

o/c

ACFL/IPO/CS/2024/115  
14<sup>th</sup> September, 2024

**The Chairman**  
Bangladesh Securities and Exchange Commission  
Securities Commission Bhaban,  
Plot: E-6/C, Agargaon,  
Sher-e-Bangla Nagar,  
Dhaka-1207, Bangladesh.

**Subject: *Submission of status of utilization of IPO proceeds of Aman Cotton Fibrous Limited.***

Dear Sir,

In compliance with **Condition No. 3 of Part-C** of the **BSEC Consent Letter No. BSEC/CI/IPO-202/2012/305** dated May 03, 2018, we are pleased to enclose herewith the Audited Status of utilization of IPO proceeds for the month of August 31, 2024.

This is submitted for your kind perusal and record.

Thanking you,

Yours truly,



Md. Rafiqul Islam  
Managing Director  
Aman Cotton Fibrous Limited.



Copy to:

1. Dhaka Stock Exchange Limited
2. Chittagong Stock Exchange Limited.

CHITTAGONG STOCK EXCHANGE PLC  
DHAKA OFFICE  
**RECEIVED**  
DATE: 15.09.24  
TIME: 03:20 SIGN: [Signature]

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ACFL/IPO/CS/2024/115

14<sup>th</sup> September, 2024

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Plot: E-6/C, Agargaon,  
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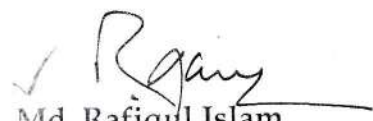
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Md. Rafiqul Islam  
Managing Director  
Aman Cotton Fibrous Limited.

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## Report on the Utilization of IPO Proceeds

For the month of August, 2024


G. KIBRIA & CO.  
Chartered Accountants

Name of the Company : Aman Cotton Fibrous PLC  
 Amount(BDT) of Capital Raised Through IPO : 80,00 Crore(Apprx.)  
 Date of Close of Subscription : June 10, 2018  
 Proceeds Receiving Date : August 05, 2018  
 Last Date of Full Utilization of Fund as per prospectus : Within 12 months of obtaining IPO proceeds

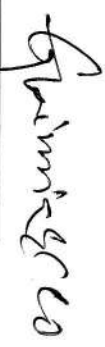
(All the figures are in BDT.)

Sl.	Purpose Mentioned in the Prospectus	Time line as per prospectus	Revised Time Line	Amount as per prospectus	Status of Utilization			Remarks		
					This Month Utilization	Total Utilized Amount	Utilized %		Total Un-utilized Amount	Un-utilized %
a)	Acquisition & Installation of machineries	Within 12 months of receiving the IPO proceeds	20 August, 2024	663,375,000	-	-	0.00%	663,375,000	100.00%	The Board of Directors extended the IPO Fund Utilization time upto 20th August, 2024 which approved by the shareholders in its 18th AGM.
b)	Business Expansion	DO	20 August, 2024	53,934,365	-	-	0.00%	53,934,365	100.00%	
c)	Loan Repayment	DO		47,690,635			100.00%			
d)	IPO Expenses	DO		35,000,000			99.46%	188,972	0.54%	
	<b>Total</b>			<b>800,000,000</b>	<b>-</b>	<b>82,501,663</b>		<b>717,498,337</b>		

Percentage : 37.28%  
 Interest on IPO/RPO/RI proceeds : 267,467,476  
 Un-utilized IPO/RPO/RI proceeds without interest income : 717,498,337

  
 Md. Rafiqul Islam  
 Managing Director  
 Aman Cotton Fibrous PLC



  
 G. KIBRIA & CO.  
 Chartered Accountants  
 Place: Dhaka  
 Dated: September 12 2024

**Foot note:**

1.) As per original Prospectus the Company has a commitment to pay the liabilities of Union Capital Limited. Accordingly the company has paid taka 116,420,500/- up to March, 2024 and subsequently the liability has been fully adjusted.

2.) The company has already distributed dividend of taka 289,403,331.00 (Approx) last Six years, in spite of the business expansion has not started. The management of the company has clarified us that to import the machine and equipment, it will take time 1½ year but in this time the following reasons occurs:

- (i). Unfavorable business of last few years;
- (ii). Covid -19 pandemic;
- (iii). Ukraine Russia war;
- (iv). Dollar crisis;
- (v). Rate fluctuation etc.

For that reasons we extended IPO Fund Utilization Time up to 20<sup>th</sup> August, 2024 which approved by the shareholders in its 18<sup>th</sup> Annual General Meeting & duly submitted the AGM Minutes to BSEC dated 04<sup>th</sup> January 2024.



### To Whom It May Concern

Based on our audit accompanying Status of Utilization of IPO proceeds with reference to all related documents of **Aman Cotton Fibrous PLC** ("the company") as of August 31, 2024, we certify that, to the best of our knowledge and belief and according to the examination:

- a. The IPO proceeds that have been utilized for the purposes/heads specified in the prospectus.
- b. The IPO proceeds have been utilized in line with the conditions of the commission's consent letter.
- c. The company has utilized TK. 82,501,663 in total as of August 31, 2024 out of the schedule of the committed expenditures.
  - 1) Out of the schedule of committed expenditures, the loan repayment amounted to TK. 47,690,635 has already been utilized as of August 31, 2024.
  - 2) The utilization of IPO issue expenses was TK. 34,811,028 as of August 31, 2024. During the month of August 31, 2024, no amount has been utilized for paying off IPO expenses.
- d. The utilization is accurate and for the purpose of the company as mentioned / specified in the prospectus as of August 31, 2024.
- e. No asset was procured/imported/constructed by Aman Cotton Fibrous PLC using IPO proceeds as of August 31, 2024. But, Total TK. 730,000,000 has been temporarily invested in FDR (FDR with First Security Islami Bank Limited Tk. 38 crore, FDR with Al-Arafah Islami Bank Limited Tk. 15 crore and FDR with Commercial Bank of Ceylon Tk. 20 crore) as of August 31, 2024 for a short period that will be used to acquire machinery. To discharge our responsibilities, we have verified the FDRs physically with the banks and we found that the FDRs were liened for enjoying credit facilities of Aman Foods Ltd. And Akin Carriers Ltd. Which was approved in AGM on May 02, 2021.
- f. According to the consent letter of IPO from BSEC, the company is supposed to utilize the whole IPO proceeds within one year of IPO Proceeds receipt which ended by August 2019. However, the balance of the un-utilized IPO proceeds is TK. 717,498,337/- as of August 31, 2024. The Management has informed us that the Board of Directors of Aman Cotton Fibrous PLC has approved a revised timeline for the utilization of IPO proceeds up to August 20, 2024. This approval aligns with the decision made by the shareholders during the company's 18th Annual General Meeting, as per Part C, Clause no. 6 of the BSEC consent letter. According to the statement of FDR, we have noted that the Interest earnest amount of Tk. 173,840,073/- and transferred to inter-company loan. We have recommend taking approval from the shareholders in AGM. Moreover, we have observed that the current FDR amount stands at Tk. 785,854,131/- (with a principal amount of Tk. 73,00,00,000/- and interest amounting to Tk. 55,854,131/-) as per FDR statement.
- g. The company received approval from the shareholders at the 18th AGM, allowing the Board of Directors to extend the IPO fund utilization period up to August 20, 2024. However, the company need approval for further extension of time/period for IPO fund utilization.



Place: Dhaka,  
Date: September 12, 2024.

  
**Mohammad Showket Akber FCA, ACS**  
Partner  
**G. KIBRIA & CO.**  
Chartered Accountants  
Enrol No. 970

**Head Office:** Sadharan Bima Sadan (5th Floor), 24-25 Dilkusha Commercial Area, Dhaka-1000, Bangladesh  
**Branch Office:** House-51, Floor-4, Road-14, Block-G, Niketon, Gulshan-1, Dhaka-1212  
**Email:** showketca970@gmail.com, Mob: 01798-041236, www.gkibriaandco.com  
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