

**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 July 2024 TO 30 September 2024**

ASHRAF UDDIN & CO, CHARTERED ACCOUNTANTS

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**AUDITOR'S CERTIFICATION REGARDING YEARLY STATUS REPORT OF
UTILIZATION OF FUND AGAINST INITIAL PUBLIC OFFERING (IPO) OF
RING SHINE TEXTILES LIMITED
FOR THE PERIOD OF 01 JULY 2024 TO 30 SEPTEMBER 2024**

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 June 2023, a total amount of BDT **1,216,471,663** (One Hundred and Twenty-One Crore Sixty-Four Lakh Seventy-One Thousand Six Hundred and Sixty-Three Taka) had been utilized (excluding Exchange Gain/Interest Income/Bank Charges) as at June 30, 2023 in accordance with the prospectus and further amendments/changes to the utilization purpose approved by Bangladesh Securities and Exchange Commission. The total unutilized fund (excluding Exchange Gain/Interest Income/Bank Charges) had been BDT **283,528,337/-** (Twenty-Eight Crore Thirty-Five Lakh Twenty-Eight Thousand Three Hundred and Thirty-Seven Taka) only.
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) had 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 allowing the company to amend/change the use of IPO proceeds mentioned in the approved Prospectus, approved by the Board of Directors in its 15th meeting held on May 11, 2021.

4. A further approval was accorded by the commission (vide its letter no BSEC/CFD/93/531 to BRAC Bank PLC, dated April 27, 2022) to allow a release of BDT 10 Crore of the remaining fund.
5. A further approval was accorded by the commission (vide its letter no BSEC/SRMIC/153/2019/108 to BRAC Bank PLC, dated April 18, 2023) to allow a withdrawal of BDT 18.40 Crore of the remaining fund, responding to RSTL's request (letter # RS/BSEC/23/04/15) to further release of the IPO fund.
6. It is also worth to mention that the company has surpassed its deadline of full utilization of IPO funds as per the approved Prospectus on April 05, 2021.
7. Management has changed the purposes of use of funds but the approval from the shareholders in AGM is yet to be received.

Upto date Overall Status

The overall status of the total IPO fund of BDT 150 crore following the amendment/change of use as at June 30, 2024 is as follows (including Exchange Gain/Interest Income/Bank charge):

Total amount as per IPO proceeds (BDT)	Utilization as at June 30, 2024 (BDT)	Unutilized balance as at June 30, 2024 (BDT)	Utilization during July 01, 2024 to September 30, 2024 (BDT)	Total Utilization as at September 30, 2024 (BDT)	Balance of Unutilized Fund (BDT)
1	2	3 = (1 - 2)	4	5 = (2 + 4)	6 = (1 - 5)
1,500,000,000	1,219,397,767	280,602,233	-	1,219,397,767	280,602,233
Bank Charges for the period					-
Exchange Gain/ (Loss) (as at October 30, 2023)					67,798,321
Exchange Gain/ (Loss) (for the period ended June 30, 2024)					3,542,903
Exchange Gain/ (Loss) (as at June 30, 2024)					71,341,224
Total unutilized including exchange Gain/ (Loss), Bank Charge					351,943,457



Closing Balance on the IPO Bank Accounts

The company has received the IPO Proceeds in the following four separate Bank Account maintaining with BRAC Bank Limited, Gulshan Branch, Dhaka. The closing balances on the bank accounts that held the IPO funds as at **September 30, 2024** (Considering Exchange Gain/Interest Income/Bank charge) is as follows:

Account #	Opening Balance (BDT/USD/ GBP/EUR)	Exchange Rate on June 30 2023	Opening Balance (BDT)	Withdraw (BDT)	Bank Charge (BDT)	Closing Balance (USD/ GBP/EUR)	Exchange Rate on June 30 2024	Exchange Gain / (Loss)	Closing Balance (BDT)
1501202739426003	137,053,350	1.000	137,053,350	-	-	137,053,350	1.000	-	137,053,350
1501202739426004	1,786,813	117.521	209,988,698	-	-	1,786,813	119.450	3,446,115	213,434,813
1501202739426005	6,847	148.660	1,017,875	-	-	6,847	159.820	76,413	1,094,288
1501202739426006	2,707	125.850	340,631	-	-	2,707	133.36	20,375	361,006
Total			348,400,554	-	-			3,542,903	351,943,457



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

The total unutilized fund (including Exchange Gain/Interest Income/Bank Charges) of BDT 351,943,457 (Thirty-Five Crore Nineteen Lakh Forty-Three Thousand Four Hundred and Fifty-Seven Taka) only as at September 30, 2024 with the following banks:

Sl	Bank	Branch	A/C #	Balance as on 30 June 2024 (BDT)	Balance as on 30 Sept 2024 (BDT)	Remarks
1	BRAC Bank PLC	Gulshan	1501202739426003	137,053,350	137,053,350	IPO A/C
2	BRAC Bank PLC	Gulshan	1501202739426004	209,986,237	213,434,813	IPO A/C
3	BRAC Bank PLC	Gulshan	1501202739426005	1,017,885	1,094,288	IPO A/C
4	BRAC Bank PLC	Gulshan	1501202739426006	340,631	361,006	IPO A/C
5	Dutch Bangla Bank PLC	Dhaka EPZ	1221100001038	-	-	
Total				348,400,564	351,943,457	

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 September 30, 2024
(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	Fund utilized (BDT) as at June 30, 2024	Status of Utilization			Un-utilized %	Remarks
				Utilization during July 01, 2024 to September 30, 2024 (BDT)	Total utilization of fund (BDT) as at September 30, 2024	Utilized %		
As per initial prospectus and second, third & fourth approvals	18 months	1,500,000,000	1,219,397,757	-	1,219,397,757	81.29%	280,602,243	18.71%


Chairman


Managing Director


Chief Financial Officer


Company Secretary

