

**Independent Auditor's Report
and
Audited QIO Proceeds Utilization Statement
of
Agro Organica PLC
As at and for the quarter ended
30 June 2024**



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K. M. ALAM & CO. CHARTERED ACCOUNTANTS



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Independent Auditors' Report

To Agro Organica PLC and Bangladesh Securities and Exchange Commission

Report on the Audit of QIO (Qualified Investor Offer) Proceeds Utilization Statement

Opinion

We have audited the annexed QIO (Qualified Investor Offer) proceeds utilization statement of Agro Organica PLC for the quarter ended 30 June 2024 ("utilization statement").

In our Opinion, the QIO (Qualified Investor Offer) proceeds utilization statement of Agro Organica PLC ("the Company") for the quarter ended 30 June 2024 is prepared, in all material respects, in accordance with Bangladesh Securities and Exchange Commission (Qualified Investor Offer by Small Capital Companies) Rules 2022, conditions laid down consent letter BSEC/CI/QIO/SC-32/2022/1458 dated October 19, 2023.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the QIO (Qualified Investor Offer) proceeds utilization statement section of our report. We are independent of the Company in accordance with the ethical requirement that are relevant to our audit of the utilization statement in Bangladesh, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Working capital crossed BDT 185,069 taka from budgeted amount and management of Agro Organica PLC responded that, it will be adjusted from remaining balance of QIO expenses.

Other Matters – Basis of Preparation and Restriction on Distribution

The utilization statement is prepared to assist the Company to meet the requirements of Bangladesh Securities and Exchange Commission ("BSEC"). As a result, the utilization statement may not be suitable for another purpose. Our report is intended solely for the Company and the BSEC and should not be distributed to parties other than the Company or the BSEC.

Responsibilities of Management and Those Charged with Governance for the QIO (Qualified Investor Offer) Proceeds Utilization Statement

Management is responsible for the preparation and fair presentation of the QIO (Qualified Investor Offer) proceeds utilization statement prepared in accordance with Bangladesh Securities and Exchange Commission (Qualified Investor Offer by Small Capital Companies) Rules 2022, condition laid down of the consent letter BSEC/CI/QIO/SC-32/2022/1458 dated October 19, 2023 and with other applicable laws and regulations.

In preparing the utilization statement, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the QIO (Qualified Investor Offer) Proceeds Utilization Statement

Our objectives are to obtain reasonable assurance about whether the QIO (Qualified Investor Offer) proceeds utilization statement as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this utilization statement.



As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- a) Identify and assess the risks of material misstatement of the QIO (Qualified Investor Offer) proceeds utilization statement, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- b) Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- d) Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the utilization statement or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Md. Belayet Hossain , FCA
Partner
Enrollment Number : 1480
K.M. Alam & Co
Chartered Accountants

Place: Dhaka
Date: 28 July, 2024

QIO Proceeds Utilization Statement For the quarter ended 30 June 2024

Name of the Company

Agro Organica PLC

Capital Raised through QIO

BDT 50,000,000

Proceeds Receiving Date

27-Nov-23

Subscription Closing Date

3-Dec-23

Last date of full utilization fund as per prospectus

30-Apr-25

Sl. No.	Purpose Mentioned in the Prospectus	Time line as per prospectus	Amount as per prospectus	Status of Fund Utilization						Remarks
				1st Quarter	2nd Quarter	Fund utilization during the period from January 01 2024-June 30, 2024	Up to Utilized % from 01 January to 30 June 2024	Total Un-utilized Amount	Un-utilized %	
				Fund utilization during the period from January 01 2024-March 31, 2024	Fund utilization during the period from April 01 2024-June 30, 2024					
1	Construction of Factory Building Expansion unit	Within 18 month after receiving QIO proceeds	8,412,500	5,000,000	3,412,500	8,412,500	100.00%	-	0.00%	Annexure-A
2	Acquisition of Plant and Machinery		9,178,500	7,000,000	2,178,500	9,178,500	100.00%	-	0.00%	Annexure-B
3	Working Capital ***		30,000,000	26,119,582	4,065,487	30,185,069	100.62%	(185,069)	-0.62%	Annexure-C
4	QIO expenses	Within 01 month after receiving QIO proceeds	2,409,000	1,826,250	170,965	1,997,215	82.91%	411,785	17.09%	Annexure-D
Total IPO Proceeds			50,000,000	39,945,832	9,827,452	49,773,284	99.55%	226,716	0.45%	

Note:

- Excise Duty of BDT 50,000, bank charge BDT 5,447 for the quarter ended 31 March 2024 and BDT 1,318 for the quarter ended July 30 had been debited from IPO Bank account and it included in working capital
- The utilization statement was approved and authorized for issue by the Board of Directors on 08 July 2024 and signed for and on behalf of the Board.
- Working capital crossed BDT 185,069 taka from budgeted amount and management of Agro Organica PLC responded that, it will be adjusted from remaining balance of QIO expenses.

Chief Financial Officer
Agro Organica PLC

Managing Director
Agro Organica PLC

Chairman
Agro Organica PLC

Md. Belayet Hossain, FCA
Partner
Enrollment Number : 1480
K.M. Alam & Co
Chartered Accountants

Place: Dhaka
Date: 28 July, 2024