

IPDC Finance Limited

Report on utilization of fund from the proceeds of Rights Issue

Date : 14 June 2020

Snehasish Mahmud & Co.

**Report to the Board of Directors of IPDC Finance Limited
on utilization of fund from the proceeds of Rights Issue**

We have performed the procedures agreed with IPDC Finance Limited and enumerated below with respect to the utilization of fund from the proceeds of Rights Issue of IPDC Finance Limited as at 31 March 2020, set forth in the accompanying schedule. Our engagement was undertaken in accordance with International Standards on Related Services (ISRS) applicable to agreed-upon procedures engagement ensuring compliance with Bangladesh Securities and Exchange Commission (Right Issue) Rules, 2006 and its related rules, regulations, guidance and other interpretations relating to the certification of “utilization of fund from the proceeds of Rights Issue”. The procedures were performed solely to assist you in evaluating the validity of the utilization of Right Issue proceeds by IPDC Finance Limited against the following criterions:

- a) Whether Rights Issue proceeds have been utilized for the purpose/ heads as specified in the Rights Share Offer Document (ROD);
- b) Whether Rights Issue proceeds have been utilized in line with the conditions of the Commission’s consent/ approval letter for the Rights Issue;
- c) Whether utilization of Rights Issue proceeds have been completed within the time schedule/ implementation schedule as specified in the Rights Share Offer Document (ROD);
- d) Whether utilization of Rights Issue proceeds is accurate and is for the purpose of the Company as mentioned/ specified in the Rights Share Offer Document (ROD);
- e) Whether assets have been procured/ imported/ constructed maintaining proper/ required procedure as well as at a reasonable price as applicable; and whether Auditors’ Report has been made on verification of all necessary documents/ papers/ vouchers in support of utilization of Rights Issue proceeds making reconciliation with Bank Statement.

We report our findings below:

- (i) With respect to item (a) the Right Issue proceeds after netting off commission and other bank charges have been utilized for the disbursement of loans in Retail, SME and Corporate segment as per purposes / heads specified in the right share offer document.
- (ii) With respect to item (b), nothing has come to our attention that causes us to believe that IPDC Finance Limited has not utilized the proceeds of Rights Issue in accordance with conditions of the BSEC’s consent letter No. BSEC/CI/RI-117/2018/372 dated 29 May 2019.
- (iii) With respect to item (c), we found that IPDC Finance Ltd. utilized the right issue proceeds as per the time schedule/implementation schedule specified in the rights share offer document.

(iv) With respect to item (d), nothing has come to our attention that causes us to believe that utilization of Rights Issue proceeds is not accurate and not for the purposes of the company as mentioned in the right share offer document.

(v) With respect to item e), we have not found any evidence suggesting that the Company has procured/ imported or constructed any asset through utilizing the proceeds of Rights Issue. It should be noted that as per Rights Share Offer Document (ROD) no such expenditure was planned by the Management of the Company. And we are issuing our report based on verification of all necessary documents/papers/ vouchers in support of utilization of Right Issue proceeds making reconciliation with Bank statement.

The Company's status on utilisation of the proceeds from Rights Share Issue as at 31 March 2020 is shown in Schedule – A.

The above procedures do not constitute either an audit or a review made in accordance with International Standards on Auditing (ISAs) or International Standards on Review Engagements (ISREs).

Had we performed additional procedures or had we performed an audit or review of the financial statements in accordance with International Standards on Auditing (ISAs) or International Standards on Review Engagements (ISREs), other matters might have come to our attention that would have been reported to you.

Our report is solely for the purpose set forth in the first paragraph of this report and for your information and is not to be used for any other purpose or to be distributed to any other parties.

Dated: Dhaka
14 June 2020

Snehasish Mahmud & Co.

Snehasish Mahmud & Co.
Chartered Accountants

Report on Utilization of Fund of Right Issue (RI) Proceeds for the quarter ended 31 March 2020

Name of the Company : IPDC Finance Limited
 Amount (BDT) of Capital Raised through RI : Tk. 1,413,682,080
 Date of Close Subscription : 31 July 2019
 Proceeds Receiving Start Date : 10 July 2019
 Date of Right Share Credit : 21 August 2019
 Last Date of Full Utilization of Fund as per ROD : Within 6 (Six) months after receiving total fund of Rights Offer

Sl No	Purpose Mentioned in the ROD	Time line as per ROD	Revised time (up to)	Amount as per ROD	Status of Utilization							
					Utilization up to quarter ended 31 December 2019	Utilized Amount (This quarter) 01 January 2020 to 31 March 2020	Utilized Amount	Utilized %	Commission and other bank charge	Unutilized amount(Net off commission and other bank charge)	Un-unutilized %	Remarks
A)	Disbursement of loans in retail segment	Within 6 (Six) months after receiving total fund of Rights Offer	-	400,000,000	399,720,000	-	399,720,000	99.93%	1,388,332	-	0.00%	
B)	Disbursement of loans in SME segment	Within 6 (Six) months after receiving total fund of Rights Offer	-	400,000,000	399,700,578	-	399,700,578	99.93%		-	0.00%	
C)	Disbursement of loans in Corporate segment	Within 6 (Six) months after receiving total fund of Rights Offer	-	613,682,080	600,000,000	12,873,170	612,873,170	99.87%		-	0.00%	
Total				1,413,682,080	1,399,420,578	12,873,170	1,412,293,748	99.90%	1,388,332	-	0.00%	

Un-utilized RI proceeds net off commission and other bank charge

Add : Interest received

Less: Additional commission and other bank charge

Withdrawal of interest

Balance left in RI A/c.

Percentage (excluding interest income)

8,841,761
8,841,761
25,345
8,816,000
416
0.00%

Note: Commission and other bank charge has been netted off with proceeds from RI which could have been adjusted with interest.

Managing Director

Chief Financial Officer

Company Secretary

Snehasish Mahmud & Co.

Chartered Accountant