

Auditor's Report on IPO Proceeds Utilization
OF
REGENT TEXTILE MILLS LIMITED

For the period ended November 30, 2020

KHAN WAHAB SHAFIQUE RAHMAN & CO.
CHARTERED ACCOUNTANTS

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Auditor's 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 30th November, 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) & (b)** 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	Up to 30 th June, 2021 In 160 th Board meeting dated 11.07.2020 also Vetted/approved in EGM dated 27.08.2020	Up to 30 th June, 2021 In 160 th Board meeting dated 11.07.2020 also Vetted/approved in EGM dated 27.08.2020

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



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(b) The purpose of the IPO fund utilization with the estimated project cost and the actual investment/expenses made so far are as follows:

Head of Allocation	Estimated Project Cost	Investment/Expenses so far	(Excess)/ Shortfall
BMRE	824,679,520	750,444,055	74,235,465
New RMG Project	398,503,962	474,337,979	(75,834,017)*
IPO Expenses	26,816,518	25,217,966	1,598,552

* The company has decided to invest **Un-utilized portion of the IPO Fund** to procure a compliant RMG factory (Legacy Fashion Limited) and the decision was approved by the shareholders in the **EGM** held on **27th August, 2020** under an intimation to Bangladesh Security Exchange Commission (BSEC) vide their letter ref. RTML/CS/BSEC/20-21/070. The company also raised the matter in 162nd board meeting held on 18th October, 2020 and has published Price Sensitive Information on 19th October, 2020. For above investment of Un-utilized portion of IPO fund, any consent/approval letter from BSEC /DSE/CSE is yet to be received as informed to us.

(c) 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: December 14th, 2020
Chattogram


Khan Wahab Shafique Rahman & Co.
Chartered Accountants



Regent Textile Mills Limited
IPO Proceeds Utilization Report
As on November 30, 2020

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	Debtenture		Item	Amount		Purpose	Amount	%	Amount	%	
			1. Capital Investments	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	474,337,979	119	(75,834,017)	(19)	
Closing : October 25, 2015			2. IPO Expenses	IPO Expenses	26,816,518		IPO Expenses	25,217,966	94	1,593,552	6	
Sub total	1,250,000,000	-			1,250,000,000			1,250,000,000	100	-	-	
Interest Income	422,274,692	-			-			-	-	-	-	
Fluctuation gain	1,354,530	-			-			-	-	-	-	
Total	1,673,629,222				1,250,000,000			1,250,000,000	-	-	-	



Chief Financial Officer

Director

Managing Director



Regent Textile Mills Limited
Statement of IPO Proceeds Utilization
As on November 30, 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	474,337,979	
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)		1,250,000,000
Balance available (A-B)		-

Chief Financial Officer

Director

Managing Director

Signed in terms of our annexed report of same date

Dated: December 14, 2020
 Chattogram

Khan Wahab Shafique Rahman & Co.
 Chartered Accountants



Regent Textile Mills Limited
IPO Proceeds Utilization
Statements of Receipts & Payments
As on November 30, 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	12,411,077
Interest on FDR	2	409,863,615
		422,274,692
Total		1,673,629,222
Payments:		
Expenditure of Share issue	3	25,217,966
BMRE	4	750,444,055
New RMG Project	5	474,337,979
		1,250,000,000
Bank Charges	6	44,036,321
		1,294,036,321
Closing Balance:		
FDR Account	7	-
Bank Deposit	8	-
		-
Balance Transfer to Company's General Accounts		379,592,901
Total		1,673,629,222



 Chief Financial Officer

 Director

 Managing Director



Regent Textile Mills Limited
IPO Fund Utilization
Notes to the Receipts & Payments Statements
As on November 30, 2020

	Amount in Taka
1 Interest on Bank Deposit	
Interest received upto 31st December, 2015	6,620,165
Interest received from NRB Bank Ltd.	5,790,912
	12,411,077
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.	167,085,905
	409,863,615
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 BMRE	
Gas Line Installation	24,089,506
Pre-Fabricated Steel Structure	19,639,585
Cost of Machineries	706,714,964
	750,444,055
5 New RMG Project	
Cost of Sewing Machine	19,236,382
Investment in Legacy Fashion Ltd.	455,101,597
	474,337,979



Amount in Taka

6 Bank Charges

Bank charges upto 31st October, 2020	43,791,321
Bank Charges in 30th November, 2020	245,000
Tax Deducted at Source from Current Account Interest	-
Tax Deducted at Source from FDR Interest	-
	44,036,321

7 FDR Account

Opening Balance as 01.11.2020	402,112,635
Add: Interest Received on FDR	-
Add: Investment during the month	-
	402,112,635
Less: Encashment during the period	(401,867,635)
Less: Tax Deducted at Source from FDR Interest	-
Less: Excise Duty	(245,000)
	-

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

8 Bank Deposit

BRAC Bank Ltd. Agrabad Branch A/C No: 1101202834712001	23,519
NRB Bank Ltd. Chittagong Main Branch A/C No: 2012050019413	40,664
SBAC Bank Ltd., Agrabad Branch A/C No: 0004111002947	34,630,315
	34,694,498
Less: Balance Transfer to Company's Accounts	34,694,498
	-

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
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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	Up to 30th June, 2021 in 160th Board meeting dated 11.07.2020 also Vetted/approved in EGM dated 27.08.2020	Up to 30th June, 2021 in 160th Board meeting dated 11.07.2020 also Vetted/approved in EGM dated 27.08.2020
	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
As on November 30, 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					1,354,529.52

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)
As on November 30, 2020

Sl. No.	Opening Date	Bank or Institution's Name	Branch Name	A/C No.	FDR No.	Opening Balance as on 01.11.2020	Interest During the period	TDS/VAT/Excise duty	Encashment during the period (Taka)	Annexure - B		
										Total Balance (Taka)	New Investment/ Renewed (Taka)	Balance on 30.11.2020 (Taka)
3	04.02.2018	SBAC Bank Ltd.	Agrabad Branch	0004243003698	0044579/47/18	60,924,843	-	40,000	60,884,843	-	-	-
4	08.02.2018	SBAC Bank Ltd.	Agrabad Branch	0004243003714	0044586/54/18	60,924,843	-	40,000	60,884,843	-	-	-
5	01.03.2018	SBAC Bank Ltd.	Agrabad Branch	0004243003821	0044625/93/18	60,924,843	-	40,000	60,884,843	-	-	-
6	08.03.2018	SBAC Bank Ltd.	Agrabad Branch	0004243003830	0044628/96/18	48,757,211	-	15,000	48,742,211	-	-	-
7	11.03.2018	SBAC Bank Ltd.	Agrabad Branch	0004243003849	0044631/99/18	60,924,843	-	40,000	60,884,843	-	-	-
8	15.03.2018	SBAC Bank Ltd.	Agrabad Branch	0004243003858	0044635/103/18	67,022,745	-	40,000	66,982,745	-	-	-
9	22.03.2018	SBAC Bank Ltd.	Agrabad Branch	0004243003867	0044637/105/18	30,463,505	-	15,000	30,448,505	-	-	-
10	28.03.2018	SBAC Bank Ltd.	Agrabad Branch	0004243003876	0044646/114/18	12,169,800	-	15,000	12,154,800	-	-	-
Total						402,112,635	-	245,000	401,867,635	-	-	-



Regent Textile Mills Limited
IPO Proceeds Utilization
As on November 30, 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

