

ACFL/IPO/CS/2025/48
12th February, 2025

The Chairman

Bangladesh Securities and Exchange Commission
Securities Commission Bhalban,
Plot # 6/C, Agargoan
Sher-e-Bangla Nagar
Dhaka-1207, Bangladesh.

Subject: Submission of status 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 enclosed herewith the Audited Status of Utilization of IPO proceeds for the month of January 31, 2025.

This is 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 PLC.
2. Chittagong Stock Exchange PLC.



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AMAN COTTON FIBROUS LTD.

CHITTAGONG STOCK EXCHANGE PLC
DHAKA OFFICE
RECEIVED
DATE: 13.02.25
TIME: 11.32 SIGN: sojel



To Whom It May Concern

Based on our audit of the Status of Utilization of IPO proceeds of Aman Cotton Fibrous PLC as of January 31, 2025, we certify that:

- a. IPO proceeds have been utilized amounting Tk. 8,25,01,663.00, which is 10.31% of the purposes/heads as specified in the prospectus.
- b. IPO proceeds have been utilized 100% for loan repayment and 99.46% for IPO expenses, as per the conditions of the commission's consent letter.
- c. The company has utilized Tk. 8,25,01,663.00 in total, which is 10.31% of the IPO proceeds as of January 31, 2025. Committed expenditures amounted to Tk. 80,00,00,000.00
 - 1) Out of the schedule of committed expenditures, the loan repayment was Tk. 4,76,90,635.00, which is 100% of the committed amount as of January 31, 2025.
 - 2) The utilization of IPO Expenses was Tk. 3,48,11,028.00, which is 99.46% of the committed amount as of January 31, 2025. During the month of January 2025, no additional amount has been utilized for paying off IPO expenses.
- d. The utilization of IPO proceeds was accurate and for the purposes of the company as mentioned/specified in the prospectus.
- e. No asset was procured/imported/constructed by Aman Cotton Fibrous PLC using IPO proceeds as of January 31, 2025. An amount of Tk. 73,00,00,000.00 has been temporarily invested in various FDR(s) and FDR with First Security Islami Bank Limited was Tk. 38 crore, FDR with Al-Arafah Islami Bank Limited was Tk. 15 crore and FDR with Commercial Bank of Ceylon was Tk. 20 crore till January 31, 2025 for a short period and this amount will further be used to acquire machinery. As part of our responsibilities, we have verified the FDR(s) physically with the banks and we found that the FDR(s) were a lien for enjoying credit facilities of Aman Foods Ltd. and Akin Carriers Ltd. The directors of the company have taken approval for such investment in the AGM of the company held on May 02, 2021.
- f. According to the consent letter of the IPO from BSEC, the company should utilize the entire IPO proceeds within one year of receiving them, which ended in August 2019. However, the balance of unutilized IPO proceeds is Tk. 717,498,337.00 as of 31 January, 2025. The Management has informed us that the Board of Directors of Aman Cotton Fibrous PLC has approved a revised timeline for utilizing the 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. As per the bank statements for the FDR(s), we have observed that till 31 January 2025 the company has earned FDR(s) interest income amounting Tk. 193,675,266.00 and from this amount of TK 185,120,792.00 has been transferred as an inter-company loan to another sister concern of the group. We recommend seeking approval for such investments and transactions from the shareholders of the company during the AGM. Moreover,



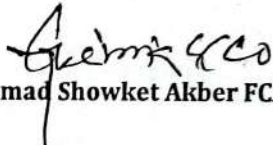
G. KIBRIA & CO.
CHARTERED ACCOUNTANTS



we have observed that the current FDR amount stands at Tk. 796,438,244.00, with a principal amount of Tk. 73,00,00,000.00 and interest amounting to Tk. 66,438,244.00 as per the FDR(s) bank statement. We have also noticed that the BSEC have notified the concerned Banks to suspend transactions of those FDR Account(s) via their letter reference no BSEC/E & I/ACL/2023/37/Enquiry/02/242 Dated April 05, 2023.

- g. The Board of Directors, in a meeting, have decided that the IPO fund utilization period shall be utilized for the acquisition of machineries and expansion of the business of the company until 31 December 2028 or until the AGM of the company, to be held in 2028, whichever comes first.

Place: Dhaka, Bangladesh
Date: February 12, 2025


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

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Report on the Utilization of IPO Proceeds

For the month of January, 2025

Name of the Company : Aman Cotton Fibrous PLC
 Amount(BDT) of Capital Raised Through IPO : 80.00 Crore(Appx.)
 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	31th December,2028	663,375,000	-	-	0.00%	663,375,000	100.00%	The Board of Directors extended the IPO Utilization Fund within the AGM of 2028 or 31th December 2028 (which even comes earlier) which approved by the shareholders in its upcoming 19th AGM.
b)	Business Expansion	DO	31th December,2028	53,934,365	-	-	0.00%	53,934,365	100.00%	
c)	Loan Repayment	DO		47,690,635		47,690,635	100.00%		0.00%	
d)	IPO Expenses	DO		35,000,000		34,811,028	99.46%		188,972	0.54%
	Total			800,000,000	-	82,501,663			717,498,337	

Percentage Interest on IPO/RPO/RI proceeds 40.04%
 287,276,568
 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: February 12, 2025

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 within the AGM of 2028 or 31th December 2028 which approved by the shareholders in its 19th Annual General Meeting & duly submitted the AGM Minutes to BSEC dated 05th January 2025.