

Report on Utilization of Fund of Right Issue (RI) Proceeds for the period February 01, 2025 to April 30, 2025

Name of the Company : Sinobangla Industries Ltd.
 Amount (BDT) of Capital Raised Through RI : 201,965,660
 Date of Close Subscription : February 15, 2024
 Proceeds Receiving Date : February 15, 2024
 Last Date of Full Utilization of Fund as Per ROD : Three to six months after receiving right issue fund

All the Figures are in BDT

Sl. No	Date of Subscription	Amount of Subscription (In BDT)	Purpose of issue	Item wise budgeted amount of Rights Share (as per ROD)			Investment made so far				Investment yet to be made		Remarks
				Item	Amount	Estimate time for completing scheme	Up to January 31, 2025	During the Quarter	Total Utilized Amount	%	Total Un-Utilized Amount	%	
					(In BDT)		(In BDT)	(In BDT)	(In BDT)	(In BDT)	(In BDT)		
1	15-Feb-24	201,965,660	Term Loan Repayments	Eastern Bank PLC, IPDC Finance PLC and United Finance Ltd	115,000,000	Immediate after receiving Right issue fund.	106,034,778	8,910,320	114,945,097	99.95%	54,903	0.05%	
2			Capital Machinery	Payment against purchase of Plastic Tape Extrusion Line With Winder and Standard	63,703,860	Three to six months after receiving right issue fund.	63,703,860	-	63,703,860	100.00%	-	0.00%	
				Payment against purchase of Circular Loom Machines with Standard Accessories.	23,261,800		23,261,800	-	23,261,800	100.00%	-	0.00%	
					201,965,660		193,000,438	8,910,320	201,910,757		54,903		

Total Un-Utilized RI Proceeds 54,903
 Net Interest on RI Proceeds (excluding AIT & Bank charges) current quarter (400)
 Net Interest on RI Proceeds (excluding AIT & Bank charges) previous quarters (53,070)
1,433

Percentage
 Net Interest on RI Proceeds (Current Quarter) 0.00%
 Net Interest Income with RI Proceeds -0.03%

Note:

A) As per term no. 19 of approval letter for the issuance of rights shares issued by the Bangladesh Securities and Exchange Commission (BSEC), the company needs to submit an audit report on the utilization of right issue proceeds for each quarter until the fund is fully utilized. According to the Right Share Offer Document (ROD), the date of close of subscription is February 15, 2024, so the company required to submit the audit report for the quarter ended May 31, 2024. However, due to an inquiry pending from the end of BSEC regarding the right share settlement, the company under compulsion unable to utilize the fund until June. As a result, the company couldn't submit the utilization report. The company used the funds from July, 2024 as a result the company was considering the quarter ending in July. The company consistently followed the policy, therefore, this report has been prepared for the quarter ended April 30, 2025.

B) The Company has received an amount of BDT 208,455,120 as subscription money for the right issue through its designated bank account against the offered amount of BDT 201,965,660 (10,098,283 shares at BDT 20 each, including a premium of BDT 10). The excess amount of BDT 6,489,460 was transferred to the company's another bank account (United Commercial Bank PLC CD- 0171101000000714) to return the money to the concerned shareholders. As of April 30, 2025, the company has returned BDT 6,296,960 (BDT 6,285,960 + BDT 11,000) to the shareholders, after deducting bank charges of BDT 5,345. A reconciled balance of BDT 187,155 remains in the bank account (United Commercial Bank PLC, CD A/C No. 0171101000000714). Due to technical issues, the company was unable to transfer the funds via bank. Individual cheques were issued in the names of the shareholders, which are yet to be collected by them.



C) As reported earlier, as per Rights Share Offers Document (ROD) the closing date of subscription was February 15, 2024. The company received subscription till March 12, 2024. The company received subscription amounts through bank up to 15th February 2024. After that, the company received pay orders from shareholders who failed to deposit the money through the bank and as per approval of the company in line with the clause 6 of approval letter from BSEC, the company deposit and clear the instrument till 6th March, 2024. On 11th and 12th March of 2024 the company received under-subscription amount from the underwriter. The company also sent an intimation letter to BSEC, reference no. SIBL/BSEC/7.02/24 dated March 05, 2024, regarding the list of shareholders who subscribed after the closing of the subscription period.

D) As reported earlier, As of July 31, 2024 the company has also utilized an amount of BDT 642,634 to repay lease finance to United Finance Limited. After payment of the loans with Eastern Bank PLC and IPDC Finance PLC, the remaining available funds from the Rights Issue Proceeds was BDT 18,031,880 (115,000,000 - 96,968,120). However, the outstanding balance with United Finance Limited was BDT 33,960,919.10. Therefore, the company was unable to settle the full liability with available funds. As per terms and condition of the lease, United Finance Limited was reluctant to accept partial payment of the liabilities, so the company is paying the liability through monthly installments. During the quarter ended July 31, 2024, the company paid an amount of BDT 642,634 as a partial payment of an installment of United Finance Limited out of funds from the Rights Issue Proceeds.

As reported earlier, During the quarter ended October 31, 2024 the company has utilized an amount of BDT 4,212,012 (comprising three monthly installments) to repay lease financing to United Finance Limited also during the quarter ended January 31, 2025 the company has utilized an amount of BDT 4,212,012 (comprising three monthly installments) to repay lease financing to United Finance Limited.

During the quarter ended April 30, 2025 the company has utilized an amount of BDT 2,808,008 (comprising two monthly installments) to repay lease financing to United Finance Limited. Therefore, as of April 30, 2025 the company has utilized total amount of BDT 11,874,666 to repay lease financing to United Finance Limited.

E) During the quarter ended April 30, 2025, the company utilized an amount of BDT 6,102,312 to repay term loans to Eastern Bank PLC. In this regard, the company availed 3 (three) term loans from Eastern Bank PLC totalling to BDT 6,235,235.27 (Loan ID 101L064000000420 dated 05 January 2025 with a disbursement amount of BDT 1,831,567.44, Loan ID 101L064000000421 dated 16 January 2025 with a disbursement amount of BDT 968,971.33 and Loan ID 101L064000000427 dated 11 March 2025 with a disbursement amount of BDT 3,434,696.50). The company fully settled the above mentioned loans on 08 April 2025 by utilizing BDT 6,102,312 from the right issue proceeds, and the remaining amount was paid from its own funds.

F) As reported earlier, In the case of "Payment against purchase of Plastic Tape Extrusion Line with Winder and Standard Accessories" for BDT 63,703,860, the Company purchased the machinery for USD 690,900 through LC No. 147121020418 on February 24, 2022 (Bill of entry date). On January 15, 2024, a term loan of BDT 70,129,804.50 was generated against the said LC. On July 03, 2024, the company transferred BDT 63,703,860 to its own account (Eastern Bank PLC, CD AC# 1011060478177) and settled the liability totaling BDT 68,623,448.19. The excess amount of BDT 4,919,588 sourced from the company's own fund.

G) As reported earlier, In the case of "Payment against purchase of Circular Loom Machines with Standard Accessories" for BDT 23,261,800, the Company purchased the machinery for USD 217,400 on January 10, 2022 (Bill of entry date) and settled the liability on May 31, 2023. On July 03, 2024, the company transferred an amount of BDT 23,261,800 to its own account (Eastern Bank PLC, CD AC# 1011060478177) to compensate own fund of Company.

H) The company has been maintaining Bank Account with United Commercial Bank PLC Vide AC No. 0441101000001281 to manage the proceed from Right Share Issue. As on April 30, 2025 the bank balance of the account was BDT 1,432.75.


Vice Chairman


Managing Director


Chief Financial Officer


G. KIBRIA & CO.
Chartered Accountants

Date: May 14, 2025
Place: Dhaka