

A member firm of



**Auditors' Report on IPO Proceeds Utilization  
OF  
REGENT TEXTILE MILLS LIMITED  
For the period ended January 31, 2019**

**KHAN WAHAB SHAFIQUE RAHMAN & CO.  
CHARTERED ACCOUNTANTS**

---

**HEAD OFFICE:**

7, RAJUK AVENUE (5<sup>TH</sup> FLOOR)  
RUPALI BIMA BHABAN, MOTIJHEEL,  
DHAKA -1000, BANGLADESH.  
PHONE: 9551821, 9551663, 9565136  
E-mail: [kwsr@dhaka.net](mailto:kwsr@dhaka.net)

**BRANCH OFFICE:**

SABBIR CHAMBER (3<sup>RD</sup> FLOOR)  
60, AGRABAD C/A,  
CHATTOGRAM.  
PHONE: 2520056  
E-mail: [kwsrctg@gmail.com](mailto:kwsrctg@gmail.com)



## Auditors' Report On IPO Proceeds Utilization

We have reviewed the annexed statements of Initial Public Offering (IPO) proceeds utilization of **Regent Textile Mills Limited** as on 31st January, 2019.

Management is responsible for preparation and fair presentation of IPO Proceeds Utilization as well as proper utilization of proceeds of IPO as per terms and conditions of Bangladesh Securities and Exchange Commission's (BSEC) Consent letter no. BSEC/CI/IPO-232/2014/443 dated September 13, 2015 and preparation of IPO proceeds utilization statements fairly.

Based on our review, we hereby certify that, **except as stated in the following paragraph (a)** the statements of Initial Public Offering (IPO) proceeds utilization of **Regent Textile Mills Limited** gives a true and fair view of IPO proceeds utilization in accordance with the terms and conditions of BSEC's said Consent letter.

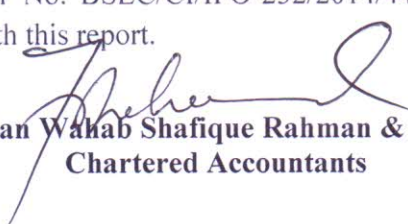
**(a)** As specified in the prospectus, estimated date and extended dates of implementation of the projects from the date of receiving IPO was as follows:

Implementation of project	BMRE Project	New RMG Project
Original date	19 <sup>th</sup> December, 2016 as per prospectus	10 <sup>th</sup> June, 2017 as per prospectus
1st Extended date	Up to 31 <sup>st</sup> October, 2017 in 21 <sup>st</sup> AGM dated 27.11.2016	Up to 31 <sup>st</sup> December, 2017 in 21 <sup>st</sup> AGM dated 27.11.2016
2nd Extended date	Up to 31 <sup>st</sup> October, 2018 in 142 <sup>th</sup> Board meeting dated 31.10.2017 also Vetted / approved in EGM dated 21.12.2017	Up to 31 <sup>st</sup> October, 2018 in 142 <sup>th</sup> Board meeting dated 31.10.2017 also Vetted / approved in EGM dated 21.12.2017
Further Extended date (3rd time)	Up to 30 June, 2019 in 148 <sup>th</sup> Board meeting dated 03.11.2018 also Vetted / approved in EGM dated 27.12.2018	Up to 30 June, 2019 in 148 <sup>th</sup> Board meeting dated 03.11.2018 also Vetted / approved in EGM dated 27.12.2018

For above time extensions, consent / approval letter from BSEC / DSE / CSE is yet to be received as informed to us.

**(b)** The Compliance status of conditions of BSEC's Letter No. BSEC/CI/IPO-232/2014/443 dated September 13, 2015 is enclosed herewith at **Annexure-C** with this report.

**Dated: February 10, 2019**  
**Chattogram**

  
**Khan Wahab Shafique Rahman & Co.**  
**Chartered Accountants**



**Regent Textile Mills Limited**  
**IPO Proceeds Utilization Report**  
As on January 31, 2019

Date of subscription	Amount of subscription		Purpose of amount as per IPO Prospectus	Estimated Project Cost		Estimated time of completion (As Per Prospectus)	Investment/Expenses so far made			Investment/Expenses yet to be made		Remarks
	Shares in BDT	Debenture		Item	Amount		Purpose	Amount	%	Amount	%	
	1,250,000,000		1. Capital Investments	1. Balancing, Modernization, Rehabilitation and Expansion (BMRE)	824,679,520	30th October, 2018 but subsequently extended upto 30 June, 2019 as per resolution of 148th Board Meeting dated 03.11.2018 also Vetted/approved in EGM dated 27.12.2018	BMRE	668,547,602	81	156,131,918	19	
Opening : October 14, 2015				2. New RMG Project	398,503,962	31st December, 2018 but subsequently extended upto 30 June, 2019 as per resolution of 148th Board Meeting dated 03.11.2018 also Vetted/approved in dated 27.12.2018	New RMG Project	19,236,382	5	379,267,580	95	
Closing : October 25, 2015			2. IPO Expenses	IPO Expenses	26,816,518		IPO Expenses	25,217,966	94	1,598,552	6	
<b>Sub total</b>	1,250,000,000	-			1,250,000,000			713,001,950	57	536,998,050	43	
Interest Income	300,443,561	-			-			-	-			
Fluctuation gain	1,354,530	-			-							
<b>Total</b>	1,551,798,091				1,250,000,000			713,001,950		536,998,050		

Chief Financial Officer

Director

Managing Director

**Regent Textile Mills Limited**  
**Statement of IPO Proceeds Utilization**  
**As on January 31, 2019**

Particulars	Taka	Taka
-------------	------	------

**A. IPO Proceeds Received** **1,250,000,000**

**B. IPO Proceeds Utilization:**

i. Balancing, Modernization, Rehabilitation and Expansion (BMRE)	668,547,602
ii. New RMG Project	19,236,382

**iii. IPO Processing Expenses:**

Consent Fees of BSEC	1,875,000
Underwriter Commission	3,750,000
Data Transmission Fee of DSE & CSE	400,000
Listing Fees of DSE & CSE	4,640,000
Lottery Conducting Expense	838,793
Prospectus Printing Expense	446,980
Post issue management fee	8,572,044
Issue management fee	2,000,000
CDBL Fees and Security Deposit	886,000
RJSC Filing Fees	7,400
Fees for Credit Rating Report	75,000
Auditors' Certification Fees	100,000
Stationeries and Others	970,749
Advertisement Expense	646,000
Prospectus Submission Fees to BSEC	10,000
	<b>25,217,966</b>

**Total IPO Proceeds Utilization (i+ii+iii)**

**713,001,950**

**Balance available (A-B)**

**536,998,050**

Chief Financial Officer

Director

Managing Director

Signed in terms of our annexed report of same date

Dated: February 10, 2019  
 Chattogram

Khan Wahab Shafique Rahman & Co.  
 Chartered Accountants

**Regent Textile Mills Limited**  
**IPO Proceeds Utilization**

Statements of Receipts & Payments  
For the period ended January 31, 2019

Particulars	Notes	Amount in Taka
-------------	-------	----------------

**Receipts:**

IPO Fund		1,250,000,000
Fluctuation Gain on realization of foreign currency	Annex-A	1,354,530

**Interest income on IPO Fund:**

Interest on Bank Deposit	1	12,408,256
Interest on FDR	2	288,035,305
		<b>300,443,561</b>

<b>Total</b>		<b>1,551,798,091</b>
--------------	--	----------------------


**Payments:**


Expenditure of Share issue	3	25,217,966
New RMG Project	4	19,236,382
BMRE	5	668,547,602
Bank Charges	6	31,240,678
		<b>744,242,628</b>

**Closing Balance:**

FDR Account	7	807,491,289
Bank Deposit	8	64,174
		<b>807,555,463</b>

<b>Total</b>		<b>1,551,798,091</b>
--------------	--	----------------------

  
\_\_\_\_\_  
Chief Financial Officer

  
\_\_\_\_\_  
Director

  
\_\_\_\_\_  
Managing Director

**Regent Textile Mills Limited**  
**IPO Fund Utilization**  
**Notes to the Receipts & Payments Statements**  
**For the period ended January 31, 2019**

	<b>Amount in Taka</b>
<b>1 Interest on Bank Deposit</b>	
Interest received upto 31st December, 2015	6,620,165
Interest received from NRB Bank Ltd.	5,788,091
	<b>12,408,256</b>
<b>2 Interest received on FDR:</b>	
Hajj Finance Limited	37,104,229
LankaBangla Finance Limited	53,471,903
Meghna Bank Limited	8,000,000
The Premier Bank Limited	37,114,988
Realiance Finance Limited	12,804,953
First Security Islami Bank Ltd.	121,875
Shahjalal Islami Bank Ltd.	60,092,118
Midas Financing Ltd.	29,753,251
CAPM Venture Capital & Finance Ltd.	2,125,000
SBAC Bank Ltd.	47,446,988
	<b>288,035,305</b>
<b>3 Expenditure of Share issue</b>	
Consent Fees of BSEC	1,875,000
Underwriter Commission (Sub Note - 3.1)	3,750,000
Data Transmission Fee of DSE & CSE	400,000
Listing Fees of DSE & CSE	4,640,000
Lottery Conducting Expense	838,793
Prospectus Printing Expense	446,980
Post issue management fee	8,572,044
Issue management fee	2,000,000
CDBL Fees and Security Deposit	886,000
RJSC Filing Fees	7,400
Fees for Credit Rating Report	75,000
Auditors' Certification Fees	100,000
Stationeries and Others	970,749
Advertisement Expense	646,000
Prospectus Submission Fees to BSEC	10,000
	<b>25,217,966</b>
<b>3.1 Underwriter Commission:</b>	
First Security Islami Capital & Investment Ltd	150,000
EBL Investment Ltd	150,000
LankaBangla Investments Limited	3,000,000
First Security Service Ltd	150,000
Citizen Security & Investment Ltd	150,000
GSP Investment Ltd	150,000
	<b>3,750,000</b>
<b>4 New RMG Project</b>	
Cost of Sewing Machine	19,236,382
	<b>19,236,382</b>
<b>5 BMRE</b>	
Gas Line Installation	24,089,506
Pre-Fabricated Steel Structure	19,639,585
Cost of Machineries	624,818,511
	<b>668,547,602</b>



**Amount in Taka**

**6 Bank Charges**

Bank charges upto 31st December, 2018	29,285,729
Bank Charges in January 2019	261,000
Tax Deducted at Source from Current Account Interest	-
Tax Deducted at Source from FDR Interest	1,693,949
	<b>31,240,678</b>

**7 FDR Account**

Opening Balance as 01.01.2019	919,742,500
Add: Interest Received on FDR	16,939,488
Add: Investment during the month	-
	<b>936,681,988</b>
Less: Encashment during the period	(127,235,750)
Less: Tax Deducted at Source from FDR Interest	(1,693,949)
Less: Excise Duty	(261,000)
	<b>807,491,289</b>

Details have been shown in **Annexure - B**.

**8 Bank Deposit**

BRAC Bank Ltd. Agrabad Branch A/C No: 1101202834712001	24,784
NRB Bank Ltd. Chittagong Main Branch A/C No: 2012050019413	39,390
	<b>64,174</b>

**9 Disclosure related to time extension of IPO Proceeds:**

The details implementation of the projects from the date of receiving IPO is as follows-

Implementation of project	BMRE Project	New RMG Project
Original date	19th December, 2016 as per prospectus	10th June, 2017 as per prospectus
1st Extended date	Up to 31st October, 2017 in 21st AGM dated 27.11.2016	Up to 31st December, 2017 in 21st AGM dated 27.11.2016
2nd Extended date	Up to 31st October, 2018 in 142th Board meeting dated 31.10.2017 also Vetted / approved in EGM dated 21.12.2017	Up to 31st October, 2018 in 142th Board meeting dated 31.10.2017 also Vetted / approved in EGM dated 21.12.2017
Further Extended date (3rd time)	Up to 30 June, 2019 in 148th Board meeting dated 03.11.2018 also Vetted/ approved in EGM dated 27.12.2018	Up to 30 June, 2019 in 148th Board meeting dated 03.11.2018 also Vetted/approved in EGM dated 27.12.2018

**Amount in Foreign currency**

**10 Unclaimed Subscription:**

BRAC Bank Ltd. Agrabad Branch A/C No: FC A/C EURO - 1101202834712003	<b>€ 0.00</b>
BRAC Bank Ltd. Agrabad Branch A/C No: FC A/C GB Pound - 1101202834712004	<b>GBP 41.78</b>
BRAC Bank Ltd. Agrabad Branch A/C No: FC A/C USD - 1101202834712002	<b>\$1,857.60</b>

**Regent Textile Mills Limited**  
**IPO Proceeds Utilization**  
**For the period ended January 31, 2019**  
**Calculation of Fluctuation Gain/Loss from foreign currency**

**Annexure - A**

Particular	No. of Applications Alloted	Price per Application in FC	Amount of Foreign Currency	Currency Exchange Rate (Tk.)	BDT
<b>Dollar</b>					
Amount realized	24926	\$ 64.60	\$ 1,610,219.60	78.2500	125,999,683.70
Amount as per subscription rate	24926	\$ 64.60	\$ 1,610,219.60	77.4000	124,630,997.04
<b>Gain</b>					<b>1,368,686.66</b>
<b>Pound</b>					
Amount realized	43	£ 41.78	£ 1,796.54	114.5534027	205,799.77
Amount as per subscription rate	43	£ 41.78	£ 1,796.54	119.6855	215,019.79
<b>Loss</b>					<b>(9,220.02)</b>
<b>EURO</b>					
Amount realized	31	€ 57.46	€ 1,781.26	84.2530	150,076.50
Amount as per subscription rate	31	€ 57.46	€ 1,781.26	87.0247	155,013.62
<b>Loss</b>					<b>(4,937.12)</b>
<b>Total Gain/Loss</b>					<b>1,354,530</b>

Since the foreign currency amount was converted and realized on 20th December, 2015 therefore, the conversion rate was taken as quoted on that date of Sonali Bank Ltd.



**Regent Textile Mills Limited**  
**Schedule of Fixed Deposit Receipts (FDR)**  
For the period ended January 31, 2019

											Annexure - B	
Sl. No.	Opening Date	Bank or Institution's Name	Branch Name	A/C No.	FDR No.	Opening Balance as on 01.01.19	Interest During the period	TDS/VAT/ Excise duty	Encashment during the period (Taka)	Total Balance (Taka)	New Investment/ Renewed (Taka)	Balance on 31.01.19 (Taka)
1	01.02.2018	Shahjalal Islami Bank Ltd.	Jubilee Road Br.	300353200001441	0347550	50,000,000	-	-	-	50,000,000	50,000,000	50,000,000
2	20.12.2018	Shahjalal Islami Bank Ltd.	Jubilee Road Br.	300353100014986	0389266	30,000,000	-	-	-	30,000,000	30,000,000	30,000,000
3	20.12.2018	Shahjalal Islami Bank Ltd.	Jubilee Road Br.	300353600003538	0389267	127,000,000	317,500	81,750	127,235,750	-	-	-
4	25.01.2018	SBAC Bank Ltd.	Agrabad Branch	0004243003652	0044568/36/18	265,327,500	11,939,738	1,218,974	-	276,048,264	276,048,264	276,048,264
5	28.01.2018	SBAC Bank Ltd.	Agrabad Branch	0004243003689	0044573/41/18	104,050,000	4,682,250	493,225	-	108,239,025	108,239,025	108,239,025
6	04.02.2018	SBAC Bank Ltd.	Agrabad Branch	0004243003698	0044579/47/18	52,025,000	-	25,000	-	52,000,000	52,000,000	52,000,000
7	08.02.2018	SBAC Bank Ltd.	Agrabad Branch	0004243003714	0044586/54/18	52,025,000	-	25,000	-	52,000,000	52,000,000	52,000,000
8	01.03.2018	SBAC Bank Ltd.	Agrabad Branch	000424300321	0044625/93/18	52,025,000	-	25,000	-	52,000,000	52,000,000	52,000,000
9	08.03.2018	SBAC Bank Ltd.	Agrabad Branch	0004243003830	0044628/96/18	41,620,000	-	12,000	-	41,608,000	41,608,000	41,608,000
10	11.03.2018	SBAC Bank Ltd.	Agrabad Branch	0004243003849	0044631/99/18	52,025,000	-	25,000	-	52,000,000	52,000,000	52,000,000
11	15.03.2018	SBAC Bank Ltd.	Agrabad Branch	0004243003858	0044635/103/18	57,227,500	-	25,000	-	57,202,500	57,202,500	57,202,500
12	22.03.2018	SBAC Bank Ltd.	Agrabad Branch	0004243003867	0044637/105/18	26,012,500	-	12,000	-	26,000,500	26,000,500	26,000,500
13	28.03.2018	SBAC Bank Ltd.	Agrabad Branch	0004243003876	0044646/114/18	10,405,000	-	12,000	-	10,393,000	10,393,000	10,393,000
<b>Total</b>						<b>919,742,500</b>	<b>16,939,488</b>	<b>1,954,949</b>	<b>127,235,750</b>	<b>807,491,289</b>	<b>807,491,289</b>	<b>807,491,289</b>

**Regent Textile Mills Limited**  
**IPO Proceeds Utilization**  
**For the period ended January 31, 2019**

**Compliance Report for Bangladesh Securities and Exchange Commission (BSEC)**

**Annexure - C**

In addition to our audit report, we also herewith confirm and report specially on the following points in terms of reference TOR issued by Bangladesh Securities and Exchange Commission according to the decision of the 524th Meeting held on August 12, 2014. This compliance report is made on the basis of our examination of the books and records of the Regent Textile Mills Limited.

**Our reports on the specific points, as mentioned in aforesaid TOR are outlined as under:**

**TOR - 6(a)**

Whether IPO/RPO/Right Issue proceeds have been utilized for the purpose/heads as specified in the prospectus/rights share offer document;

**Compliance**

The IPO proceeds utilized, have been utilized for the purposes specified in the prospectus.

**TOR - 6(b)**

Whether IPO/RPO/Right Issue proceeds have been utilized in the line with the conditions (Conditions No. may be specified) of the commission's consent/approval letter for the IPO/RPO/Rights Issue;

**Compliance**

Nothing has come to our knowledge which indicates that the IPO proceeds have not been utilized beyond the conditions specified in BSEC's issued consent letter ( letter no. BSEC/CI/IPO-232/2014/443 dated September 13, 2015) for the IPO.

**TOR - 6(c)**

Whether utilization of IPO/RPO/Right Issue proceeds have been completed within the time schedule/implementation schedule as specified in the prospectus/rights share offer document;

**Compliance**

Estimated date of implementation of the projects from the date of receiving IPO was as follows-

Implementation of project	BMRE Project	New RMG Project
Original date	19th December, 2016 as per prospectus	10th June, 2017 as per prospectus
1st Extended date	Up to 31st October, 2017 in 21st AGM dated 27.11.2016	Up to 31st December, 2017 in 21st AGM dated 27.11.2016
2nd Extended date	Up to 31st October, 2018 in 142th Board meeting dated 31.10.2017 also Vetted / approved in EGM dated 21.12.2017	Up to 31st October, 2018 in 142th Board meeting dated 31.10.2017 also Vetted / approved in EGM dated 21.12.2017

Further Extended date (3rd time)	Up to 30 June, 2019 in 148th Board meeting dated 03.11.2018 also Vetted approved in EGM dated 27.12.2018	Up to 30 June, 2019 in 148th Board meeting dated 03.11.2018 also Vetted approved in EGM dated 27.12.2018
----------------------------------	--	--

For above time extensions, consent / approval letter from BSEC / DSE / CSE is yet to be received as informed to us.

#### **TOR - 6(d)**

Whether utilization of IPO/RPO/Right Issue proceeds is accurate and is for the purpose of the company as mentioned/specified in the prospectus/rights share offer document.

#### **Compliance**

As evident from supporting documents, utilization of IPO proceeds so far made was accurate and also for the purposes specified in the IPO prospectus.

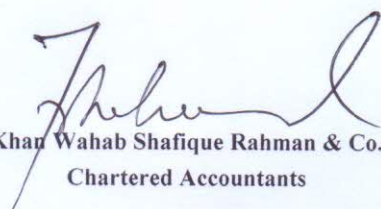
#### **TOR - 6(e)**

The auditors should also confirm that: (1) assets have been procured/imported/constructed maintaining proper/required procedure as well as at a reasonable price; and (2) auditors report has been made on verification of all necessary documents/papers/vouchers in support of utilization of IPO/RPO/Rights Issue proceeds making reconciliation with Bank Statement.

#### **Compliance**

- (1) Based on our verification we confirm that Gas Line installation, Pre-Fabricated Steel Structure and L.C opening for machinery for BMRE project has been done and few assets for New RMG project have been imported maintaining proper procedure till date which has been shown in the report.
- (2) We have obtained all the information and explanation which to the best of our knowledge and belief were necessary for the purposes of our audit and made due verification thereof that utilization of IPO Proceeds as mentioned in the "Statement of IPO Proceeds Utilization" was found by supporting documents/papers or evidence making reconciliation with Bank Statement.

Dated: February 10, 2019  
Chattogram

  
Khan Wahab Shafique Rahman & Co.  
Chartered Accountants