

**Independent Auditor's Report  
and  
Audited IPO Proceeds Utilization Statement  
of  
Agro Organica PLC  
For the quarter ended  
31 March 2024**

**Independent Auditors' Report**

**To Agro Organica PLC and Bangladesh Securities and Exchange Commission**

**Report on the Audit of IPO (Initial Public Offering) Proceeds Utilization Statement**

**Opinion**

We have audited the annexed IPO (Initial Public Offering) proceeds utilization statement of Agro Organica PLC for the quarter ended 31 March 2024 ("utilization statement").

In our Opinion, the IPO (Initial Public Offering) proceeds utilization statement of Agro Organica PLC ("the Company") for the quarter ended 31 March 2024 is prepared, in all material respects, in accordance with Bangladesh Securities and Exchange Commission (BSEC) Rules 1987, conditions laid down in the clause 3 & 4 of PART-D of the 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 IPO (Initial Public Offering) 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.

**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 IPO (Initial Public Offering) Proceeds Utilization Statement**

Management is responsible for the preparation and fair presentation of the IPO (Initial Public Offering) proceeds utilization statement prepared in accordance with Bangladesh Securities and Exchange Commission (BSEC) Rules 1987, condition laid down in the clause 3 & 4 of PART-D 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 IPO (Initial Public Offering) Proceeds Utilization**

Our objectives are to obtain reasonable assurance about whether the IPO (Initial Public Offering) 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 IPO (Initial Public Offering) 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.

Place: Dhaka  
Date: 24 April, 2024

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

# IPO Proceeds Utilization Statement

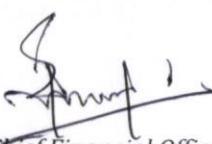
For the quarter ended 31 March 2024

**Name of the Company** : Agro Organica PLC  
**Capital Raised through IPO (Fixed Price method)** : BDT 50,000,000  
**Subscription Opening Date** : 27-Nov-23  
**Subscription Closing Date** : 3-Dec-23  
**Last date of full utilization fund as per prospectus** : 30-Apr-25

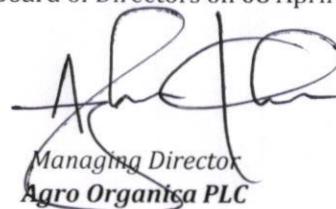
SL NO	Name of the projects	Estimated cost of project implementation (in BDT)	Estimated time for completion	Fund utilization during the period from January 01, 2024 - March 31, 2024		Variance	Unutilized	Remarks
				BDT	%			
1	Construction of Factory Building Expansion unit	8,412,500	Within 18 month after receiving QIO proceeds	5,000,000	59.44%	3,412,500	40.56%	
2	Acquisition of Plant and Machinery	9,178,500		7,000,000	76.27%	2,178,500	23.73%	
3	Working Capital	30,000,000		26,113,448	87.04%	3,886,553	12.96%	
4	QIO expenses	2,409,000	Within 1 month after receiving QIO proceeds	1,826,250	75.81%	582,750	24.19%	
<b>Total IPO Proceeds</b>		<b>50,000,000</b>		<b>39,939,698</b>	<b>79.88%</b>	<b>10,060,303</b>	<b>20.12%</b>	

Footnotes:

- Excise Duty of BDT 50,000.00 bank charge of BDT 5,447.00 had been debited from IPO Bank account which is included in working capital;
- The utilization statement was approved and authorized for issue by the Board of Directors on 08 April 2024 and signed for and on behalf of the Board.

  
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: 24 April, 2024