

**Auditor's Report**  
**And**  
**Financial Statements**  
**Of**  
**Bangladesh Shipping Corporation**

BSC Bhaban, Saltgola Road, Chittagong,  
Bangladesh.

**For the year ended June 30, 2018**

**Auditor's:**

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**Ahmed Zaker & Co.**

**Chartered Accountants**

(A Member Firm of GGI )

74, Sk Mujib Road (3<sup>rd</sup> Floor),

Agrabad C/A, Chittagong

Phone: 031-2516041

E-mail: arupschy@yahoo.com

Web: www.ahmed-zaker.com

**Mahfel Huq & Co.**

**Chartered Accountants**

(A Member Firm of agn International)

BGIC Tower (4<sup>th</sup> Floor),

34 Topkhana Road, Dhaka-1000

Phone: +88-02-57164539, 9553143

E-mail: reagan@mahfelhuq.com

Web: www.mahfelhuq.com



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**AUDITOR'S REPORT TO THE SHAREHOLDERS  
OF  
BANGLADESH SHIPPING CORPORATION**

We have audited the accompanying Financial Statements of **Bangladesh Shipping Corporation (BSC)**, which comprises the Statement of Financial Position as at 30th June, 2018 along with Statement of Profit or Loss and Other Comprehensive Income, Statement of Changes in Equity, Statement of Cash Flows for the year then ended, and a summary of significant accounting policies and other explanatory notes.

**Management's Responsibility for the Financial Statements:**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Bangladesh Shipping Corporation Act 2017 as per Bangladesh Gazette, the Securities and Exchange Commission Rules 1987 and other applicable laws and regulations. This responsibility includes; designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

**Auditor's Responsibility:**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Bangladesh Standards on Auditing (BSA). Those standards require that we comply with ethical requirements and plan to perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

**Opinion:**

In our opinion, the financial statements give a true and fair view of the financial position of **Bangladesh Shipping Corporation (BSC)** as of June 30, 2018 and of its financial performance for the year then ended in accordance with Bangladesh Shipping Corporation Act 2017 as per Bangladesh Gazette, The Securities & Exchange Rules 1987 and other applicable laws and regulations.



**AHMED ZAKER & Co.**  
CHARTERED ACCOUNTANTS



**Mahfel Huq & Co.**  
Chartered Accountants

**We also report that:**

- (i) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit and made due verification thereof;
- (ii) In our opinion, proper books of account as required by law have been kept by **Bangladesh Shipping Corporation (BSC)** so far as it appeared from our examination of those books;
- (iii) The Statement of Financial Position and Statement of Profit or Loss and Other Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows dealt with by the report are in agreement with the books of accounts;
- (iv) The expenditure incurred was for the purpose of the Organization business.

**Ahmed Zaker & Co.**  
Chartered Accountants

**Mahfel Huq & Co.**  
Chartered Accountants

Dated: 08 OCT 2018



Financial Statements-2018/2





**Bangladesh Shipping Corporation**  
**Statement of Financial Position**  
**As at 30th June, 2018**

Particulars	Notes	Amount In Taka	
		30th June, 2018	30th June, 2017
<b>Assets</b>			
Property, Plant & Equipment	3	4,930,137,174	4,892,384,395
Non Current Assets held for sale and Discontinued Operation	4	-	91,345,978
Capital Work -in -Progress	5	46,865,172	77,999,176
<b>Non Current Assets</b>		<b>4,977,002,346</b>	<b>5,061,729,549</b>
Inventories	6	44,307,663	39,563,154
Short-Term Investment	7	4,218,458,869	-
Trade Receivables	8	166,304,954	72,638,631
Advances, Deposits & Pre-payments	9	30,438,240	33,667,977
Other Receivables	10	516,943,485	340,972,667
Advance Income Taxes		172,379,929	148,801,703
Cash and Cash Equivalents	11	121,510,369	4,172,530,738
<b>Current Assets</b>		<b>5,270,343,509</b>	<b>4,808,174,870</b>
<b>Total Assets</b>		<b>10,247,345,855</b>	<b>9,869,904,419</b>
<b>Equity</b>			
Share Capital	12	1,525,350,400	1,525,350,400
Share Premium	13	4,647,680,000	4,647,680,000
Capital Reserve	14	130,360,425	130,360,425
Revaluation Reserve		4,076,100,142	4,076,100,142
Retained Earnings		(2,201,720,763)	(2,340,737,610)
<b>Total Equity</b>		<b>8,177,770,204</b>	<b>8,038,753,357</b>
<b>Liabilities</b>			
Long Term Loans	15	717,641,273	718,798,483
Deferred liability - Gratuity	16	378,069,740	413,947,820
Deferred liability - Income Tax	17	3,705,090	32,878,919
<b>Non-current Liabilities</b>		<b>1,099,416,103</b>	<b>1,165,625,222</b>
Creditors and Accruals	18	407,364,536	143,865,229
Interest on Long Term Loans	19	441,687,505	432,547,766
Income Tax Provision	20	121,103,202	89,108,540
Dividend Payable		4,304	4,304
<b>Current Liabilities</b>		<b>970,159,547</b>	<b>665,525,839</b>
<b>Total Liabilities</b>		<b>2,069,575,651</b>	<b>1,831,151,061</b>
<b>Total Equity and Liabilities</b>		<b>10,247,345,855</b>	<b>9,869,904,419</b>
Net Asset Value Per Share	31	53.61	52.70

These financial statements should be read in conjunction with the annexed notes

  
Secretary

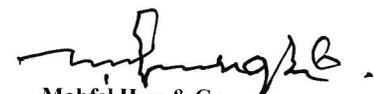
  
Executive Director (Finance)

  
Managing Director

Signed in terms of our annexed report of even date.

  
Ahmed Zaker & Co.  
Chartered Accountants

Dated: **08 OCT 2018**

  
Mahfel Huq & Co.  
Chartered Accountants



  
Md. Shahidul Islam  
Assistant General Manager  
Accounts Department  
Bangladesh Shipping Corporation  
Chittagong.

Financial Statements-2018/3

  
MD. AZAMGIR  
General Manager (Accounts)  
Additional Charge  
Bangladesh Shipping Corporation  
Chittagong.



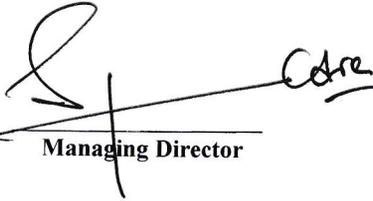
**Bangladesh Shipping Corporation**  
**Statement of Profit or Loss and Other Comprehensive Income**  
**For the year ended 30th June, 2018**

Particulars	Notes	Amount In Taka	
		30th June, 2018	30th June, 2017
<b>Revenue</b>			
Freight Revenue	21	574,609,155	563,582,639
Service Revenue	22	257,265,450	257,930,508
		<b>831,874,605</b>	<b>821,513,147</b>
<b>Operating Expenses</b>			
Fleet Expenses (Direct)	23	(518,984,229)	(516,543,148)
Fleet Expenses (Indirect)	24	(56,100,352)	(28,406,221)
<b>Operating Profit</b>		<b>256,790,024</b>	<b>276,563,778</b>
Other Income	25	433,310,450	343,918,496
Administrative Expenses	26	(551,539,896)	(515,318,277)
Financial Expenses	27	(10,581,932)	(9,139,739)
<b>Net Profit Before Tax</b>		<b>127,978,646</b>	<b>96,024,258</b>
Income Tax		(31,994,661)	(24,006,064)
Deferred Tax	17	29,173,829	14,548,148
<b>Net Profit After Tax</b>		<b>125,157,813</b>	<b>86,566,341</b>
<b>Earning Per Share</b>	30	<b>0.82</b>	<b>0.62</b>

These financial statements should be read in conjunction with the annexed notes

  
Secretary

  
Executive Director (Finance)

  
Managing Director

Signed in terms of our annexed report of even date.

  
Ahmed Zaker & Co.  
Chartered Accountants

  
Mahfel Huq & Co.  
Chartered Accountants

Dated: **08 OCT 2018**

  
**Md. Shahidul Islam**  
Assistant General Manager  
Accounts Department  
Bangladesh Shipping Corporation  
Chittagong.

  
**MD. AZAMGIR**  
General Manager (Accounts)  
Additional Charge  
Bangladesh Shipping Corporation  
Chittagong.

**Bangladesh Shipping Corporation**  
**Statement of Changes in Equity**  
**For the year ended 30th June, 2018**

Particulars	Amount In Taka					Total Equity
	Share Capital	Share Premium	Revaluation Reserve	Capital Reserve	Retained Earnings	
Balance as at July 01, 2017	1,525,350,400	4,647,680,000	4,076,100,142	130,360,425	(2,340,737,610)	8,038,753,357
Net Profit for the year	-	-	-	-	125,157,813	125,157,813
Prior years adjustment	-	-	-	-	86,930,634	86,930,634
Capital Reserve transferred to Stock Dividend	-	-	-	-	-	-
Dividend paid (2016-2017)	-	-	-	-	(73,071,600)	(73,071,600)
<b>Balance as at June 30, 2018</b>	<b>1,525,350,400</b>	<b>4,647,680,000</b>	<b>4,076,100,142</b>	<b>130,360,425</b>	<b>(2,201,720,763)</b>	<b>8,177,770,204</b>

These financial statements should be read in conjunction with the annexed notes

  
Secretary

  
Executive Director (Finance)

  
Managing Director

Signed in terms of our annexed report of even date.

  
**Ahmed Zaker & Co.**  
Chartered Accountants

**Dated: 08 OCT 2018**

**Md. Shahidul Islam**  
Assistant General Manager  
Accounts Department  
Bangladesh Shipping Corporation  
Chittagong.

  
Md. AZAMGIR

General Manager (Accounts)  
Additional Charge  
Bangladesh Shipping Corporation  
Chittagong

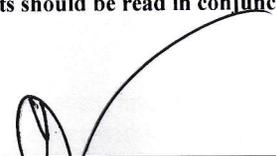
  
**Mahfel Huq & Co.**  
Chartered Accountants



**Bangladesh Shipping Corporation**  
**Statement of Cash Flows**  
**For the year ended 30th June, 2018**

Particulars	Amount In Taka	
	30th June, 2018	30th June, 2017
<b>A) CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Cash Received from Customers & Others	995,547,913	1,813,476,723
Cash Payment to Suppliers	(744,229,225)	(910,778,167)
Cash Payment to and on behalf of Employees	(117,027,882)	-
<b>Cash Generated from Operation</b>	<b>134,290,806</b>	<b>902,698,556</b>
Prior years adjustment	86,930,634	(289,633,009)
Interest Paid	-	-
Tax Paid	-	-
<b>Net Cash Inflow / (Outflow) from Operating Activities</b>	<b>221,221,440</b>	<b>613,065,547</b>
<b>B) CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Acquisition of Property, Plant & Equipment	(71,650,108)	(81,095,236)
Disposal of Property, Plant & Equipment	92,095,978	-
Short-Term Investment	(4,218,458,869)	-
<b>Net Cash Inflow / (Outflow) from Investing Activities</b>	<b>(4,198,012,999)</b>	<b>(81,095,236)</b>
<b>C) CASH FLOWS FROM FINANCING ACTIVITIES</b>		
(Repayment)/Receipt of Long Term Borrowings	(1,157,210)	(8,553,221)
Dividend Payment	(73,071,600)	(65,242,500)
<b>Net Cash Inflow / (Outflow) from Financing Activities</b>	<b>(74,228,810)</b>	<b>(73,795,721)</b>
<b>D) Net Increase/ (Decrease) in Cash &amp; Cash Equivalents</b>	<b>(4,051,020,369)</b>	<b>458,174,590</b>
<b>E) Cash and Cash Equivalents at the beginning of the year</b>	<b>4,172,530,738</b>	<b>3,714,356,148</b>
<b>F) Cash and Cash Equivalents at the end of the year</b>	<b>121,510,369</b>	<b>4,172,530,738</b>
<b>G) Cash and Cash Equivalents</b>		
Cash in Hand	736,529	521,990
Cash at Bank	120,773,840	4,172,008,748
	<b>121,510,369</b>	<b>4,172,530,738</b>
<b>H) Net Operating Cash Flows Per Share</b>	Notes 32	1.45
		4.02

These financial statements should be read in conjunction with the annexed notes

 Secretary  
 Executive Director (Finance)  
 Managing Director

Signed in terms of our annexed report of even date.

  
 Ahmed Zaker & Co.  
 Chartered Accountants

  
 Mahfel Huq & Co.  
 Chartered Accountants

Dated: **08 OCT 2018**



  
**Md. Shahidul Islam**  
 Assistant General Manager  
 Accounts Department  
 Bangladesh Shipping Corporation  
 Chittagong.

Financial Statements-2018/6

  
**Md. Kamrul**  
 General Manager (Accounts)  
 Additional Charge  
 Bangladesh Shipping Corporation  
 Chittagong.





**BANGLADESH SHIPPING CORPORATION**  
**Notes to the Financial Statements**  
**For the year ended 30<sup>th</sup> June, 2018**

**1. The Corporation & It's Operations:**

The Corporation was established under President's Order (PO) No. 10 of February 05, 1972 to carry on with shipping and ancillary businesses in International routes as national flag carrier. The Registered office of the Corporation is situated at BSC Bhaban, Soltgola Road, Chittagong.

**2. Summary of Significant Accounting and Valuation Policies:**

**2.1 Basis of preparation and presentation of the financial statements:**

The financial statements have been prepared and the disclosures of information is made in accordance with the requirements of the Bangladesh Shipping Corporation Act 2017 as per Bangladesh Gazette, the Securities and Exchange Rules 1987, BAS adopted by the Institute of Chartered Accountants of Bangladesh (ICAB), as Bangladesh Accounting Standard (BAS) & Bangladesh Financial Reporting Standard (BFRS). The Board of Directors are responsible for preparing and presenting the financial statement including adequate disclosures, which approved and authorized for issue of these financial statements. The statement of financial position and statement of profit or loss and other comprehensive income have been prepared according to BAS-1 "Presentation of Financial Statements" based on accrual basis of accounting following going concern assumption under historical cost convention and statement of cash flows has been prepared in accordance with BAS-7 "Statement of Cash Flows".

**2.2 Presentation of Financial Statements:**

The presentation of these financial statements is made in accordance with BAS-1.

The Financial Statements comprises:

- Statement of Financial Position as at 30th June, 2018;
- Statement of Profit or Loss and Other Comprehensive Income for the year ended 30th June, 2018;
- Statement of Changes in Equity for the year ended 30th June, 2018;
- Statement of Cash Flows for the year ended 30th June, 2018;
- Notes, comprising a summary of significant accounting policies and other explanatory information.

**2.3 Significant accounting policies:**

The specific accounting policies have been selected and applied by the Company's management for significant transactions and events that have a material effect within the framework for the Preparation and Presentation of Financial Statements. Financial Statements have been prepared and presented in compliance with BAS-1 "Presentation of Financial Statements". The previous years figures were prepared according to the same accounting principles.



## 2.4 Application of Standard:

The following BAS's are applied to the financial statements for the year under review:

BAS-1	Presentation of Financial Statements
BAS-2	Inventories
BAS-7	Statement of Cash Flows
BAS-8	Accounting policies, changes in accounting estimates and errors
BAS-12	Income Taxes
BAS-16	Property, Plant & Equipment
BAS-18	Revenue
BAS-19	Employee Benefits
BAS-21	The Effects of Changes in Foreign Exchange Rates
BAS-24	Related Party Disclosures
BAS-33	Earnings Per Share
BAS-37	Provisions, Contingent Liabilities and Contingent Assets
BAS-39	Financial Instruments: Recognition and Measurement

## 2.5 Reporting Period:

The financial statements cover one calendar year from 01<sup>st</sup> July, 2017 to 30<sup>th</sup> June, 2018.

## 2.6 Functional and Presentation Currency:

The financial statements are prepared and presented in Bangladesh Currency (Taka), which is the company's functional currency.

## 2.7 Comparative Information:

Comparative information has been disclosed in respect of the year ended 30th June, 2017 for all numerical information in the financial statements and also the narrative and descriptive information where it is relevant for understanding of the current year presentation. Figures for the year ended 30th June, 2017 have been re-arranged wherever considered necessary to ensure better comparability with the current year.

## 2.8 Use of Estimates and Judgments:

The preparation of financial statement in conformity with BFRS/BAS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses and disclosure requirements for contingent assets and liabilities during the year and at the date of the financial statements.

Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions of accounting estimates are recognized in the period in which the estimate is revised and in any future periods affected as required by BAS-8: Accounting Policies, Changes in Accounting Estimates and Errors.

## 2.9 Related Party Disclosure:

Parties are considered to be related if one of the parties has the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions. The Company carried out transactions in the ordinary course of business on an arm's length basis at Commercial rates with related parties.

## 2.10 Statement of Cash Flows:

The Statement of Cash Flows has been prepared in accordance with the requirements of BAS-7: "Statement of Cash Flows". The cash generated from operating activities has been reported using the Direct Method as prescribed by the Securities and Exchange Rules, 1987 and as encouraged by BAS-7 whereby major classes of gross cash receipts and gross cash payments from operating activities are disclosed.

## 2.11 Re-classifications:

To facilitate comparison, certain relevant balances pertaining to the previous year have been re-arranged/re-stated/re-classified whenever considered necessary to confirm to current year's presentation.

## 2.12 Accounting Convention and Assumption:

The financial statements have been prepared based on historical cost convention basis and accordingly adjustment has been made for inflationary factors affecting the financial statements. The accounting policies, unless otherwise stated, have been consistently applied by the company and are consistent with those of the previous year.

## 2.13 Property, Plant and Equipment:

### 2.13.1 Recognition and Measurement:

Property, plant and equipment are initially recognized at cost and subsequently stated at cost less accumulated depreciation and the capital work in progress (when arises) is stated at cost in compliance with the requirements of BAS-16: "Property, Plant and Equipment". The Cost of acquisition of an asset comprises its purchase price and any directly attributable cost of bringing the assets to its working condition for its intended use inclusive of inward freight, duties and non-refundable taxes.

### 2.13.2 Maintenance Activities:

Maintenance costs are incurred for all major items of property, plant and equipment. Repairs and Maintenance costs are charged as expenses when incurred.

### 2.13.3 Depreciation on Fixed Assets:

Cost in relation to fleet comprises cost of acquisition, initial delivery and acquisition expenses including interest on loans accruing before the vessel is commissioned into operation and adjustment for unpaid portion of foreign currency loans obtained for purchase of the vessel resulting from devaluation of taka in relation to local currency and foreign exchange. Assets are depreciated by applying the reducing Balance method over their expected useful lives. For Vessels expected useful lives have been assumed at 28 years from the year of built. In case of new vessels and secondhand vessels estimated life, time is calculated as per recommendation of international valuers. Other assets, except land are depreciated at following rates:

Particulars	Annual Rate %
Vacuator	10
Machinery Marine Workshop	15
Electric Installation Marine Workshop	20
Motor Vehicles	20
Building	2.5
Building-Marine Workshop	15
Office Machine and Equipment	10



Furniture and Fixtures	10
Equipment on board of the Vessels	6 to 20

Depreciation on fleet and Vacuvator has been allocated at actual to operating expenses (direct) 65% of total on other items of assets have been allocated to operating expenses (indirect) and remaining 35% has been allocated to administrative expenses during the year under review.

Most of the ships owned by BSC have already expired 25 years. Some ships are below 25 years. The ship is not now economically viable because techno economic life of ship is 25 years. During the course of valuation, values mentioned that all the vessels are in running condition and carrying revenue for BSC. Under such circumstance's management has taken decision to charge on average 10% depreciation on all vessels before declaration scrap by BSC official condemnation committee.

#### **2.14 Valuation of Inventories, Spares and Bunker:**

Inventories, Spares and Bunker (Fuel) are valued at cost and estimated realizable value whichever is lower as assessed by the Management.

#### **2.15 Cash and Cash Equivalents:**

Cash in hand and cash at banks (Note-11) have been considered as the cash and cash equivalents for preparation of these financial statements as there was insignificant risk of changes in value of these current assets.

#### **2.16 Employee Benefits:**

##### **2.16.1 Employee's Provident Fund:**

The company operates a contributory provident fund scheme for its permanent employees. Provident fund is administered by a Board of Trustees and is funded by contributions 12.50% from employees and 10% from the company. These contributions are managed by Trustee Board.

##### **2.16.2 Employees Gratuity:**

The company operates an unfunded gratuity scheme for its permanents employees and obtaining recognition from national board of revenue for funding is under proceeds. Gratuity for shore employees is provided at two terminal monthly bases pay for each completed year of service and gratuity for afloat employees is provided at one month to two months terminal basis pay depending on the length of service subject to a maximum of twenty-five months. A period of six months is taken as a full year.

##### **2.16.3 Insurance:**

Employees are covered under the Group Insurance Scheme.

#### **2.17 Taxation:**

Income tax expenses comprises of current and deferred tax. Income tax expenses is recognized in the Statement of Profit or Loss & Other Comprehensive Income and accounted for in accordance with the requirement of BAS-12: Income Taxes.

##### **2.17.1 Provision for Income Tax:**

As per Finance Act 2018-2019 provision for taxation have been made during the year.





### 2.17.2 Provision for Deferred Tax:

The company has calculated deferred tax during the year under review in compliance with provision of Bangladesh Accounting Standard (BAS-12) "Income Taxes". The company's policy of recognition of deferred tax assets/liabilities is based on temporary differences (Taxable or deductible) between the carrying amount (Book Value) of asset and liabilities for financial reporting purpose and its tax base.

### 2.18 Tax deducted at source on Employees Salary:

Tax deducted at source on employee's salary paid by the Bangladesh Shipping Corporation employee from their own salary account.

### 2.19 Interest on Fixed Term Deposits:

Interest on fixed term deposits has been taken into financial statements on the basis of encashment and accrual basis. During the financial year 2017-2018 interest on FDR Tk. 314,752,973.14 as accrual basis and Interest on FDR is Tk. 219,858,354.02 on cash basis. Provision of interest is provided properly to reflect the actual financial position of the company.

The interest on FDR in the financial year 2016-2017 were accounted on cash basis. As a result, the interest on FDR Tk. 82,585,498.81 were not included in the Interest Receivables in an earlier period.

### 2.20 Earnings per Share (EPS):

The Company calculates Earning/ (Loss) per share (EPS) in accordance with BAS-33 "Earning per Share".

#### Basic Earning:

The company calculates earning for the year attributable of the ordinary shareholders. As there is no preference dividend, Minority interest or extra ordinary items. The net profit after tax for the year has been considered or fully attributable to ordinary.

#### Basic Earnings per share:

This has been calculated by dividend the basic earning by the number of ordinary share outstanding during the year.

#### Diluted Earnings Per Share:

No diluted EPS is required to be calculated for the year as there was no scope for dilution during the year under review.

### 2.21 Foreign Currency Transactions:

Foreign Currency Transactions are recorded at the applicable rates of exchange prevailing on the respective dates of transaction. The monetary assets and liabilities, if any, denominated in foreign currencies at the Statement of Financial Position date are translated at applicable rates of exchange ruling at that date. Exchange differences are charged of as Revenue Expenditure in compliance with the provisions of BAS – 21, "The effects of Changes in Foreign Exchange Rates."



## 2.22 Share Capital:

### 2.22.01 Authorised Capital:

Authorised Capital has increased to 10,000,000,000 Tk. (One Thousand) Crore divided into 1,000,000,000 ordinary shares of Tk.10 each reference to proclamation and passing of Bangladesh Shipping Corporation Act 2017 and Gazette Notification date 21-03-2017.

### 2.22.02 Paid-up Capital:

As per the section 18(3) of the Bangladesh Shipping Corporation Act-2017 published on 21 march 2017, the minimum paid-up capital will be Tk. 3,500,000,000 crore that would be divided by 350,000,000 crore shares. But the present paid-up capital is Tk. 1,525,350,400. There is no option to issue new share until the full utilization of RPO fund that received from share market. However, in this regard, the necessary steps are recently taken to enhance the paid-up capital to comply the requirement of this Law.

## 2.23 Budgetary System:

As a commercial organization, Bangladesh Shipping Corporation adopts Flexible Budgeting system. The variance in the administrative expense and repairs and maintenance is mainly due to normal annual increments and increase in salary by declaration of pay scale, more replacement and repair works of various vessels have been carried out during the year. However, BSC authority take post factor approval from Finance Ministry as a previous year actual expense with next year probable budget.

## 2.24 Impairment of Assets (Para-9 of BAS-36):

The carrying amount of the company assets is reviewed at each Statement of Financial Position date whenever there is any such indication of impairment. There is no impairment loss and profit exist as on 30.06.2018.

## 2.25 Going Concern:

The company has adequate resources to continue its operation in foreseeable future. For this reason, the directors continue to be a top going concern basis in preparing the Financial Statements the current revenue generation and resources of the company provide sufficient fund to meet the present requirement of its existing business and operation. A long-term planning has been undertaken for business expenses and diversification.

- Financial Contract signed on 14.10.2016 between The Govt. of Bangladesh and The Govt. of China for the procurement of 6 (six) new vessels (3 product oil tankers and 3 bulk carriers of 39000 DWT each). The project cost as per Financial Contract as 1.2 billion RMB.
- Under this project of procuring Six Vessels (Three product oil tankers and three bulk carriers' capacity of 39,000 DWT each) with the assistance of Chinese concessional loan agreement, the first ship of M.V. Banglar Joyjatra was delivered on 27-07-2018. After yard delivery, the ship had been employed commercially in the global shipping trade. It is also noted that as per schedule the remaining ships (No of 5 Ships) will be added by turn to the BSC Fleet within the stipulated time February 2019.

## 2.26 Short Term Employee Benefit:

- **Absences:** Paid annual leave and sick leave, recreation leave.
- **Base Pay:** Salary as per national pay scale.
- **Non-monetary Benefit:** Car facilities, telephone.
- **Performance Pay:** Profit Bonus.



**2.27 Share Based Payment:**

No share-based payment occurred during reporting period.

**2.28 Disclosure of Risk (As per BFRS -7):**

**2.28.01 Operational Risk:**

**Qualitative Disclosure:**

**Views of Board on system to reduce operational risk:**

All the policies and guidelines of internal control and compliance are duly approved by board. The board delegates its authority to the executive committee.

**Performance gap of executives and staffs:**

Bangladesh Shipping Corporation is based on retaining and attracting the most suitable people at all levels of business and this reflected in our objective approach to recruitments and selection. The approach is based on the requirement of the job (both now and near future) matching the ability and potential of the individual, qualification, skills and competency from our basis for nurturing talent.

**Potential external events:**

No such potential external event exists to rise operational risk of BSC at the time of reporting. Policies and procedures for mitigating operational risks BSC has an established Internal Control and Compliance Department, Insurance and Claim Department to address operational risk and adequate insurance coverage for all operating assets to encounter such risk.

**Charge requirement to encounter operational risk:**

Sl. No.	Particular	Tk.
01.	Medical Insurance	8,360,772
02.	Hull Machinery Insurance	-
	<b>Total</b>	<b>8,360,772</b>

**2.28.02 Market risk:**

No market risk occurred during reporting year.

**2.28.03 Credit risk:**

No credit risk occurred during reporting year.

**2.29 Revenue Recognition:**

**2.29.01 Operation Income:**

Revenue from freight of lighterage vessel is measured at the fair value of the consideration received or receivable on the basis of ullage quantity or B/L (Bill of Lading) net quantity whichever is less.

**2.29.02 Address Commission:**

Revenue from address commission on foreign chartered vessel is measured at the fair value of the consideration received or receivable at the rate of 2.5% on B/L (Bill of Lading) net quantity.

**2.29.03 Service charge:**

Revenue from the service charge on foreign chartered vessel is measured at the fair value of the consideration received or receivable at the rate of 5% on B/L (Bill of Lading) net quantity.

**2.29.04 Rental Income:**

Rental Income from the BSC own building and infrastructure are recorded accrual basis on the basis of agreement between the BSC and tenants.



Amount In Taka	
30th June, 2018	30th June, 2017

**3.00 Property, Plant & Equipment**

**(A) Cost**

**Opening Balance**

Property Plant & Equipment  
Fleet (02 Vessels)

4,958,262,205      4,325,533,998  
304,394,089      303,670,822

Addition during the year

**5,262,656,294**      **4,629,204,820**  
102,784,112      633,451,474

Disposal during the year

**5,365,440,406**      **5,262,656,294**  
(750,000)      -

**Closing Balance**

**5,364,690,406**      **5,262,656,294**

**(B) Accumulated Depreciation**

**Opening Balance**

Property Plant & Equipment  
Fleet (02 Vessels)

288,597,414      267,517,638  
81,674,485      56,927,862

Charged during the year

**370,271,898**      **324,445,500**  
64,785,574      45,826,399

Adjustment during the year

**435,057,473**      **370,271,899**  
(504,240)      -

**Closing Balance**

**434,553,233**      **370,271,899**

**Written down value (A-B)**

**4,930,137,174**      **4,892,384,395**

\*\*\*\*\*Details shown in Annexure-A.

**4.00 Non Current Assets held for sale and Discontinued Operation**

**(A) Cost**

**Fleet (02 Vessels)**

**Opening balance**

MV Banglar Shourabh

-      143,777,562

MV Banglar Jyoti

-      159,893,260

MV Banglar Shikha

112,592,323      112,592,323

**112,592,323**      **416,263,145**

**Less: Transfer to Property, Plant & Equipment**

MV Banglar Shourabh

-      143,777,562

MV Banglar Jyoti

-      159,893,260

-      **303,670,822**

**Less: Disposal During the Year**

MV Banglar Shikha

112,592,323      -

**112,592,323**      -

**Closing balance**

-      **112,592,323**

**(B) Accumulated Depreciation**

**Opening balance**

MV Banglar Shourabh

-      27,317,737

MV Banglar Jyoti

-      29,610,125

MV Banglar Shikha

21,246,345      21,246,345

**21,246,345**      **78,174,207**

**Less: Transfer to Property, Plant & Equipment**

MV Banglar Shourabh

-      27,317,737

MV Banglar Jyoti

-      29,610,125

-      **56,927,862**

**Less: Adjustment During the Year**

MV Banglar Shikha

21,246,345      -

**21,246,345**      -

**Closing balance**

-      **21,246,345**

**Non Current Assets Available for Sale (A-B)**

-      **91,345,978**



		Amount In Taka	
		30th June, 2018	30th June, 2017
<b>5.00 Capital Work -in -Progress</b>			
Building at Dhaka	5.01	-	-
Six Vessels Project	5.02	43,683,510	-
Marine Workshop Project	5.03	-	74,871,454
Installation of Electrical Sub Station	5.04	3,181,662	3,127,722
		<u>46,865,172</u>	<u>77,999,176</u>
<b>5.01 Building at Dhaka</b>			
Opening Balance		-	561,402,964
Addition During the year		-	73,118,000
Transfer to Non Current Assets		-	(634,520,964)
Closing Balance		-	-
<b>5.02 Six Vessels Project</b>			
Opening Balance		-	-
Addition During the year		-	-
Transfer to Non Current Assets		43,683,510	-
Closing Balance		<u>43,683,510</u>	-
<b>5.03 Marine Workshop Project</b>			
Opening Balance		-	-
Addition During the year		74,871,454	68,583,350
Transfer to Building (Marine Workshop)		-	6,288,104
Closing Balance		<u>(74,871,454)</u>	<u>-</u>
<b>5.04 Installation of Electrical Sub Station</b>			
Opening Balance		-	369,100
Addition During the year		3,127,722	369,100
Transfer to Non Current Assets		53,940	2,758,622
Closing Balance		<u>3,181,662</u>	<u>3,127,722</u>
<b>6.00 Inventories</b>			
Deck and Engine, Electric, Sallon Stores		2,757,923	1,944,340
Spares		15,175,479	15,581,434
Stock of Marine Workshop		10,150,702	7,299,143
Stock of Stationary		199,916	132,024
Bunker fuel-stores		12,152,599	14,606,214
Lub oil		3,871,044	-
		<u>44,307,663</u>	<u>39,563,154</u>
<b>7.00 Short-Term Investment</b>			
Agrani Bank Ltd. (Kulna Branch)		3,009,421	-
Agrani Bank Ltd. (Port Branch)		410,000,000	-
Basic Bank Ltd (Jubilee Road Branch)		753,857	-
First Security Islami Bank Ltd. (Halishahar Branch)		70,000,000	-
First Security Islami Bank Ltd. (Jubilee Road Branch)		60,000,000	-
First Security Islami Bank Ltd. (Kadomtali Branch)		603,250,000	-
First Security Islami Bank Ltd. (Probortak Branch)		442,095,979	-
Janata Bank Ltd. (Asadgonj Branch)		310,000,000	-
Janata Bank Ltd.(City Corporation Branch)		100,000,000	-
Janata Bank Ltd.(Dewanhat Branch)		24,526,623	-
NRB Bank Ltd.(GEC Moor)		20,000,000	-
NRB Global Bank Ltd.(Jubilee Road Branch)		742,154,793	-
NRB Global Bank Ltd.(Nasirabad Branch)		472,500,000	-
NRBC Bank Ltd.(Botdighir Paar Branch)		75,015,000	-
Rupali Bank Ltd.(Agrabad Branch)		30,000,000	-
SBAC Bank Ltd.(Agrabad Branch)		5,153,196	-
SBAC Bank Ltd.(Nasirabad Branch)		10,000,000	-
UCBL Ltd.(Kadomtali Branch)		10,000,000	-
Union Bank Ltd.(Dewan Bazar Branch)		70,000,000	-
Union Bank Ltd.(DT Road Branch)		760,000,000	-
		<u>4,218,458,869</u>	<u>-</u>

Amount In Taka	
30th June, 2018	30th June, 2017
72,638,631	595,645,506
705,896,453	699,899,035
<b>778,535,084</b>	<b>1,295,544,541</b>
(612,230,130)	(1,222,905,909)
<b>166,304,954</b>	<b>72,638,631</b>

**8.00 Trade Receivables**  
Opening Balance  
Addition during the year  
  
Realized during the year  
Closing Balance

\*\*\*An amount of Tk. 55,382,344 receivable from four (4) parties have been carried forward from the financial year 2006-2007 under the head of Trade Receivable, which indicates doubtful of recovery. In the current financial year 2017-2018 provision for bad beds have been charged 5% on above said amount as per section -21(2) of Bangladesh Shipping Corporation Act-2017.

**9.00 Advances, Deposits & Pre-payments**

Advances  
Deposits

9.01	24,632,788	28,368,520
9.02	5,805,452	5,299,457
	<b>30,438,240</b>	<b>33,667,977</b>

**9.01 Advances**

Employees  
Other Advances

9.01.01	8,041,799	9,831,644
9.01.02	16,590,989	18,536,876
	<b>24,632,788</b>	<b>28,368,520</b>

**9.01.01 Employees**

Officers & Staff (Shore)  
Officers & Staff (Afloat)  
Crew Advance  
House Building Loan

	6,569,365	8,363,066
	929,790	748,549
	192,246	369,632
	350,398	350,398
	<b>8,041,799</b>	<b>9,831,644</b>

**9.01.02 Other Advances**

Masters' Control Account  
Advance to Supplier

	2,630,415	2,626,202
	13,960,574	15,910,674
	<b>16,590,989</b>	<b>18,536,876</b>

**9.02 Deposits**

Franking Machine Deposits  
Security Deposits

	320,408	320,408
	5,485,044	4,979,049
	<b>5,805,452</b>	<b>5,299,457</b>

**10.00 Other Receivables**

Agents C/A  
Insurance Claims  
Rent Receivable  
Interest Receivable

10.01	319,499,992	324,092,492
10.02	8,360,772	13,423,174
	11,602,605	3,457,001
	177,480,116	-
	<b>516,943,485</b>	<b>340,972,667</b>

**10.01 Agents C/A**

Opening Balance  
Addition during the year

	324,092,492	324,092,492
	-	-
	<b>324,092,492</b>	<b>324,092,492</b>

Realized during the year  
Closing Balance

	(4,592,500)	-
	<b>319,499,992</b>	<b>324,092,492</b>

\*\*\*An amount of Tk. 324,092,492 of Agents C/A have been carried forward more than three years under the head of Other Receivable, which indicates doubtful of recovery. In the current financial year 2017-2018 provision for bad beds have been charged 5% on above said amount as per section -21(2) of Bangladesh Shipping Corporation Act-2017.



Amount In Taka	
30th June, 2018	30th June, 2017

**10.02 Insurance Claims- not yet admitted**

Medical  
Hull

8,360,772	9,875,591
-	3,547,583

<b>8,360,772</b>	<b>13,423,174</b>
------------------	-------------------

**11.00 Cash and Cash Equivalents**

Cash in Hand  
Cash at Bank

11.01  
11.02

736,529	521,990
120,773,840	4,172,008,748

<b>121,510,369</b>	<b>4,172,530,738</b>
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**11.01 Cash in Hand**

Chittagong  
Dhaka  
Khulna  
BSC M/WS  
**Other:**  
Imprest Account

130,629	14,607
57,125	25,614
47,772	32,164
124,400	81,512

376,603	368,093
<b>736,529</b>	<b>521,990</b>

**11.02 Cash at Bank**

Fixed Term Deposit  
Short Term Deposit (Local Currency)  
Dividend Account  
Current Account (Local Currency)  
Other Deposits  
Foreign Currency (Current Accounts)

11.02.01  
11.02.02  
11.02.03  
11.02.04  
11.02.05  
11.02.06

-	4,075,050,446
38,923,971	59,917,022
27,414,202	-

9,947,273	8,336,175
2,558,936	2,558,936
41,929,458	26,146,168

<b>120,773,840</b>	<b>4,172,008,748</b>
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**11.02.01 Fixed Term Deposit**

Agrani Bank Ltd. (Kulna Branch)  
Agrani Bank Ltd. (Port Branch)  
Basic Bank Ltd (Jubilee Road Branch)  
First Security Islami Bank Ltd. (Halishahar Branch)  
First Security Islami Bank Ltd. (Jubilee Road Branch)  
First Security Islami Bank Ltd. (Kadomtali Branch)  
First Security Islami Bank Ltd. (Probortak Branch)  
Janata Bank Ltd. (Asadgonj Branch)  
Janata Bank Ltd. (City Corporation Branch)  
Janata Bank Ltd. (Dewanhat Branch)  
NRB Global Bank Ltd. (Jubilee Road Branch)  
NRB Global Bank Ltd. (Nasirabad Branch)  
NRBC Bank Ltd. (Botdighir Paar Branch)  
Social Islami Bank Ltd.  
Sonali Bank Ltd.  
Union Bank Ltd. (Dewan Bazar Branch)  
Union Bank Ltd. (DT Road Branch)

-	950,000
-	410,000,000
-	718,778
-	70,000,000
-	30,000,000
-	623,250,000
-	300,000,000
-	310,000,000
-	100,000,000
-	23,380,897
-	742,154,793
-	472,500,000
-	112,095,979
-	100,000,000
-	50,000,000
-	70,000,000
-	660,000,000
-	<b>4,075,050,446</b>

**11.02.02 Short Term Deposit (Local Currency)**

Agrani Bank Ltd., Agrabad Branch, A/c 0200011798943  
Agrani Bank Ltd., Khulna Branch, A/c : 36000416  
Agrani Bank Ltd., Port Branch A/c: 36000032  
Dhaka Bank Ltd. Andarkilla Br. 002715000001001  
Dhaka Bank Ltd. Foreign Exchange Br. 0203150000001682  
Dhaka Bank Ltd. Foreign Exchange Br. 0203150000001694  
Dhaka Bank Ltd. Foreign Exchange Br. 0203150000001708  
Eastern Bank Ltd, Khulna Branch A/c: 200104000133  
Eastern Bank Ltd., Agrabad Branch A/c: 11040000499  
HSBC Bank Ltd. Agrabad Branch, A/c: 004-091633-067  
Janata Bank Ltd., Khulna Branch, A/c : 0100009181045  
Janata Bank Ltd., Port Corporate Branch, A/c: 004000236  
Janata Bank Ltd., Port Corporate Branch, A/c: 004000349  
Janata Bank Ltd., Port Corporate Branch, A/c: 269

2,672,260	-
21,658	20,712
942,009	2,046,776
4,311,722	672,666
514,234	31,332
736,398	43,830
2,161,269	136,005
6,757	7,839
361,014	487,399
727	6,718,860
8,702	9,567
8,405,862	2,505,108
130,111	128,749
272,718	266,153



Amount In Taka	
30th June, 2018	30th June, 2017
2,361,894	2,515,270
378,517	368,735
876	1,304
91,267	91,267
2,672,178	920,129
520,397	698,958
59,616	57,857
175,455	193,589
11,580,624	41,465,964
-	1,079
537,706	527,871
<b>38,923,971</b>	<b>59,917,022</b>

One Bank Ltd. EPZ Br. A/c: 084300000049  
Pubali Bank Ltd., Agrabad Branch; A/c 0332102000044  
Pubali Bank Ltd., Khulna Branch, A/c: 0886102000116  
Rupali Bank Ltd. A/c: 240000202  
Rupali Bank Ltd., BSC M/W; A/c 01  
Sonal Bank Ltd., Agrabad Corp. Branch; A/c: 801136000195  
Sonal Bank Ltd., Dhaka Branch; A/c: 36000369  
Standard Chartered Bank, Agrabad Branch; A/C : 02247525101  
Standard Chartered Bank, Agrabad Branch; A/C: 32247525101  
Standard Chartered Bank, Agrabad Branch; A/C: 02570057401  
Trust Bank , Dilkusha Branch.

**11.02.03 Dividend Account**

Mutual Trust Bank Ltd. CDA Avenue A/C 0210011049  
Mutual Trust Bank Ltd. CDA Avenue A/C 0210011343  
Mutual Trust Bank Ltd. CDA Avenue A/C 0210018171  
Mutual Trust Bank Ltd. CDA Avenue A/C 0320001913  
Southeast Bank Ltd. Agrabad Branch A/C 13100002566  
Southeast Bank Ltd. Agrabad Branch A/C 13100002575

2,785,179	-
8,336,716	-
4,249,402	-
2,784,711	-
2,356,598	-
6,901,596	-
<b>27,414,202</b>	<b>-</b>

**11.02.04 Current Account (Local Currency)**

Agrani Bank Ltd., Agrabad Branch, A/c 0200011798942  
Agrani Bank Ltd., Khulna Branch; A/c: 0200002165233  
Agrani Bank Ltd., Port Corporate Branch, A/c: 33000027  
Eastern Bank Ltd., Agrabad Branch; A/c: CD: 11060005899  
Eastern Bank Ltd., Khulna Branch, A/c: 2001060000637  
HSBC Bank Ltd., Agrabad Branch; A/c: 004-091633-011  
Janata Bank Ltd., Khulna Branch, A/c: 270110020242  
Janata Bank Ltd., Port Corporate Branch, A/C: 001010824  
Janata Bank Ltd., Port Corporation Branch; A/C No.001010835  
Janata Bank Ltd., Port Corporation Branch; A/C: 001102426  
Janata Bank Ltd., Port Corporation Branch; A/c: 11153  
Pubali Bank Ltd., BSC M/W; A/c: 332-901-34085  
Pubali Bank Ltd., Agrabad Branch, A/c: 0332901016937  
Pubali Bank Ltd., Khulna Branch, A/c: 0886901015934  
Rupali Bank Ltd., BSC M/W, A/c: 499  
Sonal Bank Ltd., Dhaka Branch, A/c: 200001645  
Sonal Bank Ltd., Dhaka Branch, A/c: 33002731  
Standard Chartered Bank Ltd., Agrabad Branch, A/c: 01247525101

560,778	-
11,312	12,462
34,122	475,156
-	563
25,430	26,580
-	842,107
571,247	2,113,827
49,606	50,756
1,043,226	967,006
82,362	83,512
122,657	123,957
3,022	3,022
34,551	36,161
133,424	133,884
5,774,512	3,395,448
182,918	182,918
1,110,621	(318,904)
207,485	207,722
<b>9,947,273</b>	<b>8,336,175</b>

**11.02.05 Other Deposits**

Custom Port Revolving Deposits  
Port Deposits "Khulna"

597,321	597,321
1,961,615	1,961,615
<b>2,558,936</b>	<b>2,558,936</b>

**11.02.06 Foreign Currency (Current Accounts)**

HSBC Singapore  
HSBC Singapore  
HSBC Singapore (Feeder)  
Rupali Bank, Karachi, Pakistan  
Sonal Bank Ltd, Calcutta, India

39,975,198	24,246,920
1,429,457	1,375,306
350,666	337,382
111,943	126,759
62,194	59,802
<b>41,929,458</b>	<b>26,146,168</b>





**12.00 Share Capital**

**Authorised Capital**

1,000,000,000 Ordinary Shares of Tk 10 each

**Issued, Subscribed and Paid - up Capital**

20,000,000 Ordinary Shares of Tk.10 each  
62,740,000 Ordinary Shares of Tk.10 each  
53,452,000 Ordinary Shares of Tk.10 each  
16,343,040 Ordinary Shares of Tk.10 each  
Fully paid-up as Bonus Shares (For the year 2016)

Amount In Taka	
30th June, 2018	30th June, 2017

10,000,000,000	10,000,000,000
200,000,000	200,000,000
627,400,000	627,400,000
534,520,000	534,520,000
163,430,400	163,430,400
<b>1,525,350,400</b>	<b>1,525,350,400</b>

**12.01 Classification of Shares by holding at 30 June, 2018**

**Class by number of shares**

Less than 500 shares  
From 500 to 5,000 shares  
From 5,001 to 10,000 shares  
From 10,001 to 20,000 shares  
From 20,001 to 30,000 shares  
From 30,001 to 40,000 shares  
From 40,001 to 50,000 shares  
From 50,001 to 100,000 shares  
From 100,001 to 1,000,000 shares  
From 1,000,001 and above

30th June, 2018		
Number of Holders	Number of Shares	% of Share Holding
102,035	5,728,672	3.76
6,355	10,835,512	7.10
835	6,140,348	4.03
433	6,083,577	3.99
121	3,050,576	2.00
65	2,273,950	1.49
39	1,790,526	1.17
70	4,936,230	3.24
40	8,409,316	5.51
10	103,286,333	67.71
<b>110,003</b>	<b>152,535,040</b>	<b>100</b>

**12.02 Composition of Shareholders at 30 June, 2018**

**Name of Shareholders**

Govt. of the People's Republic of Bangladesh  
Institutes  
Other Shareholders

30th June, 2018	
No. of Shares	% of Share Holding
79,463,440	52.10
19,970,054	13.09
53,101,546	34.81
<b>152,535,040</b>	<b>100</b>

**13.00 Share Premium**

<b>4,647,680,000</b>	<b>4,647,680,000</b>
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**14.00 Capital Reserve**

Danish - Grant  
Adjusted in year, 1982-83  
Valuation of donated and impounded Vessels, Vac-u-vators and spares  
Excess of assets over liabilities of Bangladesh  
Valuation of stores received at the time of delivery of vessels  
Excess of assets over liabilities at BSC's formation  
Workshop on incorporation of the same in the books of the Corporation.  
Stock Dividend  
Profit/(Loss) on sale of fixed assets  
Penalty for late delivery

215,043,478	215,043,478
97,050,240	97,050,240
29,398,902	29,398,902
10,835,211	10,835,211
5,512,616	5,512,616
4,415,906	4,415,906
100,395	100,395
(163,430,400)	(163,430,400)
(86,488,461)	(86,488,461)
17,922,538	17,922,538
<b>130,360,425</b>	<b>130,360,425</b>





Amount In Taka	
30th June, 2018	30th June, 2017

**18.01 Provision for Expenses**

Salary & Allowance - Afloat		
Victualing	21,500,000	2,599,857
Provident Fund	817,570	1,122,498
Deck Engine, Electrical & Saloon	63,945,000	-
Spare Parts	1,420,588	-
Operating Expenses	1,445,306	-
Port Light Canal Custom	811,265	-
Provision for Bad Debts (Agents C/A)	81,251,181	-
Provision for Bad Debts (Trade Receivables)	16,204,625	-
Insurance	2,769,117	-
Vessel Repair & Survey Fees	4,156,440	570,729
Share Expenses	50,015,037	13,371,421
Audit Fee	4,607,880	-
Telephone & Trunkcall	120,000	120,000
Light Power & Water	69,770	22,709
Office General Expenses	259,320	208,950
Internet & Website	8,000,000	3,151,591
	32,000	12,000
	<b>257,425,102</b>	<b>21,179,754</b>

**19.00 Interest on Long Term Loans**

Bangladesh Government		
The Overseas Economic Co-operation Fund, Japan	88,752,000	83,592,000
Marine Workshop Modernization	319,826,404	319,826,404
	33,109,101	29,129,362
	<b>441,687,505</b>	<b>432,547,766</b>

**20.00 Income Tax Provision**

Opening Balance		
Provision made during the year	89,108,540	65,102,476
	31,994,661	24,006,064
	<b>121,103,202</b>	<b>89,108,540</b>
Paid during the year	-	-
Closing Balance	<b>121,103,202</b>	<b>89,108,540</b>

**18.01 Provision for Expenses**

Salary & Allowance - Afloat  
 Victualing  
 Provident Fund  
 Deck Engine, Electrical & Saloon  
 Spare Parts  
 Operating Expenses  
 Port Light Canal Custom  
 Provision for Bad Debts (Agents C/A)  
 Provision for Bad Debts (Trade Receivables)  
 Insurance  
 Vessel Repair & Survey Fees  
 Share Expenses  
 Audit Fee  
 Telephone & Trunkcall  
 Light Power & Water  
 Office General Expenses  
 Internet & Website

Amount In Taka	
30th June, 2018	30th June, 2017

21,500,000	2,599,857
817,570	1,122,498
63,945,000	-
1,420,588	-
1,445,306	-
811,265	-
81,251,181	-
16,204,625	-
2,769,117	-
4,156,440	570,729
50,015,037	13,371,421
4,607,880	-
120,000	120,000
69,770	22,709
259,320	208,950
8,000,000	3,151,591
32,000	12,000
<b>257,425,102</b>	<b>21,179,754</b>

**19.00 Interest on Long Term Loans**

Bangladesh Government  
 The Overseas Economic Co-operation Fund, Japan  
 Marine Workshop Modernization

88,752,000	83,592,000
319,826,404	319,826,404
33,109,101	29,129,362
<b>441,687,505</b>	<b>432,547,766</b>

**20.00 Income Tax Provision**

Opening Balance  
 Provision made during the year

Paid during the year  
 Closing Balance

89,108,540	65,102,476
31,994,661	24,006,064
<b>121,103,202</b>	<b>89,108,540</b>
-	-
<b>121,103,202</b>	<b>89,108,540</b>



		Amount In Taka	
		30th June, 2018	30th June, 2017
<b>21.00 Freight Revenue</b>			
	Lighterage	574,609,155	563,582,639
		<b>574,609,155</b>	<b>563,582,639</b>
<b>22.00 Service Revenue</b>			
	Address Commission	130,510,524	121,608,822
	Service Charges	126,754,926	136,321,686
		<b>257,265,450</b>	<b>257,930,508</b>
<b>23.00 Fleet Expenses (Direct)</b>			
	Afloat Salary and Allowances	91,702,899	110,538,755
	Fuel, Oil and Water	157,334,032	194,124,061
	Insurance	36,184,041	30,737,718
	Deck and Engine Expenses	5,272,474	28,902,258
	Despatch/Demurrage	-	4,712,967
	Fleet communication	13,800	93,947
	General Expenses	2,201,349	4,439,587
	Port, Canal and Custom dues	85,000,000	2,418,424
	Spares	24,338,289	8,901,400
	Stevedoring Expenses	-	457,613
	Vessel Repairs & Survey-Fees	84,679,243	92,166,059
	Victualling Expenses	9,677,906	13,961,252
	Depreciation (Annexure-A)	22,580,196	25,089,107
		<b>518,984,229</b>	<b>516,543,148</b>
<b>24.00 Fleet Expenses (Indirect)</b>			
	Salary and Allowances	9,653,617	14,926,981
	VAT (Service Charges)	19,013,239	-
	Depreciation (Annexure-A)	27,433,496	13,479,240
		<b>56,100,352</b>	<b>28,406,221</b>
<b>25.00 Other Income</b>			
	Gain on sale of M.V. Banglar Shikha	25.01 49,209,022	-
	Gain on sale of Motor Vehicle	25,255	-
	Difference in Exchange	250,824	2,752,949
	Interest income	317,439,397	320,513,854
	Misc. Receipt- Scrap. Tender, Bond Money etc.	18,366,472	11,213,730
	Rent Rates income	45,430,913	9,437,963
	Service charge - BSC Dhaka Building	2,588,567	-
		<b>433,310,450</b>	<b>343,918,496</b>

**25.01** As per the decision of 292th Board Meeting of Bangladesh Shipping Corporation (BSC) M.V. Banglar Shikha was sold out for Taka 140,555,000 Only. The Highest tender, M/s Fahim Enterprise deposited Taka 89,250,000 through pay order No.-2219865 dated 31-08-2017 (City Bank Ltd.) and Taka 51,305,000 pay order No.-6736218 dated 04-09-2017 (National Bank Ltd.) respectively. Afterward, the said pay orders were realized through BSC's account no 004000236 Janata Bank Ltd, Port Branch, Chittagong.

The summary of sales proceeds received from the disposal M.V. Banglar Shikha is mentioned below

Explanations	Taka	Taka
Sales Proceeds of M.V. Banglar Shikha	140,555,000	-
Book Value of M.V. Banglar Shikha	(91,345,978)	-
Capital Gain on the sale of M.V. Banglar Shikha	<b>49,209,022</b>	-



Amount In Taka	
30th June, 2018	30th June, 2017

**26.00 Administrative Expenses**

Office General Expenses	355,019,044	310,627,558
Audit Fee	132,170	315,100
BSC Anniversary Celebration	2,060,731	1,855,075
Gratuity and Provident Fund	145,094,802	158,606,846
Insurance - Shore assets	48,226	317,440
Bad debt Expenses	18,973,742	-
Share expenses	10,874,353	14,462,611
VAT	4,564,946	21,853,094
Professional Expenses	-	22,500
Depreciation (Annexure-A)	14,771,882	7,258,052
	<b>551,539,896</b>	<b>515,318,277</b>

**27.00 Financial Expenses**

Interest on -Bangladesh Government	5,160,000	5,160,000
Interest on -Marine Workshop Modernization	3,979,739	3,979,739
Bank Charge	1,442,193	-
	<b>10,581,932</b>	<b>9,139,739</b>

**28.00 Prior year Adjustment**

Charter	-	400,001
Rent Rates Income	2,408,400	(508,055)
Interest Income	84,522,234	(118,370,244)
Spares	-	10,000,000
Sundry Debtors	-	(181,154,711)
	<b>86,930,634</b>	<b>(289,633,009)</b>

\*\*\*\*An amount of Tk. 24,08,400 earned from renting in the financial year 2016-2017 but not be included as rent receivables on accrual basis. But in the current financial year 2017-2018, the said above rent income are adjusted by Prior Period Adjustment.

\*\*\*An amount of Tk.84,522,234 earned interest from short-term investment in the financial year 2016-2017 but not be included as interest receivable on accrual basis. But in the current financial year 2017-2018, the said above interest income are adjusted by Prior Period Adjustment.

**29.00 Auditor's Remuneration -(As per Company act 1994, Para 6 of schedule XI, Part II- note 22)**

Statutory Audit Fee - Ahmed Zaker & Co.	60,000	60,000
Statutory Audit Fee - Mahfel Huq & Co.	60,000	60,000
	<b>120,000</b>	<b>120,000</b>





Amount In Taka	
30th June, 2018	30th June, 2017

**30.00 Earning Per Share**

Net Profit After Tax	125,157,813	86,566,341
Number of ordinary shares during the year	152,535,040	152,535,040
Weighted average no. of shares outstanding	152,535,040	140,669,545
<b>Earning Per Share</b>	<b>0.82</b>	<b>0.62</b>

**31.00 Net Asset Value Per Share**

Total Assets	10,247,345,855	9,869,904,419
Total Liabilities	(2,069,575,651)	(1,831,151,061)
<b>Net Assets Value</b>	<b>8,177,770,204</b>	<b>8,038,753,358</b>
Number of ordinary shares during the year	152,535,040	152,535,040
<b>Net Asset Value Per Share</b>	<b>53.61</b>	<b>52.70</b>

**32.00 Net Operating Cash Flows Per Share**

Net Cash Inflow / (Outflow) from Operating Activities	221,221,440	613,065,547
Number of ordinary shares during the year	152,535,040	152,535,040
<b>Net Operating Cash Flows Per Share</b>	<b>1.45</b>	<b>4.02</b>



**33.00 Operation Segments (BFRS- 8)**

Particulars	Address Commission & Service Charge	Own Vessels	Fluctuation gain, Building Rent, & others	Interest On FDR	TOTAL
Operating Income	257,265,450	574,609,155	-	-	831,874,605
Operating Expense	-	(575,084,581)	-	-	(575,084,581)
<b>Operating Income/(Loss)</b>	<b>257,265,450</b>	<b>(475,426)</b>	-	-	<b>256,790,024</b>
Other Income	-	-	115,871,053	317,439,397	433,310,450
Other Expenses	-	-	-	-	(564,942,661)
<b>Net Income/(Loss)</b>	-	-	<b>115,871,053</b>	<b>317,439,397</b>	<b>125,157,813</b>

**34.00 Related Party Transaction**

During the financial year under review, the company carried out a number of transaction with related party in the normal course of business. The related parties are:

Name of Party/Company	Nature of Relation	Relationship	Taka
BSC Marine Workshop	Vessels Repair	Sister Concern	82,500,000
Sadharon Bima Corp.	Insurance & Claim	Service Provider	24,539,500

**35.00 Event after the Statements of Financial Position date**

The Board of Directors in their Meeting held on 06-10-2018 have recommended @ 6% Cash Dividend for the year ended 30th June, 2018 subject to approval of the shareholders in the Annual General Meeting scheduled to be held on 24-11-2018. The Financial Statements for the year ended 30th June, 2018 do not include the effect of the dividend which will be accounted for in the period when the shareholders right to receive the payment is established.

**36.00 Trade Receivables**

Particulars	30th June, 2018	30th June, 2017
Trade Receivables	166,304,954	72,638,631
Other Receivables	516,943,485	340,972,667

**37.00 Aging of Accounts Receivable**

Particulars	Up to six month	Over six month but less than 1 year	over 1 year but less than 2 years	over 2 years	Total as on 30th June, 2018
Trade Receivable	94,117,706	1,723,310	-	70,463,938	166,304,954
Other Receivable	177,480,117	19,963,377	-	319,499,991	516,943,485

**38.00 Disclosure**

Under the project of procuring Six Vessels (Three product oil tankers and three bulk carriers' capacity of 39,000 DWT each) with the assistance of Chines concessional loan agreement, the first ship of M.V. Banglar Joyjatra was delivered on 27-07-2018. After yard delivery, the ship had been employed commercially in the global shipping trade.



Annexure-A

**Bangladesh Shipping Corporation**  
**Schedule of Property, Plant & Equipment**  
**For the year ended 30th June, 2018**

SL NO.	Particulars	Cost					Rate	Depreciation			Written down value as on 30.06.2018
		Opening Balance as on 01.07.2017	Addition during the year	Disposal during the year	Closing Balance as on 30.06.2018			Opening Balance as on 01.07.2017	Charged during the year	Adjustment during the year	
1	Land	3,830,850,000	-	-	3,830,850,000	-	-	-	-	-	3,830,850,000
2	Building (Head Office)	249,382,168	711,339	-	250,093,506	2.5%	79,472,972	4,265,513	-	83,738,485	166,355,021
3	Building (Marine Workshop)	66,813,811	74,871,454	-	141,685,265	15%	53,234,470	13,267,619	-	66,502,089	75,183,176
4	Building (Dhaka)	630,618,000	-	-	630,618,000	2.5%	8,320,654	15,557,434	-	23,878,088	606,739,912
5	Motor Vehicle	28,541,521	9,300,000	750,000	37,091,521	20%	20,648,566	3,389,439	504,240	23,533,765	13,557,756
6	Office Machine & Equipment	6,596,452	482,260	-	7,078,712	10%	2,236,242	484,247	-	2,720,489	4,358,223
7	Furniture & Fixture	3,838,464	1,927,857	-	5,766,321	10%	1,010,804	475,352	-	1,486,356	4,279,965
8	Workshop Machine	101,730,560	14,900,516	-	116,631,076	15%	90,514,844	3,917,435	-	94,432,279	22,198,797
9	Electric Installation	34,671,230	590,686	-	35,261,916	20%	31,021,220	848,139	-	31,869,359	3,392,557
10	Vacuator	5,220,000	-	-	5,220,000	10%	2,137,642	308,236	-	2,445,878	2,774,122
	<b>Fleet (02 Vessels)</b>										
1	MV Banglar Shourabh	143,777,562	-	-	143,777,562	10%	38,963,719	10,481,384	-	49,445,104	94,332,458
2	MV Banglar Jyoti	160,616,527	-	-	160,616,527	10%	42,710,765	11,790,576	-	54,501,342	106,115,186
<b>A</b>	<b>Total</b>	<b>5,262,656,294</b>	<b>102,784,112</b>	<b>750,000</b>	<b>5,364,690,406</b>		<b>370,271,898</b>	<b>64,785,574</b>	<b>504,240</b>	<b>434,553,233</b>	<b>4,930,137,174</b>
<b>B</b>	<b>Balance as on 30, June 2017</b>	<b>4,629,204,820</b>	<b>633,451,474</b>	<b>-</b>	<b>5,262,656,294</b>		<b>324,445,500</b>	<b>45,826,399</b>	<b>-</b>	<b>370,271,898</b>	<b>4,892,384,396</b>

\*\*\*\*The Company charged depreciation on addition of property, Plant & Equipment for one year.

C	Depreciation allocated to	Notes	30th June, 2018	30th June, 2017
i	Direct (Fleet & Vacuator)	23	22,580,196	25,089,107
ii	Indirect (Other Assets) 65%	24	27,433,496	13,479,240
iii	Administrative Expenses (Other Assets) 35%	26	14,771,882	7,258,052
	<b>Total</b>		<b>64,785,574</b>	<b>45,826,399</b>



Annexure-B

**Bangladesh Shipping Corporation**  
**Deferred Tax**  
**For the year ended 30th June, 2018**

Deferred tax assets/liability recognized in accordance with the provision of BAS-12, is arrived as follows

	Amount In Taka	
	30th June, 2018	30th June, 2017
Opening Balance	32,878,919	47,427,067
Increase/Decrease of Deferred Tax Liability	(29,173,829)	(14,548,148)
<b>Deferred Tax Liability/Assets</b>	<b>3,705,090</b>	<b>32,878,919</b>

	Amount of financial performance	Tax Base	Temporary Differences
<b>At 30 June, 2018</b>			
Property, plant & equipment (Except land)	64,785,574	145,602,810	80,817,236
Liability to Employees (Gratuity)	81,149,802	117,027,882	35,878,080
<b>Net Temporary Differences</b>	<b>145,935,376</b>	<b>262,630,692</b>	<b>116,695,316</b>
Applicable Tax Rate			25%
<b>Deferred Tax Liability/Assets</b>			<b>29,173,829</b>

<b>At 30 June, 2017</b>			
Property, plant & equipment (Except land)	45,826,399	165,527,015	119,700,616
Liability to Employees (Gratuity)	158,606,846	97,098,820	(61,508,026)
<b>Net Temporary Differences</b>	<b>204,433,245</b>	<b>262,625,835</b>	<b>58,192,590</b>
Applicable Tax Rate			25%
<b>Deferred Tax Liability/Assets</b>			<b>14,548,148</b>