

**CERTIFICATE ON
STATUS REPORT ON UTILIZATION
OF
PROCEEDS FROM PUBLIC OFFERING
OF
NEW LINE CLOTHINGS LTD.**

For the month of November 2020

**Certificate on
Status Report on Utilization of Proceeds from
Public Offering of New Line Clothings Ltd.
For the month of November 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 22nd 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 22nd 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 Nil/-
2. The company had paid total amount of Tk 15,881,900 for the purpose of IPO Expenses up to 30th November, 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.
3. The Board of Directors of the company has decided to revise the IPO utilization plan in its meeting held on December 10, 2019 and subsequently approved by the honorable shareholders in its 19th Annual General Meeting held on 30th December 2019. After that, company get approval regarding revised IPO utilization plan from Bangladesh Securities and Exchange Commission (BSEC) dated July 05, 2020 vide letter ref-BSEC/CFD/95/2020/64.



We also state that referred to above:

- a) IPO proceeds have been utilized for the purposes as specified in the prospectus and also revised utilization plan;
- 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 and also revised utilization plan;
- 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: 13 December, 2020
Place: Dhaka

FAMES & R
Chartered Accountants



REPORT ON UTILIZATION OF IPO PROCEEDS
For the Month of November 2020

Name of the Company
Amount(BDT) of Capital raised through IPO
Date of close of Subscription
Proceeds Receiving Date
Last Date of Full Utilization of Fund as per Prospectus

: New Line Clothings Ltd.
: Tk. 300,000,000
: March 03, 2019
: April 04, 2019
: With in 12 Months of receiving IPO Fund

Sl.	Purpose Mentioned in the Prospectus	Time Line as per Prospectus	Amount as per Prospectus	Amount as per Revised Utilization plan	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	159,730,116	-	61,215,658	38.32%	98,514,458	61.68%	Sl # a & b, revised Time Line would be 31.12.2020;
b)	Extension of Factory Building	Within 12 months of receiving IPO fund	76,382,990	34,335,534	-	13,529,085	39.40%	20,806,449	60.60%	
c)	Partial Long Term Loan repayment(Southeast Bank Ltd, Banani Branch)	Within 1 month of receiving IPO fund	90,000,000	90,000,000	-	-	0.00%	90,000,000	100.00%	Sl # c, revised Time Line would be 30 days after approval of the Commission;
d)	IPO Expenses	As and when required	15,934,350	15,934,350	-	15,881,900	99.67%	52,450	0.33%	
	Total		300,000,000	300,000,000		90,626,643		209,373,357		

Net Interest on IPO Proceeds : 2,925,611
Un-Utilized IPO Proceeds : 209,373,357
Total Un-Utilized IPO Proceeds with net Interest Income : 212,298,968

Percentage:
Interest on IPO Proceeds : 01.38%
Un-Utilized IPO Proceeds with Interest Income : 98.62%

Notes:


- a) During the month, the Company has utilized Tk Nil.
- b) The company had paid total amount of Tk 15,881,900 for the purpose of IPO Expenses upto 30th November 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.
- c) The Board of Directors of the company has decided to revise the IPO utilization plan in its meeting held on December 10, 2019 and subsequently approved by the honorable shareholders in its 19th Annual General Meeting held on 30th December 2019. After that, company get approval regarding revised IPO utilization plan from Bangladesh Securities and Exchange Commission(BSEC) dated July 05, 2020 vide letter ref- BSEC/CFD/95/2020/64;


Vice Chairman


Managing Director & CEO


Chief Financial Officer


Company Secretary


FAMES & R
Chartered Accountants

