

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 30 April 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 30 April 2021**



Certificate on
Status Report on Utilization of Proceeds from Repeat Public Offering (RPO) of
Bangladesh Shipping Corporation
For the month of April 30, 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).

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- 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 30 April 2021 stood at Taka 1,768,094,245, 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 3,970,750,315.
- 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

Report on Utilization of RPO proceeds for the month of April 2021

MD. SHAHIDUL ISLAM (Accountant General)

MD. AZAMGIR (General Manager)

MD. SHAHIDUL ISLAM (Assistant General Manager)

MD. AZAMGIR (General Manager)

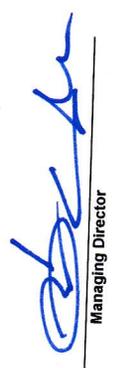
MD. SHAHIDUL ISLAM (Assistant General Manager)

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 April 2021	Status of utilization		Remarks
								Total Utilized Amount	Utilized (%)	
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	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	593,505,000	94.12%	37,091,000	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	3,280,444,200	3,137,000,000	934,343,930		2,202,656,070	

Percentage Interest on RPO Proceeds : 6%-6.75%

Un-utilized RPO proceeds with interest income : 1,768,094,245

: 3,970,750,315



Managing Director



Executive Director (Finance)

Rahman Mostafa Alam & Co.
Chartered Accountants



Arifat Kamal Feroze





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



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

Bangladesh Shipping Corporation (BSC)
Calculations to the Statement of RPO Proceeds Utilization
For the month ended April 30, 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><u>161,473,953</u></u>
02.00 Construction of Building (Undeclared)		
Balance as on 01.04.2021		593,509,000
Add: Addition during the month of April		-
Balance as on 30.04.2021		<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 62,74,000 shares		4,705,500
For conversion of Govt. equity to 53,45,200 shares (Undeclared)		574,520
		<u>5,280,020</u>
03.02 Income tax on premium		
For issue of 62,74,000 shares		75,288,000
For conversion of Govt. equity to 53,45,200 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>
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>



Particulars	Note(s)	Amount (In Taka)
04.01.01 FDR Account		
Balance as on 01.04.2021		2,210,000,000
Add: New FDR Investment		-
Add: Interest on FDR		-
		<u>2,210,000,000</u>
Less: Interest Encashment		-
Less: FDR Encashment		-
Less: Excise Duty & TDS		-
		<u>-</u>
Balance as on 30.04.2021		<u><u>2,210,000,000</u></u>

04.01.02 Bank Balance as on 30 April 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
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><u>2,210,000,000</u></u>



Particulars	Note(s)	Amount (In Taka)
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
		8,574,576
04.03 Fluctuation Gain on Realization of Foreign Currency		
Opening Balance as on 01 April 2021		15,918,506
Add: Amount Realized		-
Less: Amount as per subscription rate		-
Gain during the month of April 2021		-
Total Gain/(Loss) as on 30 April 2021		15,918,506

Executive Director (Finance)

Managing Director

