

নিরীক্ষা প্রতিবেদন
AUDITORS' REPORT

OF

Certificate on
Status Report on Utilization of Proceeds
From Repeat Public Offering (RPO) of
Bangladesh Shipping Corporation (BSC)
As on 31 January 2021



Solution...Begins

রহমান মোস্তফা আলম এন্ড কোং
RAHMAN MOSTAFA ALAM & CO.
CHARTERED ACCOUNTANTS



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**Certificate on
Status Report on Utilization of Proceeds
From Repeat Public Offering (RPO) of
Bangladesh Shipping Corporation (BSC)
As on 31 January 2021**



Certificate on
Status Report on Utilization of Proceeds from Repeat Public Offering (RPO) of
Bangladesh Shipping Corporation
For the month of January 31, 2021

We have been engaged by Bangladesh Shipping Corporation (the "Company") to certify whether the Company has complied with the conditions of Repeat Public Offering (RPO) in relation to the utilization of proceeds from Public Offering as required by Bangladesh Securities and Exchange Commission (BSEC) vide its consent letter (ref: SEC/CI/RPO-7/2010/624 dated September 05, 2011) issued for RPO under section 2CC of the Securities and Exchange Ordinance 1969.

Company's Responsibilities

The Company management is responsible for utilizing the proceeds from RPO and preparation of Status Report on utilization of Proceeds from Public Offering in accordance with the conditions of RPO consent letter issued by BSEC.

Our Responsibilities

Our responsibility is to examine all the relevant documents in connection with the utilization of proceeds from RPO 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 RPO consent letter.

We report that:

We have examined relevant documents, 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 that:

- a) BSC has invested Tk. 161,473,953 to conduct Budgetary Expense of the project of 6 Vessels procurement which was not mentioned in the prospectus issued before going to public. The project named "Procurement of six (06) new vessels {three (03) new product Oil Tankers and three (03) new Bulk Carriers of about 39,000 DWT each}" approved in ECNEC meeting dated 07/07/2015 and also approved by BSC. However, a board resolution was taken by the Board of Directors of BSC in its 275th Board Meeting in this regard and subsequently the same was also approved by the Shareholders in its 36th Annual General Meeting (AGM).
- b) BSC has invested Tk. 593,509,000 to construct multistoried building at Dhaka for strengthening earning capacity which was not mentioned in the prospectus issued before going to public. However, a board resolution was taken by the Board of Directors of BSC in its 264th Board Meeting in this regard and subsequently the same was also approved by the Shareholders in its 34th Annual General Meeting (AGM).



- c) Expenditure of Tk. 64,716,920 for conversion of Govt. Equity of Tk. 2,672,600,000 into 5,345,200 shares @ Tk. 500 each was made from RPO proceeds which was not disclosed or published in the prospectus. However, a board resolution was taken by the Board of Directors of BSC in its 264th Board Meeting in this regard and subsequently the same was also approved by the Shareholders in its 34th Annual General Meeting (AGM).
- d) Interest income on RPO Proceeds up to 31 January 2021 stood at Taka 1,748,004,745, which has been fully utilized as administrative expenses, which was not disclosed or published in the prospectus. Un-utilized RPO proceeds along with interest income stood at Taka 3,950,660,815.
- e) Assets have been procured/imported/constructed maintaining proper/required procedure as well as at a reasonable price.
- f) Verification of all necessary documents/papers/vouchers has been made in support of utilization of RPO proceeds making reconciliation with bank statements.

Firm's Name : **Rahman Mostafa Alam & Co.**
Chartered Accountants

Signature :



Auditor's Name : **Arafat Kamal FCA (1184)**

Date : 13.01.2022

Place : Chattogram

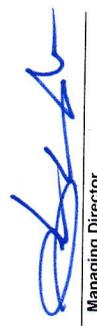
DVC : 2201131184CO764868

Amount (BDT) of Total Raised through IPO : 3,137,000,000
 Date of Issue of Subscription Prospectus : 19.11.2011 (Resident) & 29.10.2011 (NRI)
 Date of Closure of Subscription Prospectus : 26.11.2011 (Resident) & 02.11.2011 (NRI)
 Last Date of Full Utilization of Funds as per prospectus : Within June 2012 (extended upto June 2021)

(All the figures are in BDT.)

Sl.	Purpose mentioned in the prospectus	Time line as per prospectus	Revised time line (upto...)	Amount of Subscription	Amount as per prospectus	Amount as per revised utilization plan	Utilized in January 2021	Status of utilization		Remarks	
								Total Utilized Amount	Utilized (%)		Total Un-utilized Amount
01	Capital investment for purchasing ships				3,142,000,000					No amount was spent for this investment.	
02	6 Vessel project					346,400,000	161,473,953	46.61%	184,926,047	53.39%	Expenditure made for Procuring 6 Vessels was not declared in the Prospectus. It was approved at the 36th AGM of BSC and estimated expenditure for this purpose was Tk. 34.64 Crore.
03	Building construction			3,137,000,000		630,600,000	593,509,000	94.12%	37,091,000	5.88%	Expenditure made from RPO Proceeds not declared in the Prospectus. It was approved at the 34th AGM of BSC and estimated expenses for this purpose was Tk. 63.06 crore.
04	RPO Expense				118,444,200	179,360,977	179,360,977	100%			Expenditure of Tk. 64,716,920 for conversion of Govt. Equity Tk. 2,672,600,000 into 5,345,200 shares @ Tk. 500 each was made from RPO Proceeds which was not disclosed or published in the Prospectus. It was approved at the 34th AGM of BSC.
05	Un-Allocated Fund					1,980,639,023			1,980,639,023		It was approved at the 43rd AGM of BSC for Expenditure of ship acquisition and related purposes.
				3,137,000,000	3,260,444,200	3,137,000,000	934,343,930		2,202,656,070		

Percentage : 6%-6.75%
 Interest on RPO Proceeds : 1,748,004,745
 Un-utilized RPO proceeds with interest income : 3,950,660,815


 Managing Director

Executive Director (Finance)

Rahman Mostafa Alam & Co.
 Chartered Accountants


 Arafat Kamal Foa (1984)





MD. AZAMGIR
 General Manager (Accounts)
 Bangladesh Shipping Corporation
 Chittoagram.



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



Bangladesh Shipping Corporation (BSC)
Calculations to the Statement of RPO Proceeds Utilization
For the month ended January 31, 2021

	Particulars	Note(s)	Amount (In Taka)
01.00	6 Vessels Project (Work-In-Progress) (Undeclared)		
	a) Revenue Expenditures		
	Registration Fee of Ships		1,692,783
	Buyer's Supervision		98,354,569
	Advance to Shipping Agency		3,879,032
	Stationary		1,860
	Buyer's Representative Inspection		14,089,088
	Logistics & Other expenses		35,938,641
	Traveling		77,590
	Honorarium		191,070
	Entertainment		219,320
			<u>154,443,953</u>
	b) Capital Expenditures		
	Jeep Purchase		7,030,000
			<u>7,030,000</u>
	Total (a+b)		<u>161,473,953</u>
02.00	Construction of Building (Undeclared)		
	Balance as on 01.01.2021		593,509,000
	Add: Addition during the month of January		-
	Balance as on 31.01.2021		<u>593,509,000</u>
03.00	RPO Processing Expenses		
	Consent Fee of BSEC	03.01	5,280,020
	Underwriter Commission		7,842,500
	Prospectus Submission Fee		10,000
	Annual Fee of DSE		2,100,000
	Annual Fee of DSE		1,081,100
	Entertainment Expenses		114,125
	Post Issue Management Fee		19,000,000
	Issue Management Fee		1,000,000
	Bankers Commission		3,502,832
	Income Tax on Premium	03.02	139,430,400
			<u>179,360,977</u>
03.01	Consent fee of BSEC		
	For issue of 6,274,000 shares		4,705,500
	For conversion of Govt. equity to 5,345,200 shares (Undeclared)		574,520
			<u>5,280,020</u>
03.02	Income tax on premium		
	For issue of 6,274,000 shares		75,288,000
	For conversion of Govt. equity to 5,345,200 no. of shares (Undeclared)		64,142,400
			<u>139,430,400</u>
04.00	Balance available for RPO Proceeds		
	RPO Proceeds Received		3,137,000,000
	RPO Proceeds Utilization		(934,343,930)
			<u>2,202,656,070</u>





Particulars	Note(s)	Amount (In Taka)
04.01 The above balance is kept as follows:-		
FDR Account	04.01.01	2,210,000,000
Savings Account	04.02	8,574,576
Fluctuation Gain on Realization of Foreign Currency	04.03	(15,918,506)
		<u>2,202,656,070</u>
04.01.01 FDR Account		
Balance as on 01.01.2021		2,210,000,000
Add: New FDR Investment		-
Interest on FDR		21,000,000
		<u>2,231,000,000</u>
Less: Interest Encashment		18,820,000
FDR Encashment		-
Excise Duty & TDS		2,180,000
		<u>21,000,000</u>
Balance as on 31.01.2021		<u><u>2,210,000,000</u></u>
04.01.02 Bank Balance as on 31 January 2021 was made up as follows		
FDR No-0066085/3570 in the Agrani Bank Ltd.		200,000,000
FDR No-5000491 in the Rupali Bank Ltd.		30,000,000
FDR No-1318-01-0006434 in the Basic Bank Ltd.		150,000,000
FDR No-0418-01-0002824 in the Basic Bank Ltd.		150,000,000
FDR No-0418-01-0002851 in the Basic Bank Ltd.		60,000,000
FDR No-0818-01-0010682 in the Basic Bank Ltd.		50,000,000
FDR No-5000040 in the Rupali Bank Ltd.		50,000,000
FDR No-26348 in the Janata Bank Ltd.		20,000,000
FDR No-750394 in the Janata Bank Ltd.		10,000,000
FDR No-5000048 in the Rupali Bank Ltd.		50,000,000
FDR No-5001676 in the Rupali Bank Ltd.		10,000,000
FDR No-10953 in the Basic Bank Ltd.		30,000,000
FDR No-457844/49/08 in the Brac Bank Ltd.		15,000,000
FDR No-228429/35/4905 in the Brac Bank Ltd.		15,000,000
FDR No-24916 in the Janata Bank Ltd.		20,000,000
FDR No-5000052 in the Rupali Bank Ltd.		5,688,200
FDR No-500213 in the Rupali Bank Ltd.		10,000,000
FDR No-5004810 in the Rupali Bank Ltd.		10,000,000
FDR No-091443/49/25 in the Rupali Bank Ltd.		20,000,000
FDR No-298901/49/06 in the Rupali Bank Ltd.		20,000,000
FDR No-5000338 in the Rupali Bank Ltd.		70,000,000
FDR No-455171/49/15 in the Rupali Bank Ltd.		20,000,000
FDR No-296099/49/50 in the Rupali Bank Ltd.		20,000,000
FDR No-5000221 in the Rupali Bank Ltd.		10,000,000
FDR No-052189/48/01 in the Rupali Bank Ltd.		70,000,000
FDR No-279233 in the Rupali Bank Ltd.		70,000,000
FDR No-208908/3872 in the Janata Bank Ltd.		100,000,000
FDR No-204767/22311 in the Janata Bank Ltd.		100,000,000
FDR No-0642238/24324 in the Janata Bank Ltd.		200,000,000
FDR No-0642293/2486-9 in the Janata Bank Ltd.		100,000,000
FDR No-198610245 in the Janata Bank Ltd.		100,000,000
FDR No-002760/041801-0003148 in the Basic Bank Ltd.		40,000,000
FDR No-01067/1318-010006845 in the Basic Bank Ltd.		40,000,000





Particulars	Note(s)	Amount (In Taka)
FDR No-094219/0818-01-0011430 in the Basic Bank Ltd.		40,000,000
FDR No-274821/49/10 in the Rupali Bank Ltd.		30,000,000
FDR No-0050129/4285 in the Agrani Bank Ltd.		30,000,000
FDR No-50408 in the Rupali Bank Ltd.		20,000,000
FDR No-0017915/1848		150,000,000
FDR No-57382 in the Rupali Bank Ltd.		50,000,000
FDR No- 76742 in the Agrani Bank Ltd.		4,311,800
FDR No-73615 in the Agrani Bank Ltd.		20,000,000
		<u>2,210,000,000</u>

04.02 **Savings Account**

Trust Bank Ltd. Dilkusha Branch A/C No: FC A/C DAD EURO- 0017-5027000037	92,162
Trust Bank Ltd. Dilkusha Branch A/C No: FC A/C DAD POUND- 0017-5026000020	80,896
Trust Bank Ltd. Dilkusha Branch A/C No: FC A/C DAD USD- 0017-5025000193	45,847
Trust Bank Ltd. Dilkusha Branch A/C No: SND - 0017-0320000898	323,419
Agrani Bank Ltd., Agrabad, Corporate Branch A/C No: SND-0200011798943	-
HSBC Offshore. Singapore Branch FCA No: 260-361076-178	8,032,252
	<u>8,574,576</u>

04.03 **Fluctuation Gain on Realization of Foreign Currency**

Opening Balance as on 01 January 2021	15,918,506
Add: Amount Realized	-
Less: Amount as per subscription rate	-
Gain during the month of January 2021	-
Total Gain/(Loss) as on 31 January 2021	<u>15,918,506</u>


Executive Director (Finance)


Managing Director



