

**CERTIFICATE ON
STATUS REPORT ON UTILIZATION
OF
PROCEEDS FROM PUBLIC OFFERING
OF
INDEX AGRO INDUSTRIES LTD.**

For the month of October 31, 2023



**AUDITOR'S CERTIFICATE REGARDING MONTHLY STATUS REPORT OF
UTILIZATION OF FUND AGAINST INITIAL PUBLIC OFFERING (IPO) OF
INDEX AGRO INDUSTRIES LTD.
FOR THE MONTH OF OCTOBER 31, 2023**

This is to certify that INDEX AGRO INDUSTRIES LIMITED received Tk. 500,000,000 (Taka Fifty Crore) only as Initial Public Offering (IPO) proceeds through subscription from 22 February 2021 to 28 February 2021 which was kept in a separate Bank Account (BDT A/C # 20502130900016109, GBP A/C # 20502131100033000, EURO A/C # 20502131100032908 and USD A/C # 20502131100032807) maintained with Islami Bank Bangladesh Limited, Head Office Complex Branch, Islami Bank Tower, 40 Dilkusha C/A, Dhaka-1000. In line with the condition number 4, Part C of the consent letter number BSEC/CI/BB-06/2016/314 dated: January 20, 2021 of Bangladesh Securities and Exchange Commission (BSEC) Fund utilization status as on October 31, 2023 was as follows:

SL. No.	Purpose of Utilization	Allocation as per IPO/Approved in 21st AGM (Taka)	Utilization of Fund (Taka) Up to September 30, 2023	Fund utilized (Taka) during the month of October 31, 2023	Total Utilization of Fund up to October 31, 2023	Unspent Balance (Taka)
1	Repayment of Short Term Loan	138,500,000	138,500,000	-	138,500,000	-
2	Machineries and Equipment	161,132,100	139,802,558	-	139,802,558	21,329,542
3	Building & Civil Construction	175,367,900	37,611,106	34,289,267	71,900,373	103,467,527
4	IPO Expenses	25,000,000	25,000,000	-	25,000,000	-
	Total IPO Proceeds	500,000,000	340,913,664	34,289,267	375,202,931	124,797,069
5	Interest Income up to	5,527,402	-	-	-	5,527,402
6	Tax on Interest and up to the month of October 30, 2023	(557,593)	-	-	-	(557,593)
7	Bank Interest during the month of September 30, 2023	-	(202,235)	-	(202,235)	(202,235)
8	Foreign Currency Exchange Loss/gain	-	1,894,068	-	-	1,894,068
	Total IPO Proceeds & Interest Income/Bank Charges /FC ange Loss/gain	504,969,809	342,605,497	34,289,267	375,000,696	131,458,712

Total unutilized fund excluding Interest Income/Bank Charges/FC Exchange loss/gain is Taka 124,797,069 only and including Interest Income/Bank Charges/FC Exchange Loss/gain is Taka 131,458,712 only as on October 31, 2023 lying with Islami Bank Bangladesh Limited, Head Office Complex Branch, Islami Bank Tower, 40 Dilkusha C/A, Dhaka-1000. We have collected relevant information and required documents for all disbursements and also checked all the relevant document. Enclosed herewith the Status Report as *Annexure-A* for utilization of fund which has been prepared by the management.

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

- (a) The management of Index Agro Industries Limited has utilised Taka 30,747,758 as against Building & Civil Construction in which amount of Tk. 7,458,426 has paid to several suppliers including VDS & TDS amount of Taka 350,059 during the month of April 30, 2023 from IPO proceeds account.

During the month of September 2023, the management of Index Agro has been spent Taka 68,63,348 for Building & Civil Construction purpose from IPO Bank account from various supplier and these supplier name was not mentioned in Prospectus. However the total expenses is Tk. 37,611,106 as Building & Civil Construction as per prospectus

The management of Index Agro has spent an amount of Taka 3,42,79,267 for Building & Civil Construction from their own bank account in last 11 months but part payment was not adjusted previously. In during the month of October, Copmany has adjusted the equvalant amount with Imported Raw material against L/C No. 088723010308 and L/C Value USD 23,40,810 on dated August 02, 2023. Company has adjusted USD 308,267.87 (Tk. 3,42,79,267) from IPO USD Bank account which is not in line of IPO prospectus.



- (b) The management of Index Agro Industries Limited has paid Taka 2,500,000 as IPO expenses in the month of September 30, 2022 from IPO proceeds account. The amount of Taka 11,146,084 has been transferred to company's own account for the adjustment against IPO Expenses which was spent previously.
- (c) The management of Index Agro Industries Limited deposited as FDR an amount of Taka 290,000,000 (Twenty Nine Crore) during the month of June 2021 with Islami Bank Bangladesh Limited. The management of Index Agro Industries Limited has encashed such FDR total amount of Taka 306,837,577 and transferred to Prime Bank (AC No:21101133010030).
- (d) The management of Index Agro Industries Limited has deposited total amount of Taka 144,350,000 as FDR in which is SIBL (A/C: 1625320000966) Tk. 15,000,000, Lanka Bangla Finance Limited (A/C: 000929100000227) TK.55,000,000, IDLC (A/C: 10252208467001) Tk. 52,850,000, BRAC Bank (A/C:3021355810003) Tk. 2,15,00,000; up to the month of August 31, 2023. The management of Index Agro Industries Limited has encashed an amount of Tk. 160,317,333 with interest against FDR and transferred full amount to BRAC bank, in which loan paid Tk. 13,85,00,000 and New FDR formed Tk 2,15,00,000 with BRAC bank and remaining amount Taka 317,333 remains as cash at Bank during the month of February, 2023.
During the month of August 2023, the management of Index Agro Industries Limited has encashed an amount of Tk. 111,811,564 (Principal amount was Tk. 100,000,000) with interest against the FDR No "0025321264535 with SIBL bank and transferred the full amount to Company's own account with Trust Bank Ltd. Said mentioned amount has been utilised to settle the temporary loan against imported machinery amount of Tk. 102,845,560 with Trust Bank Ltd. (A/C# 7023-1909000226) and remaining balance amount of Tk 8,966,005 has been transferred to IPO bank account.
In during the month of September 2023, the Company has deposited an amount of Taka 15,000,000 as FDR in SIBL A/C No. 162530000966.
- (e) The Management of Index Agro Industries Limited has paid Taka 138,500,000 for repayment of L-50- Time Loan to Bank Asia Ltd. in Account No :00750000079 during the month of February 28, 2023.
- (f) The management of Index Agro Industries Limited has been paid to Custom dues Tk. 36,956,998 for Acquisition of Machineries.
- (g) The management of Index Agro Industries Limited has been spent total amount of Taka 36,956,998 for the purpose of Acquisition of Machineries and Equipment as per prospectus but repayment of Short Term Loan has approved in 21st AGM on dated December 09, 2021 instead of Acquisition of Machineries. Short Term Loan amount of Taka 13,85,00,000 has approved the BSEC Vide letter no BSEC/CFD/2021/237/Part-01/1305 on dated January 17, 2023.
During the month of August the company has adjusted Tk 102,845,560 against Machineries and Equipment head, which was earlier shown as Loan (A/C:7023-1909000226) against previous L/C number 0000236322010048 date December 04, 2022 for imported Machineries and Equipment. This issue is not mentioned in Prospectus and also not getting the permission from BSEC for the adjustment. but the Shareholders of the company in its 5th EGM held on 20 July 2023 has approved the adjustment of temporary loan against imported machinery amount of Tk. 102,845,560.
- (h) According to the fund utilization monthly report of IPO Proceeds, report submission time line has been ended on August, 2022 as per Prospectus. We have received a letter from the company, where the company has applied to Bangladesh Securities and Exchange Commission (BSEC) for 1st time, time extension for 12 months up to August, 2023. The BSEC has approved for extension of time up to August 2023 vide letter no BSEC/CFD/2021/237/Part-01/1305 date on January 17, 2023.

We also report that:

- i. the expenses/utilization have been made in line with the provision of Initial Public Offering (IPO) documents except Issue number (a), (g);
- ii. the expenses/utilization of Taka 375,202,931 of IPO proceeds have been completed as mentioned the time schedule/ implementation schedule as specified in Initial Public Offering (IPO) documents;
- iii. the expenses/utilization made in line with the condition 4, part C of consent letter of Initial Public Offering (IPO);
- iv. the expenses/utilization made is accurate for the purpose of the company as mentioned in Initial Public Offering (IPO) documents; and
- v. we also confirmed that: (i) expenses have been procured/incurred by 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.

Date: November 13, 2023
Place: Dhaka


FAMES & R
Chartered Accountants



Report on Utilization of IPO Proceeds for the month of October 31, 2023

Name of the Company : INDEX AGRO INDUSTRIES LTD.
Amount (BDT) of Capital Raised Through IPO : Tk. 500,000,000.00
Date of Opening of Subscription : February 22, 2021
Date of Closing of Subscription : February 28, 2021
Last Date of Full Utilization : within 30 Months of obtaining IPO proceeds. (August 2023)

Annexure-A

Sl. No.	Purpose Mentioned in the Prospectus	Time line as per prospectus	Amount as per prospectus /Approved in 21st AGM	Utilization of Fund (Taka) Up to September 30, 2023	Fund utilized (Taka) during the month of October 31, 2023	Total fund Utilization up to October 31, 2023	Utilization %	Total Un-utilized Amount	Un-utilization %	Remarks
1	Repayment of Short Term Loan	As or when required	138,500,000	138,500,000	-	138,500,000	100%	-	0%	
2	Machineries and Equipment	As or when required	161,132,100	139,802,558	-	139,802,558	87%	21,329,542	13%	
3	Building & Civil Construction	As or when required	175,367,900	37,611,106	34,289,267	71,900,373	41%	103,467,527	59%	
4	IPO Expenses	As or when required	25,000,000	25,000,000	-	25,000,000	100%	-	0%	
Total IPO Proceeds			500,000,000	340,913,664	34,289,267	375,202,931		124,797,069		

Note: **Balance as at Bank as on October 31, 2023 with Islami Bank Bangladesh Limited, Account Number (A/C # 20502130900016109) BDT 2,662,231(A/C # 20502131100033000) GBP 85.72, (A/C # 20502131100032908) EURO 292.70 and (A/C # 20502131100032807) USD 219,890.80. The excess USD 10,354, in amount from IPO proceeds FC accounts will be refunded.


Total amount of Taka 144,350,000 as FDR as on October 31, 2023 with Lanka Bangla Finance Limited (A/C: 000929100000227) Tk.55,000,000, IDLC (A/C: 10252208467001) Tk. 52,850,000, BRAC Bank (A/C:3021355810003) Tk. 2,15,00,000 and SIBL (A/C No.162530000966) Tk.15,000,000.


Chairman


Managing Director


Director


Company Secretary


Chief Financial Officer

Date: November 13, 2023

Place: Dhaka

