

DIRECTORS' REPORT

Dear Shareholders,

It is a privilege to welcome you to the 22nd Annual General Meeting of BSRM Steels Limited. We are honored to present the Directors' Report along with the Auditor's Report and the Audited Financial Statements for the year ending June 30, 2024. This report has been prepared in compliance with the Companies Act 1994 and Bangladesh Securities and Exchange Commission Notification No: BSEC/CMRRCD/2006-158/207/Admin/80 dated 03 June, 2018.

We have successfully completed another year, despite facing numerous challenges, including uncertainty, scarcity of foreign currency for supplier payments, and political unrest. We recognize the outstanding dedication of our management team, who steadfastly executed our business plans, overcame these challenges within a complex geopolitical landscape, and ultimately delivered strong financial results. Their resilience, commitment to excellence, and strategic focus on sustainable growth have been instrumental in driving the company forward. Despite external challenges, their efforts have propelled us toward our goals and kept us on track for a sustainable future.

This year, BSRM Steels Limited achieved historic levels of gross profit and net profit after tax, setting new records despite a 2.15% decrease in sales revenue. We recorded a milestone gross profit of BDT 9,176 million and a net profit after tax of BDT 3,797 million, marking the highest figures in our company's history. This remarkable profitability was largely driven by favorable foreign currency transactions, with foreign currency liabilities recorded at higher market rates but ultimately settled at more advantageous rates.

GLOBAL AND DOMESTIC ECONOMIC SITUATION

Global Overview:

The World Steel Association forecasts a 0.9% decline in global steel demand in 2024, bringing it to 1,751 million MT. This marks the third consecutive year of demand reduction. Globally, steel demand remains subdued, largely due to high inflation, elevated interest rates, and sluggish growth in key steel-consuming sectors like construction and manufacturing. In Europe has seen consecutive drops in steel consumption as the construction sector continues to struggle, with geopolitical tensions and the ripple effects of high energy costs intensifying the issue. Due to demand issue the cost of ferrous waste and scrap in the international market dropping gradually which will an opportunity to lower production cost in future.

Bangladesh Steel Industry

As per The Daily Star's report, Bangladesh's steel consumption was approximately 85 lakh MT in 2024, with projections estimating a 25% increase to about 1.06 MT by 2027. This growth is attributed to ongoing infrastructure development projects. High inflation, currency depreciation, and increased production costs shall have impact on profitability. Additionally, difficulties in opening Letters of Credit (LCs) due to dollar shortages have disrupted raw material imports.

In summary, while the global steel industry grapples with declining demand in major markets, trade tensions, and decarbonization pressures, Bangladesh's steel sector despite growth potential faces its own obstacles. These include managing overcapacity, economic challenges, political unrest, and ongoing supply chain disruptions. Addressing these factors will be essential for Bangladesh's steel industry to reach its full growth potential amid both regional and global uncertainties.

INDUSTRY OUTLOOK AND SUSTAINABLE FUTURE PLANNING:

Bangladesh's steel industry is expanding rapidly, driven by urbanization, industrial growth, and significant government infrastructure projects. Projected to grow at approximately 10% annually, the sector faces challenges such as high costs of raw materials and consumables, port congestion, and political uncertainties. Most raw materials, including ferrous waste and scrap, are imported, primarily through Chattogram Port, where delays have impacted costs and timing. Industry leaders are calling for infrastructure and logistics improvements to address these issues. Recent political instability has also added pressure, though recovery is expected as conditions stabilize.

Bangladesh's per capita steel consumption is steadily rising, expected to grow from 47 kg to around 75 kg in the medium term, signaling strong demand. Private sector investments in production technology and expanded factory capacities underscore confidence in the market's potential. However, sustaining this growth will require improvements in supply chain logistics and political stability.

To meet increasing customer demand, the company has made substantial upgrades to its production capacity through two major capital investment projects launched in July 2021. These projects aim to enhance melting and rolling capacities, with the new melting capacity of 250,000 MT MS Billet per annum operational since January 2024. A new rolling mill with a capacity of 500,000 MT of MS products and 100,000 MT of wire rods is nearing completion, with commercial operations targeted for January 2025. Both projects, located in Mirsarai, reflect the company's commitment to fulfilling customer demand and strengthening its sustainable market leadership.

MANAGING EXPECTATIONS: INFLATION AND MONETARY POLICY

Steel production in Bangladesh relies heavily on imported commodities like ferrous waste, scrap, consumables, sponge iron, and ferro alloys. Due to currency devaluation and high inflation, import costs have risen, making essential materials more expensive. Additionally, fuel and energy prices have surged, influenced by global oil prices and domestic inflation, further raising production costs in the energy-intensive steel sector. This also led to higher logistics and transportation expenses, impacting the movement of both raw materials and finished products.

Bangladesh experienced a high annual inflation rate of approximately 9.73%, driven mainly by food prices, resulting in increased costs across all sectors, especially for imported goods and raw materials. The Bangladesh Bank implemented policy measures to control inflation and stabilize the currency, including raising interest rates to curb money supply. While these measures aim to stabilize the economy, they have led to higher borrowing costs, impacting steel manufacturers who rely on bank financing for working capital and expansion projects.

Inflationary pressures could moderate if global commodity prices stabilize and domestic policies succeed in controlling inflation. However, persistent global economic uncertainties and currency volatility may sustain higher input costs, potentially affecting steel production profitability in the short to medium term.

SEGMENT WISE OR PRODUCT WISE PERFORMANCE:

Our Company's production can be divided into two segments that is Melting & Rolling. The company operating its business units based on its products and has two reportable segments, as follows:

- There are 2 Melting plants producing different graded MS Billets that is use to produce high grade MS Rod.
- Re-rolling plant produces different types and size of high-grade MS Rod and sell the same to through a country wide distribution network to dealers, corporate houses, Government projects, EPZ based companies and India.

Segment information is included in note 7.20 and note 31.02 of the Audited Financial Statements.

BSRM has introduced country's first Xtreme B500 DWR since 2022 to meet the requirements of high strength mega construction demand. Since its launch in the market BSRM Xtreme B500 DWR rapidly gained market share and is the undisputed market leader in this category. After the successful launch of Xtreme B500 DWR another grade was introduced called Xtreme B500CWR for general purpose construction of commercial and residential buildings and bridges. It is the steel of choice among home builders. Besides Xtreme B500 DWR & CWR our company also manufactures Grade 420D steel to meet the requirements of certain Govt. projects. The company has branded the Grade 420D as 'Ultima'. The Company rolled out new Grade reinforcing steel conforming to the U.S. standard ASTM 706 which is more economical as it will require 20% less steel in construction. The new Grade 80 is marketed under the Brand name 'Maxima'.

Product-wise performances are as follows:

Products	Production (M. Ton)		Sales (M. Ton)	
	2023-24	2022-23	2023-24	2022-23
Xtreme B500 DWR/CWR	847,888	869,081	818,981	845,375
Other M.S Rod	59,592	51,176	50,744	58,627
M.S Billet	925,202	553,663	-	-

MANAGING RISKS AND CONCERNS

In the complex and high-risk steel industry, our Enterprise Risk Management (ERM) framework serves as a comprehensive approach to manage market, operational, and regulatory challenges, ensuring sustainable value for stakeholders. The ERM framework integrates risk assessment and mitigation strategies across all organizational levels, enhancing resilience, supporting informed decision-making, and strengthening operational efficiency.

Key Risk Management Strategies:

1. Market Volatility and Financial Risk:

- Actively monitor global supply-demand trends, currency fluctuations, and raw material prices.
- Minimize cost in all areas, advance booking of foreign currency based on market to manage financial volatility and protect profitability.

2. Regulatory Compliance and ESG Integration:

- Ensure adherence to environmental, safety, and quality standards by staying current with evolving regulations.
- Invest in environmentally sustainable technologies (e.g., Air Pollution Control (APC) systems, water treatment plants).
- Integrate Environmental, Social, and Governance (ESG) considerations into ERM to manage carbon footprint, resource utilization, and waste output, aligning with stakeholder and industry standards.

3. Operational Continuity and Process Efficiency:

- Implement Total Productive Maintenance (TPM) with a focus on preventive maintenance and process optimization.
- Invest in technological advancements to minimize production inefficiencies and reduce equipment failure risks.
- Optimize processes to ensure uninterrupted operations and maintain high-performance standards.

4. Data-Driven Decision Making:

- Utilize data analytics within the ERM framework to monitor risk trends, predict potential impacts, and make data-driven decisions.
- Strengthen resilience against market shifts and operational disruptions through informed analysis and proactive adjustments.

STRATEGIC OUTCOMES

Our ERM approach is designed to navigate the steel industry's complex risk environment effectively. By focusing on proactive risk mitigation, regulatory compliance, and data-informed strategies, we ensure that our operations are resilient and aligned with sustainability goals. This commitment empowers us to confidently manage risks, safeguard shareholder value, and reinforce our mission of sustainable growth.

A summary of the significant risks and the way of managing risks adopted by our company is included in Note - 48 of the Financial Statements.

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

Taka in Million

Particulars	2023-24	2022-23	Change (%)
Cost of goods sold (COGS)	73,530	76,411	(3.77)
Gross Profit	9,176	8,114	13.09
Net Profit after tax	3,797	2,979	27.46

This year, net sales revenue reached BDT 82,706 million, a 2.15% decrease from the previous year. Despite the drop in revenue, Cost of Goods Sold (COGS) reduced by 3.77% to BDT 73,530 million, largely due to lower raw material costs internationally and favorable currency exchange rates. These factors boosted the gross profit by 13.09%.

Net Profit After Tax rose significantly to BDT 3,797 million, a 27.43% increase from BDT 2,979 million last year. This rise was primarily driven by a 41.53% reduction in finance costs, dropping from BDT 3,023 million to BDT 1,767 million, as favorable foreign currency conditions led to reduced foreign currency losses (down to BDT 198 million from BDT 1,848 million).

However, apart from the currency effects, finance costs increased by 33.54% due to a steep interest rate increase from 7% to 14% and a higher utilization of time loans.

Overall, effective cost management and favorable currency conditions contributed to the improved profitability for the year.

EXTRAORDINARY GAIN OR LOSS

Net Profit after Tax:

For the year ending 30th June 2024, BSRM Steels Limited achieved a record-breaking profit after tax of Tk. 3,797 million, reflecting a robust 27.46% increase from Tk. 2,979 million in the previous year. This result represents the highest net profit after tax in the company's history.

Key Contributing Factors:

This year, the company experienced significant growth driven by three key factors: an improved gross profit margin, a decrease in the cost of imported raw materials, and a substantial reduction in finance expenses. Finance costs decreased by 41.53%, from BDT 3,022 million to BDT 1,767 million, primarily due to favorable foreign currency transactions. Foreign currency liabilities recorded at higher market rates were settled at lower rates, leading to a significant drop in foreign currency losses, from BDT 1,848 million to BDT 198 million.

In contrast, selling and distribution costs surged by 66.42%, increasing from BDT 1,035 million to BDT 1,723 million. This rise was largely attributed to higher brokerage and commission payments, which were strategically invested to enhance sales volume. Brokerage and commission expenses alone rose sharply to BDT 878 million, up from BDT 134 million in the previous year.

Overall, while the company benefited from reduced net finance costs and improved profit margins, increased selling and distribution expenses highlighted a strategic focus on driving sales growth.

RELATED PARTY TRANSACTIONS

We uphold transparency and ethical standards in all transactions with related parties. Our committed team is focused on ensuring fairness, integrity, and compliance with ethical practices in every interaction with affiliated entities.

For a thorough understanding of these transactions, details can be found in Note 43 of the financial statements, in accordance with IFRS/IAS requirements

Explanation on Significant Deviation between quarterly and annual financial performance:

Particulars	Unit	For the Year		For the Period			
		July'23 to June'24	July'22 to June'23	Apr'24 to Jun'24	Jan'24 to Mar'24	Oct'23 to Dec'23	July'23 to Sept'23
Production	M.Ton	907,480	920,257	222,350	225,419	226,563	233,148
Sales	M.Ton	869,725	904,002	202,186	290,665	226,711	150,163
Revenue	Tk in MN	82,706	84,525	18,920	27,474	21,512	14,801
Cost of Sales	Tk in MN	73,530	76,411	17,587	24,634	18,457	12,853
Gross Profit	Tk in MN	9,176	8,114	1,333	2,840	3,055	1,948
Profit Before Tax	Tk in MN	5,077	3,771	1,278	1,768	1,366	666
Income Tax Expense							
Current Tax	Tk in MN	(1,325)	(859)	(290)	(499)	(313)	(224)
Deferred Tax	Tk in MN	44	68	15	(21)	37	14
Profit after Tax	Tk in MN	3,797	2,979	1,003	1,247	1,090	456
Basic Earning per share	Tk	10.10	7.92	2.67	3.32	2.90	1.21

Production & Sales: This year, production capacity utilization reached 113%, yet total production decreased by 1.39% compared to the previous year. Sales volume also declined by 3.79%, with corresponding revenue falling by 2.15%. Seasonal fluctuations in steel demand in Bangladesh contributed to quarterly sales volume variations.

Gross Profit: Gross profit increased by 13.09% to BDT 9,176 million, up from BDT 8,114 million last year. The gross profit margin also improved, rising from 9.60% to 11.09%, largely due to a decrease in global raw material prices, which strengthened profitability despite the reduction in sales volume.

Net Profit After Tax: Net profit after tax rose to BDT 3,797 million, a significant increase from BDT 2,979 million the previous year. This growth was primarily due to a 41.53% reduction in finance costs, which dropped from BDT 3,023 million to BDT 1,767 million, benefiting from favorable foreign currency transactions. Foreign currency liabilities initially recorded at higher rates were settled at lower rates, leading to a substantial reduction in foreign currency losses.

Quarterly Performance: In the first quarter (Jul-Sep 2023), net profit after tax stood at BDT 456 million, lower than in subsequent quarters, due to higher finance costs and foreign exchange losses. Foreign currency losses during this period reached BDT 615 million, reflecting exchange rate fluctuations at the time. By year-end, favorable adjustments in exchange rates reduced foreign currency losses to BDT 198 million from the previous year's BDT 1,848 million.

Significant deviations from the last year's operating results:

Operational Performance:

Particulars	July'23 to June'24	July'22 to June'23
Installed Capacity (M. Ton)	800,000	800,000
Production (M. Ton)	907,480	920,257
Capacity Utilization (%)	113	115
Sales (M. Ton)	869,725	904,002

Our dedicated and efficient operational team continuously strives to improve performance year after year. The results are evident in the presentations above. This year, we achieved 113% utilization of our rolling mill's capacity which is a significant milestone following last year's remarkable 115% capacity utilization.

OPERATING RESULTS

Particulars	Unit	July'23 to June'24	July'22 to June'23
Sales	Tk in MN	82,706	84,525
Gross Profit	Tk in MN	9,176	8,114
Profit before interest, taxes, WPP&WF	Tk in MN	7,112	6,992
Interest & WPP&WF	Tk in MN	2,034	3,221
Tax expenses	Tk in MN	1,281	792
Net Profit after tax	Tk in MN	3,797	2,979
EPS	Tk	10.10	7.92

Revenue and Market Impact:

Total revenue decreased by 2.15% over the past year, primarily due to political unrest and reduced market demand, which affected sales revenue. Despite these challenges, the company maintained a strong position in profitability due to effective cost management.

Gross Profit:

Gross profit increased by 13.09%, reaching BDT 9,176 million compared to last year's BDT 8,114 million. The gross profit margin also improved, rising from 9.60% to 11.09%, largely due to a drop in global raw material costs, which helped offset the revenue decline.

Finance Cost and Foreign Currency Impact:

Finance costs reduced significantly by 41.53%, dropping from BDT 3,023 million to BDT 1,767 million. This reduction was mainly due to favorable foreign currency transactions, as liabilities initially recorded at higher rates were ultimately settled at lower rates, resulting in a substantial decrease in foreign currency losses from BDT 1,848 million to BDT 198 million.

Interest Rate Impact on Finance Costs:

While foreign currency adjustments benefited finance costs, they were partly offset by a 33.54% increase in underlying finance costs due to a substantial rise in interest rates, which escalated from 7% to 14%, along with increased time loan utilization.

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

We are pleased to present the financial performance of our company over the past five years to provide a clearer understanding of our overall performance.

OPERATIONAL PERFORMANCE

Particulars	Unit	July'23 to June'24	July'22 to June'23	July'21 to June'22	July'20 to June'21	July'19 to June'20	July'18 to June'19
Operations & Market:							
Installed Capacity	MT	800,000	800,000	800,000	800,000	750,000	700,000
Production	MT	907,480	920,257	868,454	816,494	643,917	758,405
Capacity Utilization	%	113	115	109	102	86	108
Sales	MT	869,725	904,002	849,336	868,497	635,911	756,820
Operational Results:							
Revenue	Tk in MN	82,706	84,525	67,121	54,983	38,681	61,060
Gross Profit	Tk in MN	9,176	8,114	7,046	7,231	5,173	5,052
Gross Profit Ratio	%	11.09	9.60	10.50	13.15	13.37	8.27
Net Profit After Tax	Tk in MN	3,797	2,979	3,278	3,047	742	1,728
Net Profit Ratio	%	4.59	3.52	4.88	5.54	1.92	2.83
Earning Per Share (EPS)	TK	10.10	7.92	8.72	8.10	1.97	4.60
Financial Position:							
Paid Up Capital	Tk in MN	3,760	3,760	3,760	3,760	3,760	3,760
Shareholders' Equity	Tk in MN	30,428	27,565	25,935	23,452	21,369	20,897
Current Liabilities	Tk in MN	56,239	42,858	48,891	40,141	33,264	33,888
Non-current Liabilities	Tk in MN	10,501	6,477	7,195	8,792	9,976	11,023
Addition to fixed assets & CWIP	Tk in MN	7,507	9,661	1,367	236	1,534	5,872
Operating cash flow	Tk in MN	6,134	10,961	3,993	7,846	2,094	(4,672)
Net Asset Value per share	TK	80.93	73.32	68.99	62.38	56.84	55.58

This year we have produced 907,480 MT MS product and we have utilized our capacity by 113% with the help of our devoted workforce. The Net Asset Value per share (NAV) of the Company has been increasing consistently due to our competent and efficient operational performance. In this year, the NAV per share is Tk. 80.93 which was Tk. 73.32 in 2022-23.

REMUNERATION OF DIRECTORS INCLUDING INDEPENDENT DIRECTOR

Directors' remuneration was determined in line with the Board's established policies and procedures, taking into account market benchmarks, performance evaluations, and the overall financial health of the company. A comprehensive report on Directors' remuneration is available in Note 34.01 of the Financial Statements.

Name	Position	Attendance Fees (Tk)	Remuneration (Tk)	Total Paid (Tk)
Mr. Alihussain Akberali FCA	Chairman	22,000	48,000,000	48,022,000
Mr. Aameir Alihussain	Managing Director	22,000	42,000,000	42,022,000
Mr. Zohair Taherali	Director	11,000	13,200,000	13,211,000
Mrs. Tehseen Zohair Taherali	Director	5,500	7,800,000	7,805,500
Mr. Mono Ranjan Dey FCA	Independent Director	49,500	-	49,500
Mr. Gobinda Chandra Paul FCA	Independent Director	198,000	-	198,000
Total Taka		308,000	111,000,000	111,308,000

DIRECTORS' RESPONSIBILITIES STATEMENTS

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

- The Financial Statements, as prepared by management, provide a fair and accurate representation of the company's financial position, operational performance, cash flows, and changes in equity.
- Proper Books of Account of the Company as required by laws have been conscientiously maintained, ensuring transparency and accuracy in financial records.
- Appropriate accounting policies have been consistently applied in preparing the financial statements, with accounting estimates made based on reasonable and prudent judgments.
- The financial statements have been prepared in accordance with International Accounting Standards (IAS) and International Financial Reporting Standards (IFRS) applicable in Bangladesh. Any deviations from these standards have been duly disclosed.
- The internal control system, established to safeguard the company's assets, ensure compliance with regulations, and support accurate financial reporting, has been rigorously implemented and consistently monitored. Regular assessments and adjustments have been conducted to uphold the effectiveness and integrity of the internal control system.
- There are no uncertainties concerning the company's ability to continue as a going concern. The annual financial statements have been prepared on a going concern basis, reflecting management's confidence in the company's financial stability and its capacity to maintain sustained operations into the foreseeable future.
- A compliance status report, detailing adherence to Corporate Governance requirements as mandated by the Bangladesh Securities and Exchange Commission (BSEC), has been provided in the Regulatory Compliance Report section.
- The profiles of the Directors, along with their directorships and business interests in other organizations, have been disclosed in the Board of Directors section.
- There were no declarations of bonus shares or stock dividends as interim dividends.

BOARD OF DIRECTORS

COMPOSITION AND SIZE OF THE BOARD

As of June 30, 2024, our Board is comprised of five esteemed members: the Chairman, the Managing Director, two Directors, and an Independent Director. This diverse group brings a depth of knowledge, extensive experience, and varied perspectives, all of which are instrumental in steering the organization's strategic vision and direction.

DETAILS OF DIRECTORS BEING APPOINTED AND RE-APPOINTED

At the conclusion of this Annual General Meeting (AGM), in line with the rotation policy detailed in the Company's Articles of Association, Mr. Alihussain Akberali FCA and Mrs. Tehseen Zohair Taherali are scheduled to retire. Both directors, being eligible for re-appointment, have expressed their willingness to continue. The Board, acknowledging their significant contributions, wholeheartedly endorses their reappointment to sustain their roles within the organization.

BRIEF PROFILE AND CORPORATE AFFILIATIONS

This year's Annual Report offers an updated profile of each Director, highlighting the extensive experience and corporate affiliations that drive our company forward. Additionally, new details are included for recent appointees, emphasizing their contributions to our strategic initiatives. Comprehensive information on the Directors' external directorships, memberships, and affiliations has been disclosed in the Board of Directors section. This transparency supports stakeholders in making well-informed evaluations regarding the leadership team's expertise and their alignment with the Company's vision.

BOARD MEETING AND ATTENDANCE

From July 1, 2023, to June 30, 2024, the Board met eight times, facilitating meaningful discussions and strategic decision-making. Each Director's attendance has been carefully documented, reflecting our commitment to consistent and active participation.

When Directors were unable to attend due to professional obligations or travel, absences were formally noted or approved, demonstrating a balanced approach that respects both the responsibilities of Board members and their external commitments. This flexible policy supports their ability to contribute effectively to the Company's leadership and vision.

Name	Position	No. of meeting held during the year	No. of meeting attended
Mr. Alihussain Akberali FCA	Chairman	8	8
Mr. Aameir Alihussain	Managing Director	8	8
Mr. Zohair Taherali	Director	8	6
Mrs. Tehseen Zohair Taherali	Director	8	5
Mr. Mono Ranjan Dey FCA	Independent Director	8	4
Mr. Gobinda Chandra Paul FCA	Independent Director	8	4

THE PATTERN OF SHAREHOLDING POSITION ON JUNE 30, 2024

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

Name	Relation	No. of Shares Held
Bangladesh Steel Re-Rolling Mills Limited	Affiliated Company	117,253,590
H. Akberali & Co. Limited	Affiliated Company	90,301,081
Total		207,554,671

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

Name	Relation/Designation	No. of Shares Held
Mr. Alihussain Akberali FCA	Chairman	38,486,794
Mr. Aameir Alihussain	Managing Director	7,519,050
Mr. Zohair Taherali (Nominated Director of Bangladesh Steel Re-Rolling Mills Limited)	Director	117,253,590
Mrs. Tehseen Zohair Taherali (Nominated Director of H. Akberali & Co. Limited)	Director	90,301,081
Mr. Gobinda Chandra Paul FCA	Independent Director	-
Mrs. Sabeen Aameir	Wife of Mr. Aameir Alihussain	7,969
Mrs. Bilkis Alihussain	Wife of Mr. Alihussain Akberali FCA	2,704,532
Mr. Shekhar Ranjan Kar FCA	Head of Finance & Accounts and Company Secretary	30,006
Mr. S.M. Nurul Karim	Sr. Manager & Chief Financial Officer	13,000
Mohammed Reazul Kabir FCA	Head of Internal Audit & Compliance	5,251

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

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

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

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

MANAGEMENT DISCUSSION & ANALYSIS

You will find a thorough Management Discussion and Analysis, personally endorsed by the Managing Director In Annexure-D. This document presents an extensive overview of the company's operations, financial position, and strategic initiatives, offering stakeholders valuable insights. It also highlights key changes in the financial statements, providing a clearer understanding of the company's performance and future directions.

CERTIFICATION BY THE CEO & THE CFO

A declaration from the CEO and CFO, as required under condition no. 3(3), is included in Annexure-A. This certificate reaffirms the accuracy and integrity of the financial statements and compliance with applicable regulations, providing the Board with essential assurance regarding the company's financial reporting.

CREDIT RATING

Credit Rating Information and Services Limited (CRISL) has assigned the following credit rating to the company:

Long Term	Short Term
AA+	ST-2

Our company has been awarded a prestigious AA+ credit rating by Credit Rating Information and Services Limited (CRISL). This rating signifies our commitment to high quality and superior safety, indicating robust credit quality. An AA+ rating reflects a corporate entity with a sound credit profile and minimal significant risks, although minor fluctuations may occur due to prevailing economic conditions.

Additionally, for the fiscal year 2023-24, our short-term outlook has been rated ST-2, which highlights our strong capacity for timely payments. This rating indicates a high certainty of on-time payment, supported by robust liquidity factors and solid fundamental protection. The associated risk factors remain negligible.

Moreover, BSRM Steels Ltd. has been evaluated with a 'Stable Outlook' by the Credit Rating Company, further affirming our strong financial position

INTERNAL CONTROL SYSTEM

Our internal control system is a cornerstone of our strategy, meticulously designed to drive the achievement of our business objectives while ensuring compliance and safeguarding company assets. This framework not only enhances operational efficiency but also maximizes long-term profitability and shareholder value.

The Board of Directors places paramount importance on a robust internal control environment to mitigate risks related to fraud and operational errors. We implement comprehensive Standard Operating Procedures (SOPs) and leverage advanced Enterprise Resource Planning (ERP) technology to ensure consistency, reliability, and informed decision-making across all operations.

To further fortify our controls, we have established a dedicated Internal Audit department responsible for conducting thorough assessments of compliance and identifying areas for improvement. The Audit Committee actively oversees these evaluations, facilitating timely corrective actions to uphold the effectiveness of our internal controls.

In summary, our unwavering commitment to a strong internal control system not only fosters operational excellence but also reinforces the trust of our stakeholders. By continually refining our processes and utilizing cutting-edge technology, we create a resilient control environment that aligns with our strategic vision and promotes sustainable growth. This dedication to superior governance ensures we remain well-equipped to navigate challenges while maintaining our reputation for integrity and accountability.

DIVIDEND

The Board of Directors has recommended a cash dividend of 32% for the fiscal year ending June 30, 2024. Subject to approval, this dividend will be allocated to shareholders whose names are registered in the company's register of members as of the record date.

UNCLAIMED DIVIDENDS

The company has presented the unclaimed dividend status as a separate line item in the Balance Sheet and has also made this information available on the company's website, as detailed below:

Particulars	30 th June 2024	30 th June 2023
30 June 2023 (Final)	1,316,996	-
30 June 2022 (Final)	1,340,963	1,427,229
30 June 2021 (Final)	1,474,446	1,525,717
30 June 2021 (Interim)	679,337	697,003
30 June 2020 (Final)	-	1,250,591

DIVIDEND DISTRIBUTION POLICY

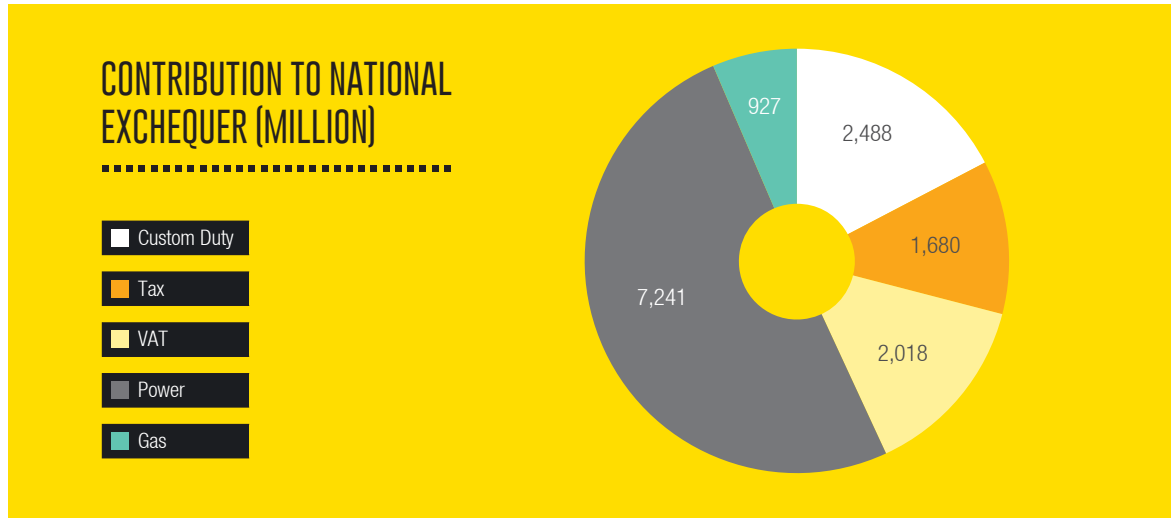
Our company is committed to a transparent and equitable approach to dividend distribution. To support this commitment, we have developed a comprehensive dividend distribution policy that balances the interests of our shareholders with the need to retain earnings for business growth. By retaining a portion of our profits, we can invest in expansion initiatives and advance our strategic goals.

For stakeholders seeking further information, the complete details of our dividend distribution policy can be found on our official website.

CONTRIBUTION TO NATIONAL EXCHEQUER

In the financial year 2023-2024, our company proudly strengthened its role as a cornerstone of national revenue, making substantial contributions to the Government's fiscal goals. As a leading taxpayer in the manufacturing sector, we contributed Tk. 14,354 million to the National Exchequer through income tax, VAT, duties, and utility payments. This achievement reflects our commitment to economic responsibility and underscores our dedication to supporting the nation's financial foundation.

Outlined below is a detailed breakdown of our contributions across key segments for the financial year 2023-2024, reflecting our commitment to transparency and sustained support for national growth.



CORPORATE SOCIAL RESPONSIBILITIES

Corporate Social Responsibility Commitment: Our commitment to integrating ethical, social, and environmental considerations into our business framework is central to our corporate philosophy. In the fiscal year 2023-24, we launched impactful Corporate Social Responsibility (CSR) initiatives that reflect our dedication to community welfare and enhancing our brand image.

Sustainable Development Initiatives: These initiatives were designed to foster sustainable development and promote collective prosperity within the communities we serve. By engaging in diverse social and environmental projects, we aim to create meaningful contributions to society with a lasting impact.

Focus Areas and Community Engagement: Our CSR initiatives for the fiscal year 2023-24 have included educational programs, healthcare support, and environmental sustainability efforts tailored to address the specific needs of our communities. We take pride in our partnerships with local organizations, which have allowed us to expand our reach and enhance our effectiveness in making a difference.

Culture of Giving Back: Through these efforts, we seek to cultivate a culture of giving back and resilience within our communities. We understand that our success is closely linked to the prosperity of those around us, and we are committed to advancing our journey in social responsibility. By investing in community well-being, we reinforce our values of integrity, respect, and accountability.

Invitation for Stakeholder Engagement: We encourage our stakeholders to explore the detailed accounts of these initiatives, available on Page No. 173-185 of our Annual Report, as we work together to build a better, more sustainable future.

INFORMATION TECHNOLOGY

Importance of Information Technology: In today's landscape of digital transformation and technological innovation, effective Information Technology is crucial for engaging meaningfully with customers and stakeholders. At BSRM, our skilled IT team is instrumental in managing our integrated Oracle system.

Initiatives and Enhancements: We have launched various initiatives and customizations designed to support all facets of our operations. By continually improving our ERP system, we aim to mitigate business risks, enhance overall performance, and ensure timely information delivery to our stakeholders.

Focus on Advanced Technologies: As we navigate the complexities of the digital environment, our focus is on leveraging advanced technologies to drive operational efficiency and foster innovation. Our commitment to staying ahead in technological advancements enables us to streamline processes, improve data accuracy, and provide real-time insights that facilitate informed decision-making across the organization.

Cybersecurity Prioritization: We also prioritize robust cybersecurity measures to protect our data and maintain stakeholder trust. Looking ahead, we aim to develop a more agile and responsive IT infrastructure that meets our current requirements while anticipating future challenges and opportunities.

Reference for Detailed Strategies: For a comprehensive overview of our Information Technology strategies and initiatives, stakeholders can refer to the chapter titled "Sustainable Growth" on Page 105 of this report.

Human Resource Management

Foundation of Achievements: Our achievements are underpinned by a skilled, resilient, and diverse workforce, which is the core of our organization. As we aim to be an employer of choice, we are dedicated to creating an empowering environment where talent can thrive and future leaders can emerge, driving our growth and innovation.

Human Resource Strategy: In alignment with our corporate vision and values, our Human Resource strategy adopts a future-forward approach focused on empowerment, opportunity, and continuous advancement for all employees.

Culture of Continuous Learning: Learning is central to our culture in this ever-evolving industry. Through ongoing training and development programs, we equip our employees to enhance their skills, deepen their expertise, and foster innovative thinking that contributes to our collective progress.

Commitment to Equal Opportunity: We are committed to providing equal opportunities, fostering an inclusive workplace where everyone has the chance to succeed. Our practices emphasize fairness, ensuring that all employees can thrive regardless of their backgrounds or circumstances.

Strengthening Industry Collaboration: Building strong relationships within the industry is crucial for our growth. By engaging with peers and keeping abreast of trends, we ensure that our workforce not only meets current standards but also anticipates future shifts.

Preparing for Future Challenges: Our focus on skill-building extends beyond immediate needs, preparing our workforce for upcoming challenges. With forward-looking training programs, we are cultivating a team equipped to navigate and shape the complexities of the business landscape.

Reference for Further Insights: For more detailed insights into our Human Resource practices, stakeholders can refer to the "Sustainable Growth" chapter on Page 268 of this report.

Upholding Integrity: BSRM's Code of Conduct

At BSRM, integrity is the foundation of our operations. Our Nomination & Remuneration Committee (NRC) has established a comprehensive Code of Conduct for the Board of Directors, outlining the ethical standards and behaviors expected from each member.

Commitment to Transparency and Accountability

This Code reflects our dedication to transparency, accountability, and fairness. Directors actively pledge to uphold these principles through signed compliance agreements, reinforcing the ethical framework at BSRM.

Accessibility for Stakeholders

To promote transparency, the Code of Conduct is accessible to all stakeholders via our official website, emphasizing our commitment to open communication and trust.

Guiding Principles

Beyond rules, the Code includes guiding principles that inform our decisions and interactions, underscoring our commitment to professionalism and exemplary corporate governance.

We encourage all stakeholders to engage with our Code of Conduct, as it embodies our pledge to ethical excellence and responsible business practices, ensuring that every decision aligns with the core values of BSRM.

APPOINTMENT OF STATUTORY AUDITORS

Ensuring Accountability and Accuracy

Our current auditor, M/S A. Qasem & Co., Chartered Accountants (a member firm of ECOVIS International), located at Faruk Mahal (3rd Floor), Plot # 93, Agrabad Commercial Area, Chattogram, will retire at the 22nd Annual General Meeting (AGM). Being eligible for reappointment, the Board of Directors has recommended M/S A. Qasem & Co. as the statutory auditor for the fiscal year ending June 30, 2025, subject to shareholder approval at the upcoming AGM.

Ensuring Accountability and Precision

This recommendation reflects our commitment to upholding the highest standards of accountability and precision in financial reporting. The expertise and integrity of M/S A. Qasem & Co., Chartered Accountants, align with BSRM's dedication to transparency and accuracy in all financial matters.

Shareholders' Approval

The reappointment is contingent upon the approval of our esteemed shareholders at the AGM. We trust in their support to reinforce the principles of transparency and accountability that are central to BSRM Steels Limited.

ENSURING CORPORATE GOVERNANCE EXCELLENCE: APPOINTMENT OF A PROFESSIONAL ACCOUNTANT

Commitment to Corporate Governance and Compliance

In alignment with the Bangladesh Securities and Exchange Commission (BSEC) directives and our commitment to high standards of corporate governance, BSRM actively implements measures to ensure transparency and compliance.

Appointment and Shareholders' Approval

This appointment is subject to shareholder approval at the upcoming Annual General Meeting. We trust our shareholders to support this important step in upholding robust corporate governance practices.

Transparency in Reporting

We remain dedicated to transparent reporting and full compliance with BSEC's Corporate Governance Notification (No: BSEC/CMRRCD/2006-158/207/Admin/80, dated June 3, 2018). Our compliance activities are documented in Annexure C of this report.

SUBSEQUENT EVENTS

Update on Subsequent Events

We are pleased to inform our valued shareholders and stakeholders that, as of the date of this report, there have been no significant subsequent events to report since the financial position date. This stability reflects BSRM's commitment to prudent financial management and our dedication to long-term stability.

Acknowledgements

On behalf of the Board, I extend heartfelt gratitude to our shareholders for their unwavering support, which has been vital to our achievements. We also deeply appreciate the guidance provided by the Registrar of Joint Stock Companies, the National Board of Revenue, and regulatory bodies such as BSEC, DSE, and CSE in upholding corporate governance standards. Our sincere thanks also go to our dedicated employees, loyal customers, and banking partners. Your commitment and support are crucial to our success, and we remain dedicated to honoring the trust you have placed in us.

Warm Regards

On behalf of Board of Directors



Alihussain Akberali FCA
Chairman

DECLARATION BY CEO AND CFO

Dated: October 22, 2024

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

Subject: Declaration on Financial Statements for the year ended on 30th June 2024

Dear Sir (s),

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

1. The Financial Statements of BSRM Steels Limited for the year ended on 30th June 2024 have been prepared in compliance with International Accounting Standards (IAS) or International Financial Reporting Standards (IFRS), as applicable in the Bangladesh and any departure there from has been adequately disclosed;
2. The estimates and judgments related to the financial statements were made on a prudent and reasonable basis, in order for the financial statements to reveal a true and fair view;
3. The form and substance of transactions and the company's state of affairs have been reasonably and fairly presented in its financial statements;
4. To ensure above, the company has been taken proper and adequate care in installing a system of internal control and maintenance of accounting records;
5. Our internal auditors have conducted periodic audits to provide reasonable assurance that the established policies and procedures of the company were consistently followed; and
6. The management's use of the going concern basis of accounting in preparing the financial statements is appropriate and there exists no material uncertainty related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern.

In this regard, we also certify that:-

- (i) We have reviewed the financial statements for the year ended on June 30, 2024 and that to the best of our knowledge and belief:
 - a) these financial statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - b) these statements collectively present true and fair view of the company's affairs and are in compliance with existing accounting standards and applicable laws;
- (ii) There are, to the best of knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or in violation of the code of conduct for the company's Board of Directors or its members.

Sincerely yours,



Aameir Alihussain
Managing Director



S. M. Nurul Karim
Sr. Manager & Chief Financial Officer