

**Certificate on
Status Report on Utilization of Proceeds
From Repeat Public Offering (RPO) of
Bangladesh Shipping Corporation (BSC)
As on 30 June 2019**



Solution.....Begins

Certificate on
Status Report on Utilization of Proceeds from Repeat Public Offering (RPO) of
Bangladesh Shipping Corporation
As on 30 June 2019

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.

The 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. 143,251,231 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).

RMA&Co.



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Rahman Mostafa Alam & Co.

Chartered Accountants



- 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 is Tk. 1,560,816,820 Entire amount has been fully utilized as administrative expenses and shown in the enclosed receipts and payments statements which was not disclosed or published in the prospectus.
- 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.

Chattogram, 21 September 2019

Rahman Mostafa Alam & Co.
Rahman Mostafa Alam & Co.
Chartered Accountants

Bangladesh Shipping Corporation (BSC)
RPO Proceeds Utilization Report
As on 30 June 2019

Date of subscription	Amount of subscription		Purpose of amount as per RPO Prospectus	Estimated Project Cost		Estimated time of completion (As Per Prospectus)	Investment/Expenses so far made			Investment/Expenses yet to be made		Remarks
	Shares in BDT	Debtenture		Item	Amount		Purpose	Amount	%	Amount	%	
Opening : October 09, 2011 Closing : October 13, 2011			1. Capital Investment For purchasing ships	1. Procurement of 1 second hand (around 10 years old) 100,000-125,000 DWT Mother Tanker.	1,050,000,000	June, 2012 Subsequently extended upto June, 2019 at 41th AGM				1,050,000,000	100	No amount was spent for this investment
				2. Procurement of 1 second hand (not more than 10 years old) 30,000-35,000 DWT product carrier.	2,092,000,000					2,092,000,000	100	Do
	3,137,000,000						For 6 Vessels Project (Work-In-Progress)	143,251,231	41.35%			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 core.
Closing for Non-Resident Bangladeshis (NRB) October 22, 2011							For constructing building at Dhaka	593,509,000	94.12%			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 core.
			2. RPO Expenses	RPO Expenses	118,444,200		RPO Expenses	179,360,977	151%			Expenditure of Tk. 64,716,920 for conversion of Govt Equity into 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.
Sub total	3,137,000,000	-			3,260,444,200			916,121,208	28.10	3,142,000,000	96.37	
Interest Income	1,560,816,820	-			-			1,560,816,820	-	-	-	
Fluctuation Gain	13,784,618	-			-			-	-	-	-	
Total	4,711,601,438				3,260,444,200			2,476,938,028		3,142,000,000		

Note: Conversion cost Tk. 64,716,920 includes Tk. 574,520 for consent fee of BSEC and Tk. 64,142,400/- for income tax on Premium

Executive Director (Finance)

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



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

Managing Director

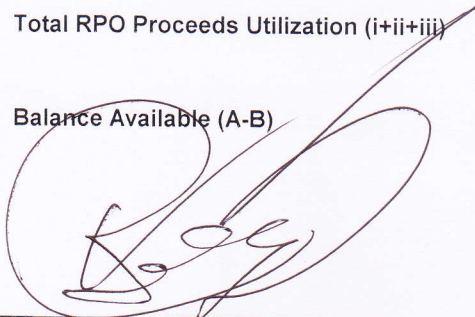
Commodore Yahya Syed, BN
Managing Director
Bangladesh Shipping Corporation

Bangladesh Shipping Corporation (BSC)

Statement of RPO Proceeds Utilization

As on 30 June 2019

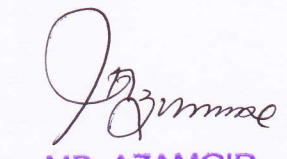
Particulars	Note(s)	Taka	Taka
A. RPO Proceeds Received:			3,137,000,000
B. RPO Proceeds Utilization:			
i. 6 Vessels Project (Work-In-Progress) (Undeclared)	01.00	143,251,231	
ii. Construction of Building (Undeclared)	02.00	593,509,000	
iii. RPO Processing Expenses:			
Consent Fee of BSEC	03.00	5,280,020	
Underwriter Commission		7,842,500	
Prospectus Submission Fee		10,000	
Annual Fee of DSE		2,100,000	
Annual Fee of CSE		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	04.00	139,430,400	
		179,360,977	
Total RPO Proceeds Utilization (i+ii+iii)			916,121,208
Balance Available (A-B)	05.00		2,220,878,792


Executive Director (Finance)


Managing Director
Bangladesh Shipping Corporation


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 (BSC)
Notes to the Statement of RPO Proceeds Utilization
As on 30 June 2019

	Particulars	Notes	Amount (In Taka)
01.00	6 Vessels Project (Work-In-Progress) (Undeclared)		
	a) Revenue Expenditures		
	Registration Fee of Ships		1,692,784
	Buyer's Supervision		80,141,076
	Advance to Shipping Agency		3,879,032
	Buyer's Representative Inspection		14,089,088
	Logistics & Other expenses		35,938,642
	Traveling		77,590
	Honorarium		191,070
	Entertainment		211,950
			<u>136,221,231</u>
	b) Capital Expenditures		
	Jeep Purchase		7,030,000
			<u>7,030,000</u>
	Total (a+b)		<u>143,251,231</u>
02.00	Construction of Building (Undeclared)		
	Balance as on 01.11.2018		578,309,000
	Add: Addition from 01.11.2018 to 30.06.2019		15,200,000
	Balance as on 30.06.2019		<u>593,509,000</u>
03.00	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>
04.00	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>
05.00	Balance Available		
	FDR Account	05.01	2,059,900,000
	Savings Account	05.02	174,763,410
	Fluctuation Gain on Realization of Foreign Currency	05.03	(13,784,617)
			<u>2,220,878,792</u>
05.01	FDR Account		
	Balance as on 01.11.2018		2,059,950,000
	Add: Interest on FDR		84,025,000
	Add: New FDR Investment		860,000,000
			<u>3,003,975,000</u>
	Less: Interest Encashment		75,198,500
	Less: FDR Encashment		859,975,000
	Less: TDS/VAT/Excise Duty		8,901,500
			<u>944,075,000</u>
	Balance as on 30.06.2019		<u>2,059,900,000</u>



Bangladesh Shipping Corporation (BSC)
Notes to the Statement of RPO Proceeds Utilization
As on 30 June 2019

	Particulars	Notes	Amount (In Taka)
05.02	Savings Account		
	Trust Bank Ltd. Dilkusha Branch		92,162
	A/C No: FC A/C DAD EURO- 0017-5027000037		
	Trust Bank Ltd. Dilkusha Branch		80,896
	A/C No: FC A/C DAD POUND- 0017-5026000020		
	Trust Bank Ltd. Dilkusha Branch		45,847
	A/C No: FC A/C DAD USD- 0017-5025000193		
	Trust Bank Ltd. Dilkusha Branch		320,167
	A/C No: SND - 0017-0320000898		
	Agrani Bank Ltd.,Agrabad,Corporate Branch	05.02.01	158,223,976
	A/C No:SND-0200011798943		
	HSBC Offshore. Singapore Branch		16,000,362
	FCA No: 260-361076-178		
	HSBC Bangladesh		
	A/C No: 004-091633-067		
			174,763,410
05.02.01	On 30 June, 2019 there was a balance of Tk. 501,138,062 at Agrani Bank Ltd.,Agrabad C/A Branch, bearing A/C No: SND-0200011798943. Out of which, Tk. 158,223,976 for RPO Proceed Utilization.		
05.03	Fluctuation Gain on Realization of Foreign Currency		
	Opening Balance as on 31 October 2018		9,487,960
	Gain during the period from 01.11.2018 to 30.06.2019		4,296,658
	Closing Balance as on 30 June 2019		13,784,617

