

A member firm of



**Auditors' Report on IPO Proceeds Utilization
OF
REGENT TEXTILE MILLS LIMITED
For the period ended May 31, 2020**

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

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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 May, 2020.

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 th December, 2016 as per prospectus	10 th June, 2017 as per prospectus
1 st Extended date	Up to 31 st October, 2017 in 21 st AGM dated 27.11.2016	Up to 31 st December, 2017 in 21 st AGM dated 27.11.2016
2 nd Extended date	Up to 31 st October, 2018 in 142 th Board meeting dated 31.10.2017 also Vetted / approved in EGM dated 21.12.2017	Up to 31 st October, 2018 in 142 th Board meeting dated 31.10.2017 also Vetted / approved in EGM dated 21.12.2017
3 rd time Extended date	Up to 30 June, 2019 in 148 th Board meeting dated 03.11.2018 also Vetted / approved in EGM dated 27.12.2018	Up to 30 June, 2019 in 148 th Board meeting dated 03.11.2018 also Vetted / approved in EGM dated 27.12.2018
4 th time Extended date	Up to 31 st March, 2020 in 153 th Board meeting dated 30.06.2019 also Vetted / approved in EGM dated 29.08.2019	Up to 31 st March, 2020 in 153 th Board meeting dated 30.06.2019 also Vetted / approved in EGM dated 29.08.2019
5 th time Extended date	A notice given by Board of Directors of Regent Textile Mills Ltd. held on 11 July 2020 for Extraordinary General Meeting (EGM) which will be held on 27 August 2020 for revising and extension of IPO proceeds utilization and implementation time schedule.	

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: July 12, 2020
Chattogram

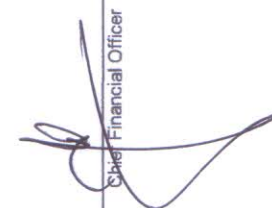


Khan Wahab Shafique Rahman & Co.
Chartered Accountants

Regent Textile Mills Limited
IPO Proceeds Utilization Report
As on May 31, 2020

Date of subscription	Amount of subscription		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	Debt	Item	Amount		Purpose	Amount	%	Amount	%	
			1. Balancing, Modernization, Rehabilitation and Expansion (BMRE)	824,679,520	19th December, 2016	BMRE	750,444,055	91	74,235,465	9	
Opening : October 14, 2015	1,250,000,000	-	2. New RMG Project	398,503,962	19th June, 2017	New RMG Project	19,236,382	5	379,267,580	95	
Closing : October 25, 2015			IPO Expenses	26,816,518		IPO Expenses	25,217,966	94	1,598,552	6	
Sub total	1,250,000,000	-		1,250,000,000			794,898,403	64	455,101,597	36	
Interest Income	386,163,565	-		-			-	-	-	-	
Fluctuation gain	1,354,530	-		-			-	-	-	-	
Total	1,637,518,095			1,250,000,000			794,898,403		455,101,597		


Director


Chief Financial Officer




Managing Director

Regent Textile Mills Limited
Statement of IPO Proceeds Utilization
As on May 31, 2020

Particulars	Taka	Taka
A. IPO Proceeds Received		1,250,000,000
B. IPO Proceeds Utilization:		
i. Balancing, Modernization, Rehabilitation and Expansion (BMRE)	750,444,055	
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	
	25,217,966	
Total IPO Proceeds Utilization (i+ii+iii)		794,898,403
Balance available (A-B)		455,101,597


Chief Financial Officer


Director


Managing Director

Signed in terms of our annexed report of same date

Dated: July 12, 2020
Chattogram




Khan Wahab Shafique Rahman & Co.
Chartered Accountants

Regent Textile Mills Limited
IPO Proceeds Utilization
Statements of Receipts & Payments
For the period ended May 31, 2020

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	12,410,464
Interest on FDR	2	373,753,101
		386,163,565
Total		1,637,518,095
Payments:		
Expenditure of Share issue	3	25,217,966
New RMG Project	4	19,236,382
BMRE	5	750,444,055
Bank Charges	6	40,099,519
		834,997,922
Closing Balance:		
FDR Account	7	802,455,852
Bank Deposit	8	64,321
		802,520,173
Total		1,637,518,095


 Chief Financial Officer


 Director


 Managing Director



Regent Textile Mills Limited
IPO Fund Utilization
Notes to the Receipts & Payments Statements
For the period ended May 31, 2020

	Amount in Taka
1 Interest on Bank Deposit	
Interest received upto 31st December, 2015	6,620,165
Interest received from NRB Bank Ltd.	5,790,299
	12,410,464
2 Interest received on FDR:	
Haji 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.	62,281,510
Midas Financing Ltd.	29,753,251
CAPM Venture Capital & Finance Ltd.	2,125,000
SBAC Bank Ltd.	130,975,392
	373,753,101
3 Expenditure of Share issue	
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
	25,217,966
3.1 Underwriter Commission:	
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
	3,750,000
4 New RMG Project	
Cost of Sewing Machine	19,236,382
	19,236,382
5 BMRE	
Gas Line Installation	24,089,506
Pre-Fabricated Steel Structure	19,639,585
Cost of Machineries	706,714,964
	750,444,055



Amount in Taka

6 Bank Charges

Bank charges upto 30th April, 2020	40,099,519
Bank Charges in May, 2020	-
Tax Deducted at Source from Current Account Interest	-
Tax Deducted at Source from FDR Interest	-
	40,099,519

7 FDR Account

Opening Balance as 01.05.2020	802,455,852
Add: Interest Received on FDR	-
Add: Investment during the month	-
	802,455,852
Less: Encashment during the period	-
Less: Tax Deducted at Source from FDR Interest	-
Less: Excise Duty	-
	802,455,852

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

8 Bank Deposit

BRAC Bank Ltd. Agrabad Branch A/C No: 1101202834712001	23,864
NRB Bank Ltd. Chittagong Main Branch A/C No: 2012050019413	40,457
	64,321

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
3rd time Extended date	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
4th time Extended date	Up to 31st March, 2020 in 153th Board meeting dated 30.06.2019 also Vetted approved in EGM dated 29.08.2019	Up to 31st March, 2020 in 153th Board meeting dated 30.06.2019 also Vetted approved in EGM dated 29.08.2019
5th time Extended date	A notice given by Board of Directors of Regent Textile Mills Ltd. held on 11 July 2020 for Extraordinary General Meeting (EGM) which will be held on 27 August 2020 for revising and extension of IPO proceeds utilization and implementation time schedule.	

Amount in Foreign currency

10 Unclaimed Subscription:

BRAC Bank Ltd. Agrabad Branch A/C No: FC A/C EURO - 1101202834712003	€ 0.00
BRAC Bank Ltd. Agrabad Branch A/C No: FC A/C GB Pound - 1101202834712004	GBP 41.78
BRAC Bank Ltd. Agrabad Branch A/C No: FC A/C USD - 1101202834712002	\$1,854.00



Regent Textile Mills Limited
IPO Proceeds Utilization
For the period ended May 31, 2020
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
Dollar					
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
Gain					1,368,686.66
Pound					
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
Loss					(9,220.02)
EURO					
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
Loss					(4,937.12)
Total Gain/Loss					1,354,530

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 May 31, 2020

Annexure - B												
Sl. No.	Opening Date	Bank or Institution's Name	Branch Name	A/C No.	FDR No.	Opening Balance as on 01.05.2020	Interest During the period	TDS/VAT/Excise duty	Encashment during the period (Taka)	Total Balance (Taka)	New Investment/ Renewed (Taka)	Balance on 31.05.2020 (Taka)
1	25.01.2018	SBAC Bank Ltd.	Agrabad Branch	0004243003652	0044568/36/18	298,835,962	-	-	-	298,835,962	298,835,962	298,835,962
2	28.01.2018	SBAC Bank Ltd.	Agrabad Branch	0004243003689	0044573/41/18	117,158,926	-	-	-	117,158,926	117,158,926	117,158,926
3	04.02.2018	SBAC Bank Ltd.	Agrabad Branch	0004243003698	0044579/47/18	58,553,429	-	-	-	58,553,429	58,553,429	58,553,429
4	08.02.2018	SBAC Bank Ltd.	Agrabad Branch	0004243003714	0044586/54/18	58,553,429	-	-	-	58,553,429	58,553,429	58,553,429
5	01.03.2018	SBAC Bank Ltd.	Agrabad Branch	0004243003821	0044625/93/18	58,553,429	-	-	-	58,553,429	58,553,429	58,553,429
6	08.03.2018	SBAC Bank Ltd.	Agrabad Branch	0004243003830	0044628/96/18	46,859,405	-	-	-	46,859,405	46,859,405	46,859,405
7	11.03.2018	SBAC Bank Ltd.	Agrabad Branch	0004243003849	0044631/99/18	58,553,430	-	-	-	58,553,430	58,553,430	58,553,430
8	15.03.2018	SBAC Bank Ltd.	Agrabad Branch	0004243003858	0044635/103/18	64,413,979	-	-	-	64,413,979	64,413,979	64,413,979
9	22.03.2018	SBAC Bank Ltd.	Agrabad Branch	0004243003867	0044637/105/18	29,277,757	-	-	-	29,277,757	29,277,757	29,277,757
10	28.03.2018	SBAC Bank Ltd.	Agrabad Branch	0004243003876	0044646/114/18	11,696,108	-	-	-	11,696,108	11,696,108	11,696,108
Total						802,455,852	-	-	-	802,455,852	802,455,852	802,455,852



Regent Textile Mills Limited
IPO Proceeds Utilization
For the period ended May 31, 2020

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	10th June, 2017
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



3rd time Extended date	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
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5th time Extended date	A notice given by Board of Directors of Regent Textile Mills Ltd. held on 11 July 2020 for Extraordinary General Meeting (EGM) which will be held on 27 August 2020 for revising and extension of IPO proceeds utilization and implementation time schedule.	

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: July 12, 2020
Chattogram



[Signature]
Khan Wahab Shafique Rahman & Co.
Chartered Accountants