



Rahman Rahman Huq

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**Certificate on
Status Report on Utilization of Proceeds from Public Offering of
Bangladesh Steel Re-Rolling Mills Limited
for the month of March 2017**

We have been engaged by Bangladesh Steel Re-Rolling Mills Limited (the "Company") to certify whether the Company has complied with the conditions of Initial Public Offering (IPO) in relation to the utilization of proceeds from Public Offering, as required by Bangladesh Securities and Exchange Commission (BSEC) under Section 2CC of the Securities and Exchange Ordinance 1969.

The Company's Responsibilities

Those charged with governance and management of the Company are responsible for utilizing the proceeds from IPO in accordance with the terms and conditions of IPO and preparation of Status Report on Utilization of Proceeds from Public Offering in accordance with the conditions of IPO.

Our Responsibilities

Our responsibility is to examine all the relevant documents in connection with the utilization of proceeds from IPO with reference to the Terms of Reference formulated by BSEC and certify whether the proceeds have been utilized and the Status Report have been prepared in accordance with the conditions of IPO.

Conclusion

We have examined relevant documents and obtained information and explanations which to the best of our knowledge and belief were necessary for the purpose of verification and certification of the Status Report. As per Terms of Reference of audit of Status Report, we certify as follows:

- a) The Company has utilized the full IPO proceeds of Taka 612,500,000 for the purposes as specified in the prospectus and as per decision of shareholders in the 54th AGM held on 30 March 2016.
- b) IPO proceeds have been utilized in line with the conditions of the BSEC's consent/approval letter for the Initial Public Offering, and revised implementation schedule and purposes as approved by the shareholders in the 54th AGM held on 30 March 2016.
- c) The Company has utilized the proceeds from Initial Public Offering within the time schedule as specified in the prospectus, and revised implementation schedule and purposes except for :
 - i) The utilization of Taka 36,000,000 for the purpose of Payment of Retention Money for machineries of Balancing, Modernization, Rehabilitation and Expansion (BMRE) which was utilized in June 2015 although the approximate period of implementation was April 2015. Unutilized IPO proceeds for this purpose amounting to Taka 34,855,566 was transferred for the purpose of utilization in Construction of Finished Goods Storage Shed as approved by shareholders in 54th AGM held on 30 March 2016.
 - ii) The utilization of Taka 167,310,000 for the purpose of Construction of Finished Goods Storage Shed which was supposed to be utilized within December 2015. Out of total, Taka 7,496,492 has been utilized in March 2017 as against approximate schedule of utilization in December 2015, and the full amount of Taka 202,618,721 including amount transferred from payment of retention money and IPO expenses has been utilized by the reporting date.



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- d) Utilization of IPO proceeds was accurate and made for the purpose of the company as mentioned in the prospectus except for the modifications and exceptions noted above.
- e) Relevant capital expenditures have been incurred following the appropriate procedures and at appropriate prices. All necessary documents against utilization of IPO proceeds have been verified and reconciled with the Bank Statements.

Chittagong, 03 April 2017

Mohammad Saif Uddin, CISA, FCA



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Status Report on Utilization of Proceeds from Public Offering

Of
Bangladesh Steel Re-Rolling Mills Limited
For the month of March 2017

This Status Report on Utilization of Proceeds from Public Offering has been issued pursuant to the condition of Initial Public Offering of Bangladesh Steel Re-Rolling Mills Limited required by Bangladesh Securities and Exchange Commission (BSEC) under Section 2CC of the Securities and Exchange Ordinance 1989. Details of utilization are stated as below:

Date of Subscription	Amount of Total IPO Proceeds	Proposed Utilization of IPO Proceeds (as approved by BSEC)						Status of Utilization		Balance to be Utilized		Remarks		
		Purpose	Amount Taka	Adjustments against the amendments approved by the shareholders in 54th AGM held on 30.03.16	Expected Implementation Date	Utilized in previous months Taka	Utilized in March 2017 Taka	Total Utilization	Taka	%	Taka		%	
														Taka
01 February 2015 to 14 February 2015	612,500,000	Payment of Retention money for machineries of BIMRE	220,200,000	(34,855,566)	April 2015 to September 2015	185,344,434	-	185,344,434	-	-	-	-	Proposed utilization for the remaining balance amounting to Tk. 34,855,566 was amended to utilise the amount for the purpose of Construction of Finished Goods Storage Shed as per decision of 54th AGM on 30.03.2016.	
		Construction of Finished Goods Storage Shed	167,310,000	35,308,721	Within December 2015	195,122,229	7,496,492	202,618,721	-	-	-	-		Proposed utilization for the remaining balance amounting to Tk. 453,155 was amended to utilise the amount for the purpose of Construction of Finished Goods Storage Shed as per decision of 54th AGM on 30.03.2016.
		IPO Expenses	20,990,000	(453,155)	As and when required	20,536,845	-	20,536,845	-	-	-	-		
Total	612,500,000	Repayment of Long Term Loan	204,000,000		Immediately after the IPO fund is available	204,000,000		204,000,000			100		Refer to Annexure	
			605,003,508			7,496,492	612,500,000							

Managing Director

Director

Company Secretary

As per our annexed certificate of same date.

Mohammad Saif Uddin, CISA, FCA
Rahman/Rahman Huq
Chartered Accountants



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Annexure

**Status Report on Utilization of Proceeds from Public Offering
Of
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For the month of March 2017**

Bank Balances as on 31 March 2017 was made up as follows:

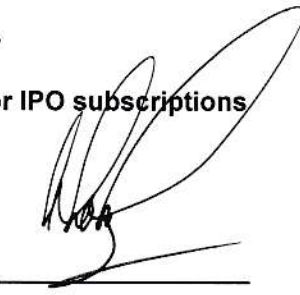
Cash at Mutual Trust Bank Ltd. Tk.-A/C 0012-0320001294	6,939,668
Cash at Mutual Trust Bank Ltd. USD-A/C 0012-0260001265	761,985
Cash at Mutual Trust Bank Ltd. EUR-A/C 0012-0260001283	14,001
Cash at Mutual Trust Bank Ltd. POU-A/C 0012-0260001274	49,003
Total balance in Bank Accounts for IPO subscriptions	<u><u>7,764,658</u></u>

Reconciliation between unutilized balance and bank balances:

Balance to be utilised as per Status Report	-
Add:	
Bank charges and others etc.	(35,234)
Foreign Currency Gain/(Loss)	(218,787)
Amount refundable to IPO applicants	8,018,678
Total balance in Bank Accounts for IPO subscriptions	<u><u>7,764,658</u></u>



Managing Director



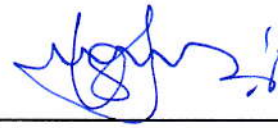
Director



Company Secretary

As per our annexed certificate of same date.

Chittagong, 03 April 2017



Mohammad Saif Uddin, CISA, FCA
Rahman Rahman Huq
Chartered Accountants