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শফিক বসাক এন্ড কোং

SHAFIQ BASAK & CO.

CHARTERED ACCOUNTANTS

Partners:

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Sampad Kumar Basak, FCA
Md. Enayet Ullah, FCA
Sarwar Mahmud, FCA

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**AUDITOR'S CERTIFICATE REGARDING MONTHLY STATUS REPORT OF
UTILIZATION OF FUND AGAINST INITIAL PUBLIC OFFERING (IPO) OF
INDO-BANGLA PHARMACEUTICALS LTD.
FOR THE MONTH OF SEPTEMBER-2019**

This is to certify that INDO-BANGLA PHARMACEUTICALS LTD. has received Tk. 200,000,000 (Taka Twenty Crore) only as Initial Public Offering (IPO) proceeds through subscription from 09 August 2018 to 16 August 2018 in the separate Bank Account (Account number 1011360459420) maintaining with Eastern Bank Limited, Principal Branch, Jiban Bima Bhaban 10, Dilkusha C/A, Dhaka-1000. In line with the condition number 4, Part C of the consent letter number BSEC/CI/IPO-260/2016/118 dated: 19 February 2018 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) up to the month of August 2019 | Fund utilized (Taka) for the month of September 2019 | Total Utilization of Fund up to September 30, 2019 | Unspent Balance (Taka) |
|---------|---|----------------------------|---|--|--|------------------------|
| 1 | Construction and other Civil works | 58,580,000 | - | - | - | 58,580,000 |
| 2 | Machineries | 124,720,000 | 124,720,000 | - | 124,720,000 | - |
| 3 | IPO Expenses | 16,700,000 | 16,700,000 | - | 16,700,000 | - |
| | Total IPO Proceeds | 200,000,000 | 141,420,000 | - | 141,420,000 | 58,580,000 |
| 4 | Interest Income/ (Bank Charges) | 7,706,045 | 51,262 | - | 51,262 | 7,654,783 |
| | Total IPO Proceeds & Interest Income/ (Bank Charges) | 207,706,045 | 141,471,262 | - | 141,471,262 | 66,234,783 |

Total unutilized of fund excluding interest income Tk. 5,85,80,000 (Taka: Five Crore Eight Five Lac Eighty Thousand) only and including interest income/ (Bank Charges) Tk. 6,62,34,783 as on 30 September 2019.

We have only confirmed Bank Balance of Tk. 5,00,00,000 There is an additional Fixed Deposit Receipt (FDR) at Mercantile Bank Limited Elephant Road Branch. The difference of Tk. 1,62,34,783 is caused by two LC payments which are outside the scope of the IPO Proceeds but rather relates to other operating activities of the Company.

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 management.

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

The management of INDO-BANGLA PHARMACEUTICALS LTD. deposited as FDR amount in Tk. 18,33,00,000 (Taka: Eighteen Crore and Thirty Three Lac) only during the months of November 2018 with Mercantile Bank Limited Tk. 10,00,00,000 (Taka: Ten Crore) to separate FDR Account for 3-6 months period with 9% interest rate per annum and Standard Bank Limited Tk. 8,33,00,000 (Taka: Eight Crore and Thirty Three Lac) to separate FDR Account for 3 months period with 9% interest rate per annum which is included in the total unutilized fund. We also noted that the Company have encashed Tk. 13 Crore and 33 Lac upto the month of September 2019 out of Tk. 18.33 Crore.

Other Matter

The IPO fund utilization certificate of INDO-BANGLA PHARMACEUTICALS LTD. before the month of September 2019, were certified by the another auditor.

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. 14,14,20,000 of IPO proceeds have been completed Twelve (12) months (after the receiving of IPO fund) within 24 (Twenty Four) months mentioned the time schedule/ implementation schedule as specified Initial Public Offering (IPO) documents (Not applicable for the month of september 2019);
- 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).

Dated: 12 October 2019

Place: Dhaka


SHAFIQ BASAK & CO.
Chartered Accountants



Report on Utilization of IPO Proceeds for the month of September-2019

Name of the Company : INDO-BANGLA PHARMACEUTICALS LTD.
 Amount (BDT) of Capital Raised Through IPO : BDT. 200,000,000.00
 Date of Close of Subscription : August 16, 2018
 Proceeds Receiving Date : September 13, 2018
 Last Date of Full Utilization of Fund as per Proceeds : September 12, 2020 (within 24 Months of obtaining IPO proceeds)

| Sl. No. | Purpose Mentioned in the Prospectus | Time line as per prospectus | Amount as per prospectus | Status of Utilization | | Total Utilized Amount | Utilized % | Total Un-utilized Amount | Un-utilized % | Remarks |
|---------------------------|-------------------------------------|-----------------------------|--------------------------|--|--|-----------------------|------------|--------------------------|---------------|---|
| | | | | Fund utilization (Taka) up to the month of August 2019 | Fund utilized (Taka) for the month of September 2019 | | | | | |
| 1 | Construction and other Civil works | 24 Months | 58,580,000 | - | - | - | 0.00% | 58,580,000 | 100.00% | IPO Utilization proceeds Certified by Shafiq Basak & Co., Chartered Accountants |
| 2 | Machineries | 18 Months | 124,720,000 | 124,720,000 | - | 124,720,000 | 100.00% | - | 0.00% | |
| 3 | IPO Expenses | As or when required | 16,700,000 | 16,700,000 | - | 16,700,000 | 100.00% | - | 0.00% | |
| Total IPO Proceeds | | | 200,000,000 | 141,420,000 | 141,420,000 | 141,420,000 | | 58,580,000 | | |

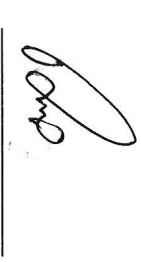
Note:

- * BDT 51,262 has been charged by the bank as maintenance fee and others of IPO proceeds accounts (A/C No.1011360459420 maintaining with Estern Bank Limited) upto the month of September 2019.
- * Fund utilization period have extended to 24 months instead of 18 months for construction and other civil works due to changes of Factory place and subsequently approved by the Board of Director and Shareholders in 4th Annual General Meeting.
- * The management of INDO-BANGLA PHARMACEUTICALS LTD. have received as interest (FDR and IPO Proceed Account) amounting Tk. 77,06,045 net off withholding tax upto the month of September 2019.


 Chairperson


 Managing Director


 Company Secretary


 Chief Financial Officer

