

DIRECTORS' REPORT

Dear Esteemed Shareholders,

On behalf of the Board of Directors of Bangladesh Steel Re-Rolling Mills Limited (BSRM), I am pleased to present the Directors' Report, Audited Financial Statements, and Auditors' Report for the fiscal year ending June 30, 2024. This report has been prepared in compliance with section 184 of the Companies Act, 1994 (Act No. XVIII of 1994) and the Corporate Governance Code issued by the Bangladesh Securities and Exchange Commission (BSEC).

INDUSTRY OUTLOOK AND FUTURE DEVELOPMENTS

Global Economic Outlook for 2024-25: Global growth is expected to remain stable yet underwhelming

The global economy in 2024-2025 is expected to experience moderate growth amidst a complex mix of recovery and challenges. According to the IMF's October 2024 World Economic Outlook, global growth is forecasted to stabilize at around 3.2% for both 2024 and 2025. While inflation is gradually moving closer to central bank targets in many regions, sector-specific price pressures, particularly in services, remain elevated. This stabilization follows a period of significant monetary tightening, which has helped control inflation but has also slowed down growth dynamics.



The key risks to the global outlook include geopolitical tensions, notably the ongoing conflicts in Ukraine and the Middle East, as well as potential financial market volatility. These risks may create uncertainty and impact trade, investment, and economic stability. Additionally, challenges in China's real estate market pose potential spillover effects on global trade. The IMF emphasizes the need for policymakers to pivot towards more supportive measures for economic activity where inflation is under control, while also advancing structural reforms to boost productivity and support long-term growth.

STEEL INDUSTRY OUTLOOK FOR 2024-25

Cautious Optimism Amidst Challenges: Global Steel Demand Set for Rebound in 2025 After a Decline in 2024

The global steel demand is expected to decrease by 0.9% in 2024, influenced by China's ongoing real estate challenges, which are projected to result in a 3% decline in its steel consumption. However, a gradual recovery is anticipated in 2025, with demand possibly improving if government interventions support economic activity. The developing world, led by India, is set to grow, with an expected 3.5% rise in steel demand in 2024 and 4.2% in 2025, driven by infrastructure investments.

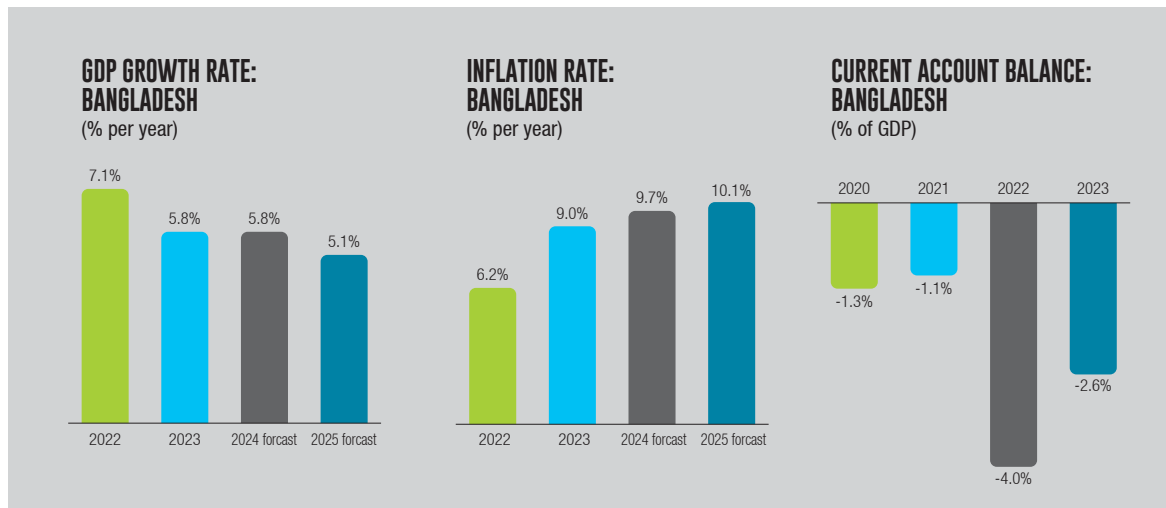
In developed economies, steel demand is predicted to decline by 2% in 2024 due to economic headwinds but may rebound by 1.9% in 2025 as conditions improve, particularly in the EU, US, and Japan. Overall, the outlook for 2025 is cautiously optimistic, with a focus on infrastructure and decarbonization projects driving demand.

BANGLADESH ECONOMIC OUTLOOK FOR 2024-25

Balancing Recovery and Resilience: Bangladesh Eyes Economic Rebound Amid Inflation Challenges in 2024-2025

Bangladesh's economic outlook for 2024-2025 remains cautiously optimistic, emphasizing recovery and stabilization after a period of challenges. The economy has navigated through inflationary pressures and external vulnerabilities in 2023, with a projected rebound in the coming years. The World Bank and IMF both highlight that Bangladesh's real GDP growth slowed to an estimated 5.2% in FY24, down from 5.8% in FY23. However, growth is expected to gradually recover as inflation pressures ease, aiming for higher growth rates in subsequent years.

GDP Growth Rate, Inflation rate & Current Account balance of Bangladesh by Asian Development Bank (ADB):



To achieve a more robust recovery, Bangladesh will need to address several challenges. Key priorities include enhancing export competitiveness beyond the ready-made garments (RMG) sector, strengthening the financial sector, and managing inflation. Improvements in infrastructure, investment in human capital, and policy reforms are also crucial for sustaining growth and building resilience against external shocks.

Furthermore, the country is at a pivotal stage in its journey toward attaining upper-middle-income status by 2031. This will require a focus on job creation through a competitive business environment, skills development, and attracting private investment. The government's strategic priorities also include fiscal reforms to increase domestic revenue, urban sustainability, and advancing climate resilience to mitigate the impact of natural disasters. Emphasizing green growth could enhance the sustainability of development outcomes for future generations.

A GENERAL REVIEW OF THE FUTURE PROSPECTS/OUTLOOK OF BSRM

The future outlook for BSRM remains positive, driven by infrastructure development and increasing urbanization in Bangladesh. The demand for steel is projected to rise steadily over the next five years, with the company well-positioned to capitalize on this growth through its capacity expansion projects and diversification strategies. In the export market, BSRM is exploring opportunities in neighboring countries to further enhance its revenue streams.

BSRM EXPANDS CAPACITY TO MEET GROWING STEEL DEMAND AMIDST INDUSTRY SHIFT TOWARD SUSTAINABILITY

New Rolling Mill and Green Initiatives Position BSRM for Future Growth in Bangladesh's Booming Infrastructure Sector

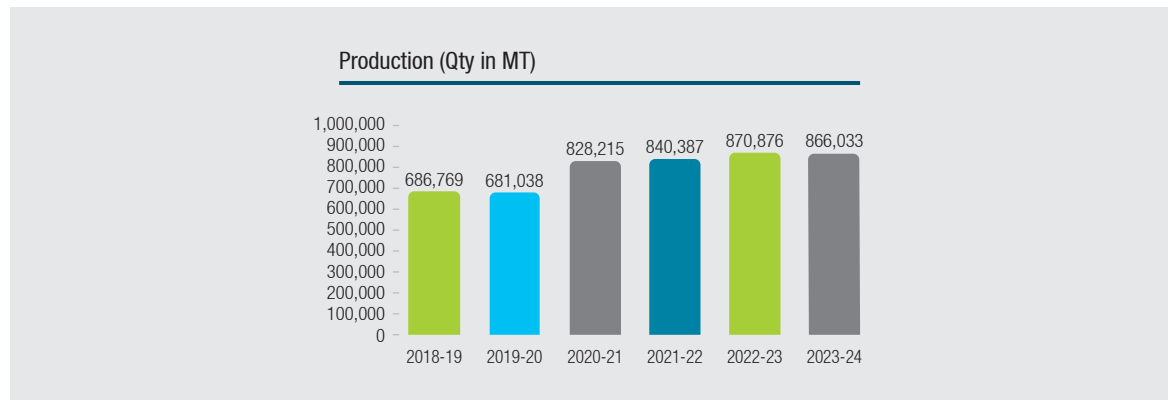
BSRM is strategically positioned to benefit from this growth through its expansion efforts, including the introduction of a new rolling mill with an annual production capacity of 600,000 metric tons. This expansion will help meet the increasing domestic demand for steel, especially in construction and infrastructure sectors.

Future developments in the steel industry are expected to focus heavily on sustainability. This includes efforts to reduce carbon emissions and enhance energy efficiency in production processes, aligning with global trends towards green infrastructure and renewable energy. The shift to sustainable practices is expected to further drive demand for specialized steel products, supporting both domestic and global growth prospects

GENERAL REVIEW OF THE PERFORMANCE OF THE COMPANY

Resilience Through Strategy: BSRM Thrives Amid Challenges, Boosting Profitability and Shareholder Value
Production Performance 2023-24

In the fiscal year 2023-24, (BSRM) maintained robust operational performance despite market challenges. Our rolling unit produced 866,033 metric tons of MS products, achieving a 108% capacity utilization rate. Although this marks a slight decrease from last year's production of 870,876 metric tons, it underscores our commitment to operational efficiency. The production data of the rolling unit is visually represented in the graph below:



MELTING UNIT PERFORMANCE

Our melting units, comprising SMW and Melting-2, have a combined capacity of 1,300,000 metric tons. In 2023-24, these units produced 870,748 metric tons, translating to a capacity utilization of 67%. This represents a reduction from the previous year, attributed to fluctuations in demand and input cost pressures. Additionally, 895,809 metric tons of billets were supplied for re-rolling operations. Historical production data for the Melting Units is provided below:

Particulars	2023-24	2022-23	2021-22	2020-21	2019-20	2018-19
Installed Capacity (M. Ton)	1,300,000	1,012,000	1,012,000	508,333	150,000	150,000
Production (M. Ton)	870,748	1,159,153	1,164,609	514,845	102,735	174,657
Capacity Utilization (%)	67%	115%	115%	101%	68%	116%
Sales & Consumed in Re-Rolling Unit (M. Ton)	895,809	1,256,821	1,005,860	514,845	102,609	174,533

ROLLING UNIT PERFORMANCE

In the fiscal year 2023-24, BSRM's rolling unit demonstrated strong operational efficiency. The installed capacity remained at 800,000 metric tons, with actual production reaching 866,033 metric tons, achieving a capacity utilization rate of 108%. Although production was slightly lower than the previous year's 870,876 metric tons, the performance remained robust. Sales of own products for the rolling unit totaled 802,732 metric tons. This consistent output highlights BSRM's commitment to meeting market demand while maximizing operational effectiveness. Historical production data for the rolling Units is provided below:

Particulars	2023-24	2022-23	2021-22	2020-21	2019-20	2018-19
Installed Capacity (M. Ton)	800,000	800,000	800,000	800,000	750,000	540,000
Production (M. Ton)	866,033	870,876	840,387	828,214	681,038	686,769
Capacity Utilization (%)	108%	109%	105%	104%	91%	127%
Sales of Own Product (M. Ton)	802,732	873,668	813,085	865,218	730,832	651,935

HISTORICAL PERSPECTIVE AND GROWTH

Our production capacity has expanded over the years, driven by strategic investments and the merger on February 1, 2021, which increased installed capacity to accommodate growing market needs. This sustained growth positions BSRM as a leading player in Bangladesh's steel sector, committed to delivering high-quality products that support the nation's infrastructure development.

FINANCIAL PERFORMANCE 2024-25

In FY 2023-24, BSRM demonstrated strong resilience amid challenging global economic conditions, such as elevated inflation and disruptions in supply chains. The company achieved a total revenue of Tk. 82,796 million, down from Tk. 115,061 million in the previous year. Despite the decrease in revenue, BSRM saw a significant improvement in profitability, with net profit after tax increasing to Tk. 4,323 million in FY 2023-24, compared to Tk. 2,914 million in FY 2022-23.

The improvement in profitability can be attributed to effective cost management strategies, including reductions in finance costs. Operational efficiency measures helped the company maintain a gross profit of Tk. 9,563 million, showcasing BSRM's ability to adapt to a challenging business environment. Additionally, the company's strategic focus on optimizing its operations allowed it to weather the external pressures more effectively, positioning it well for future opportunities as economic conditions stabilize.

These efforts have contributed to a stronger financial position, reflected in the increase in Net Asset Value (NAV) per share from Tk. 140.46 in FY 2022-23 to Tk. 150.06 in FY 2023-24, signaling robust shareholder value growth despite the challenging macroeconomic backdrop. Historical financial performance is given below:

Financial Performance	Amount in BDT in million					
Particulars	2023-24	2022-23	2021-22	2020-21	2019-20	2018-19
Revenue	82,796.05	115,060.73	79,783.10	59,875.85	45,722.36	44,408.88
Gross Profit	9,562.52	10,319.12	6,486.22	7,097.23	3,674.29	4,992.24
Profit from operating activities	6,695.49	8,159.34	4,846.04	5,477.73	2059.03	3,637.90
Non-Operating Income	59.17	53.90	46.01	30.43	16.11	41.3
Finance Cost, WPPF & WWF	(1,655.08)	(5,039.34)	(1,535.49)	(964.81)	(1,249.09)	(1,999.85)
Income Tax Expense	(1,968.58)	(1,193.56)	(1,294.73)	(533.53)	(413.78)	(879.43)
Net Profit after tax	4,323.29	2,913.95	3,088.28	4,970.33	921.84	1,860.63
Earnings Per Share (EPS) Tk.	14.48	9.76	10.34	18.96	3.90	7.88
Net Asset Value Per Share Tk.	150.06	140.46	134.29	127.56	99.89	97.46
Net operating Cash Flow Per Share Tk.	13.89	10.74	22.5	29.24	40.47	2.81

Other Financial Performance	Amount in BDT in million					
Particulars	2023-24	2022-23	2021-22	2020-21	2019-20	2018-19
Paid Up Capital	2,985.85	2,985.85	2,985.85	2,985.85	2,360.68	2,360.68
Share Holders' Equity	44,804.30	41,938.17	40,095.48	38,085.98	23,581.64	23,007.37
Current Liabilities	49,235.57	57,638.27	74,029.21	37,599.10	18,125.19	22,883.32
Non-current Liabilities	5,326.12	4,384.64	4,491.18	4,846.80	5,343.79	6,662.92
Addition to fixed assets & CWIP	1,778.08	971.98	771.80	1,346.65	1,373.56	314.89
Operating cash flow	4,146.22	3,205.33	6,716.94	8,730.39	9,554.44	664.16

PERFORMANCE OF VARIOUS ACTIVITIES / PRODUCTS / SEGMENTS

BSRM's performance was primarily driven by its core product segments of MS Rods, Billets, and Ribbed Wire. In FY 2023-24, the company produced 870,748 metric tons of Billets, and 866,033 metric tons of rods. The flagship product, Xtreme 500W, accounted for 60% of total sales, underscoring its strong market presence. Other products, such as MS Angle and Square Bars, contributed 40% of total sales volume, further solidifying the company's diverse product portfolio.

Segment wise or product wise performance	Production & Procured (M. Ton)					Sales (M. Ton)				
	2023-24	2022-23	2021-22	2020-21	2019-20	2023-24	2022-23	2021-22	2020-21	2019-20
Xtreme 500W, Angle, Channel (Owned Product)	866,033	870,876	840,387	828,215	681,038	798,970	867,314	813,085	865,218	730,832
Imported & Locally Procured Items	3,772	5,830	4,048	7,037	13,248	3,762	6,354	4,113	9,400	11,789
Total	869,805	876,706	844,435	835,252	694,286	802,732	873,668	817,198	874,618	742,621

LOCAL SALES

Local sales formed the bulk of BSRM's revenue, amounting to Tk. 80,716 million in FY 2023-24, down from Tk. 112,807 million in the previous year. This decline reflects the impact of economic challenges such as inflationary pressures and reduced demand in certain sectors. Despite the drop, local sales were supported by ongoing infrastructure projects and urbanization in Bangladesh.

EXPORT SALES

Export sales were limited, totaling Tk. 695 million in FY 2023-24, compared to Tk. 844 million in FY 2022-23. The company's strategic focus remained on fulfilling domestic demand while maintaining its presence in export markets. From the total volume of exports in FY 2023-24 the company generated USD 5.817 million.

BY-PRODUCT SALES

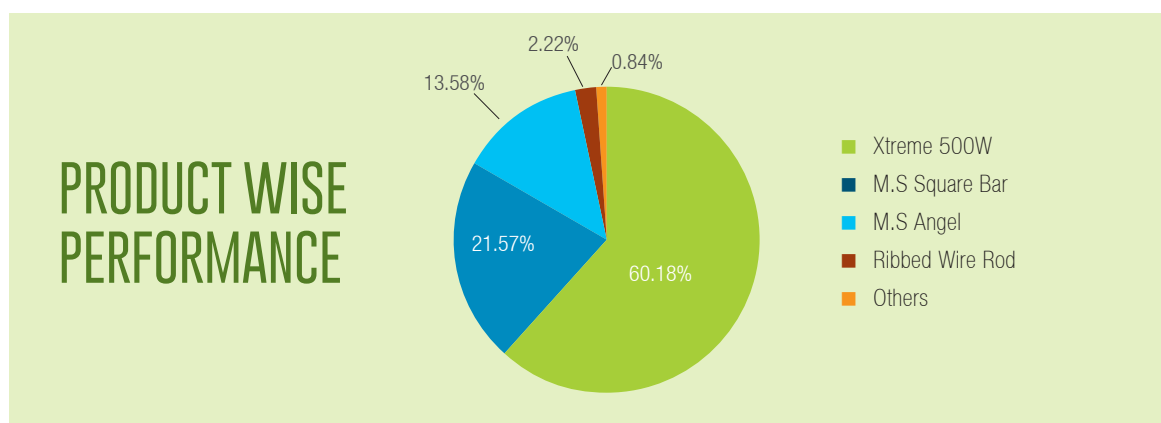
By-products, including scrap materials, contributed Tk. 526 million to export sales, helping BSRM optimize resource utilization and reduce waste. This segment remains an integral part of the company's operations, contributing to overall profitability.

SEGMENT-WISE OR PRODUCT-WISE PERFORMANCE

- **MS Rods:** A major contributor to BSRM's revenue, reflecting strong demand for construction materials within Bangladesh. The company's focus on quality and reliability has helped maintain a steady market share in this segment.
- **Ribbed Wire:** This segment, while smaller in volume, is important for BSRM's market diversity, catering to specific construction needs.
- **Xtreme 500W:** BSRM's flagship product, Xtreme 500W, continues to dominate sales, accounting for a significant portion of revenue. Its strength and performance characteristics have made it a preferred choice in the construction sector.
- **MS Angle and Square Bars:** These products collectively accounted for a substantial share of sales, supporting BSRM's diverse product range and reinforcing its market position.

Below is a detailed breakdown of the sales by product category:

Name of Items	Qty. (M.Ton)	Percentage
Xtreme 500W	483,046	60.18%
MS Square Bar	173,187	21.57%
M.S Angel-Manufactured	108,981	13.58%
Ribbed Wire Rod	17,848	2.22%
Xtreme 500W-Bend Cut	5,597	0.70%
Xtreme 500W-Stirrup & Others	4,179	0.52%
Trading Items	3,762	0.47%
Centura (Epoxy coated Rebar)	3,110	0.39%
MS Chennels	3,021	0.38%
Total	802,732	100%

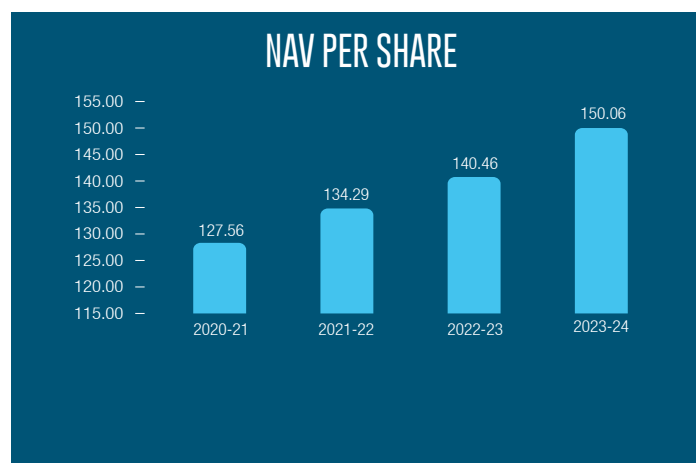


Major Improvements from Last Year

- Net Profit Growth:** BSRM achieved a 48% increase in net profit after tax, reaching Tk. 4,323 million in FY 2023-24, up from Tk. 2,914 million in FY 2022-23. This growth was driven by improved cost management and a significant reduction in finance costs.
- Cost Management:** Finance costs were reduced from Tk. 4,985 million to Tk. 1,468 million, enhancing the company's overall profitability.
- Operational Efficiency:** Despite a decrease in revenue, BSRM maintained strong operational performance through efficient production processes and cost controls, demonstrating resilience in a challenging market environment.

NET ASSET VALUE (NAV) PER SHARE

Over the years, BSRM's NAV per share has shown steady growth, reflecting the company's strengthening financial position and strategic growth initiatives. Starting from BDT 127.56 in 2020-21, the NAV per share saw a consistent upward trajectory, reaching BDT 150.06 in 2023-24. This increase underscores BSRM's commitment to enhancing shareholder value, driven by robust asset growth and effective management.



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

COST OF GOODS SOLD (COGS):

In FY 2023-24, BSRM's COGS amounted to Tk. 73,234 million, down significantly from Tk. 104,742 million in the previous year. This 30% reduction reflects improved cost management, particularly in raw materials sourcing and production efficiency. The decrease in COGS, despite lower revenue, highlights the company's focus on controlling production costs, which helped stabilize operational expenses even amidst external economic challenges.

GROSS PROFIT MARGIN:

BSRM recorded a gross profit of Tk. 9,563 million in FY 2023-24, slightly lower than the Tk. 10,319 million reported in FY 2022-23. Despite the drop in revenue from Tk. 115,061 million to Tk. 82,796 million, the company maintained a strong gross profit margin, reflecting its effective pricing strategies and ability to adapt to market conditions.

NET PROFIT MARGIN:

BSRM saw a notable improvement in its net profit margin, with net profit after tax rising to Tk. 4,323 million in FY 2023-24 from Tk. 2,914 million in the previous year—a 48% increase. This improvement was primarily driven by a substantial reduction in finance costs, which fell from Tk. 4,985 million to Tk. 1,468 million. Lower interest expenses and better management of financial obligations contributed to this decrease. The stronger net profit margin underscores BSRM's efficient financial management and its resilience in maintaining profitability during a period of economic challenges.

- 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 and Mr. Zohair Taherali serve as Directors of this Company. BSRM (Hong Kong) Limited demonstrated its efficiency by earning a net profit of HKD 542,176 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 2023-24, BSRM Steels Limited demonstrated outstanding operational performance. The company achieved remarkable sales, totaling an impressive 869,725 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. 3,797 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.

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:

Operational Performance of BSRM Steels Ltd:

Particulars	Unit	2023-24	2022-23	2021-22	2020-21	2019-20	2018-19
Installed Capacity	M. Ton	800,000	800,000	800,000	800,000	750,000	700,000
Production	M. Ton	907,481	920,257	868,454	816,494	643,917	758,405
Capacity Utilization	%	113.44%	115.03%	108.56%	102.06%	85.86%	108.34%
Sales	M. Ton	869,725	904,002	849,337	868,497	635,911	756,820

Financial performance of BSRM Steels Ltd is given below:

BDT in Million

Particulars	2023-24	2022-23	2021-22	2020-21	2019-20	2018-19
Revenue	82,706.10	84,524.77	67,121.06	54,982.97	38,681.38	61,060.15
Gross Profit	9,175.61	8113.88	7045.54	7,230.86	5,172.54	5,051.91
Profit from operating activities	6,752.45	6460.55	5427.69	5,596.03	3,573.15	3,369.05
Finance cost, WPP & WF	(1,747.04)	(2,790.24)	(1,035.85)	(664.40)	(1,899.24)	(1,328.76)
Share of Profit or (Loss) from Associate	-	-	-	(1,012.68)	151.79	297.97
Income tax expense	(1,280.84)	(791.71)	(1,226.76)	(872.00)	(1,083.43)	(610.13)
Net Profit	3,796.57	2,979.40	3,278.50	3,047.08	742.28	1,728.12
EPS Tk.	10.10	7.92	8.72	8.10	1.97	4.60

KEY PERFORMANCE INDICATORS (KPIs) TO MEASURE ACHIEVEMENT AGAINST STRATEGIC OBJECTIVES

BSRM utilizes a range of KPIs to measure the achievement of its strategic objectives. These include financial metrics such as revenue growth, operational efficiency (e.g., production output and cost per ton), and market share. Other indicators include employee productivity, customer satisfaction ratings, and compliance with safety and environmental regulations. Tracking these KPIs allows the company to assess its performance, identify areas for improvement, and ensure alignment with its long-term strategic goals.

Detailed KPIs for measuring the company's overall strategic objectives are provided on page no. 116

INFORMATION ON SHORT, MEDIUM & LONG-TERM KEY STRATEGIES OF THE ORGANISATION AND RESOURCE ALLOCATION

In the short term, BSRM focuses on optimizing its production processes and improving operational efficiency to reduce costs. In the medium term, the company is expanding its production capacity through strategic investments in new facilities and technology. Over the long term, BSRM aims to solidify its market leadership by diversifying into value-added products and export markets. Resources are allocated based on a strategic priority matrix, ensuring that investments align with the company's growth objectives and market needs. Detailed are given in page no. 201 BSRM's short, medium, and long-term strategic objectives under integrated report.

ORGANISATION STRATEGY ON MARKET DEVELOPMENT, PRODUCT, AND SERVICE DEVELOPMENT

BSRM's market development strategy involves expanding its customer base in domestic and regional markets while focusing on new product innovations such as high-strength steel products and sustainable building materials. To ensure continued growth, BSRM regularly invests in market research and customer feedback mechanisms to identify emerging trends and tailor its offerings accordingly.

THE COMPANY'S SUSTAINABILITY STRATEGY WITH MEASURABLE OBJECTIVES/TARGETS OF THE YEAR

BSRM is deeply committed to sustainability, aligning its goals with the UN Sustainable Development Goals (SDGs). Key objectives include increasing the use of recycled materials, reducing water consumption, and enhancing energy efficiency. In FY 2023-24, BSRM recycled over 1.72 million metric tons of scrap steel and reduced water consumption per ton of rolled product by 2.63%. For the next fiscal year, BSRM aims to reduce natural gas consumption by 3.20% and electricity consumption per ton of billet production by 0.50%, reinforcing its commitment to SDG 12 (Responsible Consumption and Production) and SDG 13 (Climate Action). Details are given in page no. 237 under environment, Social and Governance report.

INFORMATION ON HOW THE ORGANIZATION CONTRIBUTED TO ITS RESPONSIBILITIES TOWARDS THE STAFF (INCLUDING HEALTH, SAFETY & WORK ENVIRONMENT)

BSRM places a strong emphasis on ensuring a safe and healthy work environment. The company has implemented stringent safety protocols and conducts regular health checks for its employees. In FY 2023-24, BSRM invested significantly in safety training programs and workplace improvements, leading to a reduction in workplace accidents to only one fatality. BSRM also provides comprehensive health insurance and welfare programs for its staff, contributing to their overall well-being.

Details are given in page no. 163 under Human Capital.

INFORMATION ON CONTRIBUTION TO THE NATIONAL EXCHEQUER & ECONOMY

In FY 2023-24, BSRM contributed Tk. 13,205 million to the national exchequer through taxes, duties, and other levies. The company directly employs over 5,000 people, contributing to job creation and economic growth. Additionally, BSRM supports GDP growth through local production, infrastructure development, and export activities. The company also invests in community development initiatives, including education and infrastructure projects, reinforcing its commitment to both economic and social progress in Bangladesh.

IT SYSTEMS AND CONTROLS INCLUDING DATA PRIVACY AND CYBERSECURITY

BSRM has invested in robust IT systems to support its operations, with a focus on data privacy and cybersecurity. The company follows international standards for cybersecurity and regularly conducts security audits to safeguard its data. BSRM uses state-of-the-art encryption and firewall technologies to protect sensitive information, ensuring compliance with global data protection regulations.

EXTERNAL FACTORS AFFECTING THE PERFORMANCE OF THE COMPANY DURING THE YEAR

During FY 2023-24, external factors such as global inflation, supply chain disruptions, and currency fluctuations impacted BSRM's performance. The rising cost of raw materials and freight charges due to adverse currency movement led to increased production costs. Additionally, exchange rate volatility affected the company's financial results, particularly in terms of foreign currency transactions. However, BSRM's focus on operational efficiency and cost management helped mitigate these challenges.

MANNER IN WHICH FORMAL ANNUAL EVALUATION HAS BEEN MADE BY THE BOARD OF ITS OWN PERFORMANCE, ITS COMMITTEES, AND BOARD MEMBERS

In FY 2023-24, the Board of BSRM has effectively guided the company through a year marked by global economic challenges. The Board's focus on strategic planning, risk management, and governance has been instrumental in ensuring sustained growth and achieving organizational objectives. By prioritizing operational efficiency and financial discipline, the Board has played a crucial role in maintaining profitability, enhancing shareholder value, and driving long-term sustainability initiatives.

ANNUAL BOARD EVALUATION

The Board conducts a formal annual evaluation of its performance, including that of its committees and individual board members. This evaluation is carried out through a structured process, focusing on governance practices, strategic decision-making, and individual contributions. The results of this evaluation are used to identify areas for improvement and strengthen the overall effectiveness of the Board, ensuring alignment with the company's long-term vision and objectives.

INFORMATION ABOUT/DISCLOSURE ON CREDIT RATINGS

BSRM maintains a strong credit rating, with a rating of AA+ assigned by Credit Rating Information and Services Limited (CRISL). This rating reflects the company's strong financial health, operational efficiency, and low credit risk. The company's short-term credit rating is also ST-2, indicating a solid capacity to meet its financial obligations. The stable outlook from rating agencies underscores BSRM's strong market position and financial resilience.

Long Term

AA+

Short Term

ST-2

RISKS AND CONCERNS

BSRM faces both internal and external risks, including currency volatility, inflation, rising raw material prices, and environmental regulations. Internal risk factors such as production disruptions and capacity limitations are mitigated by our strong risk management framework. External risks, including market volatility and raw material supply disruptions, are managed through strategic sourcing and long-term supplier relationships. Additionally, environmental risks are mitigated by BSRM's ongoing sustainability initiatives, including efforts to reduce carbon emissions and improve energy efficiency. Details of the Risk and Opportunities are discussed in Page no. 216

EXTRAORDINARY ACTIVITIES

During FY2023-24, no extraordinary activities were recorded. However, the fluctuation in foreign exchange rates due to the depreciation of the Bangladeshi Taka against the US Dollar led to unrealized translation losses amounting to Tk.577 million. These losses were managed through careful financial planning and currency hedging.

RELATED PARTY TRANSACTIONS

BSRM conducts all related party transactions on an arm's length basis. Major transactions during the year include the purchase of raw materials and the sale of finished goods between BSRM and its associated companies. Details of the related parties, transaction amounts, and the nature of transactions are disclosed in Note 46 of the Financial Statements, complying with International Financial Reporting Standards (IFRS).

UTILIZATION OF PROCEEDS

BSRM did not raise any proceeds through public issues, rights issues, or any other instruments during FY2023-24. Therefore, no utilization statement is applicable.

FINANCIAL RESULTS POST-IPO

This clause is not applicable as BSRM did not undergo an Initial Public Offering (IPO), Repeat Public Offering (RPO), or Direct Listing during the reporting period.

VARIANCE BETWEEN QUARTERLY AND ANNUAL FINANCIAL STATEMENTS

The fiscal year 2023-24 marked a period of resilience and adaptation for BSRM amidst market challenges. The company navigated fluctuating demand and cost pressures while focusing on operational efficiency and strategic cost management. Despite a decline in revenue, BSRM achieved substantial growth in profitability, with net profit after tax rising significantly. The quarterly financial performance reflects the company's agile response to market dynamics, ensuring sustained value creation for shareholders and reinforcing BSRM's role as a leader in Bangladesh's steel industry.

- Revenue: Annual revenue declined by 28.04% to BDT 82,796 million, reflecting reduced sales volumes and market pressures. Quarterly, revenue fluctuated, with the highest at BDT 23,214 million in Jan-Mar 2024.
- Gross Profit: Gross profit for the year was BDT 9,563 million, a 7.33% decrease year-over-year. Quarterly gross profit peaked in Oct-Dec 2023 at BDT 3,071 million, influenced by demand and price adjustments.
- Profit Before Tax: The profit before tax rose 53.12% annually to BDT 6,292 million, with notable quarterly highs in Oct-Dec 2023 at BDT 2,072 million.
- Income Tax Expenses: Total income tax expenses rose by 64.93% annually due to increased profits, with the highest quarterly expense in Oct-Dec 2023 at BDT 744 million.
- Net Profit After Tax: Annual net profit surged by 48.38% to BDT 4,323 million, with earnings per share rising to BDT 14.48. Quarterly net profit was highest in Jan-Mar 2024 at BDT 1,468 million.

Particulars	Unit	For the Year		For the period			
		July'23-June'24	July'22-June'23	April'24-June'24	Jan'24-March'24	Oct'23-Dec'23	July'23-Sept'23
Steel Production	MT	866,033	870,876	217,608	230,353	217,054	201,018
Steel Sales	MT	802,732	873,668	204,626	232,475	192,244	173,387
Revenue	BDT'MN	82,796	115,061	19,767	23,214	19,614	20,201
Cost of sales	BDT'MN	(73,234)	(104,742)	(17,512)	(21,014)	(16,543)	(18,165)
Gross profit	BDT'MN	9,563	10,319	2,255	2,200	3,071	2,036
Profit before tax	BDT'MN	6,292	4,107	1,798	1,537	2,072	885
Income tax expenses							
Current year	BDT'MN	(1,269)	(1,098)	(313)	(100)	(627)	(229)
Previous year	BDT'MN	(411)	0.22	(429)	18	-	-
Deferred tax	BDT'MN	(289)	(96)	(186)	13	(117)	1.10
Total income tax expense	BDT'MN	(1,969)	(1,194)	(928)	(69)	(744)	(228)
Profit after tax	BDT'MN	4,323	2,914	869	1,468	1,328	658
Earnings per share	BDT	14.48	9.76	3.31	4.92	4.05	2.20

REMUNERATION OF DIRECTORS

In compliance with corporate governance best practices, we present the details of remuneration paid to the directors of BSRM during the fiscal year 2023-24, along with comparative figures from 2022-23.

OVERVIEW OF DIRECTORS' REMUNERATION FOR 2023-24

During the financial year 2023-24, the total remuneration paid to directors, including attendance fees and gross remuneration, amounted to BDT 166,835,500. This total includes BDT 335,500 as attendance fees and BDT 166,500,000 as gross remuneration.

Name	2023-24			2022-23		
	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
Mono Ranjan Dey FCA	198,000	-	198,000	-	-	-
Mr. Gobinda Chandra Paul FCA	49,500	-	49,500	132,000	-	132,000
Total	335,500	166,500,000	166,835,500	220,000	166,500,000	166,720,000

FAIR PRESENTATION OF FINANCIAL STATEMENTS

The financial statements have been prepared by management, ensuring that they fairly present the company's state of affairs, the result of its operations, cash flows, and changes in equity, in accordance with International Accounting Standards (IAS) and International Financial Reporting Standards (IFRS).

Please read page no. 324 Audit opinion on the Financial Statement for the year ended 30 June 2024.

MAINTENANCE OF BOOKS OF ACCOUNTS

Proper books of account have been maintained as per the Companies Act 1994 and other relevant regulations.

CONSISTENCY IN ACCOUNTING POLICIES

The company has consistently applied appropriate accounting policies, with reasonable and prudent judgments made in line with applicable laws and accounting standards.

APPLICATION OF IAS AND IFRS

International Accounting Standards (IAS) and International Financial Reporting Standards (IFRS) have been applied in the preparation of the financial statements. Details have been disclosed and explained in Note 2.01 of the Financial Statements.

INTERNAL CONTROL SYSTEM

BSRM has implemented a robust internal control system, designed to safeguard the company's assets and ensure the reliability of financial reporting. The effectiveness of the internal control system is regularly reviewed and monitored. Details of the company's Internal control systems are found in page no. 109

PROTECTION OF MINORITY SHAREHOLDERS

BSRM ensures that minority shareholders are protected from any abusive actions by controlling shareholders, and effective means of redress are available.

GOING CONCERN

BSRM's financial statements for the year ending June 30, 2024, have been prepared on a going concern basis, indicating that the company is expected to continue its operations without any need for liquidation or restructuring. This assessment is supported by several key factors:

- 1. Strong Financial Position:** BSRM has consistently delivered robust financial results, reflecting steady revenue growth, profitability, and an increase in net asset value, enabling the company to meet its obligations and fund future growth.
- 2. Operational Stability:** Strategic investments in capacity expansion, including a new rolling mill, ensure BSRM's competitive edge in the market. The company's ability to meet rising domestic steel demand through infrastructure and urbanization projects contributes to its stable revenue stream.
- 3. Liquidity and Cash Flow Management:** BSRM has sound liquidity and generates positive operating cash flows, effectively managing short-term liabilities and funding capital expenditures, minimizing financial risks.
- 4. Sustainable Growth Prospects:** With the steel industry poised for growth due to ongoing infrastructure projects, BSRM's strong market position and production capabilities support its long-term growth strategy.
- 5. Risk Management:** A proactive risk management framework helps BSRM mitigate external challenges like price fluctuations and currency volatility, ensuring resilience in a volatile economic environment.

There is no significant doubt regarding BSRM's ability to continue as a going concern. The financial statements have been prepared on a going concern basis.

EXPLANATION OF SIGNIFICANT DEVIATIONS FROM LAST YEAR'S OPERATING RESULTS

In FY 2023-24, BSRM's performance exhibited notable deviations from the prior fiscal year, particularly in areas such as revenue, profitability, and finance costs. Here's an overview of the key differences and their underlying causes:

- Revenue:** The total revenue for FY 2023-24 was Tk. 82,796 million, a decline of 28% from Tk. 115,061 million in FY 2022-23. This decrease was primarily due to a reduction in sales volumes. Additionally, ongoing global supply chain disruptions and inflationary pressures further affected market demand and revenue generation.
- Gross Profit:** BSRM recorded a gross profit of Tk. 9,563 million in FY 2023-24, down from Tk. 10,319 million in the previous year. While revenue dropped, effective cost management helped to limit the decrease in gross profit. Lower raw material costs, including scrap and billets, played a significant role in stabilizing the gross profit margin despite overall lower revenue.
- Operating Profit:** Operating profit decreased to Tk. 6,695 million in FY 2023-24, compared to Tk. 8,159 million in the previous year. This decline aligned with the drop in revenue; however, the company managed to keep selling, distribution, and administrative expenses relatively stable. This control over operating expenses helped mitigate the impact of reduced sales on operating profit.
- Finance Costs:** In FY 2023-24, BSRM's finance costs showed a notable shift due to a significant gain in foreign exchange (FEX) transactions and an increase in bank interest expenses. The company recorded a net foreign exchange gain of Tk. 480 million, driven by a realized transaction gain of Tk. 1,057 million, reversing the trend from a substantial loss of Tk. 4,012 million in the previous year. However, this gain was offset by a rise in interest expenses on demand and time loans, which increased to Tk. 1,733 million from Tk. 695 million in FY 2022-23, as well as higher overdraft interest costs, which rose to Tk. 377 million. These increases in borrowing costs highlight the impact of higher interest rates and greater reliance on short-term financing during the period. Despite the increased interest expenses, the overall reduction in finance costs due to FEX gains contributed positively to the company's bottom line.
- Profit Before Tax:** Profit before tax increased to Tk. 6,292 million in FY 2023-24, up from Tk. 4,107 million in the previous year, reflecting a growth of approximately 53.19%. The reduction in finance costs played a critical role in this improvement, despite a lower operating profit.
- Net Profit After Tax:** Net profit after tax rose significantly to Tk. 4,323 million in FY 2023-24 from Tk. 2,914 million in FY 2022-23, marking a 48.4% increase. This growth in net profit was primarily driven by the substantial reduction in finance costs and stable control over operational expenses, even in the face of a challenging revenue environment.

KEY REASONS FOR DEVIATIONS:

- **Revenue Decline:** Impacted by reduced demand, global inflation, and supply chain issues.
- **Increased of Bank Interest and Reduction of FEX losses:** A significant increase in interest expenses and better management of foreign exchange exposure led to improved profitability.
- **Cost Management:** BSRM successfully managed its production and operational expenses, maintaining profitability despite lower sales.
- **Stable Operating Expenses:** Consistent control over selling, distribution, and administrative expenses helped the company maintain its financial stability.

KEY FINANCIAL DATA OF THE LAST FIVE YEARS

Key financial data for the last five years, including revenue, profit, and net asset value, are summarized in Page no. 113 of this report.

DIVIDEND DECLARATION

The Board of Directors has recommended a 35% cash dividend for FY2023-24. A detailed history of the company's dividend distributions can be found on page no. 123 of this report.

INTERIM DIVIDEND

No bonus shares or stock dividends have been declared as interim dividends during the fiscal year.

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.

Unclaimed Dividend Account Year wise Unclaimed Dividend as on June 30, 2024	
Year	Taka
2022-23	665,751
2021-22	606,581
2020-21 Final	786,547
2020-21 Interim	234,314
Total	2,293,193

BOARD MEETINGS AND ATTENDANCE

During FY2023-24, the Board held 8 meetings. A detailed record of each Director's attendance is provided below:

Name of the Directors	Position	No. of meeting held during the Period	No. of Meeting Attended
Mr. Alihussain Akberali, FCA	Chairman	8	8
Mr. Aameir Alihussain	Managing Director	8	8
Mr. Zohair Taherali	Director	8	6
Mrs. Sabeen Aameir	Director	8	7
Mr. Gobinda Chandra Paul FCA Retired on 31/10/23	Independent Director	8	4
Mr. Mono Ranjan Dey FCA Appointed on 01/11/23	Independent Director	8	4

PATTERN OF SHAREHOLDING

DETAILS ARE GIVEN IN ANNEXURE 1

Appointment/Reappointment of Directors

As of June 30, 2024, there have been no changes in the composition of the Board. The Board continues to consist of the Chairman, Managing Director, two Directors, and one Independent Director. All members remain in their roles, ensuring continued leadership and strategic guidance for the company.

- **Composition and Size of the Board:** As of June 30, 2024, the Board panel consisted of 5 distinguished members, including the Chairman, the Managing Director, two Directors, and an Independent Director. This diverse composition ensures a wealth of experience, expertise, and perspectives guiding the strategic decisions of our organization.
- **Details of Directors Being 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. Alihussain Akberali FCA and Mr. Aameir Alihussain 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.
- **Brief Profile and Corporate Affiliations:** Comprehensive profile of all Directors, including the appointed 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'S DISCUSSION AND ANALYSIS ANNEXURE 2

A comprehensive Management's Discussion and Analysis, signed by the managing director, is presented in Annexure 2. This includes an analysis of accounting policies, comparative financial performance over the last five years, and the economic scenario.

GEO AND CFO DECLARATION

The declaration by the CEO and CFO is disclosed in **Annexure A**

COMPLIANCE CERTIFICATE

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**.

ACKNOWLEDGMENTS

On behalf of the Board of Directors, I extend our gratitude to our employees, customers, shareholders, and regulatory bodies for their continued support and trust in BSRM.

Alihussain Akberali FCA
Chairman
October 22, 2024

THE PATTERN OF SHAREHOLDING

ANNEXURE-1

Parent/Subsidiary/Associated companies and other related parties

Name	No of Shares Held	
	As on 30 th June 2024	As on 30 th June 2023
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

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 2024	As on 30 th June 2023
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	46,835,044
Mrs. Sabeen Aameir (Nominated Director of BSRM Steels Limited)	Director	28,800,000	28,800,000
Mr. Mono Ranjan Dey 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 FCA	CFO	Nil	Nil
Mr. Mohammed Reazul Kabir FCA	HIAC	4,242	4,242

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

Name	Relation	No of Shares Held	
		As on 30 th June 2024	As on 30 th June 2023
Mr. Tapan Sengupta	Deputy Managing Director	134,568	132,568
Mr. Kazi Anwar Ahmed	Adviser	13,310	13,310
Mr. Mohindar Singh Hanspal	General Manager-Rolling	Nil	Nil
Jayant M. Lakra	AGM Plant Operation	Nil	Nil
Mr. Md. Nizamul Haque	Adviser Technical Support	Nil	Nil

Shareholders holding 10% or more voting interest in the company

Name	Relation	No of Shares Held	
		As on 30 th June 2024	As on 30 th June 2023
Mr. Alihussain Akberali	Chairman	29,970,251	29,970,251
H. Akberali & Co. Limited	Affiliated Company	46,835,044	46,835,044

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ANNUAL REPORT 2023-2024

FUTURE FORWARD: TOGETHER AS ONE

MANAGEMENT'S DISCUSSION AND ANALYSIS

ANNEXURE-2

This section provides a comprehensive analysis of BSRM's financial and operational position for FY 2023-24, addressing the following key areas:

Company's Position and Operations

BSRM maintained its leading market position in the steel industry despite facing global economic challenges, including inflation and supply chain disruptions. The paid-up capital remained stable at BDT 2,985.85 million, while shareholders' equity increased by 6.8% to BDT 44,804.30 million, reflecting BSRM's continued commitment to building long-term value.

The company's current liabilities decreased from BDT 57,638.28 million in 2022-23 to BDT 49,235.57 million, signaling effective management of short-term obligations. Non-current liabilities rose to BDT 5,326.12 million, primarily due to funding expansion initiatives.

Investment in fixed assets and capital work in progress (CWIP) increased by BDT 1,778.08 million, supporting future growth and operational improvements. The Net Asset Value (NAV) per share climbed to BDT 150.06, up from BDT 140.46, highlighting the company's enhanced financial strength and asset growth. This robust financial foundation positions BSRM to navigate industry challenges and capitalize on future opportunities.

Financial Positions	Amount in BDT in million					
Particulars	2023-24	2022-23	2021-22	2020-21	2019-20	2018-19
Paid Up Capital	2,985.85	2,985.85	2,985.85	2,985.85	2,360.68	2,360.68
Share Holders' Equity	44,804.30	41,938.17	40,095.48	38,085.95	23,581.64	23,007.37
Current Liabilities	49,235.57	57,638.28	74,029.21	37,599.13	18,125.19	22,883.33
Non-current Liabilities	5,326.12	4,384.65	4,491.18	4,846.81	5,343.79	6,662.93
Addition to fixed assets & CWIP	1,778.08	971.98	771.80	1,346.65	982.93	192.12
Net Asset Value Per Share Tk.	150.06	140.46	134.29	127.56	99.89	97.46

Comparative Analysis of Financial Performance

In comparison to FY 2022-23, BSRM's total revenue decreased from Tk. 115,061 million to Tk. 82,796 million in FY 2023-24, reflecting a 28% decline in sales due to global and domestic demand fluctuations. Despite this, the company managed to maintain its gross profit margin at Tk. 9,563 million, down from Tk. 10,319 million in the previous year, reflecting robust cost management and pricing strategies. A significant improvement in net profit was observed, with after-tax profit increasing by 48% from Tk. 2,914 million to Tk. 4,323 million. This was largely driven by a reduction in finance costs, from Tk. 4,985 million to Tk. 1,468 million, reflecting effective debt management and currency management.

Financial Positions	Amount in BDT in million					
Particulars	2023-24	2022-23	2021-22	2020-21	2019-20	2018-19
Revenue	82,796.05	115,060.73	79,783.10	59,875.85	45,722.36	44,408.89
Cost of Goods Sold	73,233.53	104,741.61	73,296.88	52,778.62	42,048.07	39,416.65
Gross Profit	9,562.52	10,319.12	6,486.22	7,097.22	3,674.29	4,992.24
Selling & Distribution Expenses	1,879.15	1,151.40	901.02	1,080.88	1,223.32	992.03
Administrative Expenses	1,028.60	1,065.38	802.63	550.15	419.39	389.52
Net Finance Cost	1,371.25	4,853.77	1,340.32	710.26	1,205.61	1,905.85
Income Tax Expenses	1,968.58	1,193.56	1,294.73	533.52	413.78	879.43
Net Profit After Tax	4,323.29	2,913.57	3,088.28	4,970.33	921.84	1,860.63
Earnings Per Share	14.48	9.76	10.34	18.96	3.90	7.88

Cash Flow Analysis

In 2023-24, BSRM generated BDT 4,146.22 million from operating activities, an increase from BDT 3,205.33 million in the previous year, reflecting improved operational efficiency despite higher payments to suppliers and employees. Cash used in investing activities was minimal at BDT 12.75 million, indicating a focus on sustaining current assets. Financing activities recorded an outflow of BDT 4,798.97 million, primarily due to debt repayments. Overall, this led to a net cash decrease of BDT 665.50 million for the year.

Cash Flow Movements	Amount in BDT in million					
Particulars	2023-24	2022-23	2021-22	2020-21	2019-20	2018-19
Cash generate from operating activities	5323.54	7,759.98	8,110.17	9,918.80	10,961.80	2,914.99
Interest Paid	(759.59)	(3,487.56)	(298.34)	(638.46)	(1,205.61)	(1,897.63)
Income Tax Paid	(417.73)	(1,067.09)	(1,094.89)	(549.95)	(201.75)	(353.20)
Net Cash Flow from operating activities	4,146.22	3,205.33	6,716.94	8,730.39	9,554.44	664.16
Net Cash Flow used in investing activities	(12.75)	2,633.29	(2,810.16)	(1,626.40)	(1,271.49)	(173.13)
Net Cash Flow used in financing activities	(4,798.97)	(9,656.33)	91.86	(5,756.40)	(8,818.39)	(435.42)
Net Increase/(Decrease) in Cash & Cash Equivalent	(665.50)	(3,817.71)	3,998.64	1,347.60	(535.44)	55.61

Accounting Policies and Estimation for Preparation of Financial Statements

BSRM prepares its financial statements in strict adherence to International Financial Reporting Standards (IFRS) and International Accounting Standards (IAS). These globally recognized standards ensure consistency, transparency, and accuracy in financial reporting. Key accounting estimates, including those for depreciation, inventory valuation, and provisions for employee benefits, are developed based on prudent assumptions and regularly reviewed to reflect the company's operational realities.

The financial statements are also prepared in accordance with the Companies Act, 1994, the Securities and Exchange Rules, 2020, and other applicable laws and regulations of Bangladesh. Furthermore, the company applies the direct method for presenting cash flows from operating activities, as required by the Securities and Exchange Rules, 2020. This comprehensive approach ensures that the financial statements provide an accurate and reliable representation of BSRM's financial position. Details statement of compliance has been given in Note 2.01 of this financial statement.

Changes in Accounting Policies and Estimation

There were no significant changes in accounting policies for FY 2023-24. All accounting estimates remained consistent with the previous year, ensuring continuity and comparability in financial reporting. BSRM continues to apply the same methods for property and equipment valuation, depreciation, and revenue recognition, ensuring that the financial statements accurately reflect the company's financial position.

Comparison with Peer Industry

While the global steel industry experienced volatility, including raw material price increases and reduced demand, BSRM outperformed many of its peers in the domestic market. Most competitors struggled to manage finance costs and supply chain issues, whereas BSRM demonstrated resilience through effective cost controls and maintaining a focus on local sales. The flagship product, Xtreme 500W, continues to account for over 60% of total sales, strengthening BSRM's position in the market.

Below has given peer industry performance as per available data:

BSRM Steels Limited	Amount in BDT in million					
	2023-24	2022-23	2021-22	2020-21	2019-20	2018-19
Operational Results						
Revenue	82,706	84,524	67,121	54,983	38,681.38	61,060.15
Gross Profit	9,176	8,114	7,046	7,231	5,172.54	5,051.91
Profit after Tax	3,797	2,979	3,279	3,047	742.28	1,728.13
EPS	10.10	7.92	8.72	8.1	1.97	4.60
Net Assets Value (NAV)	80.93	73.32	68.99	62.38	56.84	55.58
Net Operating Cash Flow per share	16.32	29.15	10.62	20.87	5.81	(12.43)

GPH Ispat Limited (GPH)	Amount in BDT in million					
	2023-24	2022-23	2021-22	2020-21	2019-20	2018-19
Operational Results						
Revenue	55,829	57,656.89	46,828	28,166	9,406	11,111
Gross Profit	7,996	7,960.36	6,349	4,201	1,553	2,158
Profit after Tax	858	268.61	1,494	1,661	299	806
Earning per share (EPS)	1.77	0.58	3.42	4.18	0.79	2.24
Net Assets Value (NAV) per share	52.43	53.08	28.79	29.86	17.01	17.59
Net Operating Cash Flow per share	9.89	(2.10)	(7.15)	(4.05)	(8.10)	1.44

Financial and Economic Scenario (Global and Domestic)

The global steel industry continued to face challenges in 2024, driven by high inflation and increased raw material costs. The geopolitical tensions from the Russia-Ukraine war, along with the recent Iran-Gaza-Israel conflict, further strained global supply chains, affecting steel production and trade. Domestically, Bangladesh grappled with currency depreciation, rising inflation, and higher interest rates, which reduced consumer purchasing power and demand for construction materials like steel. Additionally, recent student movements in Bangladesh highlighted social and economic pressures, adding to the complex environment. Despite these challenges, BSRM maintained its strategic focus, leveraging its market position to sustain operations and remain profitable amidst the turbulent economic landscape.

Risks and Concerns Related to Financial Statements

BSRM's primary risks include raw material price volatility, currency fluctuations, and economic uncertainty. The company mitigates these risks through long-term contracts with suppliers, hedging strategies, and an optimized debt portfolio. Additionally, a strong focus on domestic sales helped shield the company from external economic disruptions. Finance costs were significantly reduced, contributing to improved profitability, while operational risks were managed through process optimization and effective supply chain management.

Future Plans and Forecast

BSRM's future strategy involves expanding its production capacity to meet the growing demand in Bangladesh's construction and infrastructure sectors. A new rolling mill with a capacity of 600,000 metric tons is expected to come in operation soon, further boosting production. The company is also focused on debt reduction and optimizing its operational

processes to increase profitability in the coming years. Management remains confident in BSRM's ability to deliver steady revenue growth and maintain profitability, with updates on operational performance and financial forecasts to be presented at the next AGM.

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



Aameir Alihussain
Managing Director
October 22, 2024



CERTIFICATE OF DUE DILIGENCE BY CEO & CFO

(As required under the BSEC CGC)

Date: October 22, 2024

To The Board of Directors of Bangladesh Steel Re-Rolling Mills Limited

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 2024** 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 2024** 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 FCA
Chief Financial Officer