

ACFL/IPO/CS/2024/131
09th October, 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 September 30, 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.

AMAN COTTON FIBROUS LTD.

CHITTAGONG STOCK EXCHANGE PLC
DHAKA OFFICE
RECEIVED
DATE: 14.10.24
TIME: 03.15 SIGN: [Signature]

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Uttara, Dhaka-1230
Bangladesh
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Report on the Utilization of IPO Proceeds

For the month of September, 2024


G. KIBRIA & CO.
Chartered Accountants

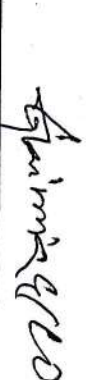
Name of the Company : Aman Cotton Fibrous PLC
 Amount(BDT) of Capital Raised Through IPO : 80.00 Crore(Apprx.)
 Date of Close of Subscription : June 10, 2018
 Proceeds Receiving Date : August 05, 2018
 Last Date of Full Utilization of Fund as per prospectus : Within 12 months of obtaining IPO proceeds

(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		Utilized %	Total Un-utilized Amount	Un-utilized %	Remarks
					This Month Utilization	Total Utilized Amount				
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%		0.00%	
d)	IPO Expenses	DO		35,000,000			99.46%	188,972	0.54%	
	Total			800,000,000	-	82,501,663		717,498,337		

Percentage : 37.10%
 Interest on IPO/RPO/RI proceeds : 266,196,604
 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: October 08 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 20th August, 2024 which approved by the shareholders in its 18th Annual General Meeting & duly submitted the AGM Minutes to BSEC dated 04th 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 September 30, 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 September 30, 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 September 30, 2024.
 - 2) The utilization of IPO issue expenses was TK. 34,811,028 as of September 30, 2024. During the month of September 30, 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 September 30, 2024.
- e. No asset was procured/imported/constructed by Aman Cotton Fibrous PLC using IPO proceeds as of September 30, 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 September 30, 2024 for a short period. We have verified the FDRs physically with the banks and have found that the FDRs were liened against the credit facilities of two sister concern of the company namely "Aman Foods Ltd." and "Akin Carriers ltd.", and such decision were taken and being approved in the AGM of the company which was held 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 unutilized IPO proceeds is TK. 717,498,337/- as of September 30, 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 earned 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. 784,159,635/- (with a principal amount of Tk. 73,00,00,000/- and interest amounting to Tk. 54,159,635/-) 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.

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

Place: Dhaka,
Date: October 08, 2024