SHIRAZ KHAN BASAK & CO.
CHARTERED ACCOUNTANTS
(An associate firm of D. N. Gupta & Associates)

R. K. TOWER (Level-10)
86, Bir Uttam C.R. Datta Road
(312, Sonargaon Road). Dhaka-1205
Tel : 88-02-9635139, 88-02-9673597
Mobile : 01552-638228, 01711-520770
01922-117370, 01757-941837
E-mail : shirazkhanbasak@yahoo.com

AUDITOR'S CERTIFICATE REGARDING MONTHLY STATUS REPORT OF UTILIZATION OF FUND AGAINST INITIAL PUBLIC OFFERING (IPO) OF PACIFIC DENIMS LTD.

FOR THE MONTH OF SEPTEMBER-2019

This is to certify that **Pacific Denims Ltd.** has received Tk. 750,000,000 (Taka Seventy Five Crore) only as Initial Public Offering (IPO) proceeds through subscription from 11 December 2016 to 19 December 2016 in the separate Bank Account (Account number 0012-0320001552) maintaining with Mutual Trust Bank Limited, Dilkusha Branch, Hotel Purbani International Building, 1 Dilkusha C/A, Dhaka-1000. In line with the condition number 4, Part C of the consent letter number BSEC/CI/IPO-231/2014/632 dated: 10 November 2016 of Bangladesh Securities and Exchange Commission (BSEC), fund utilization status as on 30 September 2019 is as follows:

Sl. No.	Purpose of Utilization	Allotment as per IPO (Tk.)	Fund utilized (Taka) upto the month of August 2019	Fund utilized (Taka) for the month of September 2019	Total Utilization of Fund upto September 30, 2019	Unspent Balance (Taka)
1	IPO Expenses	20,620,000	20,620,000	-	20,620,000	-
2	Partial Bank Loan Pay off	250,000,000	250,000,000	-	250,000,000	-
3	Construction of Building	298,373,723	248,670,147	-	248,670,147	49,703,576
4	Machinery & Equipment	181,006,277	-	-	-	181,006,277
	Total IPO Proceeds	**750,000,000**	**519,290,147**	**-**	**519,290,147**	**230,709,853**
5	Interest Income/ (Bank Charges)	13,808,052	1,150	-	1,150	13,806,902
	Total IPO Proceeds & Interest Income/ (Bank Charges)	**763,808,052**	**519,291,297**	-	**519,291,297**	**244,516,755**

Total unutilized of fund excluding interest income Tk. 23,07,09,853 (Taka: Twenty Three Crore Seven Lac Nine Thousand Eight Hundred and Fifty Three) only and including interest income Tk. 24,45,16,755 as on 30 September 2019 as at Bank with Mutual Trust Bank Limited, Dilkusha Branch, Hotel Purbani International Building, 1 Dilkusha C/A, Dhaka-1000. (Account number 0012-0320001552) and Meghna Bank Ltd., Principal Branch, Gulshan, Dhaka-1212 (Account number 110111100000558). We have collected relevant information and required documents for all disbursements made and we have also checked and enclosed Status Report (Annexure-A) of utilization of fund prepared by the management.

SHIRAZ KHAN BASAK & CO. Dhaka Chartered Accountants

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During the course of our certification, we have found that:

(a) the management of Pacific Denims Ltd. have received as interest income amounting Tk. 1,38,08,052 net off with holding tax up to the months of June 2019 from the IPO proceed account maintain with Mutual Trust Bank Ltd. Including Tk. 6,72,645 during the month.

We also report that:

i. the expenses/utilization has been made in line with the provision of Initial Public Offering (IPO) documents (Not applicable for the month of September 2019);

ii. the expenses/utilization made in line with the condition 4, part C of consent letter of Initial Public Offering (IPO) (Not applicable for the month of September 2019);

iii. the expenses/utilization Tk. 51,92,90,147 of IPO proceeds have been completed upto the month of September 2019 (end of the implementation period 24 months of 6 February 2019 as per prospectus issued by the issuer (Pacific Denims Ltd.) and approved by the Bangladesh Securities and Exchange Commission (BSEC)). We also report that Tk. 23,07,09,853 of IPO proceeds have not utilized within the time schedule as per prospectus which is non compliance of ues of proceeds mentioned in the prospectus issued by the issuer as well as Bangladesh Securities and Exchange Commission (Public Issue) Rules, 2015. But no rearranged time schedule approved by the Board of Director of the company and subsequently informed to the Bangladesh Securities and Exchange Commission (BSEC) within the reporting period;

iv. the expenses/utilization made is accurate /for the purpose of the company as mentioned in Initial Public Offering (IPO) documents (Not applicable for the month of September 2019); and

v. we also confirmed that: (i) expenses have been procured/incurred maintaining proper procedure as well as at a reasonable price; and (ii) books and records including vouchers in support of utilization of Initial Public Offering (IPO) proceeds are found correct (Not applicable for the month of September 2019).

SHIRAZ KHAN BASAK & CO. Dhaka Chartered Accountants

Ramendra Nath Basak, FCA
Partner
Shiraz Khan Basak & Co.
Chartered Accountants

Date: 13 October 2019
Place: Dhaka

Report on Utilization of IPO Proceeds for the Month of September 2019

Annexure-A

Name of the Company : Pacific Denims Ltd.
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
				Fund utilized (Taka) upto the month of August 2019	Fund utilized (Taka) for the month of September 2019	Total Utilization Amount	Utilization %	Total Un-utilized Amount	Un-utilization (%)	
1	IPO Expenses	As and when required	20,620,000	20,620,000	-	20,620,000	100.00	-	-	IPO Utilization Proceeds Certified by Shiraz Khan Basak & Co., Chartered Accountants
2	Partial Bank Loan Pay off	Within 3 months after receiving IPO fund	250,000,000	250,000,000	-	250,000,000	100.00	-	-	
3	Construction of Building	Within 24 months after receiving IPO fund	298,373,723	248,670,147	-	248,670,147	83.34	49,703,576	16.66	
4	Machinery & Equipment	Within 24 months after receiving IPO fund	181,006,277	-	-	-	-	181,006,277	100.00	
TOTAL			**750,000,000**	**519,290,147**	-	**519,290,147**		**230,709,853**		

Percentage
Interest on IPO Proceeds: 3.00%
Un-utilized IPO proceeds without Interest Income

Note:

a) Actual application was received almost 21.11 times
b) The Company Utilized Tk. 248,670,147/- 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 September 30, 2019.
f) The Company Utilized of IPO proceeds is being under completion within the time frame regarding partial loan pay off. 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.
g) The balance amount is lying with Mutual Trust Bank Ltd., BDT A/C No. 0012-0320001552 Tk. 5,26,63,957.03 including Interest, refund deposit and Meghna Bank Ltd., BDT A/C No. 110111100000558 Tk. 52,798.06/- as on 30 September 2019 and Advance Security Deposit for MachineriesTk.163,000,000.00 and Advance for Pre-Fabricated Building Tk. 28,800,000.00.
h) the management have received as interest income amounting Tk. 1,38,08,052 net off with holding tax up to the months of June 2019 from the IPO proceed account maintain with Mutual Trust Bank Ltd. including Tk. 6,72,645 during the month.

Chairman | **Managing Director** | **Company Secretary** | **Chief Financial Officer**