other comprehensive income that may be reclassified to profit or loss in subsequent periods					
Exchange differences on translation of foreign operations		26,396,072	7,697,166	26,396,072	7,697,166
		26,396,072	7,697,166	26,396,072	7,697,166
Other comprehensive income that will not be reclassified to profit or loss in subsequent periods					
Fair value reserve on financial assets (net of tax)		(70,331,102)	102,667,241	(70,331,102)	102,667,241
		(70,331,102)	102,667,241	(70,331,102)	102,667,241
Other comprehensive income/ (loss) for the year,		(43,935,030)	110,364,407	(43,935,030)	110,364,407
Total comprehensive income for the year, net of tax		2,869,630,145	3,198,649,209	2,869,630,145	3,198,649,209
Total comprehensive income attributable to:					
Owners of the parent		-	-	2,869,630,145	3,198,649,209
Non-controlling interests		-	-	-	-
		2,869,630,145	3,198,649,209	2,869,630,145	3,198,649,209
Earnings per share					
Basic earnings per share (Taka)	42.01	9.76	10.34	9.76	10.34

Footnotes:

These Financial Statements should be read in conjunction with the annexed notes 1 to 55

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




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

2310121257AS866975

Place: Chattogram
Dated:

12 OCT 2023




Alihussain Akberali FCA
Chairman


Jameir Alihussain
Managing Director


Shekhar Ranjan Kar FCA
Company Secretary

Statement of changes in equity

Bangladesh Steel Re-Rolling Mills Limited
For the year ended 30 June 2023

Particulars	Share capital	Share premium	Fair Value Reserve	General reserve	Foreign currency translation reserve	Revaluation reserve	Retained earnings	Total
Balance at 1 July 2021	2,985,846,260	2,057,514,350	414,531,335	30,170,818	18,763,603	17,076,734,286	15,502,416,403	38,085,977,055
Fair value reserve on financial assets of BSL	-	-	102,667,241	-	-	-	-	102,667,241
Annual cash dividend paid @40% for 2021	-	-	-	-	-	-	(1,194,338,504)	(1,194,338,504)
Transfer against difference in depreciation between cost and revalued amount	-	-	-	-	-	(14,130,507)	18,232,912	4,102,405
Transfer of deferred tax to retained earnings by the equity accounted investees due to excess depreciation between cost and revalued model	-	-	-	-	-	-	1,093,928	1,093,928
Exchange difference on translation of foreign operations	-	-	-	-	7,697,166	-	-	7,697,166
Profit after tax for the year	-	-	-	-	-	-	3,088,284,803	3,088,284,803
Balance as at 30 June, 2022	2,985,846,260	2,057,514,350	517,198,576	30,170,818	26,460,769	17,062,603,779	17,415,689,542	40,095,484,094
Balance at 1 July 2022	2,985,846,260	2,057,514,350	517,198,576	30,170,818	26,460,769	17,062,603,779	17,415,689,542	40,095,484,094
Fair value reserve on financial assets of BSL	-	-	(70,331,102)	-	-	-	-	(70,331,102)
Annual cash dividend paid @35% for 2022	-	-	-	-	-	-	(1,045,046,191)	(1,045,046,191)
Transfer against difference in depreciation between cost and revalued amount	-	-	-	-	-	(11,147,063)	14,383,307	3,236,244
Transfer of revaluation surplus on sale of revalued assets	-	-	-	-	-	(446,907,299)	460,729,174	13,821,875
Transfer of deferred tax to retained earnings by the equity accounted investees due to excess depreciation between cost and revalued model	-	-	-	-	-	-	1,039,232	1,039,232
Exchange difference on translation of foreign operations	-	-	-	-	26,396,072	-	-	26,396,072
Profit after tax for the year	-	-	-	-	-	-	2,913,565,175	2,913,565,175
Balance as at 30 June, 2023	2,985,846,260	2,057,514,350	446,867,474	30,170,818	52,856,841	16,604,549,418	19,760,360,238	41,938,165,398

Footnotes:

These Financial Statements should be read in conjunction with the annexed notes 1 to 55

A. Qasem & Co.

Chartered Accountants

RJSC Firm Registration Number: 2-PC7202

Md. Johirul Islam FCA

Partner

Enrolment Number: 1257

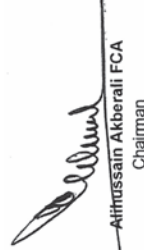
DVC: 2310121257AS866975

Place: Chattogram

Dated :

12 OCT 2023




Atitussain Akberali FCA
Chairman


Asmeir Alijussain
Managing Director


Shekhar Ranjan Kar FCA
Company Secretary

Consolidated Statement of Changes in equity

Bangladesh Steel Re-Rolling Mills Limited
For the year ended 30 June 2023

Particulars	Attributable to owners of the company								Total
	Share capital	Share premium	Fair Value Reserve	General reserve	Foreign currency translation reserve	Revaluation reserve	Retained earnings	Total	
Balance at 1 July 2021	2,985,846,260	2,057,514,350	414,531,335	30,170,818	18,763,603	17,076,734,288	15,502,416,401	38,085,977,055	38,085,977,055
Fair value reserve on financial assets of BSL	-	-	102,667,241	-	-	-	-	102,667,241	102,667,241
Annual cash dividend paid @40% for 2021	-	-	-	-	-	-	(1,194,338,504)	(1,194,338,504)	(1,194,338,504)
Transfer against difference in depreciation between cost and revalued amount	-	-	-	-	-	(14,130,507)	18,232,912	4,102,405	4,102,405
Transfer of deferred tax to retained earnings by the equity accounted investees due to excess depreciation between cost and revalued model	-	-	-	-	-	-	1,093,928	1,093,928	1,093,928
Exchange difference on translation of foreign operations	-	-	-	-	7,697,166	-	-	7,697,166	7,697,166
Profit after tax for the year	-	-	-	-	-	-	3,088,284,803	3,088,284,803	3,088,284,803
Balance at 30 June 2022	2,985,846,260	2,057,514,350	517,198,576	30,170,818	26,460,769	17,062,603,781	17,415,689,540	40,095,484,094	40,095,484,094
Balance at 1 July 2022	2,985,846,260	2,057,514,350	517,198,576	30,170,818	26,460,769	17,062,603,781	17,415,689,540	40,095,484,094	40,095,484,094
Fair value reserve on financial assets of BSL	-	-	(70,331,102)	-	-	-	-	(70,331,102)	(70,331,102)
Annual cash dividend paid @40% for 2022	-	-	-	-	-	-	(1,045,046,191)	(1,045,046,191)	(1,045,046,191)
Transfer against difference in depreciation between cost and revalued amount	-	-	-	-	-	(11,147,063)	14,383,307	3,236,244	3,236,244
Transfer of deferred tax to retained earnings by the equity accounted investees due to excess depreciation between cost and revalued model	-	-	-	-	-	-	1,039,232	1,039,232	1,039,232
Transfer of revaluation surplus on sale of revalued assets	-	-	-	-	-	(446,907,299)	460,729,174	13,821,875	13,821,875
Exchange difference on translation of foreign operations	-	-	-	-	26,396,072	-	-	26,396,072	26,396,072
Profit after tax for the year	-	-	-	-	-	-	2,913,565,175	2,913,565,175	2,913,565,175
Balance at 30 June 2023	2,985,846,260	2,057,514,350	446,867,474	30,170,818	52,856,841	16,604,549,420	19,760,360,236	41,938,165,398	41,938,165,398

Footnotes:

These Financial Statements should be read in conjunction with the annexed notes 1 to 54

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

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

2310121257AS866975

Place: Chattogram

Dated: 12 OCT 2023




Alhussain Akberali FCA
Chairman


Kameir Alihusain
Managing Director


Shekhar Ranjan Kar FCA
Company Secretary

Bangladesh Steel Re-Rolling Mills Limited

Statement of cash flows For the year ended 30 June 2023

	Note	Separated		Consolidated	
		30-Jun-23	30-Jun-22	30-Jun-23	30-Jun-22
Cash flows from operating activities					
Cash receipts from customers		112,088,101,435	81,820,449,135	112,177,858,607	82,115,214,378
Cash payments to suppliers and employees		(104,328,113,936)	(73,710,277,955)	(104,570,097,528)	(74,007,409,519)
Income tax paid		(1,067,088,571)	(1,094,893,616)	(1,067,088,571)	(1,094,893,616)
Interest paid		(3,487,566,074)	(298,342,359)	(3,488,018,208)	(299,207,710)
Net cash from operating activities		3,205,332,854	6,716,935,205	3,052,654,301	6,713,703,533
Cash flows from investing activities					
Acquisition of Property, plant and equipment		(155,914,789)	(99,435,773)	(155,914,789)	(99,435,773)
Acquisition of Intangible Assets		-	(1,500,029)	-	(1,500,029)
Addition of capital work-in-progress		(417,508,522)	(863,687,902)	(417,508,522)	(863,687,902)
Sales proceed from the sale of Fixed Assets		544,269,700	2,736,000	544,269,700	2,736,000
Dividend received		351,760,770	351,760,770	351,760,770	351,760,770
Investment in share		-	(83,121,311)	-	(36,430,203)
Increase/ (Decrease) in investments		2,310,683,485	(2,116,908,701)	2,310,683,485	(2,116,908,701)
Net cash from/(used) in investing activities		2,633,290,643	(2,810,156,947)	2,633,290,643	(2,763,465,838)
Cash flows from financing activities					
(Repayment) / Receipt of Long term loans		(794,088,100)	(894,821,986)	(794,088,100)	(894,821,986)
Dividend paid		(1,066,226,850)	(1,175,802,188)	(1,066,226,850)	(1,175,802,188)
Lease rent payment	31.00	(64,139,316)	(44,875,842)	(64,139,316)	(44,875,842)
(Repayment) / Receipt of short term borrowings		(4,629,004,888)	139,724,171	(4,549,774,161)	139,758,536
Loan (to)/from related Companies		(3,102,872,354)	2,067,631,601	(3,102,872,354)	2,067,631,601
Net cash from/(used) in financing activities		(9,656,331,508)	91,855,755.50	(9,577,100,781)	91,890,121
Net increase/(decrease) in cash and cash equivalent		(3,817,708,011)	3,998,634,014	(3,891,155,837)	4,042,127,816
Cash and cash equivalents at 01 July		5,682,463,553	1,575,195,160	5,750,673,133	1,598,183,676
Effect of movements in exchange rates on cash and cash equivalents held		3,405,340	108,634,380	14,251,521	110,361,642
Cash and cash equivalents at 30 June	15.00	1,868,160,881	5,682,463,553	1,873,768,817	5,750,673,133
Net Operating Cash flow per share	44.00	10.74	22.49	10.22	22.49

Footnotes:

These Financial Statements should be read in conjunction with the annexed notes 1 to 55

A. Qasem & Co.

Chartered Accountants

RJSC Firm Registration Number: 2-PC7202



Md. Johirul Islam FCA

Partner

Enrolment Number: 1257

DVC:

2310121257AS866975

Place: Chattogram

Dated:

12 OCT 2023




Aihussain AKBeralli FCA
Chairman



Aameir AlHussain
Managing Director



Shekhar Ranjan Kar FCA
Company Secretary

Notes to the Financial Statements

1 Reporting entity

1.01 Company profile

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

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

Another Billet-making plant named- Melting Unit-2 (SML), located at Sonapahar, 03 No. Zorargonj, Mirsarai, Chattogram previously known as BSRM Steel Mills Limited was merged with the Company on February 01, 2021. The production capacity of this plant is 8,62,000 MT per year.

1.02 Description of the companies and nature of business

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

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

Branch office of the company

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

BSRM (Hong Kong) Limited- subsidiary

BSRM (Hong Kong) Limited was incorporated on 30 May 2018 in Hong Kong as a private company limited by shares. The registered office of the company is in Hong Kong. The company has a share capital of HKD 3,920,000 (3,920,000 shares) which is owned by Bangladesh Steel Re-Rolling Mills Limited.

BSRM Steels Limited- associate

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

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

In addition to the Rolling unit, the company produce M.S. Billets at Mirsharai, Chattogram, since April 16, 2019. This unit is supplying Billet to the rolling unit of BSRM Steels Limited. The annual production capacity of this plant is 450,000 MT and it has another plant to produce M.S. Billets at Baizid Bostami Road, Nasirabad Industrial Area, Chattogram with 230,000 MT capacity per annum.



Notes to the Financial Statements (Continued)

- 2 Basis of preparation**
- 2.01 Statement of compliance**
The consolidated financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRS) adopted by the Financial Reporting Council, Bangladesh, the Company Act 1994, the Securities and Exchange Rules 1987, and other applicable laws and regulations in Bangladesh. Cash flows from operating activities are prepared under direct method as prescribed by the Securities and Exchange Rules 1987.
- The title and format of these financial statements follow the requirements of IFRSs which are to some extent different from the requirements of the Companies Act, 1994. However, such differences are not material, and in the view of management, IFRS format gives a better presentation to the shareholders.
- Compliance with other laws and regulations of various government bodies are as follows:**
The financial statements are prepared also considering below laws and regulations:
- i) The Income Tax Act, 2023
 - ii) The Income Tax Ordinance, 1984
 - iii) The Income Tax Rules, 1984
 - iv) The Value Added Tax and Supplementary Duty Act, 2012
 - v) The Value Added Tax and Supplementary Duty Rules, 2016
 - vi) The Customs Act, 1969
 - vii) Bangladesh Labour Law, 2006
 - viii) The Securities and Exchange Ordinance, 1969
 - ix) The Securities and Exchange Rules, 2020
 - x) The Financial Reporting Act 2015
- 2.02 Authorization for issue**
These consolidated financial statements for the year ended 30 June, 2023 have been authorized for issue by the Board of Directors on **12 October 2023**.
- 2.03 Reporting period**
The separate financial statements of the company and the consolidated financial statements of the group cover twelve months from July to June and is followed consistently.
- 2.04 Functional and presentation currency**
These financial statements are prepared in Bangladesh Taka, which is the functional currency of the Group and the Company. All financial information presented in Taka has been rounded off to the nearest integer except when otherwise indicated.
- 2.05 Basis of measurement**
These financial statements have been prepared on accrual basis following the going concern concept under the historical cost convention. Property, plant, and equipment are measured following the revaluation model. Financial instrument items are measured at fair value.
- 2.06 Going concern**
The Group and the Company have adequate resources to continue operation in foreseeable future (except otherwise stated). For this reason, management continues to adopt going concern basis in preparing the financial statements. The current revenue generations and resources of the Group and the Company provide sufficient fund to meet the present requirements of existing business and operations.
- 2.07 Consistency**
Unless otherwise stated, the accounting policies and methods of computation used in preparation of the financial statements as at and for the year ended 30 June 2023 are consistent with those policies and methods adopted in preparing the financial statements as at and for the year ended 30 June 2022.
- 2.08 Comparative information**
Comparative information has been disclosed in respect of 2022 in accordance with IAS 1: Presentation of Financial Statements, for all numeric information in the financial statements and also the narrative and descriptive information where it is relevant for understanding of the current period's financial statements. Prior year's figures have been rearranged wherever considered necessary to ensure comparability with the current year.



2.09 Consolidation of Financial Statements

These consolidated financial statements comprise the consolidated statement of financial position, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows of the Group and the results of operations and total assets and liabilities of its subsidiary is included in the consolidated financial statements on a line by line basis.

i. Basis of consolidation

The consolidated financial statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented to the extent possible, in the same manner as the Group's separate financial statements.

IFRS-10 "Consolidated Financial Statements" introduces a control model that focuses on whether the Group has power over an investee, exposure or rights to variable returns from its involvement with the investee and ability to use its power to affect those returns. An investor has power over an investee when the investor has existing rights that gives it the current ability to direct the relevant activities that significantly affect the investee's returns.

Power arises from rights. An investor is exposed, or has rights, to variable returns from its involvement with the investee when the investor's returns from its involvement have the potential to vary as a result of the investee's performance. An investor controls an investee if the investor not only has the power over the investee and exposure or rights to variable returns from its involvement with the investee, but also has the ability to use its power to affect the investor's return from its involvement with the investee.

ii. Investment in Subsidiary

Subsidiary is the entity, controlled by the Bangladesh Steel Re-Rolling Mills Limited (BSRM). Control exists when BSRM has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control power over the investee, exposure, or rights, to variable returns from its involvement with the investee, and the ability to use its power over the investee to affect the amount of the investor's returns are taken into account. The consolidated financial statements of subsidiary have been included in the consolidated financial statements from the year when control is established until the date that it ceases.

iii. Loss of control

Upon the loss of control, the Group derecognizes the assets and liabilities of the subsidiary and other components of equity related to the subsidiary. Any surplus or deficit arising on the loss of control is recognized in consolidated statement of profit or loss and other comprehensive income. If the Group retains any interest in the previous subsidiary, then such interest is measured at fair value at the date that control is lost. Subsequently it is accounted for as an equity-accounted investee or as an available-for-sale financial asset depending on the level of influence retained.

iv. Investment in Associate

Associate is the entity in which the Group has significant influence, but not control, over the financial and operating policies. Significant influence is presumed to exist when the Group holds between 20% and 50% of the voting power of another entity. Investment in associate is accounted for using the equity method and are recognized initially at cost. The consolidated financial statements include the Group's share of the consolidated comprehensive income of equity accounted investees, after adjustments to align the accounting policies with those of the Group, from the date that significant influence commences until the date that significant influence ceases.

When the Group's share of losses exceeds its interest in an equity-accounted investee, the carrying amount of the investment, including any long-term interests that form part thereof, is reduced to zero, and the recognition of further losses is discontinued except to the extent that the Group has an obligation or has made payments on behalf of the investee.

v. Intra-Group transactions

Intra-Group balances and transactions, and any unrealized income and expenses arising from intra-Group transactions are eliminated in preparing consolidated financial statements.

vi. Non-controlling interest

Non-controlling interest is the net assets of consolidated subsidiary consists of the amount of equity attributable to the non-controlling shareholders at the time on which investments were made by the Group in its subsidiary company and further movements in their share in equity, subsequent to the dates of investment. However, the Group is holding 100% share of subsidiary companies, so no non-controlling interest is presented in the consolidated financial statements.



vii. Companies considered in consolidated financial statements

Name of Company	% holding	Relationship with the group
BSRM (Hong Kong) Limited	100%	Subsidiary
BSRM Steels Limited	31.19%	Associate

3 Use of estimates and judgements

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

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

Judgements, assumptions and estimation uncertainties

Information about assumptions and estimation uncertainties at 30 June 2023 that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities in the next twelve month period is included in the following notes:

Note	5.00	Property, plant and equipment
Note	7.00	Intangible assets
Note	11.00	Inventories
Note	12.00	Trade and other receivables
Note	20.00	Defined benefit obligations-gratuity
Note	22.00	Current tax expenses
Note	23.00	Deferred tax liability
Note	30.00	Other liabilities
Note	31.00	Lease
Note	47.00	Contingent liabilities

Measurement of fair values

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

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

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

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

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

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

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

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



Notes to the Financial Statements (Continued)

4 Significant accounting policies

The Company has consistently applied the following accounting policies to all periods presented in these financial statements.

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

- 4.01 Property, plant and equipment
- 4.02 Intangible assets
- 4.03 Right of use assets
- 4.04 Investment Property
- 4.05 Inventories
- 4.06 Financial instruments
- 4.07 Impairment
- 4.08 Cash and cash equivalents
- 4.09 Share capital
- 4.10 Dividend to the equity holders
- 4.11 Employee benefits
- 4.12 Accruals
- 4.13 Provisions
- 4.14 Contingencies
- 4.15 Foreign currency transactions
- 4.16 Revenue from contract with customers
- 4.17 Income tax
- 4.18 Finance income and finance expense
- 4.19 Current versus non-current classification
- 4.20 Statement of cash flows
- 4.21 Materiality and aggregation
- 4.22 Earnings per share
- 4.23 Events after the reporting

4.01 Property, plant and equipment

I. *Recognition and measurement*

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

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

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

II. *Subsequent costs*

The cost of replacing part of an item of Property, plant and equipment is recognized in the carrying amount of the item, if it is probable that the future benefit embodied within the part will flow to the Group and its cost can be measured reliably. The costs of the day to day servicing of Property, plant and equipment are recognized in Statement of profit and loss as incurred.

III. *Depreciation*

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

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



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

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

Depreciation method, useful lives and residual values are reassessed at the reporting dates. Upon retirement of assets, the cost and related accumulated depreciation are eliminated from the accounts and resulting gain or loss is charged or credited to statement of profit or loss and other comprehensive income.

IV. **Non-current asset held for sale**

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

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

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

V. **Capital work-in-progress**

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

VI. **Capitalisation of borrowing costs**

As per the requirements of IAS 23 Borrowing Costs, directly attributable borrowing costs are capitalised during construction period for all qualifying assets. A qualifying asset is an asset that necessarily takes a substantial period of time to get ready for its intended use or sale. The borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are those borrowing costs that would have been avoided if the expenditure on the qualifying asset had not been made. All other borrowing costs are recognised in profit or loss in the year in which they are incurred.

4.02 Intangible assets

I. **Recognition and measurement**

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

II. **Subsequent costs**

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

III. **Amortisation**

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

<u>Category of assets</u>	<u>Useful life</u>
Oracle eBS software	10 years

iv. **Derecognition**

An intangible asset is derecognized on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from the derecognition of intangible assets, measured as the difference between the net disposal proceeds and the carrying amount of the assets, are recognized in profit or loss.



4.03 Right of use assets

The Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period in exchange for consideration.

Company as a lessee

The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Company recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

i) Right-of-use assets

The Company recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised and lease payments made at or before the commencement date less any lease incentives received.

ii) Lease liabilities

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the Company exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs. In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

The Company presents right-of-use assets and lease liabilities in the statement of financial position.

iii) Short-term leases and leases of low-value assets

The Company is not applying the recognition and measurement requirements of IFRS 16 to short-term leases (leases of less than 12 months maximum duration). It is also not applying the recognition and measurement requirements of IFRS 16 to leases for which the underlying asset is of low value (i.e. less than USD 5,000 when new). Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

4.04 Investment Property

Investment property is land or a building (including part of a building) or both that is:

- Held to earn rentals or for capital appreciation or both;
- Not owner-occupied;
- Not used in production or supply of goods and services, or for administration; and
- Not held for sale in the ordinary course of business.

Investment property may include investment property that is being redeveloped. An investment property is measured initially at cost. For subsequent measurement an entity must adopt either the fair value model or the cost model as its accounting policy for all investment properties. Under the cost model, investment property is measured at cost less accumulated depreciation and any accumulated impairment losses. Fair value is disclosed. Gains and losses on disposal are recognised in profit or loss.

4.05 Inventories

Inventories are measured at the lower of cost and net realisable value. The cost of inventories is based on weighted average cost method, and includes expenditure incurred in acquiring the inventories, production or conversion costs, and other costs incurred in bringing them to their existing location and condition. In the case of manufactured inventories and work in progress, cost includes an appropriate share of production overheads based on normal operating capacity. Stores and spares are measured following weighted average cost method (subject to impairment review) and material in transit are measured at cost.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.



4.06 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. Non-derivative financial instruments comprise deposits, trade and other receivables, cash and cash equivalents, trade and other payables, intercompany payables, share capital and interest-bearing borrowings.

(i) Financial assets

The Company initially recognises receivables and deposits on the date that they are originated. All other financial assets are recognised initially on the date at which the Company becomes a party to the contractual provisions of the transaction.

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

The Company's financial assets comprise trade and other receivables, deposits and cash and cash equivalents.

a) Trade and other receivables

Trade and other receivables consist of unpaid bills receivable from customers and other parties. Trade and other receivables are recognised initially at original invoice amount and subsequently measured at the remaining amount less expected credit loss at the year end, which is made at the discretion of the management.

Measurement of Expected Credit Losses (ECL)

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Company expects to receive). ECLs are discounted at the effective interest rate of the financial asset.

At each reporting date, the Company assesses whether financial assets carried at amortised cost and debt securities at FVOCI are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred. BSRM uses Lifetime Expected Credit Loss method for Trade receivables.

b) Deposits

Short-term investment consists of fixed deposits with original maturity of more than three months. The Company has the positive intent and ability to hold FDR to maturity, and such financial assets are carried as financial assets at amortised cost. Held-to-maturity financial assets are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, held-to-maturity financial assets are measured at amortised cost using the effective interest method, less any impairment losses.

C) Cash and cash equivalents

Cash and cash equivalents comprise cash balances and all cash deposits with maturities of three months or less that are subject to an insignificant risk of changes in their fair value, and are used by the Company in the management of its short-term commitments.

d) Advances and prepayments

After initial recognition advances are carried at cost less deductions, adjustments or charges to other account heads such as property, plant and equipment, inventory and expenses etc. Prepayments are initially measured at cost. After initial recognition prepayments are carried at cost less charges for the period."

(ii) Financial liabilities

All financial liabilities are recognised initially on the transaction date at which the Company becomes a party to the contractual provisions of the liability. The Company derecognises a financial liability when its contractual obligations are discharged or cancelled or expired. Financial liabilities include trade and other payables, loans and borrowing etc.

(a) Trade and other payables

The Company recognises trade and intercompany payables when its contractual obligations arising from past events are certain and the settlement of which is expected to result in an outflow from the entity of resources embodying economic benefits.

(b) Loans and borrowings

The Company derecognises loans and borrowings when its contractual obligations are discharged or cancelled, or expire. The Company also derecognises loans and borrowings 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.



(iii) 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 realise the asset and settle the liability simultaneously.

4.07 Impairment

i. Financial assets

The Company recognises loss allowances for ECLs on:

- Financial assets measured at amortised cost;
- Debt investments measured at FVOCI; and
- Contract assets.

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets. The Company measures loss allowances at an amount equal to lifetime ECLs, except for the following, which are measured at 12-month ECLs:

- Debt securities that are determined to have low credit risk at the reporting date; and
- Other debt securities and bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

Loss allowances for trade receivables and contract assets are always measured at an amount equal to lifetime ECLs. When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment and including forward-looking information.

iii) Reversal of impairment

An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the assets' carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

4.08 Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits with maturity of three months or less from the date of acquisition that are subject to an insignificant risk of changes in their fair value, and are used by the company in the management of its short term commitments.

4.09 Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity, net of any tax effects. Paid up capital represents total amount contributed by the shareholders and bonus shares, if any, issued by the Company to the ordinary shareholders. Holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to vote at shareholders' meetings. In the event of a winding up of the Company, ordinary shareholders rank after all other shareholders and creditors and are fully entitled to any residual proceeds of liquidation.

4.10 Dividend to the equity holders

The Company recognises a liability to make cash dividend when the distribution is authorised and the distribution is no longer at the discretion of the Company. As per the corporate laws in Bangladesh, a distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity.

4.11 Employee benefits

i) Short-term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid under short-term cash bonus if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the obligation can be estimated reliably.

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

ii. Defined contribution plan (Provident Fund)

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



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

iii. Defined Benefit Plan (Gratuity)

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

<u>Service length</u>	<u>Payment basis</u>
Less than five (5) years	Nil
For five (5) years and more	Two (2) times of last month's basic salary multiplied by year of service.

iv. Workers' Profit Participation and Welfare Funds

The Company operates fund for workers as workers' profit participation and welfare fund ("the Fund") and provides 5% of its profit before tax as per provision of the Bangladesh Labour Act 2006. The Company recognises the contribution to the fund as short term employee benefits.

The Fund is governed by Bangladesh Labour Act, 2006 as amended up to 28 September 2015 and the trust deed.

4.12 Accruals

Accruals are liabilities to pay for goods or services that have been received or supplied but have not been paid, invoiced or formally agreed with the supplier, including amongst due to employees. Accruals are reported as part of trade and other payables.

4.13 Provisions

A provision is recognised in the statement of financial position when the Company has a legal or constructive obligation as a result of past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate thereof can be made. Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of resources embodying economic benefits are required to settle the obligation, the provisions are reversed.

4.14 Contingencies

i) Contingent liability

A contingent liability is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company; or 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; or the amount of the obligation cannot be measured with sufficient reliability.

Contingent liabilities are not recognised in the statement of financial position of the Company. Moreover, contingencies arising from claims, litigations, assessments, fines, penalties, etc. are recorded when it is probable that a liability has been incurred and the amount can be reasonably estimated.

ii) Contingent asset

Contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity. The Company does not recognise contingent asset.

4.15 Foreign currency transactions

Transactions in foreign currencies are translated to Taka at the foreign exchange rates prevailing on the date of transaction. All monetary assets and liabilities denominated in foreign currencies at reporting date are translated to Taka at the rates of exchange prevailing on that date. Resulting exchange differences arising on the settlement of monetary items or on translating monetary items at the end of the reporting period are recognized in the consolidated statement of profit or loss and other comprehensive income as per IAS 21 The Effects of Changes in Foreign Exchange Rates.

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 transactions.

4.16 Revenue from contract with customers

The Company recognises as revenue the amount that reflects the consideration to which the Company expects to be entitled in exchange for goods or services when (or as) it transfers control to the customer. To achieve that core principle company follow IFRS 15 five-step model as follows:



- Identify the contract with a customer;
- Identify the performance obligations in the contract;
- Determine the transaction price;
- Allocate the transaction price to the performance obligations in the contract; and
- Recognise revenue when (or as) the entity satisfies a performance obligation.

Considering the five steps model, the Company recognises revenue when (or as) the Company satisfies a performance obligation by transferring a promised good to a customer. Goods are considered as transferred when (or as) the customer obtains control of that goods. Revenue from the sale of goods is measured at the fair value of the consideration received or receivable, net of Value Added Tax (VAT). Gross turnover comprises local sales of M.S. Rod, M.S. Billet, By-products, export of M.S. Rod and includes VAT paid to the Government of Bangladesh.

The following table provides information about the nature and timing of the satisfaction of performance obligations in contracts with customers:

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

4.17 Income tax

Income tax expense comprises current and deferred taxes. Income tax expense is recognised in profit or loss except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

i) Current tax

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years. Provision for corporate income tax is made following the rate applicable for companies as per Finance Act 2023 i.e 22.5%

ii) Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted by the reporting date.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognised for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

4.18 Finance income and finance expense

i) Finance income

Finance income comprises interest income on funds invested and is recognised as it accrues in profit or loss using the effective interest method.

ii) Finance cost

Finance costs comprise interest expense on borrowings and foreign exchange gain or loss. Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised in profit or loss using the effective interest method.

4.19 Current versus non-current classification

Current versus non-current

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



An asset is current when it is:

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

The Company classifies all other assets as non-current.

A liability is current when:

- a. It is expected to be settled in the normal operating cycle, or
- b. It is held primarily for the purpose of trading, or
- 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 Group and the Company classifies all other liabilities as non-current.

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

4.20 Statement of cash flows

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

4.21 Materiality and aggregation

Each material class of similar items is presented separately in the financial statements. Items of dissimilar nature or function are presented separately unless they are immaterial.

4.22 Earnings per share

The Company presents its basic earnings per share (EPS) for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the year. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding, for the effects of all dilutive potential ordinary shares, if any. However, dilution of EPS is not applicable for these financial statements as there was no potential dilutive ordinary shares at the reporting date.

4.23 Events after the reporting

Events after statement of financial position date that provide additional information about the Company's position at the statement of financial position date are reflected in the financial statements. Events after statement of financial position date that are non-adjusting events are disclosed in the notes when material.



Notes to the Financial Statements (Continued)

5.00 Property, plant and equipment (PPE) - revalued model
See accounting policy in note 4.01

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

Note	30 June 2023	30 June 2022
	BDT	BDT
5.01	36,744,650,973	38,491,805,786
	1,291,132	1,539,842
	36,745,942,106	38,493,345,628

5.01 Bangladesh Steel Re-Rolling Mills Limited-HO

Particulars	Land and land development	Plant and machinery	Motor vehicles	Factory building and shed	Boundary wall, road & pavements	Furniture and fixtures	Office equipment	Computer & IT equipment	Total
At Revaluation									
Balance at 1 July 2021	17,376,428,596	20,558,107,385	80,299,483	7,698,905,390	1,345,039,065	124,871,651	158,981,194	51,666,481	47,394,299,243
Additions	619,666,107	770,773,131	3,096,754	1,694,180	8,329,915	4,273,201	2,744,709	22,611,045	1,433,189,042
Disposal	-	(6,000,000)	(3,682,971)	-	-	(41,710)	(245,000)	(352,305)	(10,321,986)
Balance at 30 June 2022	17,996,094,703	21,322,880,516	79,713,266	7,700,599,570	1,353,368,980	129,103,142	161,480,903	73,925,221	48,817,166,299
Balance at 1 July 2022	17,996,094,703	21,322,880,516	79,713,266	7,700,599,570	1,353,368,980	129,103,142	161,480,903	73,925,221	48,817,166,299
Additions	104,865,943	224,710,868	6,689,095	131,500	1,574,823	1,598,835	5,616,488	13,816,722	359,004,273
Disposal	(533,819,268)	(5,662,997)	(16,761,124)	-	-	(2,554,451)	(1,847,977)	(3,557,434)	(564,203,251)
Balance at 30 June 2023	17,567,141,378	21,541,928,386	69,641,237	7,700,731,070	1,354,943,803	128,147,526	165,249,413	84,184,508	48,611,967,322
Accumulated depreciation									
Balance at 1 July 2021	-	6,306,413,697	59,065,435	1,777,663,889	363,731,952	99,126,339	121,586,575	38,252,335	8,765,840,221
Charged for the year	-	1,180,168,104	6,707,841	299,684,741	48,876,567	12,532,259	11,809,934	5,945,139	1,565,724,585
Adjustment for disposal	-	(1,889,157)	(3,682,971)	-	-	(41,710)	(238,150)	(352,305)	(6,204,293)
Balance at 30 June 2022	-	7,484,692,644	62,090,305	2,077,348,630	412,608,519	111,616,888	133,158,359	43,845,169	10,325,360,513
Balance at 1 July 2022	-	7,484,692,644	62,090,305	2,077,348,630	412,608,519	111,616,888	133,158,359	43,845,169	10,325,360,513
Charged for the year	-	1,188,741,992	6,757,705	297,717,898	49,042,585	9,863,156	8,806,373	9,628,442	1,570,558,151
Adjustment for disposal	-	(4,073,810)	(16,577,655)	-	-	(2,554,451)	(1,838,966)	(3,557,434)	(28,602,316)
Balance at 30 June 2023	-	8,669,360,826	52,270,355	2,375,066,528	461,651,104	118,925,593	140,125,766	49,916,176	11,867,316,349
Carrying amount									
As at 30 June 2022	17,996,094,703	13,838,187,872	17,622,961	5,623,250,940	940,760,461	17,486,254	28,322,544	30,080,052	38,491,805,786
As at 30 June 2023	17,567,141,378	12,872,567,561	17,370,882	5,325,664,542	893,292,699	9,221,933	25,123,647	34,268,332	36,744,650,973
Depreciation allocation:									
Cost of sales									
Selling & distribution costs									
Administrative costs									
	Note	2023	2022						
	34.02	1,515,724,740	1,514,645,330						
	35.01	45,168,412	45,133,614						
	36.01	9,664,999	5,945,640						
		1,570,558,151	1,565,724,584						



Notes to the Financial Statements (Continued)

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

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

	2023	2022
	22,933,866,009	24,648,542,909
	1,291,132	1,539,842
	22,935,157,141	24,650,082,751

Note
5.03

5.03 Bangladesh Steel Re-Rolling Mills Limited-HO

Particulars	Land and land development	Plant and machinery	Motor vehicles	Factory building and shed	Boundary wall, road & pavements	Furniture and fixtures	Office equipment	Computer & IT equipment	Total
At cost									
Balance at 1 July 2021	3,438,052,908	21,413,959,157	110,202,704	7,828,614,704	1,345,039,065	139,108,036	175,979,690	51,666,481	34,502,632,745
Additions	619,666,107	770,773,131	3,096,754	1,694,180	8,329,915	4,273,201	2,744,709	22,611,045	1,433,189,042
Disposal	-	(6,000,000)	(3,682,971)	-	-	(41,710)	(245,000)	(352,305)	(10,321,986)
Balance at 30 June 2022	4,057,729,015	22,178,732,288	109,616,487	7,830,308,884	1,353,368,980	143,339,527	178,479,399	73,925,221	35,925,499,800
Balance at 1 July 2022	4,057,729,015	22,178,732,288	109,616,487	7,830,308,884	1,353,368,980	143,339,527	178,479,399	73,925,221	35,925,499,801
Additions	104,865,943	224,710,868	6,689,095	131,500	1,574,823	1,598,835	5,616,488	13,816,722	359,004,273
Disposal	(515,724,664)	(5,662,997)	(16,761,124)	-	-	(2,554,451)	(1,847,977)	(3,557,434)	(546,108,647)
Balance at 30 June 2023	3,646,870,294	22,397,880,159	99,544,458	7,830,440,384	1,354,943,803	142,383,911	182,247,909	84,184,509	35,738,395,428
Accumulated depreciation									
Balance at 1 July 2021	-	7,064,253,195	75,812,120	1,946,725,075	363,731,952	113,382,671	133,512,175	38,252,323	9,735,669,510
Charged for the year	-	1,164,256,848	6,673,616	297,397,310	48,876,567	12,532,259	11,809,934	5,945,139	1,547,491,673
Adjustment for disposal	-	(1,889,157)	(3,682,971)	-	-	(41,710)	(238,150)	(352,305)	(6,204,293)
Balance at 30 June 2022	-	8,226,620,886	78,802,765	2,244,122,386	412,608,519	125,873,220	145,083,958	43,845,157	11,276,956,891
Balance at 1 July 2022	-	8,226,620,886	78,802,765	2,244,122,386	412,608,519	125,873,220	145,083,958	43,845,157	11,276,956,891
Charged for the year	-	1,176,362,198	6,723,481	295,748,609	49,042,585	9,863,156	8,806,373	9,628,442	1,556,174,844
Adjustment for disposal	-	(4,073,810)	(16,577,655)	-	-	(2,554,451)	(1,838,966)	(3,557,434)	(28,602,316)
Balance at 30 June 2023	-	9,398,909,273	68,948,591	2,539,870,995	461,651,104	133,181,925	152,051,366	49,916,165	12,804,529,419
Carrying amount									
As at 30 June 2022	4,057,729,015	13,952,111,402	30,813,722	5,586,186,498	940,760,461	17,466,307	33,395,441	30,080,064	24,648,542,909
As at 30 June 2023	3,646,870,294	12,998,870,886	30,595,867	5,290,569,399	893,292,700	9,201,986	30,196,544	34,268,343	22,933,866,009



Notes to the Financial Statements (Continued)

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

Particulars	Land and land development	Plant and machinery	Motor vehicles	Factory building and shed	Boundary wall, road & pavements	Furniture and fixtures	Office equipment	Computer & IT equipment	Total
At revaluation									
Balance at 1 July 2021	17,376,428,597	20,558,171,674	81,481,395	7,699,237,777	1,345,039,065	127,774,176	159,658,988	52,112,833	47,399,904,504
Additions (BSRM Ltd)	619,666,107	770,773,131	3,096,754	1,694,180	8,329,915	4,273,201	2,744,709	22,611,045	1,433,189,042
Additions (Kolkata)	-	-	-	-	-	24,892	55,337	153,191	233,420
Additions (HK)	-	-	-	-	-	-	-	-	-
Disposal	-	(6,000,000)	(3,682,971)	-	-	(41,710)	(245,000)	(352,305)	(10,321,986)
Balance at 30 June 2022	17,996,094,704	21,322,944,805	80,895,178	7,700,931,957	1,353,368,980	132,030,559	162,214,033	74,524,764	48,823,004,980
Balance at 1 July 2022	17,996,094,704	21,322,944,805	80,895,178	7,700,931,957	1,353,368,980	132,030,559	162,214,033	74,524,764	48,823,004,980
Additions (BSRM Ltd)	104,865,943	224,710,868	6,689,095	131,500	1,574,823	1,598,835	5,616,488	13,816,722	359,004,273
Additions (Kolkata)	-	-	-	-	-	48,000	17,787	-	65,787
Additions (HK)	-	-	-	-	-	-	-	-	-
Disposal (HK)	(533,819,268)	(5,662,997)	(16,761,124)	-	-	(474,478)	(466,609)	-	(941,087)
Balance at 30 June 2023	17,567,141,379	21,541,992,676	70,823,149	7,701,063,457	1,354,943,803	130,648,465	165,533,722	84,784,051	48,616,930,703
Accumulated depreciation									
Balance at 1 July 2021	-	6,306,413,698	60,106,647	1,777,810,311	363,731,952	100,292,756	122,096,027	38,797,335	8,769,248,726
Charged for the year-BSRM	-	1,180,168,104	6,707,841	299,684,741	48,876,567	12,532,259	11,809,934	5,945,139	1,565,724,585
Charged for the year-HK	-	-	-	-	-	-	-	162,395	162,395
Charged for the year-Kolkata	-	-	47,132	-	-	338,701	68,326	111,381	565,540
Adjustment for disposal	-	(1,889,157)	(3,682,971)	-	-	(41,710)	(238,150)	(352,305)	(6,204,293)
Balance at 30 June 2022	-	7,484,692,645	63,178,649	2,077,495,052	412,608,519	113,122,006	133,736,136	44,663,945	10,329,496,963
Balance at 1 July 2022	-	7,484,692,645	63,178,649	2,077,495,052	412,608,519	113,122,006	133,736,136	44,663,945	10,329,496,963
Charged for the year-BSRM	-	1,188,741,992	6,757,705	297,717,898	49,042,585	9,863,156	8,806,373	9,628,442	1,570,558,151
Charged for the year-Kolkata	-	-	54,154	-	-	447,768	104,975	53,672	660,569
Adjustment for disposal (HK)	-	-	-	-	-	(474,478)	(466,609)	-	(941,087)
Adjustment for Foreign Exchange	-	(4,073,810)	(16,577,655)	-	-	(2,554,451)	(1,838,966)	(3,557,434)	(183,673)
Balance at 30 June 2023	-	8,669,360,827	53,412,853	2,375,212,950	461,651,104	120,404,002	140,341,909	50,788,625	11,870,988,597
Carrying amount									
As at 30 June 2022	17,996,094,704	13,838,252,160	17,716,529	5,623,436,905	940,760,461	18,908,553	28,477,998	29,860,819	38,493,508,025
As at 30 June 2023	17,567,141,379	12,872,631,849	17,410,295	5,325,850,507	893,292,699	10,244,464	25,191,813	33,995,426	36,745,942,106



Notes to the Financial Statements (Continued)

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

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

Note	2023	2022
5.03	22,933,866,006	24,648,542,909
	-	162,395
	22,933,866,006	24,648,705,304
	1,291,132	1,539,842
5.a.ii	22,935,157,138	24,650,245,147

Bangladesh Steel Re-Rolling Mills Limited-Kolkata Branch

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

Particulars	Land and land development	Plant and machinery	Motor vehicles	Factory building and shed	Boundary wall, road & pavements	Furniture and fixtures	Office equipment	Computer & IT equipment	Total
At cost									
Balance at 1 July 2021	3,438,062,908	21,414,023,445	111,384,615	7,828,947,091	1,345,039,065	142,010,561	176,657,484	52,112,834	34,508,238,000
Additions	619,666,107	770,773,131	3,096,754	1,694,180	8,329,915	4,273,201	2,744,709	22,611,045	1,433,189,042
Additions (Kolkata)	-	-	-	-	-	24,892	55,337	153,191	233,420
Additions (Hongkong)	-	-	-	-	-	-	-	-	-
Disposal	-	(6,000,000)	(3,682,971)	-	-	(41,710)	(245,000)	(352,305)	(10,321,986)
Balance at 30 June 2022	4,057,729,015	22,178,796,576	110,798,398	7,830,641,271	1,353,368,980	146,266,944	179,212,529	74,524,765	35,931,338,476
Balance at 1 July 2022	4,057,729,015	22,178,796,576	110,798,398	7,830,641,271	1,353,368,980	146,266,944	179,212,529	74,524,765	35,931,338,476
Additions	104,865,943	224,710,868	6,689,095	131,500	1,574,823	1,598,835	5,616,488	13,816,722	359,004,273
Additions (Kolkata)	-	-	-	-	-	48,000	17,787	-	65,787
Additions (Hongkong)	-	-	-	-	-	-	-	-	-
Disposal (HK)	(515,724,664)	(5,662,997)	(16,761,124)	-	-	(474,478)	(466,609)	(3,557,434)	(941,087)
Balance at 30 June 2023	3,646,870,294	22,397,844,447	100,726,369	7,830,772,771	1,354,943,803	144,884,851	182,532,218	84,784,053	35,743,358,803
Accumulated depreciation									
Balance at 1 July 2021	-	7,064,253,196	76,853,332	1,946,871,497	363,731,952	114,549,087	134,021,626	38,797,323	9,739,078,013
Charged for the year	-	1,164,256,848	6,673,616	297,397,310	48,876,567	12,532,259	11,809,934	5,945,139	1,547,491,673
Charged for the year-HK	-	-	-	-	-	-	-	162,395	162,395
Charged for the year-Kolkata	-	-	47,132	-	-	338,701	68,326	111,381	565,540
Adjustment for disposal	-	(1,889,157)	(3,682,971)	-	-	(41,710)	(238,150)	(352,305)	(6,204,293)
Balance at 30 June 2022	-	8,226,620,887	79,891,110	2,244,268,808	412,608,518	127,378,337	145,661,735	44,663,933	11,281,093,328
Balance at 1 July 2022	-	8,226,620,887	79,891,110	2,244,268,808	412,608,518	127,378,337	145,661,735	44,663,933	11,281,093,328
Charged for the year	-	1,176,362,198	6,723,481	295,748,609	49,042,585	9,863,156	8,806,373	9,628,442	1,556,174,844
Charged for the year-Kolkata	-	-	54,154	-	-	447,768	104,975	53,672	660,569
Adjustment for disposal(HK)	-	-	-	-	-	(474,478)	(466,609)	-	(941,087)
Adjustment for Foreign Exchange	-	(4,073,810)	(16,577,655)	-	-	(2,554,451)	(1,838,966)	(3,557,434)	(183,673)
Adjustment for disposal	-	-	70,091,091	2,540,017,417	461,651,103	134,660,333	152,267,508	50,788,613	(28,602,316)
Balance at 30 June 2023	-	9,398,909,275	70,091,091	2,540,017,417	461,651,103	134,660,333	152,267,508	50,788,613	12,808,201,666
Carrying amount									
As at 30 June 2022	4,057,729,015	13,952,175,689	30,907,288	5,586,372,463	940,760,462	18,888,607	33,550,794	29,860,832	24,650,245,148
As at 30 June 2023	3,646,870,294	12,998,935,172	30,635,278	5,290,755,354	893,292,700	10,224,518	30,264,710	33,995,440	22,935,157,138



Notes to the Financial Statements (Continued)

5.04 Revaluation of Property, plant and equipment

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

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

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

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



Notes to the Financial Statements (Continued)

	Note	30 June 2023 BDT	30 June 2022 BDT		
6.00 Capital work-in-progress					
Bangladesh Steel Re-Rolling Mills Limited-HO	6.01	971,979,504	771,803,003		
Bangladesh Steel Re-Rolling Mills Limited-Kolkata Branch		-	-		
		971,979,504	771,803,003		
6.01 Bangladesh Steel Re-Rolling Mills Limited-HO					
Opening balance		771,803,003	1,295,288,934		
Add: Additions during the year	6.02	405,099,409	810,267,338		
		1,176,902,412	2,105,556,272		
Less: Capitalized during the year		(204,922,908)	(1,333,753,269)		
		971,979,504	771,803,003		
6.02 Details of Capital work-in-progress					
		Opening Balance	Additions	Capitalized during the year	Closing Balance
Factory building and shed		394,787,363	195,859,410	(2,568,438)	588,078,335
Plant and machineries		304,083,464	159,452,667	(195,003,858)	268,532,273
Boundary wall, drainage System, roads and pavement		70,938,174	45,102,239	(671,517)	115,368,896
Motor vehicles		1,994,002	4,685,093	(6,679,095)	-
		771,803,004	405,099,409	(204,922,908)	971,979,505
Property, Plant and Equipment under construction/acquisition is accounted for and measured at cost as capital work-in-progress until construction/acquisition is completed and it is ready for use.					
6.a CONSOLIDATED CAPITAL WORK IN PROGRESS					
Bangladesh Steel Re-Rolling Mills Limited		971,979,504		771,803,003	
BSRM (Hong Kong) Limited		-		-	
		971,979,504		771,803,003	



Notes to the Financial Statements (Continued)

	Note	30 June 2023 BDT	30 June 2022 BDT
7.00 Intangible assets See accounting policy in note 4.02			
Bangladesh Steel Re-Rolling Mills Limited-HO	7.01	10,959,972	16,205,442
Bangladesh Steel Re-Rolling Mills Limited-Kolkata Branch		-	-
		<u>10,959,972</u>	<u>16,205,442</u>
7.01 Bangladesh Steel Re-Rolling Mills Limited-HO			
At Cost			
Balance as at July 01		61,980,254	60,480,225
Addition during the year		1,833,424	1,500,029
Balance as at Jun 30		<u>63,813,678</u>	<u>61,980,254</u>
Accumulated Amortisation			
Balance as at July 01		45,774,813	39,267,397
Amortisation during the year		7,078,893	6,507,415
Balance as at Jun 30		<u>52,853,705</u>	<u>45,774,813</u>
Carrying Amounts		<u>10,959,972</u>	<u>16,205,442</u>
7.a CONSOLIDATED INTANGIBLE ASSETS			
Bangladesh Steel Re-Rolling Mills Limited	7.00	10,959,972	16,205,442
BSRM (Hong Kong) Limited		-	-
		<u>10,959,972</u>	<u>16,205,442</u>



Notes to the Financial Statements (Continued)

	Note	30 June 2023	30 June 2022
		BDT	BDT
8.00 Investment in subsidiaries and associate			
Subsidiary company			
BSRM (Hong Kong) Limited (BSRM HK)	8.01	78,296,442	64,001,293
Associate company			
BSRM Steels Limited (BSL)	8.01	8,596,650,873	8,088,476,203
		8,674,947,315	8,152,477,496
8.01 Movement of Investment in Associate and Subsidiary			
		BSL	BSRM HK
Balance at 1 July 2022		8,088,476,203	64,001,293
Investment made		-	-
Addition/adjustments during the year:			
Share of profit/(loss) of equity accounted Investees		929,227,311	3,993,726
Effect of foreign currency rate fluctuation		-	10,301,423
Transfer of Deferred Tax to Retained Earnings by the equity accounted investees due to excess depreciation between cost and revalued model		1,039,232	-
Fair Value Reserve		(70,331,102)	-
Dividend received		(351,760,770)	-
Balance at 30 June 2023		8,596,650,873	78,296,442
		BSL	BSRM HK
Balance at 1 July 2021		7,313,964,240	12,257,443
Investment made		-	42,624,990
Addition/adjustments during the year:			
Share of profit/(loss) of equity accounted Investees		1,022,511,563	3,948,052
Effect of foreign currency rate fluctuation		-	5,170,808
Transfer of Deferred Tax to Retained Earnings by the equity accounted investees due to excess depreciation between cost and revalued model		1,093,928	-
Fair Value Reserve		102,667,241	-
Dividend received		(351,760,770)	-
Balance at 30 June 2022		8,088,476,203	64,001,293
8.02 Investment in subsidiary company- BSRM (Hong Kong) Limited			
Bangladesh Bank allowed the Company to remit and invest USD 500,000 in the equity shares of BSRM (Hong Kong) Limited (Ref-EFID/DIBA/703(2)/42/2622-585 dated 15 February 2022). Accordingly, the Company remitted USD 500,000. On 28 April 2022, 39,19,999 Nos ordinary shares @ HKD 1 (equivalent to TK. 4,26,24,990) were issued by BSRM (Hong Kong) Limited. Now Bangladesh Steel Re-Rolling Mills Limited is holding 39,20,000 nos ordinary shares @ HKD 1 each in BSRM (Hong Kong) Limited and has become the 100% shareholder of BSRM (Hong Kong) Limited.			
Summary of financial information of subsidiary:			
		30-Jun-23	30-Jun-22
		HKD	HKD
Non-current assets		-	13,634
Current assets		12,534,929	6,468,249
Total assets		12,534,929	6,481,883
Share capital		3,920,000	3,920,000
Retained earnings		1,751,600	1,453,293
Total equity		5,671,600	5,373,293
Non-current liabilities		-	-
Current liabilities		6,863,329	1,108,590
Total liabilities		6,863,329	1,108,590
Total equity & liabilities		12,534,929	6,481,883
Revenue		5,878,506	23,929,105
Expenses		(5,580,199)	(23,591,111)
Profit for the year		298,307	337,994



Notes to the Financial Statements (Continued)

8.03 Investment in associate company- BSRM Steels Limited (BSL)

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

Summary of financial information of associate:	30-Jun-23	30-Jun-22
	BDT	BDT
Non-current assets	34,969,093,040	26,521,162,207
Current assets	41,930,030,962	55,385,494,633
Total assets	76,899,124,002	81,906,656,840
Share capital	3,759,525,000	3,759,525,000
Retained earnings	14,480,528,363	12,614,176,621
Fair Value Reserve	1,432,800,000	1,658,304,000
Revaluation reserve	7,891,700,491	7,903,177,754
Total Equity	27,564,553,854	25,935,183,375
Non-current liabilities	6,476,837,754	7,195,295,382
Current liabilities	42,857,732,394	48,776,178,083
Total liabilities	49,334,570,147	55,971,473,466
Total equity & liabilities	76,899,124,002	81,906,656,841
Net asset value (NAV) per share	73.32	68.99
Revenue	84,524,836,603	67,121,061,172
Other income	551,481,783	1,062,637,728
Expenses	(82,096,918,516)	(64,905,199,890)
Profit for the year	2,979,399,870	3,278,499,010
Other comprehensive income	(225,504,000)	329,184,000
Total Comprehensive income attributable to owners of the company	2,753,895,870	3,607,683,010

The market price of the Ordinary shares of BSRM Steels Limited (BSL) was Tk. 63.90 per share on 30 June 2023. Fair value of investments in BSL for 117,253,590 numbers of share has been estimated at Tk. 7,492,504,401.

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

8.a CONSOLIDATED EQUITY ACCOUNTED INVESTEEES

BSRM Steel Limited (BSL)	8.01	8,596,650,873	8,088,476,203
BSRM (Hong Kong) Limited	8.01	-	-
		8,596,650,873	8,088,476,203



Notes to the Financial Statements (Continued)

	Note	30 June 2023 BDT	30 June 2022 BDT
9.00 Other investments			
Bangladesh Steel Re-Rolling Mills Limited-HO	9.01	211,103,121	211,103,121
Bangladesh Steel Re-Rolling Mills Limited-Kolkata Branch		-	-
		211,103,121	211,103,121
9.01 Bangladesh Steel Re-Rolling Mills Limited-HO			
Investment in non-tradable shares at cost	9.02	211,103,121	211,103,121
		211,103,121	211,103,121
9.02 Investment in non-tradable shares at cost			
Islamic Steamship Co. Limited		300	300
BSRM Wires Limited		164,500,000	164,500,000
BMS Steel Limited		46,602,821	46,602,821
		211,103,121	211,103,121

Bangladesh Bank allowed the Company to remit and invest in the BMS Steel Limited USD 523,800 by its approval Letter Ref: বৈমুবি/৭০৩(৩)/ওবিশাএ/নন-ব্যাংক/২০২০-২৪৩৮, তারিখ: ২০ আগস্ট ২০২০ ইং. Accordingly the Company remitted USD 523,800 on 29 August 2021 and 52,380 nos Ordinary shares has been issued in favor of Bangladesh Steel Re-Rolling Mills Limited on 21 December 2021. Now the Company is holding 18% equity in BMS Steel Limited.

9.a CONSOLIDATED OTHER INVESTMENTS			
Bangladesh Steel Re-Rolling Mills Limited	9.01	211,103,121	211,103,121
BSRM (Hong Kong) Limited		-	-
		211,103,121	211,103,121
10.00 Short term investments			
See accounting policy in note 4.06			
Bangladesh Steel Re-Rolling Mills Limited-HO	10.01	1,713,438,543	4,024,122,027
Bangladesh Steel Re-Rolling Mills Limited-Kolkata Branch		-	-
		1,713,438,543	4,024,122,027
10.01 Bangladesh Steel Re-Rolling Mills Limited-HO			
Investment in fixed deposit receipts	10.02	1,713,438,543	4,024,122,027
		1,713,438,543	4,024,122,027
10.02 Investment in fixed deposit receipts			

Name of financial company	Tenure	Purpose	Rate of Interest	30 June 2023	30 June 2022
AB Bank Limited	3 Months	L/C Margin	6.00%	111,353,300	30,810,408
Agrani Bank Limited	3 Months	L/C Margin	5.75%	70,044,075	1,200,417,988
Bank Asia Limited	3 Months	L/C Margin	4.00%	78,499,678	49,626,151
Brac Bank Limited	6 Months	L/C Margin	5.75%	-	750,000,000
Commercial Bank of Ceylon PLC	3 Months - 1 year	L/C Margin	2.50% to 7.00%	11,392,007	69,618,041
Dhaka Bank Limited	6 Months	L/C Margin	4.00% to 8.75%	303,647,657	223,874,117
Dutch Bangla Bank Limited	3 Months	L/C Margin	1.50% to 4.25%	25,393,371	24,873,216
Fareast Finance and Investment Limited	1 Year	Security Deposit	10.00%	3,311,597	4,111,597
Habib Bank Limited	3-6 Months	L/C Margin	2.50% to 5.75%	20,772,410	19,937,323
IFIC Bank Limited	3 Months-1 year	L/C Margin	5.50% to 9.75%	29,137,848	83,349,528
International Leasing and Financial Services Limited	1 Year	Security Deposit	12.50%	33,110,975	33,110,975
Jamuna Bank Limited	3 Months	Investment	2.00% to 6.00%	126,141,480	102,694,067
Mercantile Bank Limited	3 Months	L/C Margin	4.00 to 8.00%	234,383,829	400,849,901
Mutual Trust Bank Ltd	6 Months	L/C Margin	7%	100,000,000	-
National Bank Limited	3-6 Months	L/C Margin	5.50% to 6.00%	5,503,324	11,346,698
NCC Bank Limited	3 Months	L/C Margin	1.00% to 6.00%	18,564,000	146,583,239
Prime Bank Limited	6 Months	L/C Margin	2.5%	-	1,500,000
Shahjalal Islami Bank Limited	3 Months	L/C Margin	2.00% to 5.00%	4,456,346	115,183,714
Southeast Bank Ltd	1 Year	L/C Margin	5.50%	48,627,995	21,529,740
Islami Bank Bangladesh Ltd	3 Months	L/C Margin	7.00%	100,765,616	-
One Bank Ltd	3 Months	L/C Margin	3.00%	5,592,890	-
The City Bank Limited	6 Months	L/C Margin	1.00% to 6.00%	-	409,390,689
Trust Bank Limited	3-6 Months	L/C Margin	2.00% to 5.50%	40,740,318	45,076,293
United Commercial Bank Limited	3 Months	L/C Margin	3.25% to 6.00%	323,317,736	252,843,208
Uttara Bank Limited	3 Months	L/C Margin	4.50% to 5.25%	18,682,092	27,395,134
				1,713,438,543	4,024,122,027



Notes to the Financial Statements (Continued)

		30 June 2023	30 June 2022
	Note	BDT	BDT
10.a CONSOLIDATED SHORT TERM INVESTMENTS			
Bangladesh Steel Re-Rolling Mills Limited	10.00	1,713,438,543	4,024,122,027
BSRM (Hong Kong) Limited		-	-
		1,713,438,543	4,024,122,027
11.00 Inventories			
See accounting policy in note 4.05			
Bangladesh Steel Re-Rolling Mills Limited-HO	11.01	27,820,660,317	47,593,839,047
Bangladesh Steel Re-Rolling Mills Limited-Kolkata Branch		10,773,840	198,726,269
		27,831,434,156	47,792,565,315
11.01 Bangladesh Steel Re-Rolling Mills Limited-HO			
Raw material			
Raw Materials- Billets		11,243,886,430	17,591,456,812
Raw Materials- Scraps		7,167,151,986	21,300,994,737
		18,411,038,415	38,892,451,549
Work-in-process		-	-
Finished goods			
Finished goods- own production		5,845,750,919	5,035,004,231
Finished goods- procured		248,892,757	288,201,338
		6,094,643,676	5,323,205,569
Stores and spares			
Mechanical stores		1,279,681,624	1,281,731,679
M.S. Roll		109,699,884	46,721,736
Electrical stores		735,108,389	695,157,585
General stores		36,918,821	37,431,560
Consumable stores		1,124,163,152	1,287,734,165
		3,285,571,869	3,348,776,725
Fuel and lubricants		29,406,357	29,405,204
		27,820,660,317	47,593,839,047
11.a CONSOLIDATED INVENTORIES			
Bangladesh Steel Re-Rolling Mills Limited	11.00	27,831,434,156	47,792,565,315
BSRM (Hong Kong) Limited		-	492,353
		27,831,434,156	47,793,057,669



Notes to the Financial Statements (Continued)

	Note	30 June 2023 BDT	30 June 2022 BDT
12.00 Trade and other receivables			
See accounting policy in note 4.06			
Bangladesh Steel Re-Rolling Mills Limited-HO	12.01	5,227,584,519	2,021,529,232
Bangladesh Steel Re-Rolling Mills Limited-Kolkata Branch		205,942,354	217,409,628
		5,433,526,873	2,238,938,860
12.01 Bangladesh Steel Re-Rolling Mills Limited-HO			
Trade receivables	12.02	5,173,154,158	1,887,314,286
Other receivables	12.03	54,430,360	134,214,946
		5,227,584,519	2,021,529,232
12.02 Trade receivables			
BSRM Steels Limited		2,723,513,620	-
BSRM Wires Limited		116,047	-
BSRM Logistics Limited		-	556
H. Akberali & Co. Limited		1	-
Other parties		2,450,813,460	1,888,404,732
		5,174,443,128	1,888,405,288
Provision for doubtful debt		(1,288,970)	(1,091,002)
		5,173,154,158	1,887,314,286
12.03 Other receivables			
Interest receivables		-	90,534,586
DEDO and other receivables		43,680,360	43,680,360
Receivable from Kolkata		10,750,000	-
		54,430,360	134,214,946
12.04 Ageing of trade receivables is as follows:			
Not yet due		2,181,440,403	1,374,905,689
Less than 3 months		2,839,747,946	367,780,871
Over 3 months but less than 6 months		19,578,207	68,368,796
Over 6 months		133,676,572	77,349,932
		5,174,443,128	1,888,405,288
12.a CONSOLIDATED TRADE AND OTHER RECEIVABLES			
Bangladesh Steel Re-Rolling Mills Limited	12.00	5,433,526,873	2,238,938,860
BSRM (Hong Kong) Limited		-	7,423,888
		5,433,526,873	2,246,362,749
13.00 Current account with related companies			
BSRM Logistics Limited		432,865,312	420,924,285
BSRM Ispat Limited		994,803,302	999,298,302
BSRM Wires Limited		2,201,087,177	1,558,074,973
Chittagong Power Company Limited		542,437,926	540,937,926
H. Akberali & Co. Limited		51,250,574	-
BSRM (Hong Kong) Limited (BSRM HK)		13,737,356	11,852,636
		4,236,181,646	3,531,088,122
All transactions among the related companies have been made through account payee cheques or bank transfers and interests were charged on all related companies' balances.			
13.a CONSOLIDATED CURRENT ACCOUNT WITH RELATED COMPANIES			
Bangladesh Steel Re-Rolling Mills Limited	13.00	4,236,181,646	3,531,088,122
BSRM (Hong Kong) Limited		-	-
Less: Intra group elimination		(13,737,356)	(11,852,636)
		4,222,444,290	3,519,235,486
14.00 Advances and deposits			
See accounting policy in note 4.06			
Bangladesh Steel Re-Rolling Mills Limited-HO	14.01	15,969,648,181	7,433,640,111
Bangladesh Steel Re-Rolling Mills Limited-Kolkata Branch		163,400,191	150,043,628
		16,133,048,372	7,583,683,739



Notes to the Financial Statements (Continued)

		<u>30 June 2023</u>	<u>30 June 2022</u>
		<u>BDT</u>	<u>BDT</u>
14.01 Bangladesh Steel Re-Rolling Mills Limited-HO			
Advances	14.02	15,791,112,185	7,293,743,998
Deposits	14.03	178,535,996	139,896,113
		<u>15,969,648,181</u>	<u>7,433,640,111</u>
14.02 Advances			
For capital expenditure		38,721,412	34,531,855
For revenue expenses		67,181,739	90,473,903
For scrap purchase and others		92,490,674	472,289,859
For store and spares		307,422,643	395,670,591
Godown rent		386,605	742,613
Income tax		4,014,894,285	4,145,921,747
L/C margin		9,806,558,733	352,327,901
Against L/C		191,332,258	301,958,995
Land		945,035,879	938,548,579
Staff loan against salary		7,322,394	4,660,336
VAT current account		299,765,563	536,617,619
Western Marine Shipyard Limited		20,000,000	20,000,000
		<u>15,791,112,185</u>	<u>7,293,743,998</u>
14.03 Deposits			
Bangladesh Ansar and VDP		825,682	825,682
Bank guarantee to Customs authority		14,615,906	4,303,441
Bureau of Indian Standards		2,806,339	2,431,387
Customs authority against claim		552,890	552,890
Karnaphuli Gas Distribution Co. Limited (KGDCL)		21,932,805	21,932,805
Linde Bangladesh Limited		879,900	879,900
Meghna Petroleum Limited		40,000	40,000
Maxicon Shipping Agencies (BD) Pvt. Limited		650,000	650,000
Others		2,055,162	2,102,696
Power Development Board		132,949,368	104,949,368
Refundable security deposits for IPO		500,000	500,000
T & T and others		227,944	227,944
WASA		500,000	500,000
		<u>178,535,996</u>	<u>139,896,113</u>
14.04			
The directors consider that all the above advances, deposits and prepayments are either adjustable or recoverable in cash or in kind and that no provision against these are required at this stage.			
14.a			
<u>CONSOLIDATED ADVANCE, DEPOSITS AND PREPAYMENTS</u>			
Bangladesh Steel Re-Rolling Mills Limited	14.00	16,133,048,372	7,583,683,739
BSRM (Hong Kong) Limited		167,436,759	917,492
		<u>16,300,485,131</u>	<u>7,584,601,231</u>
15.00 Cash and cash equivalents			
See accounting policy in note 4.08			
Bangladesh Steel Re-Rolling Mills Limited-HO	15.01	1,832,990,947	5,638,420,787
Bangladesh Steel Re-Rolling Mills Limited-Kolkata Branch		35,169,934	44,042,766
		<u>1,868,160,881</u>	<u>5,682,463,553</u>
15.01 Bangladesh Steel Re-Rolling Mills Limited-HO			
Cash in hand	15.02	2,858,990	2,625,576
Cash at banks	15.03	1,822,167,833	5,232,579,917
Fixed deposit receipts	15.05	7,964,124	403,215,294
		<u>1,832,990,947</u>	<u>5,638,420,787</u>
15.02 Cash in hand			
Corporate office		173,821	158,527
Factory office		2,263,775	2,289,460
Dhaka office		246,393	77,589
Mirsarai office (Warehouse)		175,000	100,000
		<u>2,858,990</u>	<u>2,625,576</u>



Notes to the Financial Statements (Continued)

	Note	30 June 2023		30 June 2022		
		BDT	BDT	BDT	BDT	
15.03 Cash at banks						
		<u>Name of the Banks</u>	<u>Branch</u>	<u>Account type</u>	<u>Currency</u>	
		AB Bank Limited	Aqrabad	CD	BDT	4,449,539
		AB Bank Limited	Aqrabad	CD	USD	174,537
		Aqrani Bank Limited	Laldiqhi East	CD	BDT	493,320,315
		Aqrani Bank Limited	Laldiqhi East	CD	USD	65,251,806
		Aqrani Bank Limited	Laldiqhi East	CD	USD	89,782,188
		Al-Arafah Islami Bank Limited	Aqrabad	CD	BDT	14,041,714
		Bank Alfalah Limited	Aqrabad	CD	BDT	5,967
		Bank Asia Limited	Aqrabad	CD	BDT	127,119
		BASIC Bank Limited	Dewanhath	CD	BDT	213,334
		BRAC Bank Limited	Aqrabad	CD	BDT	(31,116,698)
		BRAC Bank Limited	Aqrabad	FCY CD	USD	31,488,516
		Commercial Bank of Cevlon PLC	Aqrabad	CD	BDT	1,511,373
		Dhaka Bank Limited	Jubilee Road	CD	BDT	1,267,020
		Dutch Banqla Bank Limited	Jubilee Road	CD	BDT	538,985
		Eastern Bank Limited	Aqrabad	CD	BDT	2,359,901
		Eastern Bank Limited-High Performance	Aqrabad	CD	BDT	21,028,021
		EXIM Bank Limited	CDA Avenue	CD	BDT	2,323,014
		HSBC	Aqrabad	CD	BDT	(97,581,693)
		HSBC	Aqrabad	ERQ	USD	-
		IFIC Bank Limited	Aqrabad	CD	BDT	100,762
		Islami Bank Bangladesh Limited	Jubilee Road	CD	BDT	38,794,844
		Jamuna Bank Limited	Khatunjoni	CD	BDT	364,988
		Janata Bank Limited	Laldiqhi East	CD	BDT	70,085
		Mercantile Bank Limited	Jubilee Road	CD	BDT	330,450
		Midland Bank Limited	Aqrabad	CD	BDT	87,116
		Mutual Trust Bank Limited	Jubilee Road	CD	BDT	2,773,721
		Mutual Trust Bank Limited	Jubilee Road	CD	USD	28,318,274
		National Bank Limited	Jubilee Road	CD	BDT	106,713
		NCC Bank Limited	Aqrabad	CD	BDT	68,204,134
		NRB Commercial Bank Limited	Aqrabad	CD	BDT	12,000
		NCC Bank Limited	Aqrabad	ERQ	USD	238,463,331
		NCC Bank Limited	Aqrabad	FCY CD	USD	91,958,442
		NCC Bank Limited	Aqrabad	FCY CD	USD	109
		One Bank Limited	Aqrabad	CD	BDT	100,043,407
		One Bank Limited	Aqrabad	CD	BDT	(69,268,231)
		Premier Bank Limited	O.R Nizam Road	CD	BDT	2,652,212
		Prime Bank Limited	O.R Nizam Road	CD	BDT	11,425,185
		Prime Bank Limited	Aqrabad	Escrow	BDT	684,004
		Pubali Bank Limited	Dhaka	CD	BDT	63,050
		Shahjalal Islami Bank Limited	Jubilee Road	CD	BDT	187,266
		Social Islami Bank Limited	Jubilee Road	CD	BDT	22,220,209
		Sonali Bank Limited	Kalibari	CD	BDT	2,000
		Sonali Bank Limited	Laldiqhi East	CD	BDT	5,087
		Southeast Bank Limited	CDA Avenue	CD	BDT	320,089
		Southeast Bank Limited	Pahartali	CD	BDT	1,420,501
		Standard Bank Limited	Sadarqahat Road	CD	BDT	417,698,163
		Standard Chartered Bank	Dhaka	CD	BDT	23,657
		State Bank of India	Aqrabad	CD	BDT	141,213
		The City Bank Limited	Aqrabad	CD	BDT	258,076,940
		The City Bank Limited	Aqrabad	FCY CD	USD	3,898,634
		The City Bank Limited	Aqrabad	FCY CD	USD	688,762
		Trust Bank Limited	CDA Avenue	CD	BDT	3,315
		Madhumati Bank	Aqrabad	CD	BDT	4,293
		Uttara Bank Limited	Aqrabad	CD	BDT	927,874
		United Commercial Bank Limited	Jubilee Road	CD	BDT	1,545,437
		United Commercial Bank Limited	Jubilee Road	Escrow	BDT	5,421
						1,821,538,411
						5,231,616,030
		<u>Name of the Banks</u>	<u>Branch</u>	<u>Account type</u>	<u>Currency</u>	
		Standard Chartered Bank	Aqrabad	CD	BDT	15.04
						629,422
						963,887
						629,422
						963,887
						1,822,167,833
						5,232,579,917

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

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

15.05 Fixed deposit receipts

<u>Name of the Banks</u>	<u>Tenure</u>	<u>Rate of interest</u>		
Sonali Bank Limited	3 Months	5.5%-6%	7,964,124	403,215,294
			7,964,124	403,215,294

15.a CONSOLIDATED CASH AND CASH EQUIVALENTS

Bangladesh Steel Re-Rolling Mills Limited	15.00	1,868,160,881	5,682,463,553
BSRM (Hong Kong) Limited		5,607,936	68,209,580
		1,873,768,817	5,750,673,133



Notes to the Financial Statements (Continued)

	<u>30 June 2023</u>	<u>30 June 2022</u>	
	<u>BDT</u>	<u>BDT</u>	
16.00 Share capital			
See accounting policy in note 4.09			
Authorized capital			
500,000,000 Ordinary shares @ Tk. 10 each	<u>5,000,000,000</u>	<u>5,000,000,000</u>	
	<u>5,000,000,000</u>	<u>5,000,000,000</u>	
Issued, Subscribed and Paid-up capital			
64,345,491 Ordinary shares @ Tk. 10 each issued in cash	643,454,910	643,454,910	
64,345,491 Ordinary shares @ Tk. 10 each fully paid-up as Bonus Shares	643,454,910	643,454,910	
27,160,056 Ordinary shares @ Tk. 10 each fully paid up (other than cash)	271,600,560	271,600,560	
17,500,000 Ordinary shares @ Tk. 10 each issued through Initial Public Offering (IPO)	175,000,000	175,000,000	
4,010,523 Ordinary shares @ Tk. 10 each issued against 12% Convertible coupon	40,105,230	40,105,230	
17,736,156 Ordinary shares @ Tk. 10 each fully paid-up as Bonus Shares	177,361,560	177,361,560	
19,509,771 Ordinary shares @ Tk. 10 each fully paid-up as Bonus Shares	195,097,710	195,097,710	
2,146,748 Ordinary shares @ Tk. 10 each fully paid-up as Bonus Shares	214,607,480	214,607,480	
62,516,390 share issued @Tk.10 each merger with BSRM Steel Mills Ltd with 1:288 ratio	625,163,900	625,163,900	
	<u>2,985,846,260</u>	<u>2,985,846,260</u>	
16.01 Classification of shares by holding at 30 June 2023			
<u>Class by number of shares</u>	<u>No. of holders</u>	<u>No. of Shares</u>	<u>Holding (%)</u>
Less than 500	4,360	666,469	0.22%
From 501 to 5000	2,359	3,865,710	1.29%
From 5,001 to 10,000	269	2,032,632	0.68%
From 10,001 to 20,000	149	2,190,409	0.73%
From 20,001 to 30,000	58	1,498,157	0.50%
From 30,001 to 40,000	21	743,424	0.25%
From 40,001 to 50,000	20	900,310	0.30%
From 50,001 to 100,000	42	3,164,924	1.06%
From 100,001 to 1,000,000	49	18,651,051	6.25%
From 10,000,001 to above	30	264,871,540	88.71%
	<u>7,357</u>	<u>298,584,626</u>	<u>100%</u>
16.02 Composition of Shareholders at 30 June 2023			
<u>Name of shareholders</u>		<u>No. of shares</u>	<u>Holding (%)</u>
Directors:			
Mr. Alihussain Akberali		29,970,251	10.04%
Mr. Aameir Alihussain		25,409,856	8.51%
Mr. Zohair Taherali		46,835,044	15.69%
Mrs. Sabeen Aameir		28,800,000	9.65%
Shareholders other than Directors		167,569,475	56.12%
		<u>298,584,626</u>	<u>100.00%</u>
16.03 Composition of Shareholders at 30 June 2023			
<u>Nature of shareholders</u>	<u>No. of holders</u>	<u>No. of shares</u>	<u>Holding (%)</u>
Sponsor/Director Shareholders	5	140,703,407	47.12%
Foreign Shareholders	11	52,231,666	17.49%
Other Shareholders	7,341	105,649,553	35.38%
	<u>7,357</u>	<u>298,584,626</u>	<u>100%</u>
16.04 Dividends			
The following dividends were declared and paid/payable by the company for the year:	<u>Date of board meeting</u>		
35% annual cash dividend (Tk.3.50) per qualifying ordinary share (For Jul'21-Jun'22)	27-Oct-22	1,045,046,191	-
40% annual cash dividend (Tk. 4) per qualifying ordinary share (For Jul'20-Jun'21)	23-Oct-21	-	1,194,338,504
17.00 Share Premium			
Balance As at July 01		2,057,514,350	2,057,514,350
Balance As at June 30		<u>2,057,514,350</u>	<u>2,057,514,350</u>
18.00 Reserves			
18.01 General reserve			
The general reserve is created from time to time by transferring profits from retained earnings for appropriation purposes and to meet future known or unknown requirements. There is no policy of regular transfer. As the general reserve is created by a transfer from one component of equity to another and is not an item of other comprehensive income, items included in the general reserve will not be reclassified subsequently to profit or loss.			



Notes to the Financial Statements (Continued)

		<u>30 June 2023</u>	<u>30 June 2022</u>
		<u>BDT</u>	<u>BDT</u>
18.02 Revaluation reserve			
	Revaluation reserve relates to the revaluation of property plant and equipment.		
19.00 Long term borrowings- non-current portion			
	See accounting policy in note 4.19		
	Bangladesh Steel Re-Rolling Mills Limited-HO	19.01	26,103,658
	Bangladesh Steel Re-Rolling Mills Limited-Kolkata Branch		224,563,056
			-
		<u>26,103,658</u>	<u>224,563,056</u>
19.01 Bangladesh Steel Re-Rolling Mills Limited-HO			
	Lanka Bangla Finance Limited	19.02	-
	Prime Bank Limited- Syndicated term loan	19.03	26,731,891
			197,831,165
		<u>26,103,658</u>	<u>224,563,056</u>
19.02 Lanka Bangla Finance Limited			
	Due within one (1) year		26,394,938
	Due after more than one (1) year		-
		<u>26,394,938</u>	<u>103,156,973</u>
			26,731,891
		<u>26,394,938</u>	<u>129,888,864</u>

Terms of loan:

Total loan facilities: Tk. 40 crore.

Interest rate:

Interest rate is 8.99% per annum calculated on monthly basis variable depending on money market situation.

Disbursement:

The disbursement of the loan was made on 18 August 2018.

Repayment:

The loan is repayable in 60 (sixty) monthly instalments with 06 (six) months grace period.

Securities:

- i. Personal guarantee of the Directors of Bangladesh Steel Re-Rolling Mills Limited.
- ii. Subsequent charge/hypothecation on all present and future fixed and floating assets of the company to be filled or registered with RJSC along with IGPA to sell the hypothecated assets in favor of LBFL.
- iii. Corporate Guarantee of H. Akberali & Co. Limited supported by Board Resolution.
- iv. At least 100% insurance coverage of the finance amount in favor of LBFL.
- v. 06 nos. of post dated cheques covering the monthly interest payments, 54 nos of post dated cheques covering equal monthly instalment amount and 03 nos security cheques covering total receivables.

Purpose:

For land development, civil works, electrical works, refurbishment, machine repair and maintenance & other cost for expansion of business.



Notes to the Financial Statements (Continued)

	30 June 2023	30 June 2022
	BDT	BDT
19.03 Prime Bank Limited - Syndicated term loan		
Due within one (1) year	281,133,333	800,000,000
Due after more than one (1) year	26,103,658	197,831,165
	307,236,991	997,831,165

Terms of loan:

Lenders:

The company entered into a syndicated loan agreement for balance sheet restructuring on 20 December 2017 with Prime Bank Limited, the lead arranger and 7 (seven) other Banks.

Total loan facilities: Tk. 600 crore.

Interest rate:

Indicative rate of interest for term loan is 7.75% p.a. with quarterly rests which may be reviewed semi-annually after first disbursement based on negotiation considering prevailing money market situation. Now the revised rate is 8%.

Disbursement:

The first disbursement of the loan was made on 03 January 2018.

Repayment:

The principal plus interest amount will be repaid in 20 (twenty) quarterly instalments starting from the immediate next quarter end of first disbursement date.

Securities:

- i. Pari-passu 1st charge over existing fixed assets including registered mortgage charge over project land and construction there on with relevant IGPA.
- ii. 1st ranking pari-passu charge over balance of existing ESCROW account.
- iii. Personal guarantee of all directors.
- iv. Corporate Guarantee of H. Akberali Co. Ltd.
- v. Pledge & Lien on 10 Million shares of BSRM Steels Limited. This security will be released upon completion of aforesaid security documentation.
- vi. Negative pledge over assets of BSRM Limited till perfection of documentation.
- vii. Other charge document as per opinion of lenders common counsel and standard practice.

Purpose:

Restructuring of liabilities through refinancing of its short term loan and/or loan from its sisters concern.

19.a	<u>CONSOLIDATED LONG TERM BORROWING- NON CURRENT PORTION</u>			
	Bangladesh Steel Re-Rolling Mills Limited	19.00	26,103,658	224,563,056
	BSRM (Hong Kong) Limited		-	-
			26,103,658	224,563,056
20.00	Defined benefit obligations - gratuity			
	See accounting policy in note 4.11			
	Balance at 1 July		409,316,636	366,317,421
	Current service cost		96,245,564	94,656,789
			505,562,200	460,974,210
	Payment made during the year		(94,656,789)	(51,657,574)
			410,905,411	409,316,636
	Actuarial loss		-	-
	Balance at 30 June		410,905,411	409,316,636

A funded gratuity scheme has been established with the prior approval from the National Board of Revenue vide Letter Ref: 08.01.0000.035..02.347.20/57 dated 18 February 2021. During the year a sum of BDT 96,245,564 was transferred to the employee gratuity fund on 11th September 2022.

20.a	<u>CONSOLIDATED DEFINED BENEFIT OBLIGATIONS-GRATUITY</u>			
	Bangladesh Steel Re-Rolling Mills Limited	20.00	410,905,411	409,316,636
	BSRM (Hong Kong) Limited		-	-
			410,905,411	409,316,636



Notes to the Financial Statements (Continued)

		30 June 2023	30 June 2022
		BDT	BDT
23.00	Deferred tax liability		
	See accounting policy in note 4.17		
	Bangladesh Steel Re-Rolling Mills Limited-HO	23.01	3,848,734,520
	Bangladesh Steel Re-Rolling Mills Limited-Kolkata Branch		3,769,826,096
			(703,836)
			3,848,030,684
			3,769,754,917

- 23.01 **Bangladesh Steel Re-Rolling Mills Limited-HO**
Deferred tax liability has been calculated below at the applicable tax rate on the temporary difference between the carrying value and tax base.

Balance at 1 July	3,769,826,096	3,670,214,397
Provided/ (adjusted) during the year:		
Investments in associates	114,095,670	204,517,685
Unabsorbed depreciation	147,894,538	(110,795,716)
Adjustment for gratuity	(357,474)	(9,674,823)
Right of use of assets	(2,764,289)	(26,567,861)
Lease liabilities	3,271,346	28,744,795
Sale/ derecognition of revalued assets	(13,821,875)	-
For temporary difference of PPE and software (excluding land)	(166,173,249)	17,490,024
Adjustment for impact of excess depreciation on revaluation surplus	(3,236,244)	(4,102,405)
Balance at 30 June	3,848,734,520	3,769,826,096

Reconciliation of Deferred tax liabilities/(assets) is as follows:

Particulars	Rate applied	Carrying amount	Tax base	Taxable/ (Deductible) temporary difference	Deferred tax Liability/ (Asset)
As on 30 June 2023					
Property, plant and equipment (other than land)	22.50%	19,177,509,595	7,880,455,202	11,297,054,393	2,541,837,239
Intangible assets (Software)	22.50%	10,959,972	23,127,200	(12,167,228)	(2,737,626)
Provision for gratuity	22.50%	410,905,411	-	(410,905,411)	(92,453,717)
Unabsorbed depreciation	22.50%	490,165,528	-	(490,165,528)	(110,287,244)
Investment in Associate	5-20%	-	-	-	1,075,323,711
Right of use of assets	22.50%	130,365,111	-	(130,365,111)	(29,332,150)
Lease liabilities	22.50%	(142,293,963)	-	142,293,963	32,016,142
Sale of Revalued Assets	3.00%	(460,729,174)	-	(460,729,174)	(13,821,875)
DT on Revaluation Reserve	-	-	-	-	254,244,550
Deferred tax on land revaluation	-	-	-	-	194,425,905
Deferred tax of overseas branch	-	-	-	-	(480,414)
					3,848,734,520

Particulars	Rate applied	Carrying amount	Tax base	Taxable/ (Deductible) temporary difference	Deferred tax Liability/ (Asset)
As on 30 June 2022					
Property, plant and equipment (other than land)	22.50%	20,495,711,083	8,450,234,815	12,045,476,268	2,710,232,160
Intangible assets (Software)	22.50%	16,205,442	23,863,465	(7,658,024)	(1,723,055)
Provision for gratuity	22.50%	409,316,636	-	(409,316,636)	(92,096,243)
Unabsorbed depreciation	22.50%	1,147,474,585	-	(1,147,474,585)	(258,181,782)
Investment in Associate	5-20%	-	-	-	961,228,041
Right of use of assets	22.50%	118,079,383	-	(118,079,383)	(26,567,861)
Lease liabilities	22.50%	(127,754,647)	-	127,754,647	28,744,795
DT on Revaluation Reserve	-	-	-	-	254,244,548
Deferred tax on land revaluation	-	-	-	-	194,425,905
Deferred tax of overseas branch	-	-	-	-	(480,414)
					3,769,826,096



Notes to the Financial Statements (Continued)

		30 June 2023	30 June 2022
		BDT	BDT
23.a	CONSOLIDATED DEFERRED TAX LIABILITY		
	Bangladesh Steel Re-Rolling Mills Limited	23.00	3,848,030,684
	BSRM (Hong Kong) Limited		3,769,754,917
			-
			3,848,030,684
			3,769,754,917
24.00	Trade payables		
	See accounting policy in note 4.06		
	Bangladesh Steel Re-Rolling Mills Limited-HO	24.01	634,505,649
	Bangladesh Steel Re-Rolling Mills Limited-Kolkata Branch		53,144,930
			157,055,624
			687,650,579
			665,060,676
24.01	Bangladesh Steel Re-Rolling Mills Limited-HO		
	BSRM Logistics Limited		31,252,532
	Goods & supplies		44,735,407
	Labor cost		542,407
	Payables for stores and spares		557,696,013
	BSRM Steel		190,142
	BSRM Wires Limited		89,147
			-
			634,505,649
			508,005,052
	These balances represent amounts payable against supply of raw materials and services.		
24.a	CONSOLIDATED TRADE PAYABLES		
	Bangladesh Steel Re-Rolling Mills Limited	24.00	687,650,579
	BSRM (Hong Kong) Limited		-
	Less: Intra group elimination		-
			687,650,579
			665,060,676
25.00	Short term borrowings		
	See accounting policy in note 4.06		
	Short term borrowings	25.01	53,459,038,280
	Long term borrowings- current portion	25.02	307,528,271
			903,156,973
			53,766,566,552
			67,872,538,114
25.01	Short term borrowings		
	Time loan	25.01.01	4,411,959,640
	Bank overdraft, SOD and cash credit	25.01.02	4,957,903,094
	Demand Loan	25.01.03	6,291,258,136
	Liability for accepted bills for payment (ABP)	25.01.04	37,797,917,411
	Stimulus Loan - Trust Bank Limited	25.01.05	-
			841,034,152
			53,459,038,280
			66,969,381,141
25.01.01	Time loan		
	Bangladesh Steel Re-Rolling Mills Limited-HO	25.01.01.01	4,233,348,916
	Bangladesh Steel Re-Rolling Mills Limited-Kolkata Branch		178,610,723
			4,411,959,640
			541,885,080
25.01.01.01	Bangladesh Steel Re-Rolling Mills Limited-HO		
	BRAC Bank Limited		1,317,109,641
	Dutch Bangla Bank Limited		514,467,817
	Al-Arafah Islami Bank Limited		639,625,000
	Jamuna Bank Limited		1,013,250,000
	Mutual Trust Bank Limited		114,375,625
	State Bank of India Limited		304,333,333
	Habib Bank Limited		180,000,000
	HSBC		150,187,500
			180,000,000
			150,000,000
			4,233,348,916
			330,000,000



Notes to the Financial Statements (Continued)

		30 June 2023	30 June 2022
		BDT	BDT
25.01.02	Bank overdraft, SOD and cash credit		
	Type		
	Agrani Bank Limited	661,222,764	62,395,993
	Agrani Bank Limited	96,813	1,210
	Dhaka Bank Limited	111,274,320	58,568,704
	Habib Bank Limited	7,327,508	(4,426,195)
	IFIC Bank Limited	98,636,568	10,801,803
	Jamuna Bank Limited	947,656	18,163,886
	Mercantile Bank Limited	260,813,301	66,124,396
	Mutual Bank Limited	160,848,196	4,476,548
	National Bank Limited	47,858,489	35,389,332
	NRB Commercial Bank Limited	19,771,656	50,012,328
	Pubali Bank Limited	181,726,402	159,831,071
	Pubali Bank Limited	879,817,973	(32,159)
	Shahjalal Islami Bank Limited	1,392,285,275	-
	Prime Bank Limited	304,950,000	-
	Sonali Bank Limited	258,890,835	159,773,517
	Sonali Bank Limited	50,608,749	50,031,677
	Southeast Bank Limited	58,196	16,656,081
	Standard Chartered Bank	95,267	73,421,767
	State Bank of India	82,460,629	119,342,079
	The City bank Limited	(7,538,276)	16,871,848
	Trust Bank Limited	127,182,764	49,445,506
	Uttara Bank Limited	7,795,513	(4,309)
	Dutch Bangla Bank Limited	135,610,570	-
	Bank Asia Limited	94,847,016	-
	United Commercial Bank	80,314,910	599,120
		4,957,903,094	947,444,203
25.01.03	Demand Loan		
	Prime Bank Limited	556,137,077	-
	Eastern Bank Limited	2,120,000,000	-
	The City Bank Limited	2,005,125,000	-
	Bank Asia Limited	1,001,250,000	-
	Bank Alfalah Limited	186,146,058	-
	Standard Bank Limited	422,600,000	-
	Commercial Bank of Celon	-	322,248,889
		6,291,258,136	322,248,889
25.01.04	Liability for accepted bills for payment (ABP)		
	Bank Alfalah Limited	-	491,051,976
	Al-Arafah Bank Limited	1,329,736,164	2,126,242,961
	AB Bank Limited	-	36,658,967
	Bank Asia Limited	3,084,723,819	2,312,435,308
	Dhaka Bank Limited	1,519,443,906	4,405,722,948
	Dutch Bangla Bank Limited	1,265,186,660	3,319,614,675
	HSBC	3,081,278,504	2,831,641,812
	Habib Bank Limited	-	159,789,690
	Mutual Trust Bank Limited	2,553,728,620	1,879,852,036
	Mercantile Bank Limited	2,002,972,329	4,026,021,846
	NCC Bank Limited	2,917,079,683	4,831,795,927
	Jamuna Bank Limited	2,016,805,863	3,145,560,675
	One Bank Limited	95,257,948	650,482,738
	Prime Bank Limited	1,362,184,548	2,940,745,853
	Pubali Bank Limited	450,606,203	1,938,546,459
	Standard Chartered Bank	3,051,525,398	3,431,277,549
	The City Bank Limited	1,509,656,889	5,166,962,675
	Trust Bank Limited	1,144,607,041	1,382,838,515
	United Commercial Bank Limited	1,000,980,601	3,285,063,479
	Uttara Bank Limited	-	318,737,220
	Agrani Bank Limited	610,677,568	2,529,131,465
	Commercial Bank of Ceylon PLC	2,511,598,502	1,950,965,288
	IFIC Bank Limited	194,995,000	1,192,477,169
	Islami Bank Limited	579,268,451	78,533,595
	Shahjalal Islami Bank Limited	292,741,966	4,529,494,887
	Sonali Bank Limited	166,797,519	932,064,607
	BRAC Bank Limited	2,780,140,629	2,802,513,627
	Eastern Bank Limited	1,629,889,970	926,338,178
	Southeast Bank Limited	631,155,623	433,795,776
	National Bank Limited	-	260,410,916
	Standard Bank Limited	14,878,005	-
		37,797,917,411	64,316,768,817
25.01.05	Stimulus Loan		
	Eastern Bank Limited	-	222,429,486
	Trust Bank Limited	-	217,742,608
	Agrani Bank Limited	-	61,364,395
	Jamuna Bank Limited	-	249,999,969
	Sonali Bank Limited	-	89,497,694
		-	841,034,152



Notes to the Financial Statements (Continued)

	Note	30 June 2023 BDT	30 June 2022 BDT
25.02 Long term borrowings- current portion			
These balances represent current portion of long term loans from financial institutions which are repayable within next twelve months from reporting date and consist of as follows:			
Lanka Bangla Finance Limited	19.02	26,394,938	103,156,973
Prime Bank Limited- Syndicated term loan	19.03	281,133,333	800,000,000
		307,528,271	903,156,973
25.a CONSOLIDATED SHORT TERM BORROWINGS			
Bangladesh Steel Re-Rolling Mills Limited	25.01	53,459,038,280	66,969,381,141
BSRM (Hong Kong) Limited		79,230,729	-
		53,538,269,009	66,969,381,140.54
25.b CONSOLIDATED LONG TERM BORROWINGS CURRENT PORTION			
Bangladesh Steel Re-Rolling Mills Limited	25.02	307,528,271	903,156,973
BSRM (Hong Kong) Limited		-	-
		307,528,271	903,156,973
26.00 Current account with related companies			
BSRM Steels Limited		-	2,283,872,672
H. Akberali & Co Limited		-	113,906,158
		-	2,397,778,830
These figures signify short-term financial arrangements procured from affiliated entities on an as-needed basis to fulfill working capital requirements. Interest has been levied on the outstanding amounts. All of these transactions were conducted via account payee cheques.			
26.a CONSOLIDATED CURRENT ACCOUNT WITH RELATED COMPANIES			
Bangladesh Steel Re-Rolling Mills Limited	26.00	-	2,397,778,830
BSRM (Hong Kong) Limited		13,737,356	11,852,636
Less: Intra group elimination		(13,737,356)	(11,852,636)
		-	2,397,778,830
27.00 Contract liabilities			
Bangladesh Steel Re-Rolling Mills Limited-HO		528,907,843	318,655,890
Bangladesh Steel Re-Rolling Mills Limited-Kolkata Branch		-	-
		528,907,843	318,655,890
These balances represent advances received from different parties against sale of finished goods. Goods have not been delivered to them within the reporting date.			
27.a CONSOLIDATED CONTRACT LIABILITIES			
Bangladesh Steel Re-Rolling Mills Limited	27.00	528,907,843	318,655,890
BSRM (Hong Kong) Limited		-	34,363
		528,907,843	318,690,253
28.00 Liabilities for expenses			
See accounting policy in note 4.12 & 4.13			
Bangladesh Steel Re-Rolling Mills Limited-HO	28.01	1,221,275,338	1,122,655,703
Bangladesh Steel Re-Rolling Mills Limited-Kolkata Branch		-	-
		1,221,275,338	1,122,655,703



Notes to the Financial Statements (Continued)

	Note	30 June 2023 BDT	30 June 2022 BDT
28.01 Bangladesh Steel Re-Rolling Mills Limited-HO			
Brokerage and commission		86,314,144	256,837
C & F bill and others		3,061,447	2,179,404
Carriage on sales		136,472,094	194,356,520
Contractors		6,089,871	7,333,683
Karnaphuli Gas Distribution Co. Limited		61,572,712	26,359,032
Liability for fixed assets		3,196,827	3,685,271
Others		173,471,199	188,409,257
Power Development Board for electricity (Factory)		714,308,890	665,520,031
Professional expenses		579,322	281,549
Repair and maintenance		637,316	297,567
Salary and allowances		23,247,413	12,968,989
Sales promotion		3,152,875	8,907,699
Unclaimed cheque		4,677,236	2,937,596
Audit fees		920,000	851,000
CSR expenses		2,662,338	642,108
Insurance expenses		769,533	5,606,864
Travelling and conveyance		9,321	629,815
WASA		26,560	27,627
Printing and stationeries		-	1,404,854
Rent Expenses		4,250	-
Financial Expense		101,989	-
		1,221,275,338	1,122,655,703
28.a CONSOLIDATED LIABILITIES FOR EXPENSES			
Bangladesh Steel Re-Rolling Mills Limited	28.00	1,221,275,338	1,122,655,703
BSRM (Hong Kong) Limited		321,201	234,730
		1,221,596,539	1,122,890,433
29.00 Provision for WPPF and Welfare Fund			
See accounting policy in note 4.11			
Balance at 1 July		195,174,768	317,276,646
Provided during the year	29.01	185,561,343	195,174,767
Paid during the year		(195,174,768)	(317,276,646)
Balance at 30 June		185,561,343	195,174,768
29.01 Contribution to WPPF and Welfare Fund			
Profit before tax and WPPF and Welfare Fund		3,359,466,080	3,551,734,575
Cash dividend received from investment in associates		351,760,770	351,760,770
Profit applicable for WPPF and Welfare Fund		3,711,226,850	3,903,495,345
Contribution to WPPF and Welfare Fund at 5%		185,561,343	195,174,767
29.a CONSOLIDATED PROVISION FOR WPPF AND WELFARE FUND			
Bangladesh Steel Re-Rolling Mills Limited	29.00	185,561,343	195,174,768
BSRM (Hong Kong) Limited		-	-
		185,561,343	195,174,768
29.01.a CONSOLIDATED CONTRIBUTION TO WPPF AND WELFARE FUND			
Bangladesh Steel Re-Rolling Mills Limited		185,561,343	195,174,767
BSRM (Hong Kong) Limited		-	-
		185,561,343	195,174,767
30.00 Other liabilities			
See accounting policy in note 4.06			
Bangladesh Steel Re-Rolling Mills Limited-HO	30.01	146,315,024	183,471,252
Bangladesh Steel Re-Rolling Mills Limited-Kolkata Branch		12,951,091	51,569,297
		159,266,115	235,040,549
30.01 Bangladesh Steel Re-Rolling Mills Limited-HO			
Against paid-up capital of BSRM (Hong Kong) Limited		-	-
Duty drawback	30.01.01	110,738,498	110,738,498
Income tax deducted at source		-	58,371
Retention money		31,861,540	60,865,245
Security deposit		3,714,986	2,439,995
Interest on intercompany loan		-	9,369,143
		146,315,024	183,471,252
30.01.01 Income tax deducted at source have subsequently been deposited to the Government Exchequer.			
30.a CONSOLIDATED OTHER LIABILITIES			
Bangladesh Steel Re-Rolling Mills Limited	30.00	159,266,115	235,040,549
BSRM (Hong Kong) Limited		-	-
Less: Intra group elimination		-	-
		159,266,115	235,040,549



Notes to the Financial Statements (Continued)

31.00 Leases as a Lessee

See accounting policy in note 4.03

Set Out below are the carrying amounts of right of use assets recognised and the movements during the year:

	Land	Warehouse / Godown / Shed	Office Space	Total
As at 01 July 2021	39,812,743	39,893,839	22,383,362	102,089,944
Additions	8,976,742	-	10,921,175	19,897,917
Addition due to lease modification	10,084,119	22,368,245	-	32,452,364
Depreciation expense	(14,177,399)	(14,339,155)	(7,844,287)	(36,360,841)
As at 30 June 2022	44,696,204	47,922,928	25,460,251	118,079,383
As at 01 July 2022	44,696,204	47,922,928	25,460,251	118,079,383
Additions	-	-	-	-
Addition due to lease modification	26,704,514	38,534,033	-	65,238,547
Depreciation expense	(21,105,322)	(24,091,752)	(7,755,746)	(52,952,820)
As at 30 June 2023	50,295,397	62,365,209	17,704,505	130,365,111
Depreciation allocation:			2023	2022
Cost of sales	34.02		40,321,548	24,912,300
Selling & distribution costs	35.01		4,875,525	3,604,255
Administrative costs	8.01		7,755,746	7,844,287
			52,952,820	36,360,842

Set out below are the carrying amounts of lease liabilities and the movements during the year:

As on 01 July 2022		127,754,647	109,552,386
Additions		-	19,897,917
Addition due to lease modification		65,238,547	32,452,364
Accretion of interest		13,440,084	10,727,822
Payments		(64,139,316)	(44,875,842)
As on 30 June 2023		142,293,962	127,754,647
Current		42,688,189	40,204,947
Non-current		99,605,774	87,549,700

31.01 Amounts recognized in statement of profit or loss

Interest on lease liabilities		13,440,084	10,727,822
Depreciation charge on right-of-use assets		52,952,820	36,360,842
		66,392,904	47,088,664

31.02 Amount recognized in statement of cash flows

Interest paid on lease liabilities		(13,440,084)	10,727,822
Principal paid on lease liabilities		(50,699,232)	(34,148,020)

31.03 Maturity analysis

The following figures sets out a maturity analysis of lease payments, showing the undiscounted lease payments to be made after the reporting date.

Less than one year	63,704,316	49,698,516
One to two years	61,067,316	41,787,516
Two to three years	28,135,536	30,750,516
Three to four years	6,210,180	19,303,536
Four to five years	-	6,210,180
More than five years	-	-
	159,117,348	147,750,264

31.a CONSOLIDATED RIGHT OF USE ASSETS

Bangladesh Steel Re-Rolling Mills Limited	130,365,111	118,079,383
BSRM (Hong Kong) Limited	-	-
	130,365,111	118,079,383



Notes to the Financial Statements (Continued)

Set out below are the carrying amounts of lease liabilities and the movements during the year:
31.04 Leased Land

Lessor	Lessee	Location	Rental start date	Tenure	Discount rate	Monthly rent	Total yearly rent	Tax deducted at source	VAT	Gross yearly rent
M/S Hafeem Engineering Works Limited		Plot no# 147-149, Nasirabad I/A, Bayezid Bostami Road, Chattogram	01 October 2021	2 years		275,000	3,300,000	165,000	495,000	3,795,000
Arco Industries Limited	Bangladesh Steel Re-Rolling Mills Limited	Plot no# 23-26, Nasirabad I/A, Bayezid Bostami Road, Chattogram	01 July 2022	3 years		908,400	10,900,800	545,040	1,635,120	12,535,920
H. Akberali & Co. Limited		Plot J/L# 13 at Sonapahar Mouza, Zorargoni, Mirsarai, Chattogram	01 July 2016	10 years	9.00%	300,000	3,600,000	180,000	540,000	4,140,000
Karnatully Engineering Works Limited		Plot no# 8/D, Sholoshahar Light Industrial Area, Chattogram	01 November 2019	5 years		500,000	5,100,000	255,000	765,000	5,865,000
Karnatully Engineering Works Ltd.		Plot no# 8/D, Sholoshahar Light Industrial Area, Chattogram	01 September 2020	5 years		264,000	1,584,000	79,200	237,600	1,821,600
BSRM Logistics Ltd.		Plot no# 8/D, Sholoshahar Light Industrial Area, Chattogram	01 January 2022	5 years		60,000	720,000	36,000	108,000	828,000
							25,204,800	1,260,240	3,780,720	28,985,520

31.05 Leased warehouse/godown/factory shed

Lessor	Lessee	Location	Rental start date	Tenure	Discount rate	Monthly rent	Total yearly rent	Tax deducted at source	VAT	Gross yearly rent
Chittagong Power Company Limited		Plot no# 297, Nasirabad I/A, Bayezid Bostami Road, Chattogram	01-January-2022	5 years		300,000	3,600,000	180,000	540,000	4,140,000
Section Steel Industries Limited		Shiromoni Industrial Area, Khulna	01-January-2022	5 years		200,000	2,400,000	120,000	360,000	2,760,000
Bangladesh Steels Limited		Plot no# 297, Nasirabad I/A, Bayezid Bostami Road, Chattogram	01-January-2022	3 years	9.00%	672,000	8,064,000	403,200	1,209,600	9,273,600
BSRM Logistics Limited		50 No. Kagoipur, P.S.- Benapole Port, Sharsa, Jessore	01-July-2021	5 years		295,695	3,548,340	177,417	532,251	4,080,591
Karnatully Engineering Works Limited		Plot no# 8/D, Sholoshahar Light Industrial Area, Chattogram	01 January 2023	3 years		1,250,000	9,840,000	492,000	1,476,000	11,316,000
H. Akberali & Co. Limited		Plot no# 8/D, Sholoshahar Light Industrial Area, Chattogram	01 January 2023	3 years		200,000	1,800,000	90,000	270,000	2,070,000
							29,252,340	1,462,617	4,387,851	33,640,191

31.06 Leased office spaces

Lessor	Lessee	Location	Rental start date	Tenure	Discount rate	Monthly rent	Total yearly rent	Tax deducted at source	VAT	Gross yearly rent
H. Akberali & Co. Limited	Bangladesh Steel Re-Rolling Mills Limited	Nasir Uddin Tower, 4th floor, 104/1 Kakrail, Ramna, Dhaka	01 October 2018	5 years		204,000	2,448,000	122,400	367,200	2,815,200
H. Akberali & Co. Limited		1st, Mezzanine & 3rd Floor, Ali Mansion, 1207/1099 Sadarghat, Chattogram	01 January 2021	5 years	9.00%	377,830	4,533,960	226,698	680,094	5,214,054
H. Akberali & Co. Limited	BSRM Ltd., SML	3rd floor, Habib City Tower, 822/835, Sadarghat, Chittagong	01 May 2017	5 years		225,018	2,700,216	135,011	405,032	3,105,248
							9,682,176	484,109	1,452,326	11,134,502
Grand Total							64,139,316	3,206,966	9,620,897	73,760,213



Notes to the Financial Statements (Continued)

	Note	2023 BDT	2022 BDT
32.00 Unclaimed dividend account			
Year wise unclaimed dividend as on June 30 2023			
Year- 2021-22		650,800	-
Year- 2020-21 (Final)		789,047	21,239,305
Year- 2020-21 (Interim)		237,192	211,249
Year- 2019-20		498,649	499,044
Year- 2018-19		-	1,406,749
		2,175,688	23,356,348
An Amount Tk. 11,14,290.50 was transferred to Capital Market Stabilization Fund, on June-21, 2023 through CQ No 6990074, Prime Bank Ltd as per Bangladesh Securities and Exchange Commission Letter No: SEC/SRMIC/65-2020/Part-1/182 dated July 19,2021.			
33.00 Revenue			
See accounting policy in note 4.16			
Bangladesh Steel Re-Rolling Mills Limited-HO	33.01	116,112,373,434	79,311,494,122
Bangladesh Steel Re-Rolling Mills Limited-Kolkata Branch		2,761,410,720	3,635,304,464
Less: Intra-company sales		(1,351,880,385)	(1,301,095,437)
Less: VAT on sales		(2,461,172,279)	(1,862,598,751)
		115,060,731,490	79,783,104,398
33.01 Bangladesh Steel Re-Rolling Mills Limited-HO			
Local sales	33.01.01	112,807,329,613	76,201,375,489
Export sales	33.01.02	843,871,542	1,247,519,882
Add: VAT on sales		2,461,172,279	1,862,598,751
		116,112,373,434	79,311,494,122
33.01.01 Local sales			
MS Rod/Channal/Angle etc		99,702,254,241	63,500,983,259
MS Billets, scrap and by-products etc		13,105,075,372	12,700,392,230
		112,807,329,613	76,201,375,489
33.01.02 Export sales			
By Products		185,213,067	653,491,399
Finished Products		658,658,475	594,028,483
		843,871,542	1,247,519,882
Between July 1st, 2022 and June 30th, 2023, exports of finished products generated USD 17,05,384.64 at a volume of 1,978.920 metric tons. In comparison, during the period from July 1st, 2021 to June 30th, 2022, exports amounted to USD 68,87,815.62 for 7,935.75 metric tons of goods.			
33.01-A Revenue streams			
Revenue from contracts with customers	33.01	113,651,201,155	77,448,895,371
		113,651,201,155	77,448,895,371
33.01-B Disaggregation of revenue from contracts with customers (net of VAT)			
Primary geographical markets			
Bangladesh		112,992,542,681	76,795,403,973
China		636,837,574	483,774,607
South Korea		-	103,433,551
India		21,820,900	49,119,116
Indonesia		-	17,164,125
		113,651,201,155	77,448,895,372
Major products lines or services			
Xtreme 500W		52,066,557,855	45,414,438,967
Xtreme 500W-Stirrup		133,139,551	161,595,042
Xtreme 500W-Bend Cut		580,866,353	146,525,707
Xtreme 500W -Trading		-	8,650,382
MS Square Bar		15,146,247,502	10,097,643,608
M.S Angel-Manufactured		9,408,783,008	6,363,463,997
Ribbed Wire Rod		1,813,918,416	1,347,498,109
Others		34,501,688,470	13,909,079,560
Total Revenue from contracts with customers		113,651,201,155	77,448,895,372
Timing of revenue recognition			
Products transferred at a point in time		113,651,201,155	77,448,895,372
		113,651,201,155	77,448,895,372
33.01-C Contract balances			
The following table provides information about receivables, contract assets and contract liabilities from contracts with customers.			
Receivables, which are included in 'trade and other receivables'	12.02	5,173,154,158	1,887,314,286
Contract liabilities	27.00	528,907,843	318,655,890



Notes to the Financial Statements (Continued)

Note	2023	2022	
	BDT	BDT	
33.a CONSOLIDATED REVENUE			
Bangladesh Steel Re-Rolling Mills Limited	33.00	115,060,731,490	79,783,104,398
BSRM (Hong Kong) Limited		57,564,825	284,923,853
Less: Intra-group elimination		(56,654,232)	(115,226,962)
		115,061,642,084	79,952,801,290
34.00 Cost of sales			
Bangladesh Steel Re-Rolling Mills Limited-HO	34.01	103,641,114,610	71,371,557,847
Bangladesh Steel Re-Rolling Mills Limited-Kolkata Branch		2,452,375,285	3,226,422,298
Adjustment for portion of unrealized profit (PURP)-subsidiary			-
Less: Intra-company sales		(1,351,880,385)	(1,301,095,437)
		104,741,609,510	73,296,884,708
34.01 Bangladesh Steel Re-Rolling Mills Limited-HO			
Cost of sales- own production	34.01.01	70,794,933,231	57,187,514,714
Cost of sales- finished goods procured and sold	34.01.02	511,857,618	300,435,449
Cost of sales- scrap and others	34.01.01	1,475,536,876	1,047,014,589
Cost of sales- billet	34.01.01	29,138,311,157	11,469,772,648
Cost of Ribbed Wire	34.01.03	1,720,475,728	1,366,820,446
		103,641,114,610	71,371,557,847
34.01.01 Cost of sales- own production			
Stock of raw materials-scrap at 1 July		20,781,100,472	5,546,106,888
Purchase during the year		63,555,614,354	84,589,889,875
		84,336,714,826	90,135,996,763
Cost of scrap and others sales		(1,475,536,876)	(1,047,014,589)
Stock of raw materials-scrap at 30 June	11.01	(7,146,435,583)	(20,781,100,472)
Raw materials consumed-scrap		75,714,742,367	68,307,881,701
Factory overhead- Melting Unit	34.02.a	15,164,116,042	14,496,724,284
Cost of billet manufactured		90,878,858,408	82,804,605,986
Stock of billet at 1 July		16,153,394,297	2,435,306,638
Billet transfer from BSML due to merger			-
Stock of billet available		107,032,252,705	85,239,912,624
Cost of billet sale		(29,138,311,157)	(11,469,772,648)
Stock of billet at 30 June	11.01	(10,283,223,358)	(16,153,394,297)
Billet transferred to Re-Rolling Unit		67,610,718,190	57,616,745,679
Stock of billet at 1 July		1,438,062,514	1,074,287,811
Purchase during the year		-	-
Stock of billet at 30 June	11.01	(960,663,070)	(1,438,062,514)
Billet consumed		68,088,117,633	57,252,970,976
Cost of packing materials		143,893,920	190,654,080
Factory overhead- Rolling Unit	34.02.b	2,764,914,287	2,416,549,028
Cost of Production of finished goods		70,996,925,840	59,860,174,084
Stock of finished goods at 1 July		4,903,132,153	2,071,570,543
Purchase FG for cut and bend during the year		598,019,712	114,823,330
Production cost for cut and bend		373,441,602	167,826,789
Stock of finished goods at 30 June	11.01	(5,854,026,927)	(4,903,132,153)
Goods available for sale		71,017,492,380	57,311,262,592
Own use		(222,559,149)	(123,747,878)
Cost of sales- own production		70,794,933,231	57,187,514,714
34.01.02 Cost of sales- finished goods procured and sold			
Stock of finished goods at 1 July		288,201,338	278,784,215
Finished goods imported		347,875,468	264,599,733
Finished goods purchased locally		121,234,521	109,785,248
Available for sale/consumption		757,311,327	653,169,196
Stock of finished goods at 30 June	11.01	(180,369,327)	(288,201,338)
Goods used by the company		(65,084,383)	(64,532,409)
Cost of sales- finished goods procured and sold		511,857,618	300,435,449
34.01.03 Cost of sales- Ribbed Wire			
Stock of raw materials-Ribbed Wire at 1 July		519,894,265	30,672,236
Purchase during the year		1,276,055,928	2,020,533,856
Stock of raw materials-Ribbed Wire at 30 June	11.01	(20,716,402)	(519,894,265)
Raw materials consumed-Wire Rod		1,775,233,790	1,531,311,827
Cost of Packing Materials		3,358,796	2,174,762
Factory overhead	34.02.c	69,377,266	57,762,743
Cost of billet manufactured		1,847,969,852	1,591,249,332
Stock of finished goods at 01 July		131,872,078	23,168,247
Stock of finished goods at 30 June	11.01	(60,247,422)	(131,872,078)
Goods available for sale		1,919,594,509	1,482,545,501
(Own use)/ Transfer		967,673	(25,429)
Transfer to rolling unit for binding		(200,086,453)	(115,699,626)
Cost of sales- Ribbed Wire		1,720,475,728	1,366,820,446



Notes to the Financial Statements (Continued)

	Note	2023	2022
		BDT	BDT
34.02 Factory overhead			
Factory overhead- Melting Unit	34.02.a	15,164,116,042	14,496,724,284
Factory overhead- Rolling Unit	34.02.b	2,764,914,287	2,416,549,028
Factory overhead- Ribbed Wire	34.02.c	69,377,266	57,762,743
		17,998,407,595	16,971,036,055
34.02.a Factory overhead- Melting Unit			
Salary and allowances		968,571,931	803,797,202
Consumption of electrical stores		77,116,787	76,789,770
Consumption of general stores		37,195,443	55,149,722
Consumption of mechanical stores		279,453,880	245,873,847
Conveyance expenses		21,889,857	20,791,132
Depreciation	18.01	962,598,829	983,280,558
Direct materials consumed		4,540,195,619	4,598,882,141
Entertainment		15,786,997	15,406,817
Fees and renewals		3,261,697	3,578,289
Fuel and lubricants		379,143,188	225,536,882
Gas		75,896,379	53,529,944
Gratuity expenses		40,841,690	42,366,522
Guest house expenses		691,936	898,528
Guest house rent		1,477,350	2,259,840
Materials and finished goods handling charges		367,656,508	263,006,873
Medical expenses		7,323,023	6,552,036
Motor vehicle expenses		7,477,120	4,673,435
Postage and telegram		3,850	1,025
Power (factory)		7,145,506,824	6,812,648,437
Printing and stationery		307,975	665,348
Repairs and maintenance		56,931,603	72,003,459
Scrap Processing Expenses		68,862,953	97,312,439
Slag Processing Expenses		32,281,110	31,765,318
Travelling expenses		2,088,453	1,265,411
Testing Charges		542,529	816,045
Water bill- WASA		112,497	97,920
Depreciation- Right-of-use assets	31.00	25,284,224	16,396,919
Insurance expenses		21,478,680	23,391,219
Rent		24,137,111	37,987,208
		15,164,116,042	14,496,724,284
34.02.b Factory overhead- Rolling Unit			
Salary and allowances		278,921,966	263,454,778
Consumption of electrical stores		41,796,791	33,309,857
Consumption of general stores		21,315,114	16,724,300
Consumption of mechanical stores		193,041,551	326,139,465
Conveyance expenses		5,815,488	6,937,253
Depreciation	18.01	550,441,446	528,649,819
Other materials consumed		35,184,381	12,982,072
Entertainment		3,524,014	2,738,764
Fees and renewals		302,263	1,008,424
Fuel and lubricants		106,811,292	35,091,306
Gas		464,913,073	268,856,506
Gratuity expenses		21,140,229	22,648,982
Guest house expenses		122,363	161,693
Guest house rent		1,451,863	1,792,620
Insurance expenses		9,216,871	12,067,944
Materials and finished goods handling charges		269,064,368	218,757,954
Medical expenses		2,744,053	2,676,154
Motor vehicle expenses		2,487,190	2,049,454
Postage and telegram		6,040	7,075
Power (factory)		645,886,459	578,189,758
Printing and stationery		629,107	4,049,279
Rent		2,662,371	1,552,851
Repairs and maintenance		35,626,064	28,310,097
Travelling expenses		947,832	1,477,484
Testing Charges		338,988	632,629
Water bill- WASA		632,535	328,353
Consumption of MS Roll		54,853,251	37,438,774
Depreciation- Right-of-use assets	31.00	15,037,324	8,515,381
		2,764,914,287	2,416,549,028



Notes to the Financial Statements (Continued)

	Note	2023	2022
		BDT	BDT
34.02.c Factory overhead- Ribbed Wire			
Carrying charges		6,335	7,780
Consumption electrical stores		591,187	302,979
Consumption general stores		1,053,521	511,226
Consumption of Mechanical Stores		1,701,189	1,215,797
Conveyance expenses		597,024	353,272
Depreciation	18.01	2,684,465	2,714,953
Entertainment		337,628	403,276
Fuel and Lubricants		430,782	404,827
Gratuity expenses		3,256,239	2,101,724
Materials and finished goods handling charges		3,995,492	5,412,799
Medical expenses		584,022	730,052
Motor vehicles expenses		221,000	216,000
Other Materials Consumed		-	108,964
Postage and telegram		1,726	3,121
Power		4,748,325	4,348,077
Printing and stationery		24,412	231,789
Repairs and Maintenance		730,450	641,480
Salaries and allowances		47,921,509	37,942,154
Testing Charges		362,259	97,045
Travelling expenses		109,319	-
Water bill-WASA		20,384	15,428
		69,377,266	57,762,743
34.a CONSOLIDATED COST OF SALES			
Bangladesh Steel Re-Rolling Mills Limited	34.00	104,741,609,510	73,296,884,708
BSRM (Hong Kong) Limited		56,273,740	280,899,359
Less: Intra-group elimination		(56,654,232)	(115,226,962)
		104,741,229,019	73,462,557,105



Notes to the Financial Statements (Continued)

	Note	2023	2022
		BDT	BDT
35.00 Selling and distribution costs			
Bangladesh Steel Re-Rolling Mills Limited-HO	35.01	1,151,403,348	901,019,247
Bangladesh Steel Re-Rolling Mills Limited-Kolkata Branch		-	-
		1,151,403,348	901,019,247
35.01 Bangladesh Steel Re-Rolling Mills Limited-HO			
Salary and allowances		219,980,728	192,958,839
Advertisement		165,941,975	138,208,699
Bad debt		918,643	5,399,843
Professional and legal expenses		189,057	217,200
Sales promotion expenses		46,826,465	11,907,427
Brokerage and commission		155,531,344	56,101,017
Marketing expenses		81,903,904	35,177,551
Carriage on sales		246,240,875	247,407,460
Communication expenses		174,503	227,512
Conveyance expenses		805,775	1,226,688
Depreciation	5.01	45,168,412	45,133,614
Electricity expenses		10,751,410	9,392,140
Entertainment		337,707	709,794
Finished goods handling charges		38,498,116	26,946,657
Export charges		7,039,014	9,531,912
Repair & maintenance		559,287	469,998
Fees and renewals		175,543	195,660
Godown rent		4,469,454	4,003,904
Medical expenses		1,548,657	1,480,345
Motor cycle expenses		14,533,312	11,668,796
Printing and stationeries expenses		3,121,557	2,712,176
Royalty expenses		86,612,687	88,460,024
Testing charges		2,958,874	1,930,361
Travelling expenses		3,074,239	2,124,227
Depreciation- Right-of-use assets	31.00	4,875,526	3,604,255
Gratuity expenses		9,166,285	3,823,148
		1,151,403,348	901,019,247
35.02 BSRM 'Xtreme 500W' has been officially registered under the ownership of 'H. Akberali & Co. Limited' (HAEL) with the Department of Patents, Designs, and Trademarks of the Government of Bangladesh, in accordance with section 20(2) of the Trademark Act 2009. Pursuant to the provisions of the Trademark License Agreement, which became effective from January 1st, 2016, the company is remitting a royalty fee of Tk. 150 per metric ton for the quantified volume of goods sold.			
35.a CONSOLIDATED SELLING AND DISTRIBUTION COSTS			
Bangladesh Steel Re-Rolling Mills Limited	35.00	1,151,403,348	901,019,247
BSRM (Hong Kong) Limited		-	-
		1,151,403,348	901,019,247
36.00 Administrative costs			
Bangladesh Steel Re-Rolling Mills Limited-HO	36.01	805,597,291	576,255,104
Bangladesh Steel Re-Rolling Mills Limited-Kolkata Branch		259,785,668	226,370,697
		1,065,382,960	802,625,801



Notes to the Financial Statements (Continued)

	Note	2023	2022	
		BDT	BDT	
36.01 Bangladesh Steel Re-Rolling Mills Limited-HO				
Salaries and allowances		300,931,792	261,311,749	
Directors' remuneration	36.02	166,500,000	166,500,000	
Advertisement expenses		831,402	543,998	
Audit fees		1,277,500	1,329,250	
Board meeting expenses		209,000	308,000	
Conveyance expenses		5,880,479	5,767,471	
Insurance expenses		49,641	39,066	
CSR expenses		159,685,145	26,049,493	
Depreciation	5.01	9,664,999	5,945,640	
Amortisation	7.01	7,078,893	6,507,415	
Donation and subscriptions		477,421	358,981	
Entertainment		13,192,748	13,536,323	
Fees and renewals		29,954,790	10,848,155	
Generator and fuel expenses		1,101,906	184,892	
Guest house expenses		1,466,096	2,381,819	
Land revenue, municipal tax		2,088,269	3,488,109	
Legal expenses		725,476	714,942	
Medical expenses		7,543,365	5,667,097	
Motor vehicle expenses		14,850,526	11,938,678	
Office expenses		1,130,376	1,104,857	
Postage expenses		449,064	231,972	
Printing expenses		5,267,858	1,939,899	
Professional expenses		10,380,294	3,682,113	
Rent (office, depot and others)		2,065,463	1,955,787	
Repair and maintenance		13,136,994	5,840,113	
Telephone expenses		4,370,644	5,179,332	
Internet expenses		2,620,315	2,614,000	
Training expenses		4,898,916	671,153	
Travelling expenses		7,572,964	4,549,781	
Utility expenses		3,193,969	2,558,020	
Gratuity expenses		19,245,242	14,662,712	
Depreciation- Right-of-use assets	31.00	7,755,746	7,844,287	
		805,597,291	576,255,104	
36.02 Directors' remuneration				
Details of directors' remuneration paid during the year are as follows:				
	Director's Name	Gross remuneration	Income tax deducted	Net paid
	Mr. Alihussain Akberali- Chairman	66,000,000	16,500,000	49,500,000
	Mr. Aameir Alihussain- Managing Director	64,500,000	16,125,000	48,375,000
	Mr. Zohair Taherali- Director	28,500,000	7,125,000	21,375,000
	Mrs. Sabeen Aameir- Director	7,500,000	1,500,000	6,000,000
		166,500,000	41,250,000	125,250,000
In addition to remuneration, directors avail company vehicles for transportation purposes. These key management personnel are not entitled to any other benefits. No amount is lying as receivable from the directors.				
36.a CONSOLIDATED ADMINISTRATIVE COSTS				
Bangladesh Steel Re-Rolling Mills Limited	36.00	1,065,382,960	802,625,801	
BSRM (Hong Kong) Limited		17,797,542	16,195,497	
		1,083,180,502	818,821,298	
37.00 Other operating income				
Bangladesh Steel Re-Rolling Mills Limited-HO	37.01	57,004,743	63,468,112	
Bangladesh Steel Re-Rolling Mills Limited-Kolkata Branch		-	-	
		57,004,743	63,468,112	
37.01 Bangladesh Steel Re-Rolling Mills Limited-HO				
Late payment charge		6,101,058	11,383,319	
Other item sales		42,234,920	53,466,486	
Gain/(loss) on sale of PPE		8,668,765	(1,381,693)	
		57,004,743	63,468,112	
37.a CONSOLIDATED OTHER OPERATING INCOME				
Bangladesh Steel Re-Rolling Mills Limited	37.00	57,004,743	63,468,112	
BSRM (Hong Kong) Limited		21,136,619	-	
		78,141,362	63,468,112	
38.00 Finance costs				
See accounting policy in note 4.18				
Bangladesh Steel Re-Rolling Mills Limited-HO	38.01	4,969,241,441	1,495,826,888	
Bangladesh Steel Re-Rolling Mills Limited-Kolkata Branch		15,526,667	19,334,299	
		4,984,768,109	1,515,161,187	



Notes to the Financial Statements (Continued)

	Note	2023	2022
		BDT	BDT
38.01 Bangladesh Steel Re-Rolling Mills Limited-HO			
Interest on LATR		39,906,013	-
Interest on Demand and Time loan		694,856,243	37,322,678
Interest on Overdraft		204,653,737	40,468,879
Interest on Term loan		69,592,078	133,762,738
Bank charges		44,381,399	15,361,474
Bank guarantee commission		6,479,780	3,612,340
Agency fee		4,025,000	575,000
Interest on balance due to inter companies		154,335,402	30,983,680
Interest on balance due from inter companies		(292,671,069)	(282,070,165)
Interest on stimulus fund		18,664,414	50,767,900
Interest on lease liabilities	31.00	13,440,084	10,727,822
Foreign currency exchange rate fluctuation (gain)/loss	38.02	4,011,578,360	1,454,314,541
		4,969,241,441	1,495,826,888
38.02 Foreign currency exchange loss/(gain)			
Realized foreign currency transaction loss/(gain)		2,738,343,907	244,467,989
Unrealized foreign currency translation loss/(gain)		1,273,234,453	1,209,846,552
		4,011,578,360	1,454,314,541
Foreign currency transaction loss/(gain)			
This represents net gain on transaction in foreign currency during the year.			
Foreign currency translation loss/(gain)			
This represents net gain on translation of foreign currencies into Bangladeshi Taka at the rate prevailing on reporting date.			
38.a CONSOLIDATED FINANCE COSTS			
Bangladesh Steel Re-Rolling Mills Limited	38.00	4,984,768,109	1,515,161,187
BSRM (Hong Kong) Limited		438,474	865,055
		4,985,206,582	1,516,026,242
39.00 Finance income			
See accounting policy in note 4.18			
Bangladesh Steel Re-Rolling Mills Limited-HO	39.01	130,989,163	174,842,427
Bangladesh Steel Re-Rolling Mills Limited-Kolkata Branch		-	-
		130,989,163	174,842,427
39.01 Bangladesh Steel Re-Rolling Mills Limited-HO			
Interest income on STD		17,871,435	27,933,462
Interest income from FDR		113,117,728	146,908,965
		130,989,163	174,842,427
39.a CONSOLIDATED FINANCE INCOME			
Bangladesh Steel Re-Rolling Mills Limited	39.00	130,989,163	174,842,427
BSRM (Hong Kong) Limited		-	-
		130,989,163	174,842,427
40.00 Non-operating income			
Bangladesh Steel Re-Rolling Mills Limited-HO	40.01	53,904,610	46,010,581
Bangladesh Steel Re-Rolling Mills Limited-Kolkata Branch		-	-
		53,904,610	46,010,581
40.01 Bangladesh Steel Re-Rolling Mills Limited-HO			
PF forfeiture		148,933	208,761
Rental income		53,755,677	45,790,900
Dividend income		-	10,920
		53,904,610	46,010,581
40.a CONSOLIDATED NON-OPERATING INCOME			
Bangladesh Steel Re-Rolling Mills Limited	40.00	53,904,610	46,010,581
BSRM (Hong Kong) Limited		-	17,163,786
		53,904,610	63,174,367



Notes to the Financial Statements (Continued)

	Note	2023 BDT	2022 BDT
41.00 Share of (loss)/profit of equity accounted investees (Net of tax)			
Share of profit of subsidiary (BSRM HK)	41.01	3,993,734	3,948,052
Share of profit of associate (BSL)	41.02	929,227,311	1,022,511,566
		933,221,045	1,026,459,617
41.01 Share of profit of subsidiary (BSRM HK)			
Net profit/(loss) attributable to the shareholders' of BSRM (HK)		3,993,734	3,948,052
Percentage of holding		100.00%	100.00%
Net profit attributable to BSRM Ltd.		3,993,735	3,948,052
41.02 Share of profit of associate (BSL)			
Net profit attributable to the shareholders' of BSL		2,979,399,870	3,278,499,010
Percentage of holding		31.19%	31.19%
Net profit attributable to BSRM Ltd.		929,227,311	1,022,511,566
41.03 Share of other comprehensive income of associate (BSL) (Net of tax)			
Other comprehensive income attributable to the shareholders' of BSL		225,504,000	329,184,000
Percentage of holding		31.19%	31.19%
Other comprehensive income attributable to BSRM Ltd.		70,331,102	102,667,241
42.00 Earnings per share (EPS)			
See accounting policy in note 4.22			
42.01 Basic EPS			
Profit attributable to the ordinary shareholders		2,913,565,175	3,088,284,803
Number of ordinary shares at the year end		298,584,626	298,584,626
Weighted average no. of shares outstanding during the year (Nos.)		298,584,626	298,584,626
		9.76	10.34
42.a CONSOLIDATED EARNING PER SHARE			
Net profit after tax attributable to owners of the company (Taka)		2,913,565,175	3,088,284,803
Number of ordinary shares at the period end		298,584,626	298,584,626
Weighted average number of ordinary shares outstanding during the year (Nos.)		298,584,626	298,584,626
		9.76	10.34
Earning per share (EPS) has been computed by dividing the basic earnings by the number of ordinary shares outstanding as of 30 June 2022 in terms of International Accounting Standard (IAS-33).			
43.00 Net asset value per share (NAV)			
Total assets		103,961,087,600	118,615,875,690
Total liabilities		(62,022,922,201)	(78,520,391,596)
Net asset value (NAV)		41,938,165,399	40,095,484,095
Number of ordinary shares outstanding during the year		298,584,626	298,584,626
		140.46	134.29
43.a CONSOLIDATED NET ASSET VALUE PER SHARE (CNAV)			
Total assets		104,042,098,497	118,617,227,471
Total liabilities		(62,103,933,098)	(78,521,743,377)
Consolidated net asset value (CNAV)		41,938,165,398	40,095,484,093
Less: Non-controlling interest		-	-
Assets attributable to owners of the company		41,938,165,398	40,095,484,093
Number of ordinary shares outstanding during the year		298,584,626	298,584,626
		140.46	134.29
44.00 Net operating cash flow per share			
Net operating cash flow		3,205,332,854	6,716,935,205
Number of ordinary shares outstanding during the year		298,584,626	298,584,626
Net operating cash flow per share		10.74	22.50



Notes to the Financial Statements (Continued)

	Note	2023	2022
		BDT	BDT
44.a CONSOLIDATED NET OPERATING CASH FLOW PER SHARE			
Consolidated net operating cash flow		3,052,654,301	6,713,703,533
Number of ordinary shares outstanding during the year		298,584,626	298,584,626
Net operating cash flow per share		<u>10.22</u>	<u>22.49</u>
45.00 Reconciliation of net income with cash flows from operating activities:			
Net Profit before Tax		4,107,125,783	4,383,019,425
Adjustments to reconcile net income with cash flows from operating activities:			
Amortisation		7,078,893	6,507,415
Gain/(loss) on sale of PPE		(8,668,765)	1,381,693
Depreciation		1,570,558,151	1,566,290,125
Depreciation on right-of-use-assets		52,952,820	36,360,842
Interest on finance lease		13,440,084	10,727,822
Unrealized foreign currency translation loss/(gain)		1,271,505,355	1,107,879,012
Share of (loss)/profit of equity accounted investee, net of tax		(933,221,045)	(1,026,459,617)
		<u>1,973,645,493</u>	<u>1,702,687,292</u>
(Increase)/decrease in current assets:			
Trade and other receivables		(3,194,588,013)	2,287,568,942
Advances and deposits		1,136,843,495	(230,983,172)
Increase/(decrease) in current liabilities:			
Trade payables		22,589,903	190,508,261
Other liabilities		(75,774,434)	(78,185,294)
Defined benefit obligations - gratuity		1,588,775	42,999,215
Advance against sales		210,251,954	(328,069,409)
Liabilities for expenses		100,351,893	(24,886,742)
Provision for WPPF and Welfare Fund		(9,613,424)	(122,101,879)
		<u>(1,808,349,851)</u>	<u>1,736,849,922</u>
Income tax paid		(1,067,088,571)	(1,094,893,616)
Interest paid on finance lease		-	(10,727,822)
Net cash flow from operating activities		<u>3,205,332,854</u>	<u>6,716,935,205</u>
45.a Reconciliation of consolidated net income with cash flows from operating activities:			
Net profit before tax		4,107,323,738	4,383,199,102
Adjustments to reconcile net income with cash flows from operating activities:			
Amortisation		7,078,893	6,507,415
Gain/(loss) on sale of PPE		(8,668,765)	1,381,693
Depreciation & Amortization of ROU Assets		1,624,171,540	1,602,813,362
Interest on finance lease		13,440,084	10,727,822
Unrealized foreign currency translation loss/(gain)		1,271,505,355	1,107,879,012
Consolidation impact		8,901,985	8,312,849
Share of (loss)/profit of equity accounted investee, net of tax		(929,227,311)	(1,022,511,566)
		<u>1,987,201,781</u>	<u>1,715,110,588</u>
(Increase)/decrease in current assets:			
Trade and other receivables		(3,194,588,013)	2,287,568,942
Advances and deposits		970,324,228	(247,184,110)
Increase/(decrease) in current liabilities:			
Trade payables		22,589,903	190,508,261
Other liabilities		(75,774,434)	(77,818,997)
Defined benefit obligations - gratuity		1,588,775	42,999,215
Advance against sales		210,251,954	(328,069,409)
Liabilities for expenses		100,438,363	(24,886,742)
Provision for WPPF and Welfare Fund		(9,613,424)	(122,101,879)
		<u>(1,974,782,647)</u>	<u>1,721,015,281</u>
Income tax paid		(1,067,088,571)	(1,094,893,616)
Interest paid on finance lease		-	(10,727,822)
Net cash flow from operating activities		<u>3,052,654,301</u>	<u>6,713,703,533</u>



Notes to the Financial Statements (Continued)

30 June 2023	30 June 2022
BDT	BDT

46.00 Related party transactions

46.01 Transactions with key management personnel

Name of personnel	Relationship	Nature of transactions	Transactions values for the year ended 30 June		Balance outstanding as at 30 June	
			2023	2022	2023	2022
Mr. Alihussain Akberali	Chairman	Remuneration and other benefits	66,286,000	66,000,000	-	-
Mr. Aameir Alihussain	Managing Director		64,522,000	64,500,000	-	-
Mr. Zohair Taherali	Director		29,261,000	28,500,000	-	-
Mrs. Sabeen Aameir	Director		7,522,000	7,500,000	-	-
			167,591,000	166,500,000	-	-

46.02 Other related party transactions

During the year the company carried out a number of transactions with related parties in the normal course of business and on arm's length basis. The name of the related parties, nature of relationship, nature of transactions, transactions value at the reporting date and balance as at reporting date have been set out in accordance with the provisions of IAS 24: Related Party Disclosures.

Name of the party	Relationship	Nature of transactions	Transactions during the year		Balance outstanding as at 30 June	
			Addition	Adjustment	2023	2022
BSRM Hong Kong Limited	Subsidiary	Short Term Finance Investment	14,295,149	(1,884,720)	13,737,356	11,852,636
		Purchase	55,898,975	56,654,232	-	755,257
						78,296,442
BSRM Steels Limited	Associate	Short Term Finance	192,061,844,083	189,777,971,411	-	(2,283,872,672)
		Purchase	3,593,648,132	3,593,838,274	(190,142)	-
		Sales Revenue	31,870,834,851	29,147,321,232	2,723,513,620	-
BSRM Wires Limited	Sister Company	Investment	-	351,760,770	8,596,650,873	8,088,476,202
		Short Term Finance	3,040,174,620	2,397,162,416	2,201,087,177	1,558,074,973
		Purchase	93,615,052	93,704,198	(89,147)	-
		Investment	-	-	164,500,000	164,500,000
BSRM Logistics Limited	Sister Company	Sales Revenue	30,455,352	30,339,304	116,048	-
		Short Term Finance	304,495,557	292,554,530	432,865,312	420,924,285
		Purchase, Rental & Other Expenses	924,963,789	935,121,892	(31,252,532)	(21,094,429)
Chittagong Power Company Limited	Sister Company	Sales Revenue	472,658	473,214	-	556
		Short Term Finance	42,689,134	41,189,134	542,437,926	540,937,926
Karnafully Engineering Works Limited	Sister Company	Rental expenses	5,406,690	5,406,690	-	-
		Short Term Finance	22,000,000	22,000,000	-	-
H. Akber Ali & Co. Limited	Sister Company	Rental expenses	18,651,600	18,651,600	-	-
BSRM Ispat Limited	Sister Company	Short Term Finance	1,455,364,908	1,290,208,176	51,250,574	(113,906,158)
		Rental & Royalty Expenses	128,159,554	130,516,618	(7,865,651)	(5,508,587)
		Sales Revenue	4,735,960	4,735,960	-	-
BSRM Real Estat Ltd.	Sister Company	Short Term Finance	75,794,371	80,289,371	994,803,302	999,298,302
BSRM Metals Limited	Sister Company	Short Term Finance	85,000	85,000	-	-
Bangladesh Agricultural Products Limited	Sister Company	Short Term Finance	1,115,000	1,115,000	-	-
		Sales Revenue	5,610	13,010	(7,400)	-
Bangladesh Steels Limited	Sister Company	Purchase	5,396	5,396	-	-
		Rental expenses	9,231,600	9,231,600	-	-
BMS Steels Limited	Sister Company	Investment	-	-	46,602,821	46,602,821
Total					15,806,456,578	9,471,042,404

30 June 2023	30 June 2022
BDT	BDT

47.00 Contingent liabilities

See accounting policy in note 4.14

Contingent liabilities at the reporting date are as follows:

47.01 Bank guarantee

Karnaphuli Gas Distribution Co. Limited	179,770,837	52,842,958
Deposit to Customs authority against claim under appeal	-	552,890
Customs authority	29,634,740	67,968,728
Bureau of Indian Standards	-	2,418,000
Chittagong Port	428,214	428,214
Pioneer Insurance Company Ltd.	1,000,000	-
Green Delta Insurance Co. Ltd.	1,000,000	-
Global insurance Ltd	500,000	-
United Insurance Co Limited	2,000,000	-
Madina Maritime Ltd	10,000,000	-
Comptroller of Export & Import	47,701,169	-
IHI-SMCC Joint Venture	64,621,653	-
	336,656,613	124,210,790



Notes to the Financial Statements (Continued)

47.02 Corporate guarantee

The company has a policy to extend corporate guarantee for the financial arrangements of the sister companies within the Group. The guarantee is issued to sister companies without any fee or premium. In addition, there is no interest rate benefit for the borrower as a result of the said guarantee. At the reporting date, status of such guarantees were as follows:

Maximum limit in million			
BSRM Steels Limited	L/C liability	13,233	15,290
BSRM Wires Limited	L/C liability	3,000	1,100
H. Akberali & Co. Limited	L/C liability	-	300
BSRM Steel Mills Ltd.	L/C liability	-	7,298
		16,233	23,988

The company has not recognized a liability in respect of the financial guarantees as no liability is expected to arise, hence disclosed as a contingent liability where there is a present obligation but payment is not probable. The associated companies are in strong position to settle their financial obligations with the banks and financial institutions with no history of defaulting on their respective obligations. This is further supported by their respective credit ratings which is as follows:

	Credit rating	
	30 June 2023	30 June 2022
BSRM Steels Limited	AA+	AA+
BSRM Wires Limited	A-	BBB+
H. Akberali & Co. Limited	A+	A+

47.03 Status of pending litigation with the Valued Added Tax (VAT) authority:

Subject matter	Current status
Claimed by VAT Commissionerate Office against Duty Drawback from 01 January 2015 to 31 August 2018.	At High Court (VAT Revision No 50 of 2021) (Appellate Tribunal Nothi No CEVT/Case(VAT)-55/2019)
Claimed by VAT Commissionerate Office against Duty Drawback from 01 September 2018 to 31 December 2018	At High Court (VAT Revision No 49 of 2021) (Appellate Tribunal Nothi No CEVT/Case(VAT)-56/2019)
Trade VAT of K. Rahman warehouse regarding sale of wastage items (packing materials).	At High Court (VAT Revision No 33 of 2021) (Appellate Tribunal Nothi No CEVT/Case(VAT)-72/2019, Demand No 54/2019) for a demand of BDT 322,566.
Claim by VAT Commissionerate office against export of January 2019 to garments and projects.	At High Court (VAT Appeal No 62 of 2021) (Appellate Tribunal Nothi No CEVT/Case(VAT)-02/2020, Demand No 152/2019/4861 dated 04.12.2019)

48.00 Capital expenditure commitment

The Company has no capital expenditure commitment at the reporting date.

49.00 Production capacity

(i) MS product- finished

Installed Capacity (In M.Ton)	800,000	800,000
Production (In M.Ton)	852,042	820,012
Capacity utilized (%)	106.51%	102.50%

(ii) MS billet

Installed Capacity (In M.Ton)	1,012,000	1,012,000
Production (In M.Ton)	1,159,153	1,164,609
Capacity utilized (%)	114.54%	115.08%

(iii) Wires Unit

Installed Capacity (In M.Ton)	24,000	24,000
Production (In M.Ton)	18,834	20,375
Capacity utilized (%)	78.47%	84.90%

50.00 No. of employees

Number of employees whose salary was below Tk. 3,000	-	-
Number of employees whose salary was above Tk. 3,000	1,932	1,883
	1,932	1,883

The above mentioned number of employees represent employees working at the company (i.e. Parent Company) only.



Notes to the Financial Statements (Continued)

51.00 Financial summary of Kolkata Branch office on 30 June 2023 as per audited financial statements:

	30 June 2023	30 June 2022
	INR	INR
Non-current assets	3,352,615	3,621,695
Current assets	293,509,007	512,964,715
Total assets	296,861,622	516,586,410
Head Office Account	(86,417,292)	(21,613,383)
Retained earnings	197,585,528	171,177,463
	111,168,236	149,564,080
Non-current liabilities	135,537,049	178,753,178
Current liabilities	50,156,337	188,269,152
Total liabilities	185,693,386	367,022,330
Total equity & liabilities	296,861,622	516,586,410
Revenue	2,162,420,297	3,069,580,735
Expenses	(2,136,012,232)	(2,931,797,090)
Profit for the year	26,408,065	137,783,645

51-A Events after the reporting period

The Board of Directors of the Bangladesh Steel Re-Rolling Mills Limited at its 444th meeting held on 12 October 2023 recommended a final cash dividend amounting to **BDT 746,461,565** being 25% of the paid up capital (i.e. BDT 2.50 Per Share) for the year ended 30 June 2023. These dividend is subject to final approval by the shareholders at the forthcoming annual general meeting of the Company.

51-B Minimum amount to be distributed as dividend as per tax law

As per Section 22 of ITA 2023, as a listed company, BSRM Limited shall declare and distribute at least 30% of its net profit after tax as dividend (as per section 22 stock and cash) to its shareholders, otherwise 10% tax shall be imposed on the total amount of retained earnings, fund, reserve or surplus transferred during the period.

Distributable Profit

Net profit after tax	2,913,565,175
Un-realized share of profit from Associates under equity method	(933,221,045)
Realized profit from Associates as dividend received during this year	351,760,770
Distributable profit for the year	2,332,104,899

Rate Minimum dividend on current year's profit

30%

Minimum Dividend payable during the year u/s 22 of the ITA 2023
Interim dividend paid during the year

699,631,470

Net Minimum dividend payable

699,631,470

Paid up share capital

2,985,846,260

Applicable Minimum Rate of Final Dividend

23.43%

The Net Profit after tax of Tk.2,913,565,175 includes Tk. 933,221,045 which is "share of profit of equity accounted investees". This Tk. 933,221,045 is an unrealized gain but included in the profit and loss statement as per International Accounting Standards-28: Investments in Associates and Joint Ventures. As dividend cannot be declared and distributed from the unrealized gain/profit, hence Tk. 933,221,045 has been excluded in computing distributable profit for this year. Again dividend declared and received from associate company of Tk. 351,760,770 is not included in profit of Tk. 2,913,565,175. As this declared and distributed dividend by the Associated Company is realized gain for the company and hence Tk. 351,760,770 has been included while computing distributable profit for the year.



Notes to the Financial Statements (Continued)

52.00 Segment Reporting

Determining Reportable Segments:

The Company is based in Bangladesh and produces and distributes M.S. products. The company has a branch office in India and a 100% owned subsidiary in Hong Kong. None of these units/any other brands contributes more than 10% of the total operating performance in the group in terms of revenue, profit, or assets.

Information about Profit or loss, assets, and liabilities:

The Company generates its revenue from the domestic and export sale of M.S. products. In 2023, the total revenue amounted to BDT 114,537 million, while in the previous year, it was BDT 77,449 million. It's worth a very insignificant portion of non-current assets outside of Bangladesh

The Company achieved revenue from a single external customer was BDT BDT 1,399.37 million in 2023 and BDT 965.86 million in the previous year.

The main focus of the Company's business is manufacturing and selling M.S Rod in Bangladesh, although the Company has a variety of differentiated SKU in M.S Rod that are included below:

- 1) Xtreme 500W
- 2) Xtreme 500W-Stirrup
- 3) Xtreme 500W-Bend Cut
- 4) Xtreme 500W –Trading
- 5) ULTIMA 420D-Bend Cut
- 6) MS Square Bar
- 7) M.S Angel-Manufactured
- 8) Ribbed Wire Rod
- 9) M.S Channel-Manufactured

The internal reporting system and operations are not tracked any grade/ brand wise. As a result, company does not allocate any assets, liabilities, interest expense, tax expense, or non-recurring gains and losses etc. separately to any reportable segments. Hence, it is difficult to accurately segment the company's financial results by grade /brand.

In addition to manufacturing M.S Rod, the Company also exports APC Dust (Zinc Ash) outside of Bangladesh. However, this contributes to less than 10% of the gross and net turnover. Further, details on the breakdown of sales, including M.S Rod and export sales, can be found in Note 33.00

Information about Geographical Areas (BDT in Million):

Particulars	Country of domicile	Foreign countries	Total
Revenue-External Customer	113,693	844	114,537
Non-Current Assets	46,530	81	46,611

53.00 Tax calculation of the Kolkata Branch:

As of June 30th, 2023, the income tax expense for the Kolkata operation has increased compared to the previous year. Under the Indian Income Tax Act, a return is to be submitted based on the Financial Statement for the year ended on March 31st of every year, starting from April 1st. But being a branch office, we have to add financial information based on July to June to the accounts of Bangladesh. During the financial year ended on March 31st, 2023, the net profit of the branch office amounted to BDT 12,14,52,977, on which income tax was calculated at BDT 5,36,94,852. However, the last three months (Apr'22 – Jun'22) carried a significant revenue compared to revenue of (Apr'23 – Jun'23) in the branch office resulting significant reduction in profit to BDT 3,41,20,704 at the end of June 2023. Nonetheless, the tax was required to be calculated on the profit of BDT 12,14,52,977, determined based on the April'22 – March'23 accounts to comply with the tax law of India. That's why the tax amount has increased and exceeded the profit shown in the Financial Statement as of June 30, 2023.



Notes to the Financial Statements (Continued)

54.00 Financial risk management

International Financial Reporting Standard IFRS 7: Financial Instruments: Disclosures - requires disclosure of information relating to both recognized and unrecognized financial instruments, their significance and performance, accounting policies, terms and conditions, net fair values and risk information- the Group's policies for controlling risks and exposures.

The Group and the Company management has overall responsibility for the establishment and oversight of the group and the Company's risk management framework. The management policies are established to identify and analyze the risks faced by The Group and the Company to set appropriate risk limits and controls and to monitor risks and adherence to limit. Risk management policies, procedures and systems are reviewed regularly to reflect changes in market conditions and the company's activities. The Group and the Company has exposure to the following risks from its use of financial instruments:

a) Credit risk	54.01
b) Liquidity risk	54.02
c) Market risk	54.03

54.01 Credit risk

Credit risk is the risk of a financial loss to the group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the group's receivables and investments.

Management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis.

In monitoring credit risk, debtors are grouped according to their risk profile, i.e. their legal status, financial condition, ageing profile etc. Accounts receivable are related to sale of steels (MS Rod and allied products).

The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the statement of financial position.

54.01.01 Exposure to credit risk

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was:

	Note	30-Jun-23	30-Jun-22
Investment in non-tradable shares	9.02	211,103,121	211,103,121
Investments in FDRs (Short term & long term)		1,721,402,667	4,427,337,321
Advances and deposits	14.00	16,133,048,372	7,583,683,739
Trade and other receivables	12.00	5,433,526,873	2,238,938,860
Due from sister companies	13.00	4,236,181,646	3,531,088,122
Cash at bank	15.03	1,822,167,833	5,232,579,917
		29,557,430,512	23,224,731,081

54.01.01.a CONSOLIDATED EXPOSURE TO CREDIT RISK

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was:

Investment in non-tradable shares	211,103,121	211,103,121
Investments in FDRs (Short term & long term)	1,721,402,667	4,427,337,321
Advances and deposits	16,300,485,131	7,584,601,231
Trade and other receivables	5,433,526,873	2,246,362,749
Due from sister companies	4,222,444,290	3,519,235,486
Cash at bank	1,873,768,817	5,300,789,497
	29,762,730,899	23,289,429,405

54.01.02 Ageing of trade receivables

Not yet due	2,181,440,403	1,374,905,689
Dues within 3 months	2,839,747,946	367,780,871
Dues over 3 months but less than 6 months	19,578,207	68,368,796
Dues over 6 months	133,676,572	77,349,932
	5,174,443,128	1,888,405,288

54.01.02.a AGING OF CONSOLIDATED TRADE RECEIVABLES

Not yet due	2,181,440,403	1,374,905,689
Dues within 3 months	2,839,747,946	367,780,871
Dues over 3 months but less than 6 months	19,578,207	68,368,796
Dues over 6 months	133,676,572	77,349,932
	5,174,443,128	1,888,405,288



Notes to the Financial Statements (Continued)

54.02 Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or other financial assets. The Company's approach to manage liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. Typically, the Company ensures that it has sufficient cash and cash equivalents to meet expected operational expenses, including financial obligations through preparation of the cash flow forecast, based on time line of payment of financial obligations and accordingly arrange for sufficient liquidity/fund to make the expected payments within due dates. Moreover, the Company has short term credit facilities with scheduled commercial banks to ensure payment of obligation in the event that there is insufficient cash to make the required payment. The requirement is determined in advance through cash flow projections and credit lines with banks are negotiated accordingly.

54.02.01 Exposure to Liquidity risk

The followings are the contractual maturities of financial liabilities:

Non-derivative financial liabilities	Carrying amount	Interest Rate	Contractual cash flows		
			Within 12 months	2 to 5 years	More than 5 years
As At 30 June 2023					
Long term borrowings	333,631,930	7.75% & 8.99%	307,528,271	26,103,658	-
Defined benefit obligations - Gratuity	410,905,411	N/A	-	-	410,905,411
Trade payables	687,650,579	N/A	687,650,579	-	-
Short term borrowings	53,459,038,280	4%-9%	53,459,038,280	-	-
Liabilities for expenses	1,221,275,338	N/A	1,221,275,338	-	-
Provision for WPPF and Welfare Fund	185,561,343	N/A	185,561,343	-	-
Lease liabilities	142,293,963	9%	42,688,189	99,605,774	-
Other liabilities	159,266,115	N/A	159,266,115	-	-
	56,599,622,958		56,063,008,115	125,709,432	410,905,411
As At 30 June 2022					
Long term borrowings	1,127,720,029	7.75% & 8.99%	903,156,973	224,563,056	-
Defined benefit obligations - Gratuity	409,316,636	N/A	-	-	409,316,636
Trade payables	665,060,676	N/A	665,060,676	-	-
Short term borrowings	66,969,381,141	4%-9%	66,969,381,141	-	-
Liabilities for expenses	1,122,655,703	N/A	1,122,655,703	-	-
Provision for WPPF and Welfare Fund	195,174,768	N/A	195,174,768	-	-
Lease liabilities	127,754,647	9%	40,204,947	87,549,700	-
Other liabilities	235,040,549	N/A	235,040,549	-	-
	70,852,104,146		70,130,674,754	312,112,756	409,316,636

54.02.01.a CONSOLIDATED EXPOSURE TO LIQUIDITY RISK

The followings are the contractual maturities of financial liabilities:

Non-derivative financial liabilities	Carrying amount	Interest Rate	Contractual cash flows		
			Within 12 months	2 to 5 years	More than 5 years
As At 30 June 2023					
Long term borrowings	333,631,930	7.75% & 8.99%	307,528,271	26,103,658	-
Defined benefit obligations - Gratuity	410,905,411	N/A	-	-	410,905,411
Trade payables	687,650,579	N/A	687,650,579	-	-
Short term borrowings	53,538,269,009	4%-9%	53,538,269,009	-	-
Liabilities for expenses	1,221,596,539	N/A	1,221,596,539	-	-
Provision for WPPF and Welfare Fund	185,561,343	N/A	185,561,343	-	-
Lease liabilities	142,293,963	9%	42,688,189	99,605,774	-
Other liabilities	159,266,115	N/A	159,266,115	-	-
	56,679,174,888		56,142,560,045	125,709,432	410,905,411



Notes to the Financial Statements (Continued)

Non-derivative financial liabilities	Carrying amount	Interest Rate	Contractual cash flows		
			Within 12 months	2 to 5 years	More than 5 years
As At 30 June 2022					
Long term borrowings	1,127,720,029	7.75%-8.99%	903,156,973	224,563,056	-
Defined benefit obligations - Gratuity	409,316,636	N/A	-	-	409,316,636
Trade payables	665,060,676	N/A	665,060,676	-	-
Short term borrowings	66,969,381,141	4%-9%	66,969,381,141	-	-
Liabilities for expenses	1,122,890,433	N/A	1,122,890,433	-	-
Provision for WPPF and Welfare Fund	195,174,768	N/A	195,174,768	-	-
Lease liabilities	127,754,647	9%	40,204,947	87,549,700	-
Other liabilities	235,040,549	N/A	235,040,549	-	-
	70,852,338,878		70,130,909,486	312,112,756	409,316,636

54.03 Market risk

Market risk is the risk that changes in market prices such as foreign exchange rates, will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

54.03.01 Currency risk exposure and its management

The Group and the Company is exposed to currency risk on sales, purchases, borrowings, payables, bank balances and investments that are denominated in a currency other than the functional currencies of the company. To manage this exposure, the company has adopted direct risk reduction methods based on matching receipts and payments on assets and liabilities.

As at 30 June 2023, The Group and the Company was exposed to foreign currency risk in respect of financial assets and liabilities denominated in the following currencies:

54.03.02 Basis of consideration of foreign currency rate

Foreign exchange loss refers to the loss that occurs as a result of converting foreign currency liabilities, mainly comprised of UPAS loan liabilities. According to IAS-21, the closing rate must be used to convert foreign currency assets and liabilities. During the financial year 2022-23, the value of BDT has significantly deteriorated against foreign currencies such as USD and EURO. As a result, it is advisable to make a forward booking, which has also indicated a record rise in the USD to BDT conversion rate that extended up to Taka 118/USD in a transaction that occurred with us. To minimize the risk, we have converted our outstanding foreign currency liabilities and assets using the forward booking rate of BDT 118/USD1 as a base mark, in accordance with the principle of conservatism. This was done to ensure maximum risk coverage by the end of the reporting period, which is 30th June 2023

54.03.01.01 Exposure to currency risk

	GBP	EURO	USD	Taka
30 June 2023				
Foreign currency denominated assets:				
Cash and cash equivalents	-	-	4,661,225	550,024,600
Short term investment	-	-	-	-
	-	-	4,661,225	550,024,600
Foreign currency denominated liabilities:				
Liability for accepted bills for payment (ABP)	-	-	320,905,406	37,797,917,411
	-	-	320,905,406	37,797,917,411
Net exposure	-	-	(316,244,180)	(37,247,892,811)
30 June 2022				
Foreign currency denominated assets:				
Cash and cash equivalents	-	-	7,550,956	753,962,972
Short term investment	-	-	-	-
	-	-	7,550,956	753,962,972
Foreign currency denominated liabilities:				
Liability for accepted bills for payment (ABP)	-	117,868	644,015,844	64,316,768,817
	-	117,868	644,015,844	64,316,768,817
Net exposure	-	(117,868)	(636,464,888)	(63,562,805,845)

The following significant exchange rates are applied during the year:

	30 June 2023	30 June 2022
US dollar	118	99.85
EURO	-	100.00
GBP	-	-



Notes to the Financial Statements (Continued)

54.03.01.02 Sensitivity analysis

A reasonably possible strengthening/weakening of foreign currencies against the Bangladesh Taka at the reporting date would have affected the measurement of financial instruments denominated in a foreign currency and affected equity and profit or loss by the amounts shown below. The analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecast sales and purchases.

	30 June 2023			
	Profit or loss		Equity- net of tax	
	Strengthening	Weakening	Strengthening	Weakening
USD (2% movement)	(37,039,707,201)	37,039,707,201	(8,333,934,120)	8,333,934,120
EURO (2% movement)	-	-	-	-
GBP (2% movement)	-	-	-	-

	30 June 2022			
	Profit or loss		Equity- net of tax	
	Strengthening	Weakening	Strengthening	Weakening
USD (2% movement)	(1,271,020,381)	1,271,020,381	(285,979,586)	285,979,586
EURO (2% movement)	(235,736)	235,736	(53,041)	53,041
GBP (2% movement)	-	-	-	-

54.03.01.01.a CONSOLIDATED EXPOSURE TO CURRENCY RISK

	GBP	EURO	USD	BDT
30 June 2023				
Foreign currency denominated assets:				
Cash and cash equivalents	-	-	4,661,225	550,024,600
Short term investment	-	-	-	-
	-	-	4,661,225	550,024,600
Foreign currency denominated liabilities:				
Liability for accepted bills for payment (ABP)	-	-	320,905,406	37,797,917,411
	-	-	320,905,406	37,797,917,411
Net exposure	-	-	(316,244,180)	(37,247,892,811)

	GBP	EURO	USD	BDT
30 June 2022				
Foreign currency denominated assets:				
Cash and cash equivalents	-	-	7,550,956	753,962,972
Short term investment	-	-	-	-
	-	-	7,550,956	753,962,972
Foreign currency denominated liabilities:				
Liability for accepted bills for payment (ABP)	-	117,868	644,015,844	64,316,768,817
	-	117,868	644,015,844	64,316,768,817
Net exposure	-	(117,868)	(636,464,888)	(63,562,805,845)

The following significant exchange rate is applied during the year:

	30 June 2023	30 June 2022
US dollar	118	99.85
EURO	0.00	100.00
GBP	-	-



Notes to the Financial Statements (Continued)

54.03.01.02.a CONSOLIDATED EXPOSURE TO SENSITIVITY ANALYSIS

A reasonably possible strengthening/weakening of foreign currencies against the Bangladesh Taka at the reporting date would have affected the measurement of financial instruments denominated in a foreign currency and affected equity and profit or loss by the amounts shown below. The analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecast sales and purchases.

	30 June 2023			
	Profit or loss		Equity- net of tax	
	Strengthening	Weakening	Strengthening	Weakening
USD (2% movement)	(37,039,707,201)	37,039,707,201	(8,333,934,120)	8,333,934,120
EURO (2% movement)	-	-	-	-
GBP (2% movement)	-	-	-	-

	30 June 2022			
	Profit or loss		Equity- net of tax	
	Strengthening	Weakening	Strengthening	Weakening
USD (2% movement)	(1,271,020,381)	1,271,020,381	(285,979,586)	285,979,586
EURO (2% movement)	(235,736)	235,736	(53,041)	53,041
GBP (2% movement)	-	-	-	-

54.03.02 Transaction risk

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

54.03.03 Economic risk

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

54.03.04 Interest risk

Interest rate risk arises from movement in interest rates. The Company needs to manage interest rate risk so as to be able to 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 2023	30 June 2022
Fixed-rate instruments		
Financial assets	5,957,584,313	7,958,425,443
Financial liabilities	(53,871,900,939)	(68,097,101,170)
	(47,914,316,626)	(60,138,675,727)
Variable-rate instruments		
Financial assets	-	-
Financial liabilities	-	-
	-	-

54.03.04.a CONSOLIDATED EXPOSURE TO INTEREST RATE RISK

The interest rate profile of the company's interest-bearing financial instruments as reported to the management of the Company is as follows.

	30 June 2023	30 June 2022
Fixed-rate instruments		
Financial assets	5,943,846,957	7,946,572,807
Financial liabilities	(53,871,900,939)	(68,097,101,170)
	(47,928,053,982)	(60,150,528,363)
Variable-rate instruments		
Financial assets	-	-
Financial liabilities	-	-
	-	-



Notes to the Financial Statements (Continued)

55.00 Financial instruments- Accounting classifications and fair values

The following table shows the carrying amounts of financial assets and financial liabilities. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

Note	Carrying amount			Fair Value						
	Fair value through profit or loss	Fair value through other comprehensive income- debt instruments	Fair value through other comprehensive income- equity instruments	Financial assets at amortized costs	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total
30 June 2023										
Financial assets measured at fair value:										
Investment in tradeable securities	-	-	-	-	-	-	-	-	-	-
Financial assets not measured at fair value:										
Trade and other receivables	-	-	-	5,433,526,873	-	5,433,526,873	-	-	-	5,433,526,873
Due from sister companies	-	-	-	4,236,181,646	-	4,236,181,646	-	-	-	4,236,181,646
Investments in FDRs	-	-	-	1,721,402,667	-	1,721,402,667	-	-	-	1,721,402,667
Deposits	-	-	-	178,535,996	-	178,535,996	-	-	-	178,535,996
Cash at bank	-	-	-	1,822,167,833	-	1,822,167,833	-	-	-	1,822,167,833
				<u>13,391,815,015</u>		<u>13,391,815,015</u>				<u>13,391,815,015</u>
Financial liabilities not measured at fair value:										
Trade and other payables	-	-	-	-	687,650,579	687,650,579	-	-	-	687,650,579
Short term liabilities	-	-	-	-	53,459,038,280	53,459,038,280	-	-	-	53,459,038,280
Long term loan	-	-	-	-	333,631,930	333,631,930	-	-	-	333,631,930
Other liabilities	-	-	-	-	159,266,115	159,266,115	-	-	-	159,266,115
					<u>54,639,586,904</u>	<u>54,639,586,904</u>				<u>54,639,586,904</u>
30 June 2022										
Financial assets measured at fair value:										
Investment in tradeable securities	-	-	-	-	-	-	-	-	-	-
Financial assets not measured at fair value:										
Trade and other receivables	-	-	-	2,238,938,860	-	2,238,938,860	-	-	-	2,238,938,860
Due from sister companies	-	-	-	3,531,088,122	-	3,531,088,122	-	-	-	3,531,088,122
Investments in FDRs	-	-	-	4,427,337,321	-	4,427,337,321	-	-	-	4,427,337,321
Deposits	-	-	-	139,896,113	-	139,896,113	-	-	-	139,896,113
Cash at bank	-	-	-	5,232,579,917	-	5,232,579,917	-	-	-	5,232,579,917
				<u>15,569,840,334</u>		<u>15,569,840,334</u>				<u>15,569,840,334</u>
Financial liabilities not measured at fair value:										
Trade and other payables	-	-	-	-	665,060,676	665,060,676	-	-	-	665,060,676
Short term liabilities	-	-	-	-	66,969,381,141	66,969,381,141	-	-	-	66,969,381,141
Long term loan	-	-	-	-	1,127,720,029	1,127,720,029	-	-	-	1,127,720,029
Other liabilities	-	-	-	-	235,040,549	235,040,549	-	-	-	235,040,549
					<u>68,997,202,393</u>	<u>68,997,202,393</u>				<u>68,997,202,393</u>



Notes to the Financial Statements (Continued)

55.a CONSOLIDATED FINANCIAL INSTRUMENTS-ACCOUNTING CLASSIFICATIONS AND FAIR VALUES

The following table shows the carrying amounts of financial assets and financial liabilities. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

	Note	Carrying amount					Fair Value			
		Fair value through profit or loss	Fair value through other comprehensive income- debt instruments	Fair value through other comprehensive income- equity instruments	Financial assets at-amortized costs	Other financial liabilities	Total	Level 1	Level 2	Level 3
30 June 2023										
Financial assets measured at fair value:										
Investment in tradeable securities										
Financial assets not measured at fair value:										
Trade and other receivables	12.00	-	-	-	5,433,526,873	-	-	-	-	5,433,526,873
Due from inter companies	13.a	-	-	-	4,222,444,290	-	-	-	-	4,222,444,290
Investments in FDRs	10.02 & 15.05	-	-	-	1,721,402,667	-	-	-	-	1,721,402,667
Deposits	14.03 & 14.a	-	-	-	345,972,755	-	-	-	-	345,972,755
Cash at bank	15.03 & 15.a	-	-	-	1,827,775,769	-	-	-	-	1,827,775,769
		-	-	-	13,551,122,354	-	-	-	-	13,551,122,354
Financial liabilities not measured at fair value:										
Trade and other payables	24.00	-	-	-	-	687,650,579	-	-	-	687,650,579
Short term liabilities	25.a	-	-	-	-	53,538,269,009	-	-	-	53,538,269,009
Long term loan	25a & 25b	-	-	-	-	333,631,930	-	-	-	333,631,930
Other liabilities	30.00	-	-	-	-	159,266,115	-	-	-	159,266,115
		-	-	-	-	54,718,817,632	-	-	-	54,718,817,632
30 June 2022										
Financial assets measured at fair value:										
Investment in tradeable securities										
Financial assets not measured at fair value:										
Trade and other receivables	12.00	-	-	-	2,246,362,749	-	-	-	-	2,246,362,749
Due from inter companies	13.a	-	-	-	3,519,235,486	-	-	-	-	3,519,235,486
Investments in FDRs	10.02 & 15.05	-	-	-	4,427,337,321	-	-	-	-	4,427,337,321
Deposits	14.03 & 14.a	-	-	-	140,813,605	-	-	-	-	140,813,605
Cash at bank	15.03 & 15.a	-	-	-	5,300,789,498	-	-	-	-	5,300,789,498
		-	-	-	15,634,538,658	-	-	-	-	15,634,538,658
Financial liabilities not measured at fair value:										
Trade and other payables	24.00	-	-	-	-	665,060,676	-	-	-	665,060,676
Short term liabilities	25.a	-	-	-	-	66,969,381,141	-	-	-	66,969,381,141
Long term loan	25a & 25b	-	-	-	-	1,127,720,029	-	-	-	1,127,720,029
Other liabilities	30.00	-	-	-	-	235,040,549	-	-	-	235,040,549
		-	-	-	-	68,997,202,393	-	-	-	68,997,202,393



AUDITOR'S REPORT & AUDITED FINANCIAL STATEMENTS OF



**BSRM
(HONG KONG)
LIMITED**

Reporting Documents
FOR THE YEAR ENDED
JUNE 30, 2023

GLORY SHINE CPA & CO
CERTIFIED PUBLIC ACCOUNTANTS
(PRACTISING)

BSRM (HONG KONG) LIMITED
REPORTING DOCUMENTS
FOR THE FINANCIAL YEAR ENDED 30TH JUNE, 2023

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BSRM (HONG KONG) LIMITED

DIRECTORS' REPORT

The directors present their report and the annual financial statements of the Company for the financial year ended 30th June, 2023.

PRINCIPAL ACTIVITIES

The Company's principal activity is trading of steel products, procurements and inspection of raw materials.

SHARE CAPITAL

Details of the movements in share capital are set out in note 8 to the financial statements.

PROPERTY, PLANT AND EQUIPMENT

Particulars of movement in property, plant and equipment are set out in note 15 to the financial statements.

DIRECTORS

The names of persons who were the directors of the Company during the financial year are as follows:-

Alihussain Aameir
Ali Zohair Taher
Jangbarwala Fatema Yusuf

PERMITTED INDEMNITY PROVISION

The Schedule 2 (Model Articles) of the Companies Ordinance, which forms part of the Company's Articles, provides that every director for the time being or former directors of the Company shall be indemnified out of the assets of the Company against any liability incurred by him in relation to the Company in defending any proceedings, whether civil or criminal, in which judgment is given in his favour or in which he is acquitted or in connection with any application under the Companies Ordinance in which relief is granted to him by the Court. This permitted indemnity provision is in force during the financial year and at the time of approval of this report.

MANAGEMENT CONTRACTS

No other substantial contracts concerning the management and administration of the Company were entered into or existed during the financial year.

BUSINESS REVIEW

The Company falls within reporting exemption for the financial year. Accordingly, the Company is exempted from preparing a business review.

EQUITY-LINKED AGREEMENTS

During the financial year, the Company has not entered into any equity-linked agreement. At the end of the financial year, the Company subsisted of no equity-linked agreement.

RECOMMENDED DIVIDENDS

The directors do not recommend the payment of dividend for the financial year.

ISSUE OF SHARES

During the financial year, the Company did not issue any shares.

BSRM (HONG KONG) LIMITED

DIRECTORS' REPORT (CONTINUED)

ISSUE OF DEBENTURES

During the financial year, the Company did not issue any debentures.

APPROVAL OF DIRECTORS' REPORT

This report was approved by the board of directors on 11 SEP 2023.

On behalf of the Board of Directors



Jangbarwala Fatema Yusuf

Director

Hong Kong, 11 SEP 2023



Your Ref :

Our Ref :

Date :

INDEPENDENT AUDITORS' REPORT

TO THE SHAREHOLDERS OF BSRM (HONG KONG) LIMITED (Incorporated in Hong Kong with limited liability)

OPINION

We have audited the financial statements of BSRM (Hong Kong) Limited (the "Company") set out on pages 6 to 18, which comprise the statement of financial position as at 30th June, 2023, and the income statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements of the Company are prepared, in all material respects, in accordance with the Hong Kong Small and Medium-sized Entity Financial Reporting Standard ("SME-FRS") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and have been properly prepared in compliance with the Hong Kong Companies Ordinance.

BASIS FOR OPINION

We conducted our audit in accordance with Hong Kong Standards on Auditing ("HKSA") and with reference to Practice Note 900 (Revised) Audit of Financial Statements Prepared in Accordance with the SME-FRS issued by the HKICPA. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the HKICPA's Code of Ethics for Professional Accountants ("the Code"), and we have fulfilled our other responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

OTHER INFORMATION

The directors are responsible for the other information. The other information comprises the information included in the directors' report set out on pages 1 to 2, but does not include the financial statements and our auditor's report thereon.

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.



Your Ref :

Our Ref :

Date :

INDEPENDENT AUDITORS' REPORT - CONTINUED

TO THE SHAREHOLDERS OF BSRM (HONG KONG) LIMITED (Incorporated in Hong Kong with limited liability)

RESPONSIBILITIES OF THE DIRECTORS FOR THE FINANCIAL STATEMENTS

The directors are responsible for the preparation of the financial statements in accordance with the SME-FRS issued by the HKICPA and the Hong Kong Companies Ordinance, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

It is our responsibility to form an independent opinion, based on our audit, on those financial statements and to report our opinion solely to you, as a body, in accordance with section 405 of the Hong Kong Companies Ordinance and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSAs 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 HKSAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:-

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

新暉執業會計師事務所
GLORY SHINE CPA & CO
CERTIFIED PUBLIC ACCOUNTANTS (PRACTISING)

Rm 2804, 28/F, Rykadan Capital Tower,
135 Hoi Bun Road, Kwun Tong, Kowloon, Hong Kong
Tel : (852) 2951 0881
Fax : (852) 2951 0001



Your Ref :

Our Ref :

Date :

INDEPENDENT AUDITORS' REPORT - CONTINUED

**TO THE SHAREHOLDERS OF BSRM (HONG KONG) LIMITED
(Incorporated in Hong Kong with limited liability)**

**AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS
(CONTINUED)**

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.

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.



GLORY SHINE CPA & CO
Certified Public Accountants (Practising)
Hong Kong, 11 SEP 2023

Chan Chi Ming, Herman
Practising Certificate Number: P05441

BSRM (HONG KONG) LIMITED

INCOME STATEMENT

FOR THE FINANCIAL YEAR ENDED 30TH JUNE, 2023

	<u>NOTE</u>	<u>2023</u> <u>HK\$</u>	<u>2022</u> <u>HK\$</u>
Revenue	4	4,299,733	23,929,105
Cost of sales		<u>(4,203,297)</u>	<u>(23,591,111)</u>
Gross profit		96,436	337,994
Other revenue and net gains	4	1,578,773	1,441,487
Administrative expenses		(1,329,365)	(1,360,166)
Finance costs	5	<u>(32,751)</u>	<u>(72,651)</u>
Profit before taxation	9	313,093	346,664
Taxation	6	<u>(14,786)</u>	<u>(15,090)</u>
Profit for the year		<u>298,307</u>	<u>331,574</u>

The notes on pages 8 to 18 form an integral part of these financial statements.


BSRM (HONG KONG) LIMITED

STATEMENT OF FINANCIAL POSITION

AS AT 30TH JUNE, 2023

	NOTE	<u>2023</u> HK\$	<u>2022</u> HK\$
NON-CURRENT ASSETS			
Property, plant and equipment	15	-	13,634
CURRENT ASSETS			
Accounts receivable	18	-	623,280
Inventories	19	-	41,336
Deposits and prepayments	12	12,128,704	77,029
Cash and bank balances	11	406,225	5,726,604
		<u>12,534,929</u>	<u>6,468,249</u>
CURRENT LIABILITIES			
Accruals	13	19,740	19,707
Amount due to the holding company	17	995,100	995,100
Bank borrowings and overdrafts	20	5,739,278	-
Interest payable	13	3,527	-
Receipt in advance	14	-	2,885
Tax payable	6	105,684	90,898
		<u>6,863,329</u>	<u>1,108,590</u>
NET CURRENT ASSETS		<u>5,671,600</u>	<u>5,359,659</u>
NET ASSETS		<u>5,671,600</u>	<u>5,373,293</u>
CAPITAL AND RESERVES			
Share capital	8	3,920,000	3,920,000
Retained profits		1,751,600	1,453,293
TOTAL EQUITY		<u>5,671,600</u>	<u>5,373,293</u>

The financial statements on pages 6 to 18 were approved and authorized for issue by the board of directors on 11 SEP 2023 and are signed on its behalf by:



 Alihussain Aameir
 Director



 Jangbarwala Fatema Yusuf
 Director

The notes on pages 8 to 18 form an integral part of these financial statements.

BSRM (HONG KONG) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30TH JUNE, 2023

1. GENERAL

a. Definition

In these reporting documents, the following terms shall have the following meanings:-

The Company	BSRM (Hong Kong) Limited
The Directors	All the directors of the Company
Hong Kong Companies Ordinance	Hong Kong Companies Ordinance (Cap. 622), including all amendments made under the Companies (Amendment) (No. 2) Ordinance 2018
HKICPA	Hong Kong Institute of Certified Public Accountants
SME-FRS	Revised Small and Medium-sized Entity Financial Reporting Standard issued (and revised in September 2022) by the HKICPA
Cash equivalents	Short-term, highly liquid investments those are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value
Fair value	The price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between a knowledgeable, willing buyer and a knowledgeable, willing seller in an arm's length transaction
Related company	A company in which one or more related parties have beneficial interests thereon or are in a position to exercise significant influence

b. Corporate information

The Company is a company incorporated in Hong Kong under Hong Kong Companies Ordinance with limited liability. At the date of issue of these financial statements, the registered office and principal place of business of the Company is located at Suite No. 9, 29th Floor, Pacific Plaza, 410 Des Voeux Road West, Hong Kong. The principal activity of the Company is trading of steel products, procurements and inspection of raw materials.

c. Presentation currency and level of rounding

Unless stated otherwise, all currency figures in these financial statements are presented in Hong Kong Dollars (HK\$) rounded to the nearest one dollar.

d. Parent company

In the opinion of the directors, the immediate holding company is Bangladesh Steel Re-Rolling Mills Limited which is a non-Hong Kong registered company. The sole shareholder, Bangladesh Steel Re-Rolling Mills Limited, owned 100% shares of the Company. The total number of shares as at 30th June, 2023 was 3,920,000 shares. The total issued share capital as at 30th June, 2023 was HK\$3,920,000.

2. BASIS OF PREPARATION

a. Statement of compliance

These financial statements comply with all applicable sections of SME-FRS and have been prepared under the accrual basis of accounting and on the basis that the Company is a going concern.

2. BASIS OF PREPARATION (CONTINUED)

b. Basis of measurement

The measurement base used in preparing these financial statements is the historical cost convention; the specific measurements of the elements in the financial statements are set out in note 3 to the financial statements.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Company qualifies for the reporting exemption as a small private company under sections 359(1)(a) and 361 of the Hong Kong Companies Ordinance and is therefore entitled to prepare and present its annual financial statements in accordance with SME-FRS. These financial statements have been prepared in accordance with SME-FRS.

The followings are the specific accounting policies that are necessary for a proper understanding of the financial statements.

a. Revenue

Revenue consists of revenue generated from the principal activities of the Company and other revenue but excludes the reversal of impairment and/or provisions.

Revenue is recognised as income when it is probable that the economic benefits associated with transaction will flow to the Company and when the amount of revenue as well as costs incurred for the transaction can be measured reliably.

Sale of goods is recognised when the goods are delivered and the significant risks and rewards of ownership have been passed to the buyer and the Company retains neither continuing managerial involvement to the degree usually associated with the ownership nor effective control over the goods sold.

Interest income is recognised on a time proportion basis taking into account the principal outstanding and the interest applicable.

Dividend income is recognised when the shareholder's right to receive payment is established.

Revenue from consulting income is recognised when service is rendered to customers.

b. Income taxes

Current tax is recognised as income or expense, except to the extent that the tax arises from a transaction or event that is recognised other than in the income statement, based on estimated taxable profit using the tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. Current tax for current and prior reporting periods is, to the extent unpaid (or refundable), recognised as a liability (or an asset).

Deferred tax is not recognised.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

c. Employee benefit

Salaries, annual bonuses, paid annual leave, contributions to defined contribution retirement plans and the cost of non-monetary benefits are accrued during the year in which the associated services are rendered by employees. Where payment or settlement is deferred and the effect would be material, these amounts are stated at their present value.

d. Impairment of assets

An assessment is made at the end of each reporting period to determine whether there is any indication of impairment or reversal of previous impairment, including items of property, plant and equipment, intangible assets and long-term investments. In the event that an asset's carrying amount exceeds its recoverable amount, the carrying amount is reduced to recoverable amount and an impairment loss is recognised in profit or loss. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the recoverable amount, however not to an amount higher than the carrying amount that would have been determined (net of amortisation or depreciation), had no impairment losses been recognised for the asset in prior years.

e. Foreign currency transactions

The reporting currency of the Company as well as the presentation currency of these financial statements are Hong Kong dollars. Foreign currency transactions are translated into the reporting currency at the approximate rates of exchange ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies at the end of the reporting period are translated at the approximate rates of exchange ruling at that date. Exchange differences arising on the settlement of monetary items or on translation of foreign currency monetary assets and liabilities are recognised as income or expenses.

f. Related parties

Two parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered to be related if they are subject to common control or common significant influence.

g. Components of cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand, demand deposits with banks and other financial institutions, and short-term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value, having been within three months of maturity at acquisition. Bank overdrafts that are repayable on demand and form an integral part of the Company's cash management are also included as a component of cash and cash equivalents.

h. Current assets and liabilities

Current assets are expected to be realized within twelve months at the end of the reporting period or in the normal course of the Company's operating cycle. Current liabilities are expected to be settled within twelve months at the end of the reporting period or in the normal course of the Company's operating cycle.

i. Trade and other receivables

Trade and other receivables are stated at estimated realisable value after each debt has been considered individually. Where the payment of a debt becomes doubtful a provision is made and taken in the income statement.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

j. Leases

Leases that transfer substantially all the risks and rewards incidental to ownership of leased assets to the lessee are classified as finance leases; all other leases are classified as operating leases.

Act as a lessee

Lease payments under an operating lease are recognised as expenses on a straight-line basis over the lease term. All incentives for agreement of a new or renewed operating lease are recognised as an integral part of the net consideration agreed for the use of the leased assets. The aggregate benefit of incentives is recognised as a reduction of rental expenses over the lease term.

Act as a lessor

Assets subject to operating lease are recognised in the statement of financial position according to the nature of the assets and are measured at cost. The depreciation and impairment policies of the leased assets follow the same policies used by property, plant and equipment. Lease payments from operating leases are recognised as income on a straight-line basis over the lease term. The initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased assets and are recognised as expenses over the lease term of the subject lease.

k. Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses.

The depreciable amount of an item of property, plant and equipment is allocated on a systematic basis over its estimated useful life using the straight-line method. The estimated useful lives used for depreciation are as follows:

Furniture, fixtures and equipment	20%
Leasehold improvement	20%

The asset's residual values and useful lives are reviewed, and adjusted if appropriate, at the end of the reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

l. Trade and other payables

Trade and other payables are initially measured at fair value and, after initial recognition, at amortised cost, except for short-term payables with no stated interest rate and the effect of discounting being immaterial, that are measured at their original invoice amount..

m. Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined on the first-in, first-out basis and comprises cost of purchase, cost of conversion and other costs incurred in bringing the inventories to their present location and condition. In arriving at net realisable value an allowance has been made for deterioration and obsolescence. Inventories are recognised as cost of sales or expenses when they are sold or written-down to net realisable value. A reversal of any write-down of inventories arising from an increase in net realisable value is recognised as a reduction in the amount of inventories recognised as cost of sales or expenses in the period in which the reversal occurs.

BSRM (HONG KONG) LIMITED

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

FOR THE FINANCIAL YEAR ENDED 30TH JUNE, 2023

4. REVENUE

	<u>2023</u> HK\$	<u>2022</u> HK\$
Revenue from principal activities		
Sales	<u>4,299,733</u>	<u>23,929,105</u>
Other revenue and net gains		
Bank interest income	43,460	-
Consultancy fee income	1,511,313	1,393,487
Government's subsidies	<u>24,000</u>	<u>48,000</u>
	<u>1,578,773</u>	<u>1,441,487</u>
Total revenue	<u>5,878,506</u>	<u>25,370,592</u>

5. FINANCE COSTS

	<u>2023</u> HK\$	<u>2022</u> HK\$
Bank charges	25,905	72,651
Bank interest expenses	<u>6,846</u>	<u>-</u>
	<u>32,751</u>	<u>72,651</u>

6. TAXATION

Hong Kong profits tax has been provided at the rate of 8.25% on the estimated assessable profits arising in Hong Kong during the year.

	<u>2023</u> HK\$	<u>2022</u> HK\$
Taxation in the financial position represent:-		
Tax payable for the previous year	(90,898)	(75,808)
Provision for Hong Kong profits tax for the year	(20,786)	(25,090)
Tax reduction during year	<u>6,000</u>	<u>10,000</u>
Tax payable	<u>(105,684)</u>	<u>(90,898)</u>
Taxation in the income statement represent:-		
Provision for Hong Kong profits tax at 8.25% on the estimated assessable profit for the year	20,786	25,090
Tax reduction during the year	<u>(6,000)</u>	<u>(10,000)</u>
Taxation	<u>14,786</u>	<u>15,090</u>

BSRM (HONG KONG) LIMITED

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

FOR THE FINANCIAL YEAR ENDED 30TH JUNE, 2023

7. DIRECTORS' REMUNERATION AND LOANS

Remuneration of the directors of the Company disclosed pursuant to section 383(1) of the Hong Kong Companies Ordinance and Part 2 of the Companies (Disclosure of Information about Benefits of Directors) Regulation are as follows:-

	<u>2023</u> HK\$	<u>2022</u> HK\$
Emoluments (including benefit in kind)		
Acting as directors	395,500	265,291
Provision of management services	<u>-</u>	<u>-</u>
Aggregate amount of consideration provided to or receivable by third parties for making available the qualifying services of persons as the directors or in other capacity while directors	<u>-</u>	<u>-</u>

There were no loans, quasi-loans and other dealings in favour of directors (including shadow directors) of the Company and its holding company disclosed pursuant to section 383(1) (d) of the Hong Kong Companies Ordinance and Part 3 of the Companies (Disclosure of Information about Benefits of Directors) Regulation.

8. SHARE CAPITAL

	<u>2023</u>		<u>2022</u>	
	No. of shares	HK\$	No. of shares	HK\$
Issued and fully paid:-				
Balance at beginning of year	3,920,000	3,920,000	1	1
Allotment during the year	<u>-</u>	<u>-</u>	<u>3,919,999</u>	<u>3,919,999</u>
Balance at end of year	<u>3,920,000</u>	<u>3,920,000</u>	<u>3,920,000</u>	<u>3,920,000</u>

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at the general meeting of the Company. All ordinary shares rank equally with regard to the Company's residual assets.

BSRM (HONG KONG) LIMITED

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

FOR THE FINANCIAL YEAR ENDED 30TH JUNE, 2023

9. PROFIT BEFORE TAXATION

Profit before taxation is arrived at:-	<u>2023</u>	<u>2022</u>
	HK\$	HK\$
<i>After charging the following items:-</i>		
Audit fee	18,960	18,960
Bank charges	25,905	72,651
Bank interest expenses	6,846	-
Business registration fee	2,150	250
Courier expense	288	602
Directors' remuneration	395,500	265,291
Depreciation	13,634	13,634
Exchange loss	12,991	44,697
Electricity	3,751	3,333
Entertainment expense	1,373	-
Insurance	4,510	4,382
Legal and professional fees	9,255	31,570
Management fee	57,216	57,216
Mandatory provident fund	37,775	36,525
Printing and stationery	1,203	4,712
Rent and rates	205,911	231,425
Salary and allowances	538,000	639,209
Sundry expense	5,211	4,861
Stamp duty	578	-
Telephone charges	8,104	3,499
Travelling expense	2,186	-
Transportation	10,769	-
Cost of sales	4,203,297	23,591,111
<i>After (crediting) the following items:-</i>		
Sales	(4,299,733)	(23,929,105)
Consultancy fee income	(1,511,313)	(1,393,487)
Bank interest Income	(43,460)	-
Government's Subsidies	(24,000)	(48,000)

10. CHANGES IN EQUITY

	<u>Share</u> <u>Capital</u> HK\$	<u>Retained</u> <u>Profits</u> HK\$	<u>Total</u> HK\$
Balance as at 30th June, 2022	3,920,000	1,453,293	5,373,293
Profit for the year	-	298,307	298,307
Balance as at 30th June, 2023	3,920,000	1,751,600	5,671,600

Total income and expenses for the year amounted to HK\$ 298,307.

BSRM (HONG KONG) LIMITED

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

FOR THE FINANCIAL YEAR ENDED 30TH JUNE, 2023

11. CASH AND CASH EQUIVALENTS

Cash and cash equivalents consist of cash on hand and balance with banks. Cash and cash equivalents at the end of the reporting period are shown as follows:-

	<u>2023</u> HK\$	<u>2022</u> HK\$
Cash on hand	3,952	2,165
Cash at bank	<u>402,273</u>	<u>5,724,439</u>
	<u>406,225</u>	<u>5,726,604</u>

12. DEPOSITS AND PREPAYMENTS

	<u>2023</u> HK\$	<u>2022</u> HK\$
Deposits	77,029	77,029
Prepayments	<u>12,051,675</u>	<u>-</u>
	<u>12,128,704</u>	<u>77,029</u>

The carrying amount of the deposits at the end of the reporting period approximated its fair value.

13. TRADE AND OTHER PAYABLES

	<u>2023</u> HK\$	<u>2022</u> HK\$
Accruals	19,740	19,707
Interest payable	<u>3,527</u>	<u>-</u>
	<u>23,267</u>	<u>19,707</u>

The amounts due were unsecured, interest-free and repayable on demand.

14. RECEIPT IN ADVANCE

	<u>2023</u> HK\$	<u>2022</u> HK\$
Receipt in advance	<u>-</u>	<u>2,885</u>

BSRM (HONG KONG) LIMITED

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

FOR THE FINANCIAL YEAR ENDED 30TH JUNE, 2023

15. PROPERTY, PLANT AND EQUIPMENT

	<u>Cost</u> HK\$	<u>Accumulated Depreciation</u> HK\$	<u>Carrying Amount</u> HK\$
Furniture, fixtures and equipment			
Balance at beginning of year	34,370	(27,496)	6,874
Depreciation	-	(6,874)	(6,874)
Balance at end of year	<u>34,370</u>	<u>(34,370)</u>	<u>-</u>
Leasehold improvement			
Balance at beginning of year	33,800	(27,040)	6,760
Depreciation	-	(6,760)	(6,760)
Balance at end of year	<u>33,800</u>	<u>(33,800)</u>	<u>-</u>
Total			
As at 30th June, 2023	<u>68,170</u>	<u>(68,170)</u>	<u>-</u>
As at 30th June, 2022	<u>68,170</u>	<u>(54,536)</u>	<u>13,634</u>

16. COMMITMENTS UNDER OPERATING LEASES

The Company had the following total future minimum lease payments payable under non-cancellable operating leases:-

	<u>2023</u> HK\$	<u>2022</u> HK\$
Not later than one year	230,400	68,748
Later than one year	68,748	-
	<u>299,148</u>	<u>68,748</u>

17. AMOUNT DUE TO THE HOLDING COMPANY

	<u>2023</u> HK\$	<u>2022</u> HK\$
Bangladesh Steel Re-Rolling Mills Limited	<u>995,100</u>	<u>995,100</u>

The amount due was unsecured, interest free and repayable on demand.

BSRM (HONG KONG) LIMITED

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

FOR THE FINANCIAL YEAR ENDED 30TH JUNE, 2023

18. TRADE AND OTHER RECEIVABLES

	<u>2023</u> HK\$	<u>2022</u> HK\$
Accounts receivable	-	623,280

The amount due was unsecured, interest free and repayable on demand. The carrying amount of the amount due at the end of the reporting period approximated its fair value.

19. INVENTORIES

	<u>2023</u> HK\$	<u>2022</u> HK\$
Finished goods	-	41,336

20. BANK BORROWINGS AND OVERDRAFTS

	<u>2023</u> HK\$	<u>2022</u> HK\$
Term loans subject to repayment on demand clauses		
Bank loans repayable within one year	3,332,000	-
Bank loans repayable beyond one year	-	-
	3,332,000	-
Bank overdrafts	2,407,278	-
	5,739,278	-
Current liabilities	(5,739,278)	-
Non-current liabilities	-	-

The amount of bank loan was unsecured, interest-bearing and maturity date due on 25th August, 2023.

21. RELATED PARTY DISCLOSURES

	<u>2023</u> HK\$	<u>2022</u> HK\$
<u>Related party transactions</u>		
<i>Directors and other key management personnel</i>		
Total remuneration	395,500	265,291
<i>Related companies</i>		
Goods sold to the holding company	4,231,717	-
Goods sold to related companies	44,001	18,636,252
<u>Amount due to the holding company</u>	955,100	955,100

The balance of amount due to the holding company was unsecured, interest-free and repayable on demand.

BSRM (HONG KONG) LIMITED

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

FOR THE FINANCIAL YEAR ENDED 30TH JUNE, 2023

22. NON-ADJUSTING EVENTS AFTER THE REPORTING PERIOD

Subsequent to the reporting period, the Company did not have any significant events that would require disclosure or adjustment.

23. CONTINGENT LIABILITIES

The Company had no significant contingent liabilities at the end of the reporting period.

24. APPROVAL AND ISSUE OF FINANCIAL STATEMENTS

The statement of financial position was approved and the financial statements were authorised for issue by the board of directors on 11 SEP 2023.

BUILD SAFE HOMES WITH THE TRUST OF MILLIONS

You always wholeheartedly trust your dear ones, who are the closest to you, and the safest. That's who we are. So, build your dream homes with the steel that millions have been trusting for 71 years.



Business expansion has many benefits: expanding into new markets or offering new products/services can diversify revenue streams and reduce a company's dependence on a single market, leading to economies of scale, improved bargaining power, and enhanced brand recognition.

BUSINESS EXPANSION



INTEGRATED REPORTING CHECKLIST

Particular	Page No
Organisational overview and external environment	
An integrated report should disclose the main activities of the organisation and the environment of which it operates	41, 136
An integrated report should identify the organisation's mission and vision, and provides essential context by identifying matters such as:	
The organisation's: culture, ethics and values	34, 35,40
ownership and operating structure including size of the organisation, location of its operations)	13, 14, 41, 37
principal activities and markets	41, 111, 112
competitive landscape and market positioning (considering factors such as the threat of new competition and substitute products or services, the bargaining power of customers and suppliers, and the intensity of competitive rivalry)	186, 187, 188
position within the Our Value Creation Process	129-137
Key quantitative information	16,36,103,104
e.g. The number of employees, revenue and number of countries in which the organisation operates highlighting, in particular, significant changes from prior periods	148, 103 58, 203
Significant factors affecting the external environment and the organisation's response (include aspects of the legal, commercial, social, environmental and political context that affect the organisation's ability to create value in the short, medium or long term)	189-193 187-188 211-212
Eg:	
The legitimate needs and interests of key stakeholders	166-179
Macro and micro economic conditions, such as economic stability, globalization, and industry trends	120-124
Market forces, such as the relative strengths and weaknesses of competitors and customer demand	186-188
The speed and effect of technological change	284, 286
Societal issues, such as population and demographic changes, human rights, health,poverty, collective values and educational systems	160
Environmental challenges, such as climate change, the loss of ecosystems, and resource shortages as planetary limits are approached	227-238
The legislative and regulatory environment in which the organisation operates	13, 14
The political environment in countries where the organisation operates and other countries that may affect the ability of the organisation to implement its strategy	91, 190
1.2. Governance	
An integrated report should show how does the organisation's governance structure support its ability to create value in the short, medium and long term.	194, 210
An integrated report needs to provide an insight about how such matters as the following are linked to its ability to create value:	
The organisation's leadership structure, including the skills and diversity (e.g., range of backgrounds, gender, competence and experience) of those charged with governance and whether regulatory requirements influence the design of the governance structure	195
<ul style="list-style-type: none"> Mandatory and voluntary code of corporate governance adopted by the Company 	195
<ul style="list-style-type: none"> Code of ethical conduct adopted by the Company in relation to ethical business 	195

Particular	Page No
Specific processes used to make strategic decisions and to establish and monitor the culture of the organisation, including its attitude to risk and mechanisms for addressing integrity and ethical issues	195-198
Particular actions those charged with governance have taken to influence and monitor the strategic direction of the organisation and its approach to risk management	199
How the organisation's culture, ethics and values are reflected in its use of and effects on the capitals, including its relationships with key stakeholders	199
Whether the organisation is implementing governance practices that exceed legal requirements/ Key Policies	199
The responsibility those charged with governance take for promoting and enabling innovation	199
How remuneration and incentives are linked to value creation in the short, medium and long term, including how they are linked to the organisation's use of and effects on the capitals.	200
1.3 Stakeholder Identification/ relationships	
An integrated report should identify its key stakeholders and provide insight into the nature and quality of the organisation's relationships with its key stakeholders, including how and to what extent the organisation understands, takes into account and responds to their legitimate needs and interest.	166-179
Stakeholders are the groups or individuals that can reasonably be expected to be significantly affected by an organisation's business activities, outputs or outcomes or whose actions can reasonably be expected to significantly affect the ability of the organisation to create value	166-179
An entity may disclose the following in their integrated reports in respect of stakeholder relationships:	166-179
How the company has identified its stakeholders	166-179
Stakeholder engagement methodology	166-179, 213
Identification of material matters of stateholders	177-179, 205
How the Company has applied such matters.	166-179
"How the stakeholders are engaged in assessing impacts, implications and outlook unrespects of Company's business model."	166-179
Capitals	137-165
An integrated report needs to provide insight about the resources and the relationships used and affected by the organisation, which are referred to collectively as the capitals and how the organisation interacts with the capitals to create value over the short,medium and long term	137-165
An integrated report need to identify the various forms of capitals which are essential for the success of its business operations.	137-165
Eg:	
Financial Capital -The pool of funds that is available to the organisation for use in the production of goods or provsion of services	137
Manufacturing Capital -Manufactured physical objects that are available to the organisation for use in the production of goods and provision of services	140
Intellectual Capital -Organisational Knowledge based intangibles	146
Human Capital -People's competencises, capabilities and experience, and their motovations to innovate.	148
Social and Relationship Capital -The institutions and the relationships within and between communities, groups of stakeholders and other networks and the ability to share information to enhance individual and collective wellbeing	160

Particular	Page No
Natural Capital -All renewable and non-renewable environmental resources and processes that provide goods and services that support the past, current and future prosperity of the organisation.	158
Note: However an entity can do its own classification of capitals based on its business activities. An entity needs to ensure that it does not overlook a capital that it uses or affects	
1.4 Business Model	127-136
An integrated report should describe the organisation's business mode	128
An integrated report need to describe the business model, including key:	128
Inputs	128
Business activities	128
Outputs	128
Outcomes	128
Features that can enhance the effectiveness and readability of the description of the business model include:	
Explicit identification of the key elements of the business model	128
A simple diagram highlighting key elements, supported by a clear explanation of the relevance of those elements to the organisation	133-134
Narrative flow that is logical given the particular circumstances of the organisation	135
Identification of critical stakeholder and other (e.g., raw material) dependencies and important factors affecting the external environment	128
<ul style="list-style-type: none"> • Connection to information covered by other Content Elements, such as strategy, risks and opportunities, and performance (including KPIs and financial considerations, like cost containment and revenues). 	-
Inputs	128
An integrated report shows how key inputs relate to the capitals on which the organisation depends, or that provide a source of differentiation for the organisation, to the extent they are material to understanding the robustness and resilience of the business model	134-135
Business activities	128
An integrated report describes key business activities. This can include:	-
How the organisation differentiates itself in the market place (e.g., through product differentiation, market segmentation, delivery channels and marketing)	
How the organisation approaches the need to innovate	
How the business model has been designed to adapt to change.	134-135
When material, an integrated report discusses the contribution made to the organisation's long term success by initiatives such as process improvement, employee training and relationships management	
Outputs	128
An integrated report identifies an organisation's key products and services. There might be other outputs, such as by-products and waste (including emissions), that need to be discussed within the business model disclosure depending on their materiality.	

Particular	Page No
Outcomes	128
An integrated report describes key outcomes, including:	-
Both internal outcomes (e.g., employee morale, organisational reputation, revenue and cash flows) and external outcomes (e.g., customer satisfaction, tax payments, brand loyalty, and social and environmental effects)	-
Both positive outcomes (i.e., those that result in a net increase in the capitals and thereby create value) and negative outcomes (i.e., those that result in a net decrease in the capitals and thereby diminish value).	-
1.5 Performance	
An integrated report needs to explain the extent to which the organisation has achieved its strategic objectives for the period and what are its outcomes in terms of effects on the capitals?	16, 36, 103 104, 166-179 211-212
An integrated report should contain qualitative and quantitative information about performance that may include matters such as:	
Quantitative indicators with respect to targets and risks and opportunities, explaining their significance, their implications, and the methods and assumptions used in compiling them	
The organisation's effects (both positive and negative) on the capitals, including material effects on capitals up and down the Our Value Creation Process	
The state of key stakeholder relationships and how the organisation has responded to key stakeholders' legitimate needs and interests	
The linkages between past and current performance, and between current performance and the organisation's outlook.	
KPIs that combine financial measures with other components (e.g., the ratio of greenhouse gas emissions to sales) or narrative that explains the financial implications of significant effects on other capitals and other causal relationships (e.g., expected revenue growth resulting from efforts to enhance human capital) may be used to demonstrate the connectivity of financial performance with performance regarding other capitals. In some cases, this may also include monetizing certain effects on the capitals (e.g., carbon emissions and water use).	
Include instances where regulations have a significant effect on performance (e.g., a constraint on revenues as a result of regulatory rate setting) or the organisation's noncompliance with laws or regulations may significantly affect its operations.	
1.6 Risks, opportunities and internal controls	
"An integrated report should explain what are the specific risks and opportunities that affect the organisation's ability to create value over the short, medium and long term, and how is the organisation dealing with them? and effectiveness of the system of internal controls"	202-208
This can include identifying:	
The specific source of risks and opportunities, which can be internal, external or, commonly, a mix of the two.	
The organisation's assessment of the likelihood that the risk or opportunity will come to fruition and the magnitude of its effect if it does.	
The specific steps being taken to mitigate or manage key risks (e.g: Risk Management Framework, Risk Management review process and reporting structure) or to create value from key opportunities, including the identification of the associated strategic objectives, strategies, policies, targets and KPIs.	
Risk Management Report (Which includes details about risk, root cause, potential impact, response to risk, risk rating)	
Response on the effectiveness of the internal controls and the board's responsibility for the disclosures on internal controls to safeguard stakeholder interest	

Particular	Page No
1.7 Strategy and Resource Allocation	
An integrated report should describe its strategic direction (Where does the organisation want to go and how does it intend to get there)	209-211
An integrated report needs to identify:	
The organisation's short, medium and long term strategic objectives	
The strategies it has in place, or intends to implement, to achieve those strategic objectives	
How the entity has positioned in the wider market.	
How the long term strategies relate to current business model	
The resource allocation plans it has to implement its strategy	
How it will measure achievements and target outcomes for the short, medium and long term.	
This can include describing:	
The linkage between the organisation's strategy and resource allocation plans, and the information covered by other Content Elements, including how its strategy and resource allocation plans:	
relate to the organisation's business model, and what changes to that business model might be necessary to implement chosen strategies to provide an understanding of the organisation's ability to adapt to change	
are influenced by/respond to the external environment and the identified risks and opportunities affect the capitals, and the risk management arrangements related to those capitals	
What differentiates the organisation to give it competitive advantage and enable it to create value, such as:	
the role of innovation	
how the organisation develops and exploits intellectual capital	
the extent to which environmental and social considerations have been embedded into the organisation's strategy to give it a competitive advantage	
Key features and findings of stakeholder engagement that were used in formulating its strategy and resource allocation plans.	
1.8 Outlook	
An integrated report should explain what challenges and uncertainties is the organisation likely to encounter in pursuing its strategy, and what are the potential implications for its business model and future performance?	120-124, 212
The organisation's expectations about the external environment the organisation is likely to face in the short, medium and long term	
The external environment, and risks and opportunities, with an analysis of how these could affect the achievement of strategic objectives	
The availability, quality and affordability of capitals the organisation uses or affects (e.g., the continued availability of skilled labour or natural resources), including how key create value over time.	
1.9 Basis of preparation and presentation	
A summary of the significant frameworks and methods used to quantify or evaluate material matters (e.g., the applicable financial reporting standards used for compiling financial information, a company-defined formula for measuring customer satisfaction, or an industry based framework for evaluating risks).	212-215
2.0 Responsibility for an integrated report	
An acknowledgement of their responsibility to ensure the integrity of the integrated report	183
An acknowledgement that they have applied their collective mind to the preparation and presentation of the integrated report	
Their opinion or conclusion about whether the integrated report is presented in accordance with the Framework	

ICAB CORPORATE GOVERNANCE CHECKLIST

Particular		Page No
1	BOARD OF DIRECTORS, CHAIRMAN AND CEO	
1.1	Company's policy on appointment of directors disclosed.	63
1.2	Adequate representation of non executive directors i.e. one third of the board, subject to a minimum of two	45
1.3	At least one independent director on the board and disclosure / affirmation of the board on such director's independence.	63
1.4	Chairman to be independent of CEO	294
1.5	Responsibilities of the Chairman of the Board appropriately defined and disclosed. Disclosure of independence of Non Executive Directors	69
1.6	Existence of a scheme for annual appraisal of the boards performance and disclosure of the same	95
1.7	Disclosure of policy on annual evaluation of the CEO by the Board.	95
1.8	Disclosure of policy on training (including details of the continuing training program) of directors and type and nature of training courses organized for directors during the year Existence of a scheme for annual appraisal of the boards performance	95-97
1.9	At least one director having thorough knowledge and expertise in finance and accounting to provide guidance in the matters applicable to accounting and auditing standards to ensure reliable financial reporting	45
1.10	Disclosure of number of meetings of the board and participation of each director (at least 4 meetings are required to be held)	63
1.11	Directors issue a report on compliance with best practices on Corporate Governance that is reviewed by the external auditors	75
2.	VISION / MISSION AND STRATEGY	
2.1	Company's vision / mission statements are approved by the board and disclosed in the annual report.	34, 35
2.2	Identification of business objectives and areas of business focus disclosed	41, 118
2.3	General description of strategies to achieve the company's business objectives	117-119
3.	AUDIT COMMITTEES	
3.1	Appointment and Composition	93-94
3.1.1	Whether the Audit Committee Chairman is an independent Non – Executive Director and Professionally Qualified	
3.1.2	Whether it has specific terms of reference and whether it is empowered to investigate /question employees and retain external counsel	
3.1.3	More than two thirds of the members are to be Non Executive Directors	
3.1.4	All members of the audit committee to be suitably qualified and at least one member to have expert knowledge of finance and accounting.	
3.1.5	Head of internal audit to have direct access to audit committee	
3.1.6	The committee to meet at least four times a year and the number of meetings and attendance by individual members disclosed in the annual report.	
3.2	Objectives & Activities	

Particular	Page No
3.2.2 Statement on Audit Committee's review to ensure that internal controls are well conceived properly administered and satisfactorily monitored	
3.2.3 Statement to indicate audit committees role in ensuring compliance with Laws, Regulations and timely settlements of Statutory dues	
3.2.4 Statement of Audit committee involvement in the review of the external audit function	
*Ensure effective coordination of external audit function	
*Ensure independence of external auditors	
*To review the external auditors findings in order to be satisfied that appropriate action is being taken	
*Review and approve any non-audit work assigned to the external auditor and ensure that such work does not compromise the independence of the external auditors.	
*Recommend external auditor for appointment/ reappointment	
3.2.5 Statement on Audit committee involvement in selection of appropriate accounting policies that are in line with applicable accounting standards and annual review.	
3.2.6 Statement of Audit Committee involvement in the review and recommend to the board of directors, annual and interim financial releases	
3.2.7 Reliability of the management information used for such computation	
4. INTERNAL CONTROL & RISK MANAGEMENT	
4.1 Statement of Director's responsibility to establish appropriate system of internal control	64, 69
4.2 Narrative description of key features of the internal control system and the manner in which the system is monitored by the Board, Audit Committee or Senior Management	64, 69 94, 282
4.3 Statement that the Director's have reviewed the adequacy of the system of internal controls	64
4.4 Disclosure of the identification of risks the company is exposed to both internally & externally	60, 70, 287
4.5 Disclosure of the strategies adopted to manage and mitigate the risks	202
5. ETHICS AND COMPLIANCE	
5.1 Disclosure of statement of ethics and values, covering basic principles such as integrity, conflict of interest, compliance with laws and regulations etc.	40, 286
5.2 Dissemination / communication of the statement of ethics & business practices to all directors and employees and their acknowledgement of the same	
5.3 Board's statement on its commitment to establishing high level of ethics and compliance within the organization	
6. REMUNERATION COMMITTEE	
6.1 Disclosure of the charter (role and responsibilities) of the committee	95-97
6.2 Disclosure of the composition of the committee (majority of the committee should be nonexecutive directors, but should also include some executive directors)	
6.3 Disclosure of key policies with regard to remuneration of directors, senior management and employees	
6.4 Disclosure of number of meetings and work performed	63
6.5 Disclosure of Remuneration of directors, chairman, chief executive and senior executives.	71
7. HUMAN CAPITAL	
7.1 Disclosure of general description of the policies and practices codified and adopted by the company with respect to Human Resource Development and Management, including succession planning, merit based recruitment, performance appraisal system, promotion and reward and motivation, training and development, grievance management and counselling	148-157
7.2 Organizational Chart	39

Particular		Page No
8. COMMUNICATION TO SHAREHOLDERS & STAKEHOLDERS		
8.1	Disclosure of the Company's policy / strategy to facilitate effective communication with shareholders and other stake holders	274-275 413
8.2	Disclosure of company's policy on ensuring participation of shareholders in the Annual General Meeting and providing reasonable opportunity for the shareholder participation in the AGM.	
9. ENVIRONMENTAL AND SOCIAL OBLIGATIONS		
9.1	Disclosure of general description of the company's policies and practices relating to social and environmental responsibility of the entity	225-296
9.2	Disclosure of specific activities undertaken by the entity in pursuance of these policies and practices	

COMPLIANCE CHECKLIST IN LINE WITH THE COMPANIES ACT, 1994 (AMENDED UPTO 2020)

Particular		Page No
Industry outlook and possible future developments in the industry		120-124
Segment-wise or product-wise performance		57, 109-111
RISKS AND CONCERNS		
A discussion on Cost of Goods sold, Gross Profit Margin and Net Profit Margin		71
Discussion on continuity of any Extra-Ordinary Gain or loss		61
Basis for related party transactions- a statement of all related party transactions should be disclosed in the annual report		61
Utilization of proceeds from public issues, rights issues and/or through any others instruments		-
An explanation if the financial results deteriorate after the company goes for Initial Public Offering (IPO), Repeat Public Offering (RPO), Rights Offer, Direct Listing, etc.		-
If significant variance occurs between Quarterly Financial performance and Annual Financial Statements the management shall explain about the variance on their Annual Report		57
Remuneration to directors including independent directors		71
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		74
Proper books of account of the issuer company have been maintained		74
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		74, 310-321
International Accounting Standards (IAS)/Bangladesh Accounting Standards (BAS)/International Financial Reporting Standards (IFRS)/Bangladesh Financial Reporting Standards (BFRS), as applicable in Bangladesh, have been followed in preparation of the financial statements and any departure there-from has been adequately disclosed		74, 310-321
The system of internal control is sound in design and has been effectively implemented and monitored		64, 69 94, 282
There are no significant doubts 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 thereof should be disclosed		69, 74, 87
Significant deviations from the last year's operating results of the issuer company shall be highlighted and the reasons thereof should be explained		61

Particular	Page No
Key operating and financial data of at least preceding 5 (five) years shall be summarized	103-105
If the issuer company has not declared dividend (cash or stock) for the year, the reasons thereof shall be given	98-100, 64
The number of Board meetings held during the year and attendance by each director shall be disclosed	63
The pattern of shareholding shall be reported to disclose the aggregate number of shares (along with name wise details where stated below) held by:- a) Parent/Subsidiary/Associated Companies and other related parties (name wise details); b) Directors, Chief Executive Officer, Company Secretary, Chief Financial Officer, Head of Internal Audit and their spouses and minor children (name wise details); c) Executives; d) Shareholders holding ten percent (10%) or more voting interest in the company (name wise details)	72
In case of the appointment/re-appointment of a director the company shall disclose the following information to the shareholders:- a) a brief resume of the director; b) nature of his/her expertise in specific functional areas; c) names of companies in which the person also holds the directorship and the membership of committees of the board	63

SAFA GENERAL EVALUATION CHECKLIST

Particular	Page No
Corporate Objectives, Values & Structure Clarity and presentation:	
• Vision and Mission	34, 35
• Overall strategic objectives	117-119
• Core values and code of conduct/ethical principles	35, 40, 286
• Profile of the Company	13, 37
• Director's profiles and their representation on Board of other companies & Organization Chart	39, 43-48
Management Report / Commentary and analysis including Director's Report / Chairman's Review/CEO's Review etc.	
• A general review of the performance of the company	
• Description of the performance of the various activities / products / segments of the company and its group companies during the period under review. (Weightage to be given for pictorial / graphical / tabular presentations used for this purpose)	16, 36, 57 103-109
• A brief summary of the Business and other Risks facing the organization and steps taken to effectively manage such risks	41, 60, 202
• A general review of the future prospects/outlook.	120-124
• Information on how the company contributed to its responsibilities towards the staff (including health & safety)	148, 248-252
• Information on company's contribution to the national exchequer & to the economy	108
Sustainability Reporting	
• Social Responsibility Initiatives (CSR)	255-268
• Environment related Initiatives	
• Environmental & Social Obligations	225-296
• Integrated Reporting	180-224

Particular	Page No
Appropriateness of Disclosure of Accounting policies and General Disclosure	
<ul style="list-style-type: none"> • Disclosure of adequate and properly worded accounting policies relevant to assets, liabilities, Income and expenditure in line with best reporting standards. • Any Specific accounting policies • Impairment of Assets • Changes in accounting policies/Changes in accounting estimates • Accounting policy on subsidiaries(if there is no any subsidiary, full marks should be granted) 	310-321
Segment Information	
<ul style="list-style-type: none"> • Comprehensive segment related information bifurcating Segment revenue, segment results and segment capital employed • Availability of information regarding different segments and units of the entity as well as non-segmental entities/units • Segment analysis of • Segment Revenue • Segment Results • Turnover • Operating profit • Carrying amount of Net Segment assets 	109-110 210, 359
Financial Statements (Including Formats)	
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	403-2 Hazard identification, risk assessment, and incident investigation	
	403-3 Occupational health services	
	403-4 Worker participation, consultation, and communication on occupational health and safety	
	403-5 Worker training on occupational health and safety	
	403-6 Promotion of worker health	
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	
	403-8 Workers covered by an occupational health and safety management system	
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TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES (TCFD)

	Disclosure	Guidance for all sectors	Page No
Governance	Disclose the company's governance around climate-related risks and opportunities.		282-286
	a) Describe the board's oversight of climate-related risks and opportunities.	"In describing the board's oversight of climate-related issues, organizations should consider including a discussion of the following: <ul style="list-style-type: none"> • processes and frequency by which the board and/or board committees (e.g., audit, risk, or other committees) are informed about climate-related issues; • whether the board and/or board committees consider climate-related issues when reviewing and guiding strategy, major plans of action, risk management policies, annual budgets, and business plans as well as setting the organization's performance objectives, monitoring implementation and performance, and overseeing major capital expenditures, acquisitions, and divestitures; and • how the board monitors and oversees progress against goals and targets for addressing climate-related issues. 	

	Disclosure	Guidance for all sectors	Page No
Governance	b) Describe management's role in assessing and managing climate-related risks and opportunities.	<p>In describing management's role related to the assessment and management of climate-related issues, organizations should consider including the following information:</p> <ul style="list-style-type: none"> • whether the organization has assigned climate-related responsibilities to management-level positions or committees; and, if so, whether such management positions or committees report to the board or a committee of the board and whether those responsibilities include assessing and/or managing climate-related issues; • a description of the associated organizational structure(s); • processes by which management is informed about climate-related issues; and • how management (through specific positions and/or management committees) monitors climate-related issues. 	
Disclose the actual and potential impacts of climate-related risks and opportunities on the company's businesses, strategy, and financial planning where such information is material.			
Strategy	a) Describe the climate-related risks and opportunities the organization has identified over the short, medium, and long term.	<ul style="list-style-type: none"> • a description of what they consider to be the relevant short-, medium-, and long-term time horizons, taking into consideration the useful life of the organization's assets or infrastructure and the fact that climate-related issues often manifest themselves over the medium and longer terms; • a description of the specific climate-related issues potentially arising in each time horizon (short, medium, and long term) that could have a material financial impact on the organization; and • a description of the process(es) used to determine which risks and opportunities could have a material financial impact on the organization. <p>Organizations should consider providing a description of their risks and opportunities by sector and/or geography, as appropriate.</p>	115-117 227, 228
	b) Describe the impact of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning.	<p>Building on recommended disclosure (a), organizations should discuss how identified climate-related issues have affected their businesses, strategy, and financial planning. Organizations should consider including the impact on their businesses, strategy, and financial planning in the following areas:</p> <ul style="list-style-type: none"> • Products and services • Supply chain and/or value chain • Adaptation and mitigation activities • Investment in research and development • Operations (including types of operations and location of facilities) • Acquisitions or divestments • Access to capital <p>Organizations should describe how climate-related issues serve as an input to their financial planning process, the time period(s) used, and how these risks and opportunities are prioritized. Organizations' disclosures should reflect a holistic picture of the interdependencies among the factors that affect their ability to create value over time.</p> <p>Organizations should describe the impact of climate-related issues on their financial performance (e.g., revenues, costs) and financial position (e.g., assets, liabilities). If climate-related scenarios were used to inform the organization's strategy and financial planning, such scenarios should be described.</p> <p>Organizations that have made GHG emissions reduction commitments, operate in jurisdictions that have made such commitments, or have agreed to meet investor expectations regarding GHG emissions reductions should describe their plans for transitioning to a low-carbon economy, which could include GHG emissions targets and specific activities intended to reduce GHG emissions in their operations and value chain or to otherwise support the transition.</p>	

	Disclosure	Guidance for all sectors	Page No
Strategy	c) Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.	Organizations should describe how resilient their strategies are to climate-related risks and opportunities, taking into consideration a transition to a low-carbon economy consistent with a 2°C or lower scenario and, where relevant to the organization, scenarios consistent with increased physical climate-related risks. Organizations should consider discussing: <ul style="list-style-type: none"> • where they believe their strategies may be affected by climate-related risks and opportunities; • how their strategies might change to address such potential risks and opportunities; • the potential impact of climate-related issues on financial performance (e.g., revenues, costs) and financial position (e.g., assets, liabilities); and • the climate-related scenarios and associated time horizon(s) considered. 	
Disclose how the company identifies, assesses, and manages climate-related risks.			
Risk management	a) Describe the organization's processes for identifying and assessing climate-related risks.	Organizations should describe their risk management processes for identifying and assessing climate-related risks. An important aspect of this description is how organizations determine the relative significance of climate-related risks in relation to other risks. Organizations should describe whether they consider existing and emerging regulatory requirements related to climate change (e.g. limits on emissions) as well as other relevant factors considered. Organizations should also consider disclosing the following: <ul style="list-style-type: none"> • processes for assessing the potential size and scope of identified climate-related risks and • definitions of risk terminology used or references to existing risk classification frameworks used. 	287-292
	b) Describe the organization's processes for managing climate-related risks.	Organizations should describe their processes for managing climate-related risks, including how they make decisions to mitigate, transfer, accept, or control those risks. In addition, organizations should describe their processes for prioritizing climate-related risks, including how materiality determinations are made within their organizations.	
	c) Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management.	Organizations should describe how their processes for identifying, assessing, and managing climate-related risks are integrated into their overall risk management.	
Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material.			
Metrics and targets	a) Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process.	a) Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process.	-
	b) Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks.	Organizations should provide their Scope 1 and Scope 2 GHG emissions independent of a materiality assessment, and, if appropriate, Scope 3 GHG emissions and the related risks. All organizations should consider disclosing Scope 3 GHG emissions. GHG emissions should be calculated in line with the GHG Protocol methodology to allow for aggregation and comparability across organizations and jurisdictions. As appropriate, organizations should consider providing related, generally accepted industry-specific GHG efficiency ratios. GHG emissions and associated metrics should be provided for historical periods to allow for trend analysis. In addition, where not apparent, organizations should provide a description of the methodologies used to calculate or estimate the metrics.	-

	Disclosure	Guidance for all sectors	Page No
Metrics and targets	c) Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets.	<p>Organizations should describe their key climate-related targets such as those related to GHG emissions, water usage, energy usage, etc., and in line with anticipated regulatory requirements or market constraints or other goals. Other goals may include efficiency or financial goals, financial loss tolerances, avoided GHG emissions through the entire product life cycle, or net revenue goals for products and services designed for a low-carbon economy.</p> <p>In describing their targets, organizations should consider including the following:</p> <ul style="list-style-type: none"> • whether the target is absolute or intensity based; • time frames over which the target applies; • base year from which progress is measured; and • key performance indicators used to assess progress against targets. <p>Organizations disclosing medium-term or long-term targets should also disclose associated interim targets in aggregate or by business line, where available.</p> <p>Where not apparent, organizations should provide a description of the methodologies used to calculate targets and measures.</p>	-

SUSTAINABILITY ACCOUNTING STANDARDS BOARD (SASB)

Topic	Code	Accounting metric	Page No
Greenhouse gas emissions	EM-MM-110a.1	<p>Gross global Scope 1 emissions, percentage covered under emissions-limiting regulations</p> <p>The entity shall disclose its gross global Scope 1 greenhouse gas (GHG) emissions to the atmosphere of the seven GHGs covered under the Kyoto Protocol – carbon dioxide (CO₂), methane (CH₄), nitrous oxide (N₂O), hydrofluorocarbons (HFCs), perfluorocarbons (PFCs), sulfur hexafluoride (SF₆) and nitrogen trifluoride (NF₃).</p> <p>The entity shall disclose the percentage of its gross global Scope 1 GHG emissions that are covered under an emissions-limiting regulation or program that is intended to directly limit or reduce emissions, such as cap-and-trade schemes, carbon tax/fee systems and other emissions control (e.g. command-and-control approach) and permit based mechanisms.</p>	229
	EM-MM-110a.2	<p>Discussion of long-term and short-term strategy or plan to manage Scope 1 emissions, emissions reduction targets, and an analysis of performance against those targets</p> <p>The entity shall discuss its long-term and short-term strategy or plan to manage its Scope 1 GHG emissions.</p> <p>The entity shall discuss its emission reduction target(s) and analyze its performance against the target(s).</p> <p>The entity shall discuss the activities and investments required to achieve the plans and/or targets, and any risks or limiting factors that might affect achievement of the plans and/or targets.</p> <p>The entity shall discuss the scope of its strategies, plans, and/or reduction targets, such as whether they pertain differently to different business units, geographies or emissions sources.</p> <p>The entity shall discuss whether its strategies, plans and/or reduction targets are related to, or associated with, emissions limiting and/or emissions reporting-based programs or regulations (e.g. the EU Emissions Trading Scheme), including regional, national, international, or sectoral programs.</p>	
Air quality	EM-MM-120a.1	<p>Air emissions of the following pollutants: (1) CO, (2) NO_x (excluding N₂O), (3) SO_x, (4) particulate matter (PM₁₀), (5) mercury (Hg), (6) lead (Pb), and (7) volatile organic compounds (VOCs).</p> <p>The entity shall disclose its emissions of air pollutants, in metric tons per pollutant, that are released into the atmosphere.</p>	234
Energy management	EM-MM-130a.1	<p>(1) Total energy consumed, (2) percentage grid electricity, and (3) percentage renewable.</p> <p>The entity shall disclose (1) the total amount of energy it consumed as an aggregate figure, in gigajoules (GJ).</p> <p>The entity shall disclose (2) the percentage of energy it consumed that was supplied from grid electricity.</p> <p>The entity shall disclose (3) the percentage of energy it consumed that is renewable energy.</p>	232

Topic	Code	Accounting metric	Page No
Water management	EM-MM-140a.1	<p>EM-MM-140a.1. (1) Total fresh water withdrawn, (2) total fresh water consumed, percentage of each in regions with High or Extremely High Baseline Water Stress.</p> <p>The entity shall disclose the amount of water, in thousands of cubic meters, that was withdrawn from freshwater sources.</p> <p>Fresh water may be defined according to the local statutes and regulations where the entity operates. Where there is no regulatory definition, fresh water shall be considered to be water that has less than 1000 parts per million of dissolved solids per the U.S. Geological Survey.</p> <p>The entity shall disclose the amount of water, in thousands of cubic meters, that was consumed in its operations.</p> <p>The entity shall analyze all of its operations for water risks and identify activities that withdraw and consume water in locations with High (40–80%) or Extremely High (>80%) Baseline Water Stress as classified by the World Resources Institute's (WRI's) Water Risk Atlas tool, Aqueduct. The entity shall disclose its water withdrawn in locations with High or Extremely High Baseline Water Stress as a percentage of the total water withdrawn.</p> <p>The entity shall disclose its water consumed in locations with High or Extremely High Baseline Water Stress as a percentage of the total water consumed.</p>	235
	EM-MM-140a.2	<p>Number of incidents of non-compliance associated with water quality permits, standards, and regulations.</p> <p>The entity shall disclose the total number of instances of non-compliance, including violations of a technology-based standard and exceedances of quality-based standards.</p>	
Waste and hazardous materials management	EM-MM-150a.4	Total weight of non-mineral waste generated	236
	EM-MM-150a.5	Total weight of tailings produced	
	EM-MM-150a.6	Total weight of waste rock generated	
	EM-MM-150a.7	Total weight of hazardous waste generated	
	EM-MM-150a.8	Total weight of hazardous waste recycled	
	EM-MM-150a.9	Number of significant incidents associated with hazardous materials and waste management	
	EM-MM-150a.10	Description of waste and hazardous materials management policies and procedures for active and inactive operations	
Biodiversity impacts	EM-MM-160a.1	<p>Description of environmental management policies and practices for active sites</p> <p>The entity shall describe its environmental management plan(s) implemented at active sites.</p> <p>The entity shall disclose the degree to which its policies and practices are aligned with the International Finance Corporation's (IFC) Performance Standards on Environmental and Social Sustainability, January 1, 2012, including specifically:</p> <p>Performance Standard 1 – Assessment and Management of Environmental and Social Risks and Impacts.</p> <p>Performance Standard 3 – Resource Efficiency and Pollution Prevention.</p> <p>Performance Standard 4 – Community Health, Safety, and Security.</p> <p>Performance Standard 6 – Biodiversity Conservation and Sustainable Management of Living Natural Resources.</p>	238
	EM-MM-160a.1	<p>Description of environmental management policies and practices for active sites</p> <p>The entity shall describe its environmental management plan(s) implemented at active sites.</p> <p>The entity shall disclose the degree to which its policies and practices are aligned with the International Finance Corporation's (IFC) Performance Standards on Environmental and Social Sustainability, January 1, 2012, including specifically:</p> <p>Performance Standard 1 – Assessment and Management of Environmental and Social Risks and Impacts.</p> <p>Performance Standard 3 – Resource Efficiency and Pollution Prevention.</p> <p>Performance Standard 4 – Community Health, Safety, and Security.</p> <p>Performance Standard 6 – Biodiversity Conservation and Sustainable Management of Living Natural Resources.</p>	
	EM-MM-160a.2	<p>Percentage of mine sites where acid rock drainage is: (1) predicted to occur, (2) actively mitigated, and (3) under treatment or remediation.</p> <p>The entity shall disclose the percentage of its mine sites (by annual production output from mines in metric tons) where acid-generating seepage into surrounding surface water and/or groundwater is: (1) predicted to occur, (2) actively mitigated, and (3) under treatment or remediation.</p>	

Topic	Code	Accounting metric	Page No
		<p>Acid Rock Drainage (ARD) is predicted to occur if, based on computer simulations, chemical evaluations, and/or acidbase accounting, it is biochemically likely that ARD could form at the mine site.</p> <p>ARD is considered to be actively mitigated if the entity is preventing the formation of ARD through methods that include, but are not limited to: storing or covering sulfite-bearing minerals to prevent oxidation, flood prevention and mine sealing, mixing of acid buffering materials with acid-producing materials, or chemical treatment of sulfide wastes (e.g. organic chemicals designed to kill sulfide-oxidizing bacteria).</p> <p>ARD is considered under treatment or remediation, if the acidic water discharged from the mine area is captured and undergoes a wastewater treatment process (active or passive).</p>	
	EM-MM-160a.3	<p>Percentage of (1) proved and (2) probable reserves in or near sites with protected conservation status or endangered species habitat.</p> <p>The entity shall disclose the percentage and grade (in percentage metal content) of proved reserves in sites with protected conservation status or in areas of endangered species habitat.</p> <p>The entity shall disclose the percentage and grade (in percentage of metal content) of probable reserves in sites with protected conservation status or in areas of endangered species habitat.</p>	
Security, human rights and rights of Indigenous peoples	EM-MM-210a.1	<p>Percentage of (1) proved and (2) probable reserves in or near areas of conflict.</p> <p>The entity shall disclose the percentage and grade (in percentage metal content) of proved reserves that are located in or near areas of active conflict.</p> <p>The entity shall disclose the percentage and grade (in percentage metal content) of probable reserves that are located in or near areas of active conflict.</p> <p>Active conflict is defined according to the Uppsala Conflict Data Program (UCDP) definition.</p> <p>Reserves shall be considered to be in or near an area of active conflict if it is located in the same country as the active conflict.</p>	148, 160 240-252
	EM-MM-210a.2	<p>Percentage of (1) proved and (2) probable reserves in or near indigenous land.</p> <p>The entity shall disclose the percentage and grade (in percentage metal content) of proved reserves that are located in or near areas that are considered to be indigenous peoples' land.</p> <p>The entity shall disclose the percentage and grade (in percentage metal content) of probable reserves that are located in or near areas that are considered to be indigenous peoples' land.</p> <p>Indigenous lands are considered those occupied by people who self-identify as indigenous per Article 33 of the United Nations Declaration on the Rights of Indigenous Peoples and the International Labour Organization Convention No. 169.</p> <p>For the purposes of this disclosure, "near" is defined as within 5 kilometers of the recognized boundary of an area considered to be indigenous land to the location of the entity's proven and probable reserves.</p>	
	EM-MM-210a.3	<p>Discussion of engagement processes and due diligence practices with respect to human rights, indigenous rights, and operation in areas of conflict.</p> <p>The entity shall describe its due diligence practices and procedures with respect to indigenous rights of communities in which it operates or intends to operate.</p> <p>The entity shall describe its due diligence practices and procedures with respect to human rights.</p> <p>The entity shall discuss its practices and procedures while operating in areas of conflict.</p>	
	EM-MM-210b.1	<p>Discussion of process to manage risks and opportunities associated with community rights and interests. The entity shall discuss its processes, procedures, and practices to manage risks and opportunities associated with the rights and interests of communities in areas where it conducts business.</p> <p>The entity shall disclose the following, where relevant: Lifecycle stages to which its practices apply, such as: pre-bid (when the entity is considering acquisition of a site), exploration and appraisal, site development, mineral production, and during closure, decommissioning, and restoration. The community rights and interests (enumerated above) specifically addressed by the practices. The underlying references for its procedures, including whether they are codes, guidelines, standards, or regulations and whether they were developed by the entity, an industry organization, a third-party organization (e.g. a non-governmental organization), a governmental agency, or some combination of these groups.</p>	

Topic	Code	Accounting metric	Page No
		<p>The entity shall disclose the degree to which its policies and practices are aligned with the International Finance Corporation's (IFC) Performance Standards on Environmental and Social Sustainability, January 1, 2012, including specifically:</p> <p>Performance Standard 4 – Community Health, Safety, and Security Performance Standard 5 – Land Acquisition and Involuntary Resettlement Performance Standard 8 – Cultural Heritage</p> <p>The discussion shall include how practices apply to business partners such as contractors, sub-contractors, suppliers, and joint venture partners.</p>	
	EM-MM-210b.2	<p>Number and duration of non-technical delays.</p> <p>The entity shall disclose the total number and aggregate duration (in days) of site shutdowns or project delays due to non-technical factors.</p> <p>The scope includes shutdowns and project delays including, but not limited to, those resulting from pending regulatory permits or other political delays related to community concerns, community or stakeholder resistance or protest, and armed conflict.</p> <p>The scope of disclosure excludes delays due to strikes and lockouts that are disclosed according to EM-MM-310a.2.</p>	
Labor relations	EM-MM-310a.1	<p>Percentage of active workforce covered under collective bargaining agreements, broken down by U.S. and foreign employees.</p> <p>The entity shall disclose the percentage of U.S. employees and the percentage of foreign employees in the active workforce that are covered under collective bargaining agreements during any part of the reporting period.</p>	
	EM-MM-310a.2	<p>Number and duration of strikes and lockouts.</p> <p>The entity shall disclose the number of work stoppages and total duration, in worker days idle, of work stoppages involving 1,000 or more workers lasting one full shift or longer.</p> <p>The scope of disclosure includes work stoppage due to disputes between labor and management, including strikes and lockouts.</p> <p>The scope of disclosure excludes work stoppages due to other non-technical reasons that are disclosed according to EM-MM-210b.2.</p>	
Workforce health and safety	EM-MM-320a.1	<p>(1) MSHA all-incidence rate, (2) fatality rate, (3) near miss frequency rate (NMFR) and (4) average hours of health, safety, and emergency response training for (a) full-time employees and (b) contract employees.</p> <p>The scope of disclosure includes all employees regardless of employee location.</p>	
Business ethics and transparency	EM-MM-510a.1	<p>Description of the management system for prevention of corruption and bribery throughout the value chain.</p> <p>The entity shall describe its management system and due diligence procedures for assessing and managing corruption and bribery risks internally and associated with business partners in its value chain.</p>	40, 221
	EM-MM-510a.2	<p>Production in countries that have the 20 lowest rankings in Transparency International's Corruption Perception Index.</p> <p>The entity shall disclose its net production from activities located in the countries with the 20 lowest rankings in Transparency International's Corruption Perception Index (CPI). The entity shall use the most current version of the CPI. Production shall be disclosed in saleable tons of minerals.</p>	
Tailings storage facilities management	EM-MM-540a.1	Tailings storage facility inventory table: (1) facility name, (2) location, (3) ownership status, (4) operational status, (5) construction method, (6) maximum permitted storage capacity, (7) current amount of tailings stored, (8) consequence classification, (9) date of most recent independent technical review, (10) material findings, (11) mitigation measures, (12) site-specific EPRP.	-
	EM-MM-540a.2	Summary of tailings management systems and governance structure used to monitor and maintain the stability of tailings storage facilities	-
	EM-MM-540a.3	Approach to development of Emergency Preparedness and Response Plans (EPRPs) for tailings storage facilities	-
Activity metrics	EM-MM-000.A	Production of (1) metal ores and (2) finished metal products	
	EM-MM-000.B	Total number of employees, percentage contractors	-

GLOSSARY OF TERMS >>

Terms	Brief Description
The Company/BSRMLTD	Bangladesh Steel Re-Rolling Mills Limited
Subsidiary Company	BSRM (Hong Kong) Limited
Associate Company	BSRM Steels Limited
Revenue	Turnover or Sales
Profit	Income
Profit attributable to the shareholders'	Net profit after tax
Basic EPS	Basic Earnings per Share (Profit attributable to the Ordinary shareholders divided by weighted average number of Ordinary Shares)
Diluted EPS	Diluted Earnings or Income per Share
Deferred Tax	Difference between the carrying value of property, plant & equipment as per financial statements and tax written down value and financial position liability method for gratuity obligation.
Equity	Shareholders' Fund or Owners' Fund
Net Current Assets	Current Assets Less Current Liabilities
Capital Employed	Non-Current Assets plus Net Current Assets
Revaluation Reserve	Reserve created from assets re-valuation
EBITDA	Earnings before Interest, Tax & Depreciation Allowance
Return on Shareholders' Equity	Net Profit after Tax divided by Shareholders' Equity
Return on Capital Employed	Net Profit after Tax divided by Capital Employed
Current	Ratio Current Assets divided by Current Liabilities
Quick / Acid Test Ratio	Current Assets less Inventories divided by Current Liabilities
Inventory Turnover Ratio	Revenue divided by Inventories
Total Assets Turnover Ratio	Revenue divided by Total Assets
P/E Ratio	Market value per share as at reporting date divided by EPS
Price/Equity Ratio	Market price divided by face value per share
Dividend Payout Ratio	Yearly dividend per share divided by EPS
Dividend Covered Ratio	Net Profit after Tax divided by declared Dividend
Debt-equity Ratio	Current plus long term liabilities divided by shareholders' equity
Interest Coverage Ratio	EBIT divided by Interest expenses
Market Capitalization	Market price per share multiplied by Ordinary number of Shares

Leaving a legacy means having a lasting impact on people's lives. It is about caring what happens next – to the business, the team and the clients. Leaders and businesses are increasingly respected, not because of the amount of wealth they have, but because of how they treat people.

LEGACY



SHAREHOLDERS' INFORMATION >>

ANNUAL GENERAL MEETING

No. of AGM : 61st AGM
Date : December 28, 2023
Venue : Digital Platform
Time : 11:30 am

RECORD DATE

The record date is November 08, 2023

FINANCIAL CALENDAR

Financial Period: 1st July 2022 to 30th June, 2023

During the year 2022-23 operational results of the company were announced on:



DIVIDEND RATE

The Board in its 444th meeting held on 12th October, 2023 recommended dividend 25% cash per share for the year ended 30th June, 2023.

LISTING: The Company's shares are listed at the Stock Exchanges at Dhaka and Chattogram of Bangladesh.

FACE VALUE PER SHARE: Tk. 10/-

PLANT LOCATION

Re-Rolling Unit: 147-149, Nasirabad I/A, Baizid Bostami Road, Chattogram.

Steel Melting Works: 78/79, Nasirabad I/A, Baizid Bostami Road, Chattogram.

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

INVESTOR CORRESPONDENCE

Mail to: Bangladesh Steel Re-Rolling Mills Limited, Ali Mansion, 1207/1099, Sadarghat Road, Chattogram, Bangladesh

Voice: +88 02333354901-10, **E-mail:** investors@bsrm.com, **Fax:** +88 02333360301

Web: www.bsrm.com

NOTICE OF THE 61TH ANNUAL GENERAL MEETING >>

Notice is hereby given that the 61st Annual General Meeting of shareholders of **Bangladesh Steel Re-Rolling Mills Limited** will be held on **Thursday, December 28, 2023 at 11:30 am** by using **Digital Platform** in accordance with the Bangladesh Securities and Exchange Commission's 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, Consolidated Financial Statements, Report of the Board of Directors and Auditors' Report on Financial Statements for the year ended 30th June, 2023.
2. To re-elect the Director(s) of the Company.
3. To confirm the appointment of Independent Director.
4. To approve dividend for the year ended 30th June, 2023.
5. To appoint Statutory Auditors and fix their remuneration.
6. To appoint Professional Accountant to certify compliance status of Corporate Governance code.
7. To approve the Inter Company loan/ business transactions/ Corporate Guarantee for the year ended on 30th June, 2023 as per Notification No- SEC/CMMRRCD/2006-159/Admin/02-10, dated: September 10, 2006.

By order of the Board



Shekhar Ranjan Kar FCA

Head of Finance & Accounts and Company Secretary

Chattogram
November 28, 2023

NOTES

- Shareholders whose name appears in the Depository Register as on the **“Record Date”** i.e. **November 08, 2023** are entitled to attend/participate and vote in the Annual General Meeting (AGM) and receive the dividend.
- The shareholders will join the virtual AGM through the link **<https://bsrmltd.bdvirtualagm.com>**. The shareholders will be able to submit the questions/comments electronically before 48 hours of commencement of the AGM through this link and also during the Annual General Meeting. 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 **investors@bsrm.com** not later than 48 hours before the meeting.
- The Annual Report 2022-23 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.

Bangladesh Steel Re-Rolling Mills Limited

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

PROXY FORM

I/We(Name)

Of(Address)

a Shareholder of Bangladesh Steel Re-Rolling Mills Limited ("the company") hereby appoint,

Mr./Ms.(Name)

Of(Address)

as my /our proxy , to attend on my/our behalf at the 61st Annual General Meeting (AGM) of the Company to be held on December 28, 2023 and at any adjournment thereof or any poll that may be taken in consequence thereof and to vote on my/our behalf as he/she thinks appropriate on all resolutions.

Dated thisday of.....2023.

.....

Signature of the Shareholder

Folio /BO ID No:

Dated

.....

Signature of the Shareholder

Folio /BO ID No:

Dated

.....

Signature of the witness

Note: The Proxy Form, dully filled in and stamped, must be deposited at the Registered Office of the Company, Ali Mansion, 1207/1099 Sadarghat Road, Chattogram or mail to **investors@bsrm.com** not later than 48 hours before the time fixed for the holding of the meeting

Signature Verified

.....

Authorized Signature

Bangladesh Steel Re-Rolling Mills Limited

Bangladesh Steel Re-Rolling Mills Limited

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

ATTENDANCE SLIP

I hereby record my presence at the 61th Annual General Meeting of **Bangladesh Steel Re-Rolling Mills Limited** on December 28, 2023.

I/We

BO ID



Signature

.....

Signature

.....

Bangladesh Steel Re-Rolling Mills Limited

Corporate Office:

Ali Mansion, 1207/1099 Sadarghat Road, Chattogram

Bangladesh. +88 02 3333 54901-10

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