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AUDITORS' REPORT **On IPO Proceeds Utilization**

We have audited the annexed Statement of Initial Public Offering (IPO) Proceeds Utilization of **Shepherd Industries Limited** as on March 31, 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) 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 statement as on March 31, 2017 and comply with the prospectus.

We draw attention to the following matter,

1. The Company has utilized a total amount of Tk. 59,464,234 from IPO proceeds as described in the prospectus in respect of Repayment of short term bank loan for Tk. 44,464,234 and IPO Expenses for Tk. 15,000,000.
2. The Company has utilized Tk. 17,403,116 for IPO expenses against budgeted amount of Tk. 15,000,000. It may be mentioned here that during the month IPO Expenses Tk. 5,269,506 paid from IPO account and rest amount Tk. 12,133,610 has been paid from the Company's own sources.

We also state that referred to above:

- 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 as specified in the prospectus;
- d) Utilization of IPO proceeds is accurate for the purpose of the company as mentioned in the prospectus;
- e) 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: April 13, 2017
Dhaka

Ahmed Zaker & Co.
Chartered Accountants



Report on Utilization of IPO Proceeds

For the month of March 31, 2017

Name of the Company : **Shepherd Industries Limited**
 Amount (BDT) of Capital Raised Through IPO : **Tk. 200,000,000**
 Date of Close of Subscription : **January 16, 2017**
 Proceeds Receiving Date : **March 08, 2017**
 Last Date of Full Utilization of Fund as per Prospectus : **With in 18 Months of receiving IPO Fund**

Sl.	Purpose Mentioned in the Prospectus	Time line as per prospectus	Revised time line (Upto.....)	Amount as per Prospectus	Amount as per revised utilization plan	Total Utilized Amount	Utilized (%)	Total Un-utilized Amount	Un-utilized (%)	Remarks
a)	Civil Construction	Within 12 months of receiving IPO fund	-	28,140,524	-	-	0.00%	28,140,524	100.00%	-
b)	Acquisition & Installation of Machineries (Dyeing, Washing, Drying, Insurance, L/C Commission, Inland Carriage, C& F, Erection and Installation)	Within 12 months of receiving IPO fund	-	96,970,692	-	-	0.00%	96,970,692	100.00%	-
c)	Expansion of ETP	Within 18 months of receiving IPO fund	-	15,424,550	-	-	0.00%	15,424,550	100.00%	-
	Repayment of short term bank loan	Within 3 months of receiving IPO fund	-	44,464,234	-	44,464,234	100.00%	-	0.00%	-
d)	IPO Expenses	As and when required	-	15,000,000	-	15,000,000	100.00%	-	0.00%	-
Total				200,000,000	-	59,464,234		140,535,766		

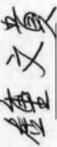
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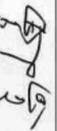
Interest on IPO Proceeds: 0.00%
 Un-Utilized IPO proceeds with Interest Income: 70.27%

Note:

a) The Company has utilized Tk. 17,403,116 for IPO expenses against budgeted amount of Tk. 15,000,000. It may be mentioned here that during the month IPO Expenses Tk. 5,269,506 paid from IPO account and rest amount Tk. 12,133,610 has been paid from the Company's own sources.

b) During the month utilized amount of Tk. 49,733,740 for the purpose of Repayment of short term bank loan for Tk. 44,464,234 and IPO Expenses for Tk. 5,269,506.


Chairman


Managing Director


Chief Financial Officer


Ahmed Zaker & Co.
Chartered Accountants