Habib Sarwar Bhuiyan & Co.
Chartered Accountants

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AUDITORS' REPORT
On IPO Proceeds Utilization

We have audited the annexed Statement of Initial Public Offering (IPO) Proceeds Utilization of **Pacific Denims Ltd.** as on April 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 utilization up to April 30, 2018and comply with the prospectus.

We further report that:

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 except partial loan pay off as specified in the prospectus;

d) Utilization of IPO proceeds is being under completion within the time frame. Resolved that, six months' time up to June 30, 2018 for partial loan payoff is extended as recommended by the Board of Directors is hereby approved as on 14th Annual General Meeting (AGM) held on December 28, 2017.

e) Utilization of IPO proceeds is accurate for the purpose of the company as mentioned in the prospectus;

f) Utilization statement has been made on verification of all necessary documents/papers/vouchers in support of utilization of IPO proceeds making reconciliation with bank statement.

Habib Sarwar Bhuiyan & Co.
Chartered Accountants

Dhaka: May 10, 2018

Chittagong Branch Office: 1480, DT Road (3rd Floor), Opposite Choto Masjid, Dhaniala Para, Chittagong, Phone: 031 710521, Mobile: 01815 627104, Email: m.bhuiyan.fca@gmail.com

Affilica International

Report on Utilization of IPO Proceeds for the Month of April 30, 2018

Name of the Company : Pacific Denims Limited
Amount (BDT) of Capital Raised Through IPO : 750,000,000
Date of Close Subscription : December 19, 2016
Proceeds Receiving Date : February 7, 2017
Last date of Full Utilization of Fund as Per Prospectus : Within 24 Months of receiving IPO Fund

SL. NO	Purpose Mentioned in the Prospectus	Time Line As per Prospectus	Amount As per Prospectus (Budgeted Amount)	Status of Utilization				Remarks
				Total Utilization Amount	Utilization %	Total Un Utilized Amount	Un-utilization %	
1	IPO Expenses	As and when required	20,620,000	20,620,000	100.00	-	-	
2	Partial Bank Loan Pay off	Within 3 months after receiving IPO fund	250,000,000	250,000,000	100.00	-	-	
3	Construction of Building	Within 24 months after receiving IPO fund	298,373,723	234,495,577	78.59	63,878,146	21.41	
4	Machinery & Equipment	Within 24 months after receiving IPO fund	181,006,277	-	-	181,006,277	100.00	
	TOTAL		750,000,000	505,115,577		244,884,423		

Percentage
Interest on IPO Proceeds: 3.00%
Un-utilized IPO proceeds with Interest Income
Note:

a) Actual application was received almost 21.11 times
b) The Company Utilized Tk. 234,495,577/- for Construction of Building against budgeted amount of Tk. 298,373,723/-
c) The Company Utilized Tk. 20,620,000/- for IPO Expenses against budgeted amount of Tk. 20,620,000/
d) The Company Utilized Tk. 250,000,000/- for partial loan pay off against budgeted amount of Tk. 250,000,000/-
e) The Company did not utilize any amount against machinery & equipment up to April 30, 2018.
f) The Company Utilized of IPO proceeds is being under completion within the time frame. Resolved that, six months' time up to June 30, 2018 for partial loan payoff is extended as recommended by the Board of Directors is hereby approved as on 14Ih Annual General Meeting (AGM) held on December 28, 2017.
g) The balance amount is lying with Mutual Trust Bank Ltd., BDT A/C No. 0012-0320001552 Tk. 57,077,119/ including Interest and Meghna Bank Ltd., BDT A/C No. 110111100000558 Tk. 68,523/- and Advance Security Deposit for MachineriesTk.163,000,000/- and Advance for Pre-Fabricated Building Tk. 28,800,000/-

Chairman

Managing Director

Chief Financial Officer

Habib Sarwar Bhuiyan & Co.
Chartered Accountants

Dhaka May 10, 2018