

Report on Utilization of IPO Proceeds

For the month of 30 June, 2020

: Queen South Textile Mills Ltd.

: Tk. 150,000,000

: January 15, 2018

: January 25, 2018

: Within 30th June 2020 Following the approval in the 17th AGM

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

Sl.	Purpose Mentioned in the Prospectus	Time line as per prospectus	Revised time line (Up to 30th June 2020)	Utilized Amount		Un-utilized (%)	Remarks
				Amount as per Prospectus	Total Utilized Amount		
a)	Construction of Automatic warehouse System	Within 12 months of receiving IPO fund	Up to 30th June 2020 as approved in the 17th AGM held on 22nd December 2019	74,644,050	-	100.00%	
b)	Acquisition & Installation of Machineries for modernization of existing factory	Within 12 months of receiving IPO fund	-	56,012,034	50,027,871	10.68%	
c)	Repayment of short term bank loan	Within 3 months of receiving IPO fund	-	6,343,916	6,343,916	0.00%	
d)	IPO Expenses	As and when required	-	13,000,000	13,000,000	0.00%	
Total				150,000,000	69,371,787		

Net Interest on IPO Proceeds

Un-Utilized IPO Proceeds

Total Un-Utilized IPO Proceeds with Interest Income

Percentage:

Interest on IPO Proceeds: 7.64%

Un-Utilized IPO Proceeds with Interest Income: 61.39%

Notes:

- During the month, The company has utilized Tk. Nil.
- In respect of Acquisition & Installation of Machineries for modernization of existing factory, The company had opened a letter of Credit with Woori Bank, L/C No.200010219210699 valued EUR 300,000 dated : November 20,2019 .The Company has purchased natural gas engine generator set through the said L/C and paid EUR 300,000 equivalent to Tk. 29,290,500 from own source from company's another bank account No. 1509230010757.The company will adjust Tk.5,984,163 from un-utilized IPO fund after the encashment of FDR No. 0102 24300053090 upon receiving the importing machineries . The machineries have been reached at the designated destination but is not installed yet.It is mentionable here that the company has purchased natural gas engine generator set instead of purchasing 1 set of Yarn Package Drying Machine and 20 set of Stainless Steel trolleys as per prospectus and this plan was approved by the shareholders on the 17th Annual General Meeting and notified to BSEC.
- The Company had opened a Letter of Credit (L/C No. DC.DAO964037) under Proforma Invoice No. NT0019001 on November 24, 2019 with HSBC Bank of total L/C value of USD 1,493,995 for importing automatic warehouse system machineries among which USD 996,975 has been paid as margin deposit from own source during December,2019 and remaining USD 497,020 (USD 1,493,995- USD 996,975) will be paid from own source from Bank Account No.050-002120-005, HSBC Bank, Dhaka Gulshan Branch.The Automatic Warehouse System machineries have not been reached yet at the designated destination. The fund will be utilized/adjusted upon receiving the importing machineries and settlement of the said L/C.
- The Company has maintained Fixed Deposit Receipts (FDR) of Tk. 10,000,000 with Premier Bank Limited, Gulshan Branch, (FDR A/C NO. 0102 24300053090) as per bank certificate No. Premier/Gulshan/GB/2020/330 dated July 12, 2020.
- The Company has got permission from BEPZA (Bangladesh Export Processing Zones Authority) Dated: November 13,2018 for Construction of Automatic warehouse system and has started the construction work on February, 2019.
- The Time Frame for utilization of IPO Proceeds has been extended up to 31st October 2019 and approved by the Shareholders on the 16th Annual General Meeting held on December 27,2018. The revised IPO Utilization plan is yet to be approved by the Bangladesh Securities and Exchange Commission (BSEC) It is mentionable here that the Time Frame for utilization of IPO Proceeds has been extended for the 2nd time up to 30th June 2020 and approved by the Shareholders on the 17th Annual General Meeting held on December 22,2019 and notified to Bangladesh Securities and Exchange Commission (BSEC)

Chief Financial Officer

Rahman Mostafa Alam
16.07.2020

Rahman Mostafa Alam & Co.

Chartered Accountants

Company Secretary

[Signature]
CEO