

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 November 30, 2022



Solution...Begins

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



Principal Office :Paramount Heights (7th Floor, D2 & C1), 65/2/1 Box Culvert Road, Purana Paltan, Dhaka- 1000, Phone : +88-02-223383449, 47122659.

Mob: 01914284705, 01819225339, E-mail : rmadhaka@gmail.com, Web : www.rmabd.com

Branch Office (Dhaka) : House # 195 (3rd Floor, C-3), Road # 1, New DOHS, Mohakhali, Dhaka-1206, Phone: +88-02-9834313,

Mob: 01920 911976, 01819224976, 01819225339, E-mail : rmadhaka@gmail.com, Web : www.rmabd.com

Branch Office (Chattogram) : Al Madina Tower (6th Floor), 88/89, Agrabad C/A, Chattogram-4100, Phone: +88-02-333325314,

Mob: 01818127520, 01819225339, E-mail : rmactg@gmail.com, Web : www.rmabd.com

**Certificate on
Status Report on Utilization of Proceeds from Repeat Public Offering (RPO) of
Bangladesh Shipping Corporation
For the month of November 30, 2022**

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 November 2022 stood at Taka 1,941,206,365 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 4,143,862,435.
- e) Implementation time for utilization of RPO proceeds have been extended upto June 30, 2024 by obtaining approval from general shareholders in 45th Annual General Meeting held on 11th December, 2022.
- f) Assets have been procured/imported/constructed maintaining proper/required procedure as well as at a reasonable price.
- g) Verification of all necessary documents/papers/vouchers has been made in support of utilization of RPO proceeds making reconciliation with bank statements.

Chattogram,

24 MAY 2023

For and on behalf of
Rahman Mostafa Alam & Co.
Chartered Accountants

Arafat Kamal FCA
Partner
ICAB Enrollment No :1184

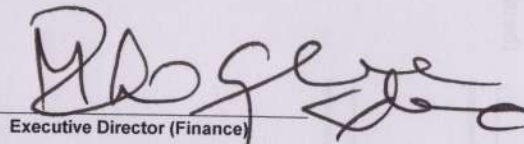
Report on Utilization of RPO Proceeds for the month of November 2023

Name of the Company	: Bangladesh Shipping Corporation
Amount (BDT) of Capital Raised through RPO	: 3,137,000,000
Date of Close of Subscription	: 13.11.2011 (Resident) & 22.10.2011 (NRB)
Proceeds Receiving Date	: 20.11.2011 (Resident) & 02.11.2011 (NRB)
Last Date of Full Utilization of Fund as per prospectus	: Within June 2012 (extended upto June 2024)

(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	Status of utilization				Remarks	
							Utilized in November 2022	Total Utilized Amount	Utilized (%)	Total Un-utilized Amount		Un-utilized (%)
01	Capital investment for purchasing ships			3,137,000,000	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				-	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		

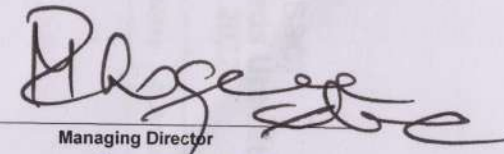
Percentage : 5.60%-6.25%
 Interest on RPO Proceeds : 1,941,206,365
 Un-utilized RPO proceeds with interest income : 4,143,862,435


 Executive Director (Finance)

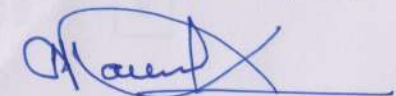
Commodore Md Ziaul Hoque
 Managing Director
 Bangladesh Shipping Corporation

Summe
 24.05.2023




 Managing Director

Commodore Md Ziaul Hoque
 Managing Director
 For and on behalf of
 Rahman Mostafa Alam & Co.
 Chartered Accountants
 Bangladesh Shipping Corporation



Arafat Kamal FCA
 Partner
 ICAB Enrollment No : 1184

Bangladesh Shipping Corporation (BSC)
Calculations to the Statement of RPO Proceeds Utilization
For the month ended November 30, 2022

Particulars	Notes	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 01.11.2022		593,509,000
Add: Addition during the month of June		-
Balance as on 30.11.2022		<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	2,060,000,000
Savings Account	04.02	158,551,798
Fluctuation Gain on Realization of Foreign Currency	04.03	(15,895,728)
		<u>2,202,656,070</u>

04.01.01 FDR Account

Balance as on 01.11.2022	2,210,000,000
Add: New FDR Investment	-
Add: Interest on FDR	-
	<u>2,210,000,000</u>
Less: Interest Encashment	-
Less: FDR Encashment	149,950,000
Less: Excise Duty & TDS	50,000
	<u>150,000,000</u>
Balance as on 30.11.2022	<u>2,060,000,000</u>

04.01.02 Bank Balance as on 30 November 2022 was made up as follows

FDR No-0642293/2486-9 in the Janata Bank Ltd. Asadgonj Br.	100,000,000
FDR No-0499068/10225 in the Janata Bank Ltd. Strand Road Br.	100,000,000
FDR No-002760/041801-0003148 in the Basic Bank Ltd. Khatungonj Br.	40,000,000
FDR No-010607/1318-01-0006845 in the Basic Bank Ltd. Jubilee Road Br.	40,000,000
FDR No-094219/0818/01-0011430 in the Basic Bank Ltd. Argabad Br.	40,000,000
FDR No-002158/0100224405540 in the Janata Bank Ltd. Chaktai Br.	80,000,000
FDR No-276741 in the Rupali Bank Ltd. Nazirhat Br.	50,000,000
FDR No-057382/ in the Rupali Bank Ltd. Dhaniaipara Br.	50,000,000
FDR No-0496235/3384/8 in the Janata Bank Ltd. Jubilee road Br.	10,000,000
FDR No-0708966/2634/8 in the Janata Bank Ltd. Wasa Cor Br.	20,000,000
FDR No-276749 in the Rupali Bank Ltd. Nazirhat Br.	50,000,000
FDR No-284467/48/101 in the Rupali Bank Ltd. Bibirhat Br.	10,000,000
FDR No-067129/6018-01-0010953 in the Basic Bank Ltd. Patherhat Br.	30,000,000
FDR No-457844/49/08 in the Rupali Bank Ltd. Chaitannyagoli Br.	15,000,000
FDR No-228429/35/4905 in the Rupali Bank Ltd. Station Road Br.	15,000,000
FDR No-90388/50/18 in the Rupali Bank Ltd. Jubilee Road Br.	4,311,800
FDR No-60535/50/13 in the Rupali Bank Ltd. KhatunganjBr.	50,000,000
FDR No-0642298/2491-6 in the Janata Bank Ltd. Asadgonj Br.	20,000,000
FDR No-276753 in the Rupali Bank Ltd. Nazirhat Br.	5,688,200
FDR No-459760 in the Rupali Bank Ltd. Amirmarket Br.	10,000,000
FDR No-091445/49/25 in the Rupali Bank Ltd. Halishahar Br.	20,000,000
FDR No-298901/49/06 in the Rupali Bank Strand Road Br.	20,000,000
FDR No-296099/49/50 in the Rupali Bank Iqbal Road Br.	20,000,000
FDR No-204767/22311 in the Janata Bank Asadganj Br.	100,000,000
FDR No-0642238/24324 in the Janata Bank Asadganj Br.	200,000,000
FDR No-208908/3872 in the Janata Bank City Corp Br.	100,000,000
FDR No-1685035005102 in the Rupali Bank Korbaniganj Br.	100,000,000
FDR No-1743035000273 in the Rupali Bank Omar Ali Market Br.	100,000,000
FDR No-010544/1318-01-0006434 in the Basic Bank Jubilee Road Br.	150,000,000
FDR No-002727/0418-01-0002824 in the Basic Bank Khatunganj Br.	150,000,000
FDR No-274993/49/02 in the Rupali Bank New market Br.	70,000,000
FDR No-459768 in the Rupali Bank Amir Market Br.	10,000,000
FDR No-123782/0818-01-0010682 in the Basic Bank Agrabad Br.	50,000,000
FDR No-279230 in the Rupali Bank Terry Bazar Br.	70,000,000
FDR No-052189/48/01 in the Rupali Bank Strand Road Br.	70,000,000
FDR No-002730/0418-01-0002851 in the Basic Bank Khatunganj Br.	60,000,000
FDR No-0422012/2178 in the Janata Bank Foreign Exchange Br.	30,000,000
	<u>2,060,000,000</u>

04.02 Savings Account

Trust Bank Ltd. Dilkusha Branch A/C No: FC A/C DAD EURO- 0017-5027000037	95,529
Trust Bank Ltd. Dilkusha Branch A/C No: FC A/C DAD POUND- 0017-5026000020	83,581
Trust Bank Ltd. Dilkusha Branch A/C No: FC A/C DAD USD- 0017-5025000193	52,208



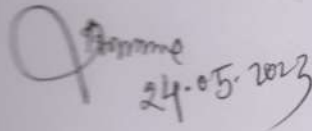
Trust Bank Ltd. Dilkusha Branch A/C No: SND - 0017-0320000898	326,917
Agrani Bank Ltd., Agrabad, Corporate Branch A/C No: SND-0200011798943	149,950,000
HSBC Offshore. Singapore Branch Foreign Currency A/C No: 260-361076-178	8,043,563
	<u>158,551,798</u>

04.03 Fluctuation Gain on Realization of Foreign Currency

Opening Balance as on 01 November 2022	15,930,920
Add: Amount Realized	233,712
Less: Bank Charge	(50,000)
Less: Amount as per subscription rate	(218,904)
	<u>(35,192)</u>
Gain during the month of November 2022	<u>15,895,728</u>
Total Gain/(Loss) as on 30 November 2022	<u>15,895,728</u>


 Executive Director (Finance)
 Md Ziaul Hoque
 Managing Director
 Bangladesh Shipping Corporation


 Managing Director
 Commodore Md Ziaul Hoque
 Managing Director
 Bangladesh Shipping Corporation


 24.05.2023

