

STATEMENT OF PERFORMANCE FROM THE DIRECTORS' REPORT

Honourable Shareholders,

Assalamu Alaikum,

On behalf of the Board of Directors and on my own behalf I welcome you all to 14th Annual General Meeting-2020. The Board of Directors is pleased to take the opportunity to present you the Audited Financial Statements of the Company for the ended June 30, 2020, Auditors' report and the Directors' Report thereon along with Company's performance and other matters in terms of Companies ACT 1994, the guideline issued by Bangladesh Securities and Exchange Commission and Bangladesh Accounting Standards.

BACKGROUND

Dominage Steel Building Systems Ltd.(here in after referred to as "DSBSL" or "the Company") was incorporated with the Registrar of Joint Stock Companies and Firms (RJSCF) on March 08, 2007 and has been converted in to a Public Limited Company on August 20, 2018 under the Companies Act, 1994.

REVENUE

The sale proceeds stood at Tk.565,252,592. The efficient and prudent management of process control has enabled the company to avoid financial catastrophe and earn substantial profit instead of a lockdown period over three month for COVID 19 pandemic situation.

The operating financial results of the Company for the year 2019-2020 as compared to previous year are summarized hereunder:

Particular	2019-2020	2018-2019
Turnover	565,252,592	631,432,785
Gross Profit	167,748,405	195,772,070
Financial Expenses	6,562,397	12,075,118
Non-Operating Income	142,146,139	168,086,097
Net Profit Before Tax (NPBT)	129,388,022	148,797,255
Net Profit After Tax (NPAT)	92,274,403	96,718,216
Gross Margin (Turnover)	29.68%	31.00%
Net Margin Before Tax	22.89%	23.57%
Net Margin After Tax	16.32%	15.32%
Earnings Per Share (EPS) BDT	1.42	1.83
Weighted Average Number of Share	65,000,000	52,783,296
Number of Share Outstanding	65,000,000	65,000,000

In reference to provisions of Section 184 of the Companies Act 1994, Rule 12 (and the Schedule there under) of the Bangladesh Securities and Exchange rules 1987, BSEC Notification dated August 07, 2012 and IAS-1 (International Accounting Standard-1) codes as adopted by the Institute of Chartered Accountants of Bangladesh (ICAB), it is the pleasure of the Board of Directors to submit its Reports to the Members of the Company for the year ended 30 June, 2020 in the following paragraphs; Company's Operations:

FIVE YEARS FINANCIAL POSITION

Operational Result	30.06.2020	30.06.2019	31.06.2018	31.06.2017	31.06.2016
Turnover	565,252,592	631,432,785	588,793,470	520,609,155	498,339,161
Gross Profit	167,748,405	195,772,070	185,215,085	149,206,852	141,455,082
Profit from Operating	142,146,139	168,086,097	159,306,869	122,178,637	116,653,886
Net Profit before Tax	129,388,022	148,797,255	143,703,377	111,616,788	109,214,302
Net Profit after Tax	92,274,403	96,718,216	90,117,426	98,073,036	94,534,899

Financial Position	30.06.2020	30.06.2019	31.06.2018	31.06.2017	31.06.2016
Non-Current Assets	957,543,382	890,793,680	692,073,580	591,928,305	561,791,759
Current Assets	687,472,611	639,358,263	542,144,036	610,995,178	473,397,351
Shareholder's Equity	1,379,751,773	1,287,477,371	1,006,207,009	916,089,583	818,013,547
Non-Current Liability	84,737,876	75,226,130	59,348,222	55,691,699	58,239,406
Current Liability	180,526,343	167,448,442	168,662,385	231,142,201	158,936,157
Key Financial Ratio	30.06.2020	30.06.2019	31.06.2018	31.06.2017	31.06.2016
Current Ratio	3.81	3.82	3.21	2.64	2.98
Quick Ratio	1.00	1.22	1.03	0.56	0.81
Debt to Equity Ratio	0.04	0.04	0.09	0.14	0.11
Net Income Ratio (%)	16.32%	15.32%	15.31%	18.84%	18.97%
Return on Equity (%)	6.92%	8.43%	9.38%	11.31%	12.27%
Earnings Per Share (EPS)	1.42	1.83	1.94	2.41	2.32

GOING CONCERN:

The company has adequate resources to continue in operation for foreseeable future and hence, the financial statements have been prepared on going concern basis. As per management assessment there is no material uncertainties related to event or condition which may cast significant doubt upon the company's ability to continue as a going concern.

SIGNIFICANT VARIANCE OF FINANCIAL STATEMENT

EPS is decrease due to increase of Weighted Average Paid up Share Capital. Net Cash Generated from Operating Activities increase due to increase of collection from party in relation with sales revenue. NOCFPS reduce for increase of Weighted Average paid up share Capital.

DIVIDEND

The board of Directors has recommended 2% cash & 8% stock dividend to the shareholder for the year ended June 30, 2020. Subject to the approval in the forthcoming Annual General Meeting- 2020 (AGM). The dividend will only be entitled to the shareholders whose names will be appeared in the share in the register of the company/depository register of CDBL on record date i.e December 15, 2020

UTILIZATION OF IPO FUND

The Company has raised Tk. 30.00 crore by issuing ordinary shares through IPO.

Particulars	Amount
IPO Expense	19,576,000
Building and other Construction	90,423,910
Electrical Installation	22,690,000
Acquisition of new Plan & Machinery	167,310,090
Total	300,000,000

IPO Utilization start December, 2020

Compliance of Notification No.: BSEC/CI/IPO-296/2019/204 Dated: September 17, 202



BOARD SIZE:

The number of members in the Board of Directors of the Company stands at 07 (including Two Independent Director) which are within the limits given by the BSEC Notification.

INDEPENDENT DIRECTORS

The independent director have re-appointed in the Board as per the guidelines by BSEC (Notification No. BSEC/CMRRCD/2006-158/207/Admin/80 Dated June 03, 2018) Two distinguished independent Directors have been performing their duties and responsibilities efficiently for the company. Dominage Steel Building Systems Ltd. (DSBSL) is really benefited for their service.

RELATED PARTY TRANSACTIONS

Related party transactions have been disclosed in note no. 30.04 the notes to the financial statements.

ELECTION OF DIRECTORS

Mohammad Rafiqul Islam, Managing Director and Rakibul Islam, Director of the Company, retire as per article 125 & 126 of Articles of Association and being eligible offer themselves for re-election. Brief resume and other information of the above mentioned directors as per clause 1.5 (xxii) of BSEC notification dated 7th August, 2012 are depicted in Annexure-III.

CHIEF FINANCIAL OFFICER, COMPANY SECRETARY, HEAD OF INTERNAL AUDIT

As per corporate governance guidelines of BSEC, the company has allocated the responsibilities of the officials as follows:

Chief Financial Officer	: Santush Chandra Saha
Company Secretary	: Md. MahfizurRahman
Asst. Company Secretary	: Md. Jamir Hosen Chowdhry
Head of Internal Audit	: Md. ZillurRahman

AUDIT COMMITTEE

The Audit Committee, as a subcommittee of the Board of Director has been constituted with the Independent Director as Chairman and other Directors. The company Secretary acts as Secretary to the Audit Committee. This committee assists the Board in ensuring that the financial statements reflect true and fair view of the state of affairs of the company. Audit committee is responsible to the Board of Directors and its roles and responsibilities are clearly set forth. The role of the Audit Committee has been stated in the annual audit committee report.

CORPORATE GOVERNANCE:

Corporate Governance is the practice of good citizenship, through which the company is governed by the board, keeping in view its accountability to the shareholders and to the society. A statement in pursuance to clause 1.5, The Directors Report to Shareholders. 3.3(b), Reporting to the Shareholders and General Investors, Certificate from the CEO and CFO to the Board as per clause 6, certificate from professional accountant as per clause 7(i) and status of compliance with the conditions imposed by the Commission's Notification No. SEC/ CMRRCD/ 2006-158/207/Admin/80, dated 3 June 2018 issued by Bangladesh Securities & Exchange Commission is depicted in the Annexure-I, II, IV, VI and VII respectively.

SEGMENT REPORTING

Dominage Steel Building Systems Ltd. is a pre-engineered steel building manufacturer and construction service provider. Business activities of DSBSL are not recognized on the basis of differences in products and services or variations in geographical areas of operations. DSBSL has been manufacturing steel structure in its factory and when the structure has left the factory DSBSL recognized that the product has sold out. Basically, DSBSL has to sale a package to its potential buyer. So no need to show the performance of segment-wise or product wise performance.

APPOINTMENT OF AUDITORS:

The Auditors of the Company, Ashraf Uddin & Co. Chartered Accountant, 142/B, Green Road (4th Floor) Dhaka-1215, Bangladesh, has carried out the audit of the Company for the year ended 30 June 2020. They were appointed as Statutory Auditor in 13th AGM. As per regulation 15 (2) & (3) of DSE and CSE (listing) regulations, 2015. Accordingly the Board of Directors has recommended new Auditor of Shiraz Khan Basak & Co. Chartered Accountant, R.K Tower (Level-10), 86, Bir Uttam C.R Datta Road, 312 Sonargaon Road, Dhaka 1205. A proposal for new auditor Ashraf Uddin & Co., Chartered Accountants as auditor for the year 2020-21 of the Company will be placed in the forth coming 14th AGM for shareholders' approval and fixation of their fees.

STATEMENT OF DIRECTORS ON FINANCIAL REPORTS

In accordance with the Bangladesh Securities and Exchange Commission Notification No. SEC/CMRRC-D/2006-158/134/Admin/44 dated 07 August, 2012 the Directors are pleased to confirm the following:

The financial statements together with notes thereon have been drawn up in conformity with the Companies Act. 1994 and Bangladesh Securities and Exchange Rules 1987. These statements present fairly the companies state of affairs, the result of its operations, cash flow and changes in equity.

1. Proper books and accounts of the company have been maintained.
2. Appropriate accounting policies have been applied consistently in preparation of the financial statements and the accounting estimates are based on reason able and prudent judgment.
3. The International Financial Reporting standards, as applicable in Bangladesh, have been followed in the preparation of the financial statements.
4. The systems of internal control are sound and have been implemented and monitored effectively.
5. The pattern of shareholding is provided in Annexure-II of the annual report.

RISK AND CONCERNS

Changes in the existing global or national policies can have either positive or negative impacts for the company. Any scarcity or price hike of raw materials due to change in policy in the international market might hamper the production and profitability.

Moreover, the performance of the company may be affected by the political and economic instability both in Bangladesh and worldwide. Any instance of political turmoil and disturbance in the country may adversely affect the economy in general. Similarly, risks and concern of the industry depends on the upcoming Government policy as well. However, as Pre-Engineered buildings are playing a crucial role in the industrial growth, Government has special consideration in this sector and expectation is that it will continue in the future.

DISCUSSION ON CONTINUITY OF EXTRA-ORDINARY GAIN OR LOSS

Extraordinary gains or losses refer to infrequent and unusual gain or loss and which is not part of the Company's ordinary/day to day operations. As to the Company, there was no such gain or loss during the year under reporting.

MAINTAINING A WEBSITE

The company maintains an official website, www.dominage.net

Compliance of Notification No. BSEC/CMRRC/2006-158/207/Admin/80 Dated June 03, 2018

ANNEXURE TO THE DIRECTORS' REPORT
ANNEXURE-I

- * Related Party Transactions are depicted in Note no. 27.07 in the Notes to the Account.
- * Remuneration of Directors including Independent Director has been shown in Note no. 27.8.1 & 27.8.2 in the Notes to the Account.
- * The Financial Statement of the Company present true and fair view of the Company's state of affairs, result of its operation, cash flows and changes in equity.
- * Proper books of accounts as required by the prevailing law have been maintained.
- * Appropriate accounting policies have been followed in formulating the financial statements and accounting estimates were reasonable and prudent.
- * The financial statement was prepared in accordance with IAS/BAS/IFRS/BFRS.
- * The internal control system is sound in design and is effectively implemented and monitored.
- * Key operating and financial data of last five years have been presented in summarized form in page no.15
- * The number of Board Meeting and the Attendance of Directors for the year ended 30 June, 2020 were as follows:

Board Members	Designation	Meeting Held	Attendance
Muhammad Shamsul Islam	Chairman	6	5
Mohammad Rafiqul Islam	Managing Director	6	6
Rakibul Islam	Director	6	4
Abul Kalam Bhyian	Director	6	3
Sujit Saha	Director	6	3
Md. Saha Alam	Independent Director	6	3
Tapan Chandra Banik	Independent Director	6	1

The pattern of Shareholding as required by clause 1.5 (xxi) of the BSEC Notification dated 7th August, 2012, is stated in Annexure II.

ANNEXURE-II

Pattern of Shareholding as on 30th June, 2020

Shareholding pattern

The shareholding of directors at the end of 30 June, 2020 is shown as bellow:

Sl No	Name of the Shareholder	Position	Shares Held	%
i.	Parent/Subsidiary/Associated companies and other related parties	-	-	-
ii	Director, Chief Executive Officer, Chief Financial Officer, Company Secretary, Head of Internal Audit and their Spouse and Minor Children:			
	Muhammad Shamsul Islam	Chairman	11,149,989	11.74%
	Mohammad Rafiqul Islam	Managing Director	11,149,989	11.74%
	Rakibul Islam	Director	1,974,125	2.56%
	Abul Kalam Bhyian	Director	1,974,125	2.08%
	Sujit Saha	Director	2,437,522	2.08%
	Md. Saha Alam	Independent Director	400,000	0.42%
	Tapan Chandra Banik	Independent Director	Nil	Nil
	Santush Chandra Saha	Chief Financial Officer	Nil	Nil
	Md. Mahfizur Rahaman	Company Secretary	Nil	Nil
	Md. Zillur Rahman	Head of Internal Audit	Nil	Nil
iii	Office Staff			
	Md. Atiqur Rahman	Manager	110,000	0.12%
	Md. Delowar Hossain	Manager	100,000	0.11%
	Rehana Parvin	Manager	130,000	0.14%
	Abu Ishaque Mohammed Raihan	Asst. Manager	125,000	0.13%
	Anirban Joader Tonmoy	Senior- Architecture	40,000	0.04%
iv	Shareholders holding 10% or more voting interest in the company:			
	Muhammad Shamsul Islam	Chairman	11,149,989	11.74%
	Mohammad Rafiqul Islam	Managing Director	11,149,989	11.74%

1. No Company Secretary/CFO/ Internal Auditor and their spouse and minor children hold above mentioned shares of the Company.
2. No Shareholders hold 10% or more shares except Muhammad Shamsul Islam & Mohammad Rafiqul Islam hold 11.74% shares.

Directors Involved In Other Companies:

SI No.	Name	Position in DSBSL	Involvement	
			Name of the Company	Position
1	Muhammad Shamsul Islam	Chairman	Dominage Development & Holding Ltd.	Managing Director
			Dominage Consultants Ltd.	Director
2	Mohammad Rafiqul Islam	Managing Director	Dominage Development & Holding Ltd.	Director
			Dominage Consultants Ltd.	Chairman
3	Rakibul Islam	Director	Nil	Nil
4	Abul Kalam Bhyian	Director	Nassa Design & Developments Ltd.	Chairman
			Five H Packaging Co.	Partner
			Paradise Embroidery & Services	
			Nasim International Ltd.	Managing Director
5	Sujit Saha	Director	Fine Foods Ltd.	Director
6	Md. Saha Alam	Independent Director	Anchor Holding Ltd.	Director
			Fast Build	Partner
7	Tapan Chandra Banik	Independent Director	Nil	Nil

Management Appreciation:

The Board of Directors record with deep appreciation the performance of the management, the officers, staff and workers whose relentless effort helped increase the productivity as well as the net profit despite the natural and unnatural adverse factors of production and marketing throughout the country and the world. It is expected the employees and the management will continue to improve the results for the interest of shareholders whose unswerving trust in management has always been an inspiration to the Board of Directors.

The director humbly express its gratitude and acknowledge with keen interest the cooperation and unflinching support it has received from various agencies including Bangladesh Securities and Exchange Commission, Stock Exchanges, National Board of Revenue and other agencies of the public and the private sector. We look forward to brighter future for all of us.

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Sd/-

Muhammad Shamsul Islam

Chairman