

**Certificate on  
Status Report on Utilization  
of  
Proceeds from Public Offering  
of  
New Line Clothings Ltd.  
For the month of February 2020**

**Certificate on  
Status Report on Utilization of Proceeds from  
Public Offering of New Line Clothings Ltd.  
For the month of February 2020**

We have been engaged by **New Line Clothings Ltd.** to certify whether the Company has complied with the conditions Initial Public Offering (IPO) in relation to the utilization of proceeds from Public Offering, as required by Bangladesh Securities and Exchange Commission (BSEC) under Section 2CC of the Securities and Exchange Ordinance 1969.

**The Company's Responsibilities**

Those charged with governance and management of the company are responsible for utilizing the IPO proceeds, preparation, fair presentation and furnishing of the status report on utilization of IPO proceeds from public offering in accordance with the Bangladesh Securities and Exchange Commission (BSEC) Rules 1987, conditions laid down in clauses 2, 3, 5 and 6 of Part-C of the consent letter #BSEC/CI/IPO-272/2017/49 dated 22<sup>nd</sup> January 2019 and other applicable rules and regulations.

**Our Responsibilities**

Our responsibility is to audit all the relevant documents in connection with the utilization of proceeds from IPO with reference to the TOR formulated by BSEC and certify whether the proceeds have been utilized and status report prepared in accordance with the conditions of IPO and clauses 3 and 4 of the consent letter #BSEC/CI/IPO-272/2017/49 dated 22<sup>nd</sup> January 2019 and other BSEC guidelines, rules and regulations.

**Conclusion**

We have examined relevant documents and obtained information and explanations which to the best of our knowledge and belief were necessary for the purpose of verification and certification of the annexed status report on utilization of IPO proceeds.

As per Terms of Reference, we draw attention to the following matters:

1. During this month, the utilized amount is Tk 10,439,247 for the purpose of Plant & Machinery from IPO proceeds held at Company's SND Account ( No. 13100001356) with Southeast Bank Limited, Banani Branch.
2. The company had paid total amount of Tk 15,881,900 for the purpose of IPO Expenses up to 29 February 2020 in which Tk 9,460,650 was paid from company's another bank account in earlier for the purpose of IPO Expenses and Tk 6,421,250 was paid from IPO proceeds account. During May 2019 the company had adjusted Tk 9,460,650 from IPO proceeds account and transferred to company's another bank account. It is mentionable here that the total IPO expense up to 31 May 2019 is Tk 14,131,900 against IPO expense budget of Tk 15,934,350 and the excess amount of Tk. nil was paid from company's own source.



**We also state that referred to above:**

- a) IPO proceeds have been utilized for the purposes as specified in the prospectus;
- b) IPO proceeds have been utilized in line with the conditions as stipulated in the BSEC's consent letter for the IPO;
- c) Utilization of IPO proceeds is being under completion within the time frame as specified in the prospectus;
- d) Utilization of IPO proceeds is accurate for the purposes of the company as mentioned in the prospectus;
- e) The annexed audited status report on IPO Proceeds Utilization has been made on verification of all necessary documents/papers/vouchers in support of utilization of IPO proceeds making reconciliation with bank statement as submitted by the management of the company for the purpose.

Date: 09 March, 2020  
Place: Dhaka

  
**FAMES & R**  
Chartered Accountants





**REPORT ON UTILIZATION OF IPO PROCEEDS**  
For the Month of February 2020

Name of the Company : New Line Clothings Ltd.  
Amount(BDT) of Capital raised through IPO : Tk. 300,000,000  
Date of close of Subscription : March 03, 2019  
Proceeds Receiving Date : April 04, 2019  
Last Date of Full Utilization of Fund as per Prospectus : With in 12 Months of receiving IPO Fund

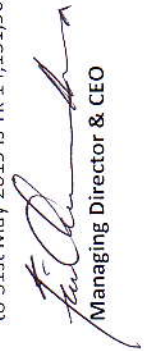
SL.	Purpose Mentioned in the Prospectus	Time Line as per Prospectus	Amount as per Prospectus	Status of Utilization		Utilized (%)	Total Un-utilized Amount	Un-utilized (%)	Remarks
				This Month	Total Utilized Amount				
a)	Acquisition of Plant & Machinery	Within 6 months of receiving IPO fund	117,682,660	10,439,247	56,410,675	47.93%	61,271,985	52.07%	
b)	Extension of Factory Building	Within 12 months of receiving IPO fund	76,382,990	-	13,529,085	17.71%	62,853,905	82.29%	
c)	Partial Long Term Loan repayment(Southeast Bank Ltd, Banani Branch)	Within 1 month of receiving IPO fund	90,000,000	-	-	0.00%	90,000,000	100.00%	
d)	IPO Expenses	As and when required	15,934,350	-	15,881,900	99.67%	52,450	0.33%	
	<b>Total</b>		<b>300,000,000</b>	<b>10,439,247</b>	<b>85,821,660</b>		<b>214,178,340</b>		

Net Interest on IPO Proceeds : 1,007,327  
Un-Utilized IPO Proceeds : 214,178,340  
**Total Un-Utilized IPO Proceeds with net Interest Income : 215,185,667**

**Percentage:**  
Interest on IPO Proceeds : 00.47%  
Un-Utilized IPO Proceeds with Interest Income : 99.53%

**Notes:**

- a) During this month, the utilized amount is Tk 10,439,247 for the purpose of Plant & Machinery from IPO proceeds held at Company's SND Account ( No. 131000013556) with Southeast Bank Limited, Banani Branch.
- b) The company had paid total amount of Tk 15,881,900 for the purpose of IPO Expenses upto 29th February 2020 in which Tk 9,460,650 was paid from company's another bank account in earlier for the purpose of IPO Expenses and Tk 6,421,250 was paid from IPO proceeds account.  
During May'19 the company had adjusted Tk 9,460,650 from IPO proceeds account and transferred to company's another bank account. It is mentionable here that the total IPO expense up to 31st May 2019 is Tk 14,131,900 against IPO expense budget of Tk 15,934,350 and the excess amount of Tk nil was paid from company's own source.

  
Managing Director & CEO

  
Chief Financial Officer

  
Company Secretary



  
FAMES & R  
Chartered Accountants