



SHASHA DENIMS LTD.

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August- 09, 2017

Ref: SHASHA/IPO/2017/

Managing Director
Dhaka Stock Exchange Ltd.
Stock Exchange Building
9/F, Motijheel C/A,
Dhaka-1000
Fax: 9564727

Subject: Submission of Report on Utilization of IPO fund for the month of July- 2017.

Dear Sir,

With reference to the BSEC consent letter no. SEC/ CI/ IPO-204/2012/744 and clause #5 of Part -c dated November 05, 2014, we are submitting herewith the Auditor Report on utilization of IPO fund for the month of July 2017 your necessary information and record.

Thanking you.

Sincerely yours,

Aslam Ahmed Khan
Company Secretary



Auditors' Report



Name of Client

Shasha Denims Limited

IPO Proceeds Utilization

For the month ended 31 July 2017

পিনাকী এণ্ড কোম্পানী
Pinaki & Company

AHSANDELL, 2/A, Mymensingh Road (2nd Floor), Shahbag, Dhaka-1000, Bangladesh

Tel # 966-0944, 966-5095, Fax # 88-02-9672726

E-mail : pinaki_co@yahoo.com



AUDITORS' REPORT On IPO Proceeds Utilization

We have audited the annexed Statement of Initial Public Offering (IPO) Proceeds Utilization of **Shasha Denims Limited** as on 31 July 2017.

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).

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 Standards on Auditing (BSA) 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) guideline gives a true and fair view of the statement as on 31 July 2017 and comply with the prospectus.

We draw attention to the following matter,

1. The Company has utilized a total amount of BDT 210,000,000 from IPO proceeds as described in the prospectus in respect of Repayment of Term Loan for BDT 182,290,000 and as IPO Expenses for BDT 27,710,000.
2. As revised and approved in the 18th AGM held on 21 May 2015, the company will pay its own fund to further civil construction and already started spending for civil construction from its own fund.
3. We observed that a revised declaration for IPO Fund Utilization of total Tk. 141.80crore[(i) Tk. 30 crore in form of 51% share of Shasha Millners & Textiles Ltd and (ii) Tk. 111.80 crore for capital machineries & utility equipments] has been approved by 19th AGM dated 17 August 2016.



4. The company has already utilized cumulative amounting to BDT 1,323,317,823 up to 31 July 2017 out of which amounting BDT 5,353,929 is utilized as capital expenditure during the month of July 2017 in respect of Capital Investment.

We also state that:

- a) IPO proceeds have been utilized for the purposes as specified in the prospectus and as amended up to the resolution of 19th AGM of the company;
- 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 resolution of 19th AGM of the company;
- d) 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 : 09 July 2017
Dhaka.

Pinaki & Co
Pinaki & Company
Chartered Accountants



পিনাকী এণ্ড কোম্পানী

Pinaki & Company

Chartered Accountants



Report on Utilization of IPO Proceeds for the month of July 2017

Name of the Company : Shasha Denims Limited
 Amount of Capital Raised through IPO : BDT 1,750,000,000
 Date of Close of Subscription: : 21 December 2014
 Last date of Full Utilisation of Fund as per prospectus: 30-Jun-16

SL No.	Purpose mentioned in prospectus	Timeline as per prospectus	Revised Timeline as per 19th AGM	Amount as per Prospectus		Amount as per Revised Utilization Plan		Status of Utilization			Remarks
				BDT	BDT	BDT	BDT	Total Amount Utilized	Utilized %	Total Unutilized Amount	
1	Repayment of Term Loan	1 Months	N/A	182,290,000	182,290,000	182,290,000	182,290,000	100%	-	-	Revised Utilization Plan has been approved in 19th AGM IPO Utilization proceeds certified by M/s Pinaki & Co Chartered Accountants.
	Capital Investment	18 Months	33 Months	1,540,000,000	1,540,000,000	1,540,000,000	1,113,731,823	72.32%	426,268,177	27.68%	
	IPO Expenses	1 Months	N/A	27,710,000	27,710,000	27,710,000	27,710,000	100%	-	-	
	Total			1,750,000,000	1,750,000,000	1,750,000,000	1,323,731,823		426,268,177		

Director

Company Secretary

Chief Financial Officer

Pinaki & Company
 Chartered Accountants