



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 July 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 June 30, 2018 and comply with the prospectus.

We draw attention to the following matter,

1. The Company has utilized total amount of Tk. 756,057,836 from IPO proceeds as described in the Prospectus in respect of Machineries for Tk. 107,082,775; Loan Repayment for Tk. 600,000,000; and IPO Expenses for Tk. 48,975,061.
2. During the month, the Company has utilized Tk. 00 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. 8,131,845 for the purpose of IPO Expenses from the IPO Proceeds account no. 000213100002197, Southeast Bank Limited, which amount was paid from company another accounts in earlier for the purpose of IPO Expenses.
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 refundable.

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 being under completion within the time frame as specified in the prospectus;
- d) Utilization of IPO proceeds is accurate for the purpose of the company as mentioned in the prospectus;
- 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: August 7, 2018
Dhaka



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Report on Utilization of IPO Proceeds

for the month of July 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	-	107,082,775	8%	1,242,917,225	92%	
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	8,131,845	48,750,061	98%	1,249,939	2%	
	Total			2,000,000,000	8,131,845	755,832,836		1,244,167,164		

Net interest on IPO Proceeds
Un-utilized IPO Proceeds

1,244,167,164
1,244,167,164

Total Un-utilized IPO Proceeds with Interest Income
Percentage:

Net Interest on IPO Proceeds: 0.12%

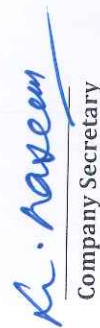
Un-Utilized IPO proceeds with Interest Income : 62.32%

Notes:

- a) During the month, the Company has utilized Tk. 8,356,845 including Tk. 225,000 out of balance of interest amount for the purpose of IPO Expenses from the IPO Proceeds account no. 000213100002197 and, Southeast Bank Limited.
- b) 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 refundable.


Chairman

Chief Financial Officer


Company Secretary


Mahfel Huq & Co.
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