

**Craftsman Footwear & Accessories  
Ltd.**

47, Lake Circus (6-B)  
Kalabagan, Dhaka-1212,

=====

**AUDITOR'S REPORT**

On Capital Raising Proceeds Utilization

**For the period ended**

**July 31, 2024**



**G. KIBRIA & CO.**  
CHARTERED ACCOUNTANTS



## Independent Assurance Report

on

### the Initial Public Offering (IPO) Proceeds Utilization of Craftsman Footwear & Accessories Limited

We (G. Kibria & Co.) ("the Practitioner") have been engaged by Craftsman Footwear & Accessories Limited ("the Company") to provide an opinion on whether the company has complied with the conditions of its Initial Public Offering (IPO) regarding the utilization of proceeds from the public offering for the period from May 02, 2024 to July 31, 2024, as mandated by the Bangladesh Securities Exchange Commission (BSEC).

The scope of our work is limited to examining whether the company has utilized the IPO proceeds in accordance with the conditions outlined in the consent letter (Ref. No. BSEC/CI/QIO/SC-49/2023/64 dated March 04, 2024) and other relevant rules and regulations.

#### Company's Responsibility

Those charged with governance and management of the company are responsible for utilizing the proceeds from the IPO in alignment with the terms and conditions stipulated in the IPO, as well as for preparing a status report on the utilization of proceeds from the public offering. This report must adhere to the regulations set forth by the Bangladesh Securities Exchange Commission (BSEC) rules, 1987, along with the conditions outlined in clauses 1, 2, 3, 23, 24 and 28 of the consent letter, as well as other relevant rules and regulations.

#### Practitioner's Responsibility

Our responsibility is to examine all the relevant documents in connection with the utilization of proceeds from IPO with reference to the terms of reference formulated by BSEC and provide an opinion on whether the proceeds have been utilized and the status report has been prepared in accordance with the conditions of IPO and clauses mentioned in the consent letter, as well as other relevant rules and regulations.

#### Conclusion

We believe that the Statement of IPO Proceeds Utilization, prepared in accordance with the guidelines provided by the Bangladesh Securities and Exchange Commission (BSEC), accurately reflects the status from May 02, 2024, to July 31, 2024. Additionally, it aligns with the conditions outlined in the consent letter (Ref. No. BSEC/CI/QIO/SC-49/2023/64 dated March 04, 2024).



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Ref: GKC/24-25/M/04 Tel: +02-223-355-324, +02-4881-2331, +02-4881-2332

We have thoroughly reviewed pertinent documents and gathered information, and explanations deemed essential for verifying the attached status report, and the utilization of IPO proceeds to the best of our judgment.

We also draw attention to the following matters:

1. The company has utilized BDT 1,923,840 for BMRE (Balancing, Modernization, Rehabilitation and Expension), representing 9.62% of the budgeted amount as of 31 July 2024. Out of this, the company paid a total of BDT 411,440 in cash for labor bills related to construction and renovation.
2. The company has utilized BDT 10,059,924 for repayment of bank loan, which represent 100.60% of the budgeted amount as on 31 July 2024.
3. The company has utilized BDT 16,043,163 for working capital management, representing 103.64% of the budgeted amount as of 31 July 2024. Out of this;
  - a. The company utilized BDT 1,100,000 exceeding the budgetd amount of BDT 1,037,500 for purchase diesel for generator and the whole amount utilized in cash payment.
  - b. The company temporarily utilized BDT 4,072,609 for wages and salaries for factory staff, and subsequently, the management reimbursed the funds for the approved purpose.
4. The company has utilized BDT 2,710,377 for payment of IQIO expenses, which represent 59.97% of the budgeted amount as on 31 July 2024.

Date: November 07, 2024  
Place: Dhaka, Bangladesh

  
**A.K Gulam Kibria, FCA (#392),**  
**Engagement Partner**  
**G. KIBRIA & CO.**  
Chartered Accountants



**Report on Initial Public Offering (IPO) Proceeds**  
For the period from May 02, 2024 to July 31, 2024

Name of the Company : **Craftsman Footwear and Accessories Limited**  
 Amount (BDT) of Capital Raised Through IPO : **50,000,000**  
 Date of Close Subscription : **April 25, 2024**  
 Proceeds Receiving Date : **May 2, 2024**  
 Last Date of Full Utilization of Fund as Per Consent Letter : **As Mention below**

**All the Figures are in BDT**

Sl. No.	Purpose Mentioned in the Prospectus	Amount as per Prospectus (In BDT)	Time line as per Prospectus	Investment so far made			Investment yet to be made		Remarks
				During the Quarter (In BDT)	Total Utilized Amount (In BDT)	Utilized (%)	Total Un-Utilized Amount (In BDT)	Un-utilized (%)	
1	BMRE (Balancing, Modernization, Rehabilitation and Expansion)	20,000,000	01-May-26	1,923,840	1,923,840	9.62%	18,076,160	90.38%	
2	Repayment of Bank Loan	10,000,000	01-Jul-24	10,059,924	10,059,924	100.60%	(59,924)	-0.60%	
3	Working capital management	15,480,207	02-Jul-24	16,043,163	16,043,163	103.64%	(562,956)	-3.64%	
4	IQ/O Expenses	4,519,793	01-Jun-24	2,710,377	2,710,377	59.97%	1,809,417	40.03%	
		<b>50,000,000</b>		<b>30,737,304</b>	<b>30,737,304</b>	<b>61.47%</b>	<b>19,262,696</b>	<b>38.53%</b>	

Total Un-Utilized Proceeds of Capital Raising : **19,262,696**  
 Net Interest on Proceeds of Capital Raising (excluding AIT & Bank charges) current quarter : **19,262,696**

Percentage Net Interest on Proceeds of Capital Raising (Current Quarter) : **0.00%**

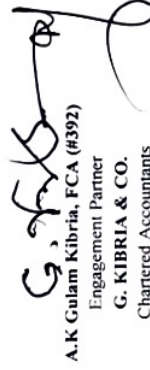
- Note:**
- IPO proceeds have been utilized for the purposes as specified in prospectus and in line with the condition of the commission's consent letter
  - This status report of the utilization of initial public offering proceeds has been approved by the board of directors on 28 October 2024 and signed by the authorized signatories
  - Integers are rounded up to the nearest whole number
  - The reconciliation of the IPO amount is attached within.

  
**Chief Financial Officer**

  
**Company Secretary**

  
**Managing Director**

  
**Chairperson**

  
**A.K Gulam Kibria, FCA (#392)**  
 Engagement Partner  
**G. KIBRIA & CO.**  
 Chartered Accountants



**Place:** Dhaka, Bangladesh  
**Date:** 07 November, 2024

### IPO Bank account reconciliation as at July 31, 2024


Name of the Company Craftsman Footwear & Accessories Limited  
Amount (BDT) of Capital Raised Through IPO BDT. 50,000,000  
Date of Close Subscription April 25, 2024  
Proceeds Receiving Date May 2, 2024

Bank and branch name	Account No.	Currency
Bank Asia PLC Gulshan-1 Branch	00433011245	BDT

Particulars	Amount	Remarks
Balance on Bank Asia as of July 31, 2024	15,030,375	
Fund utilized	30,737,304	
Balance on Basic Bank as of July 31, 2024	4,247,791	
Opening Balance	(15,469)	
<b>Total</b>	<b>50,000,000</b>	

Amount (BDT) of Capital Raised Through IPO 50,000,000  
(0)

  
Managing Director

  
Chief Financial Officer

  
Chairperson

  
Company Secretary

Place: Dhaka, Bangladesh  
Date: 07 November 2024

  
A.K. Gulam Kibria, FCA (#392),  
Engagement Partner  
G. KIBRIA & CO.  
Chartered Accountants

