

**AUDITOR'S CERTIFICATION REGARDING PERIODICAL STATUS REPORT OF
UTILIZATION OF FUND AGAINST INITIAL PUBLIC OFFERING (IPO) OF
RING SHINE TEXTILES LIMITED
FOR THE PERIOD OF 01 September 2020 TO 30 June 2021**

ASHRAF UDDIN & CO, CHARTERED ACCOUNTANTS

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FOR THE PERIOD OF 01 September 2020 TO 30 JUNE 2021**

This is to certify that **Ring Shine Textiles Limited (RSTL)** has received Tk 1,500,000,000 (Taka One Hundred Fifty Crore) only as Initial Public Offering (IPO) proceeds through subscription from 25 August 2019 to 09 September 2019.

In line with the clause number 4, Part C of the consent letter number BSEC/CI/IPO-283/2018/456 the auditors will perform their jobs under the following Terms of Reference (TOR) and confirm the same in their report/certificate:

- a. Whether IPO proceeds have been utilized for the purposes/heads as specified in the prospectus.
- b. Whether IPO proceeds have been utilized in line with the condition (if any) of the Commission's consent letter.
- c. Whether utilization of IPO proceeds have been completed within the time schedule/implementation schedule as specified in the published prospectus.
- d. Whether utilization of IPO proceeds is accurate and for the purpose of the company as mentioned/specified in the published prospectus. And,
- e. The Auditors should also confirm that: (i) assets have been procured/imported/constructed maintaining proper/required procedures as well as at reasonable price; and (ii) auditors' report has been made on verification of all necessary documents/papers/vouchers in support of IPO proceeds making reconciliation with Bank Statement.

Our report has been made in line with these terms of references.

1. As of the IPO Fund Utilization Auditor's report of August 2020, the total amount utilized fund was BDT **535,346,007** (Fifty-Three Crore Fifty-three Lac forty six Thousand and seven Taka), whereas the total unutilized fund stood at BDT **964,653,993/-** (Ninety-Six Crore Forty-Six Lac fifty three thousand nine hundred and ninety three Taka).
2. It is worth to mention that Bangladesh Securities and Exchange Commission (BSEC) (vide its letter no BSEC/CFD/93/2019/203 dated October 22, 2020), has frozen RSTLs IPO fund accounts on the ground of RSTLs non-compliance with the conditions of their aforesaid consent letter along with their concern of the company's going concern status.

3. Since then, the remaining balance of the IPO funds were unutilized until the commission had accorded their approval to the company's plea (vide its letter no BSEC/CFD/93/2019/540 dated May 20, 2021), for utilizing further BDT 40 crore of the remaining fund (see the paragraph "The Second Approval" below) allowing the company to amend/change the use of IPO proceeds mentioned in the approved Prospectus,
4. The company has surpassed its deadline of full utilization of IPO funds as per the approved Prospectus on April 05, 2021.
5. Management has changed the purposes of use of funds but the approval from the shareholders in AGM is yet to be received.

Utilization Status of The Second Approval

The approved purpose for utilization BDT 40 crore (BSEC letter # BSEC/CFD/93/2019/540 dated May 20, 2021) as at June 30, 2021 are as follows:

Sl	Approved Purpose as per Second Consent	Approved Amount (BDT)	Fund Utilized as at June 30, 2021. (BDT)	Balance of Unutilized Fund (BDT)
1	Worker's Retrenchment	150,000,000	144,786,745	5,213,254
2	BEPZA Liabilities	30,000,000	30,000,000	-
3	Titas Gas Liabilities	35,000,000	25,515,106	9,484,894
4	Premier Bank Ltd. Liability	100,000,000	-	100,000,000
5	Dhaka Bank Ltd Liability	60,000,000	-	60,000,000
6	Miscellaneous expenses	25,000,000	-	25,000,000
	Total as per second consent	400,000,000	200,301,852	199,698,148

During the course of our verification, we have found that:

- (a) An amount of BDT 100,000,000 (Ten core taka) was transferred from the IPO account to a current account of the company with The Premier Bank PLC, Gulshan Branch (A/C # 01021110001550) on June 09, 2021 for loan repayment. However, the amount remained unutilized as at June 30, 2021.
- (b) An amount of BDT 60,000,000 (Six core taka) was transferred from the IPO account to a current account of the company with Dhaka Bank PLC, DEPZ Branch (A/C # 2121000004555) on June 09, 2021 for loan repayment. However, the amount had been unutilized as at June 30, 2021.
- (c) An amount of BDT 25,000,000 (Two core fifty lacs taka) was transferred from the IPO account to the company's corporate account Dutch Bangla Bank PLC, Dhaka EPZ Branch (A/C # 1221100001038) on June 09, 2021 for miscellaneous expense. However, the company had not spent any amount for the period ended June 30, 2021.



Upto date Overall Status

The overall status of the total IPO fund of BDT 150 crore as at June 30, 2021 is as follows (including Exchange Gain/Interest Income/Bank charge):

Total amount of IPO proceeds (BDT)	Utilization as at August 31, 2020 (BDT)	Unutilized balance as at August 31, 2020 (BDT)	Utilization during 01 September, 2020 to June 30, 2021 (BDT)	Total Utilization as at June 30, 2021 (BDT)	Balance of Unutilized Fund as at June 30, 2021 (BDT)
1	2	3 = (1 - 2)	4	5 = (2 + 4)	6 = (1 - 5)
1,500,000,000	535,346,007	964,653,993	200,353,602	735,699,609	764,300,391
Bank Charges					(2,013)
Exchange Gain/ (Loss) (for the period ended June 30, 2021)					9,118,744
Net Unutilized fund					773,417,122

Explanation of Utilization during 01 September, 2020 to June 30, 2021 (BDT)

Utilization of first approval	51,750
Utilization from second approval	200,301,852
Total	200,353,602



Closing Balance of the IPO Bank Accounts

The company has received the IPO Proceeds in the following four separate Bank Account (BDT Accounts maintaining with BRAC Bank Limited, Gulshan Branch, Dhaka. The closing balances of the bank accounts as at **June 30, 2021** (Considering Exchange Gain/Interest Income/Bank charge) is as follows:

Account Number	Opening Balance (BDT/USD/ GBP/EUR)	Exchange Rate on 30/10/ 2020	Opening Balance (BDT)	Withdraw (BDT)	Bank Charge (BDT)	Closing Balance Before Translation (BDT)	Exchange Rate on June 30 2021	Closing Balance (BDT)	Exchange Gain / (Loss)
(BDT)	821,055,822	1.000	821,055,822	390,515,106	2,013	430,538,704	1.000	430,538,704	
1501202739426004 (USD)	1,786,813		143,546,421*			143,546,421	84.83	151,589,622	9,118,744
1501202739426005 (GBP)	6,847						117.31	803,228	
1501202739426006 (EUR)	2,707						100.61	272,315	
Total			964,602,243	390,515,106	2,013	574,085,125		583,203,869	9,118,744

1. Company has provided us a statement of interest earned against BRAC Bank A/C # 1501202739426003. As on 30 June 2021 the balance was BDT 43,452,881.00 The account is blocked.

2. *The Foreign currencies had not been translated and reported in the IPO Fund Utilization report of October 2020, submitted on November 14, 2020 by Shiraj Khan Basak & Co. Chartered Accountants.



Closing Balances of the all bank accounts used for utilization of IPO fund

The total unutilized fund (Net of Exchange Gain/Interest Income/Bank Charges) of BDT **773,417,122** (Seventy-seven crore thirty-four lac seventeen thousand one hundred and twenty-two taka) only as at June 30, 2021 with the following banks:

Sl	Bank	Branch	A/C #	Amount (BDT)	Remarks
1	BRAC Bank PLC	Gulshan	1501202739426003	430,538,704	IPO A/C
2	BRAC Bank PLC	Gulshan	1501202739426004	151,589,622	IPO A/C
3	BRAC Bank PLC	Gulshan	1501202739426005	803,228	IPO A/C
4	BRAC Bank PLC	Gulshan	1501202739426006	272,315	IPO A/C
5	Dutch Bangla Bank PLC	Dhaka EPZ	1221100001038	30,213,253	Fund transferred from BRAC Bank A/C (1501202739426003)
6	The Premier Bank PLC	Gulshan	010211100015501	100,000,000	
7	Dhaka Bank PLC	DEPZ	2121000004555	60,000,000	
Total				773,417,122	

As per clause number 4, Part C of the consent letter number BSEC/CI/IPO-283/2018/456 We have collected relevant information and required evidences for all disbursement made and we have also checked the enclose Status Report (**Annexure-A**) of utilization of fund prepared by management.

Dated: December 03, 2024
Place: Dhaka

Mohammad Shabbir Hossain FCA
Enrollment No: 1048
Partner
Ashraf Uddin & Co.
Chartered Accountants



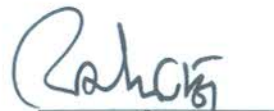
Report on Utilization of IPO Proceeds as at June 30, 2021
(Without Exchange Gain/Interest Income)

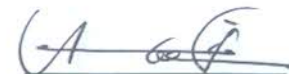
Name of the company : RING SHINE TEXTILES LTD.
Amount (BDT) of Capital raised through IPO : BDT 1,500,000,000
Date of close of subscription : September 09, 2019
Proceeds receiving date : October 06, 2019
Last date of Full Utilization of fund as per prospectus : April 05, 2021 (within 18 months after IPO proceeds)

Annexure-A

Purpose	Time Line as per prospectus	Amount as per prospectus	Status of Utilization						Remarks
			Fund utilized (BDT) as at August 30, 2020	Utilization during August 30, 2020 to June 30, 2021 (BDT)	Total utilization of fund (BDT) as at June 30, 2021	Utilized %	Total un-utilized amount as at June 30, 2021 (BDT)	Un-utilized %	
As per initial prospectus and second, third & fourth approvals	18 months	1,500,000,000	535,346,007	200,353,602	735,699,609	49.04%	764,300,391	50.95%	


Chairman


Managing Director


Chief Financial Officer


Company Secretary

