



OFFICE COPY

# Bashundhara Paper Mills Ltd.

An Enterprise of Bashundhara Group

Ref: BG/CASD/BPML/IPO-Fund/BSEC/2018/307

Sunday, July 15, 2018

**The Chairman**

Bangladesh Securities and Exchange Commission

Securities Commission Bhaban

Plot: E-6/C, Agargaon, Sher-e-Bangla Nagar

Dhaka-1207.

**Subject: Submission of Monthly Audited IPO Fund Utilization in compliance with the condition No. 3 of Part-C of BSEC's consent letter No. BSEC/CI/BB-05/2016/209 dated March 28, 2018.**

Dear Sir,

With reference to the above mentioned subject, we are pleased to submit herewith the audited IPO fund utilization report for the month of June 2018, in compliance with the condition No. 3 of Part-C of the Consent given under Section 2CC of the Securities & Exchange Ordinance, 1969.

This is for your kind information and record.

Thank you.

Yours faithfully,

**M. Naseemul Hye FCS**

Sr. Executive Director

**Copy to:**

**The Managing Director**

Dhaka Stock Exchange Ltd.

9/F, Motijheel Commercial Area

Dhaka-1000.

**The Managing Director**

Chittagong Stock Exchange Ltd.

Eunoos Center, 15<sup>th</sup> Floor,

52-53 Dilkusha, Dhaka-1000.





**Mahfel Huq & Co.**

Chartered Accountants

The first registered accounting firm in independent Bangladesh



An independent member firm of AGN International

BGIC Tower (4th Floor)  
34, Topkhana Road  
Dhaka-1000, Bangladesh  
Tel: +88-02-9553143, 9581786  
Fax: +88-02-9571005  
E-mail : [info@mahfelhuq.com](mailto:info@mahfelhuq.com)  
Web: [www.mahfelhuq.com](http://www.mahfelhuq.com)

### **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 June 30, 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. 747,700,991 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. 40,618,216.
2. During the month, the Company has utilized Tk. 107,082,775 against payment of Machineries in respect of L/C vide no. 093016020055, 093016020107, 093016020094, 18617020006 & 180916020140 for the purpose of Machineries from the IPO Proceeds.
3. During the month, the Company has utilized Tk. 600,000,000 for the purpose of Loan Repayment from the IPO Proceeds.
4. During the month, the Company has utilized Tk. 40,618,216 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: July 14, 2018  
Dhaka

  
**Mahfel Huq & Co.**  
Chartered Accountants



# Report on Utilization of IPO Proceeds

for the month of June 30, 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	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	600,000,000	100%	-	0%	
3	IPO Expenses	On Turnkey basis	-	50,000,000	40,618,216	40,618,216	81%	9,381,784	19%	
	<b>Total</b>		-	<b>2,000,000,000</b>	<b>747,700,991</b>	<b>747,700,991</b>		<b>1,252,299,009</b>		

Net interest on IPO Proceeds

Un-utilized IPO Proceeds

**Total Un-utilized IPO Proceeds with Interest Income**

**Percentage:**

Net Interest on IPO Proceeds: 0.11%

Un-Utilized IPO proceeds with Interest Income : 62.73%

Notes:

- During the month, the Company has utilized Tk. 107,082,775 against payment of Machineries in respect of L/C vide no. 093016020055, 093016020107, 093016020094, 18617020006 & 180916020140 for the purpose of Machineries from the IPO Proceeds accounts.
- During the month, the Company has utilized Tk. 600,000,000 for the purpose of Loan Repayment from the IPO Proceeds accounts.
- During the month, the Company has utilized Tk. 40,618,216 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.
- 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.

*Shumda Kabir*

Chairman

*M. A. Haseem*

Chief Financial Officer

*L. Haseem*

Company Secretary



*Mahfel Huq*

Mahfel Huq & Co.  
Chartered Accountants