



Mahfel Huq & Co.

Chartered Accountants

The first registered accounting firm in independent Bangladesh



An independent member firm of AGN International

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AUDITORS' REPORT On IPO Proceeds Utilization

We have audited the annexed Statement of Initial Public Offering (IPO) Proceeds Utilization of **Bashundhara Paper Mills Limited** as on August 31, 2018.

Management's Responsibility for the IPO proceeds Utilization

Management is responsible for the preparation and fair presentation of these IPO proceeds utilization statement in accordance with Bangladesh Securities and Exchange Commission (BSEC) guidelines.

Auditor's Responsibility

Our responsibility is to express an independent opinion on these Initial Public Offering (IPO) proceeds utilization statement based on our audit. We conducted our audit in accordance with Bangladesh Auditing Standards and Bangladesh Securities and Exchange Commission (BSEC) guidelines.

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 Statement of Initial Public Offering (IPO) Proceeds utilization, prepared in accordance with Bangladesh Securities and Exchange Commission (BSEC) guidelines gives a true and fair view of the statement as on August 31, 2018 and comply with the prospectus.

We draw attention to the following matter,

1. The Company has utilized total amount of Tk. 2,000,000,000 from IPO proceeds as described in the Prospectus in respect of Machineries for Tk. 1,350,000,000; Loan Repayment for Tk. 600,000,000; and IPO Expenses for Tk. 50,000,000.
2. During the month, the Company has utilized Tk. 1,242,917,225 against payment of Machineries for the purpose of Machineries from the IPO Proceeds.
3. During the month, the Company has utilized Tk. 00 for the purpose of Loan Repayment from the IPO Proceeds.
4. During the month, the Company has utilized Tk. 1,024,939 for the purpose of IPO Expenses from the IPO Proceeds account no. 000213100002197, Southeast Bank Limited.
5. As per prospectus IPO subscription amount of Tk. 2,000,000,000 (approx.) including Premium of Tk. 1,739,583,292 But subscription deposited into IPO bank A/C no. 000213100002197 is Tk. 2,000,126,688. The excess subscription amount of Tk. 126,688 is already refunded.

We also state that referred to above:

- a) IPO proceeds have been utilized for the purposes as specified in the prospectus;
- b) IPO proceeds have been utilized in line with the conditions of the BSEC's consent letter for the IPO;
- c) Utilization of IPO proceeds is fully completed during the month of August, 2018;
- d) Utilization of IPO proceeds is accurate for the purpose of the company as mentioned in the prospectus; and
- e) Audit statement has been made on verification of all necessary documents/papers/vouchers in support of utilization of IPO proceeds making reconciliation with bank statement.

Date: September 13, 2018
Dhaka



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Report on Utilization of IPO Proceeds

for the month of August 31, 2018

Name of the Company
Amount (BDT) of Capital Raised through IPO
Date of Closing Subscription
Proceeds Receiving Date
Last date of Full Utilization of Fund as per Prospectus

: Bashundhara Paper Mills Limited
: Tk. 2,000,000,000
: May 09, 2018
: June 03, 2018
: Within 2 years of receiving the IPO Proceeds

Sl	Purpose Mentioned in the Prospectus	Time line as per Prospectus	Revised time line (Up to...)	Amount as per Prospectus (Approx.)	Status of Utilization			Status of Un-utilization		Remarks
					This Month	Up to this month	Utilized (%)	Total Un-utilized Amount	Un- utilized (%)	
1	Machineries	Within 2 years of receiving the IPO Proceeds	-	1,350,000,000	1,242,917,225	1,350,000,000	100%	-	0%	
2	Loan Repayment	Within 30 days of receiving IPO Proceeds	-	600,000,000	-	600,000,000	100%	-	0%	
3	IPO Expenses	On Turnkey basis	-	50,000,000	1,024,939	50,000,000	100%	-	0%	
Total					1,243,942,164	2,000,000,000		-		

Net interest on IPO Proceeds

Un-utilized IPO Proceeds

Total Un-utilized IPO Proceeds with Interest Income

Percentage:

Net Interest on IPO Proceeds: 00%

Un-Utilized IPO proceeds with Interest Income : 00%

Notes:

- During the month, the Company has utilized Tk. 1,245,952,062 including Tk. 2,009,898 out of balance of interest amount for the purpose of IPO Expenses from the IPO Proceeds account no. 000213100002197, Southeast Bank Limited.
- As per prospectus IPO subscription amount of Tk. 2,000,000,000 (approx.) including Premium of Tk. 1,739,583,292. But subscription deposited into IPO Bank A/C no. 000213100002197 is Tk. 2,000,126,688. The excess subscription amount of Tk. 126,688 is already refunded.
- During the month the company has fully utilized IPO proceeds.

Chairman

Chairman

Chief Financial Officer

Chief Financial Officer

Company Secretary

Company Secretary



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