

**AUDITOR'S CERTIFICATE REGARDING MONTHLY STATUS REPORT OF
 UTILIZATION OF FUND AGAINST INITIAL PUBLIC OFFERING (IPO) OF
 VFS THREAD DYEING LIMITED
 FOR THE MONTH OF NOVEMBER-2018**

This is to certify that VFS THREAD DYEING LIMITED has received Tk. 220,000,000 (Taka Twenty Two Crore) only as Initial Public Offering (IPO) proceeds through subscription from 24 June 2018 to 02 July 2018 in the separate Bank Account (Account number 1501203089179001) maintaining with BRAC Bank Limited, Gulshan Branch, Gulshan-1, Dhaka-1212. In line with the condition number 4, Part C of the consent letter number BSEC/CI/IPO-246/2015/357 dated: 23 May 2018 of Bangladesh Securities and Exchange Commission (BSEC), fund utilization status as on 30 November 2018 is as follows:

Sl. No.	Purpose of Utilization	Allotment as per IPO (Tk.)	Fund utilization (Taka) upto the month of October 2018	Fund utilized (Taka) for the month of November 2018	Total Utilization of Fund (Taka) upto November 30, 2018	Unspent Balance (Taka)
1	Acquisition of Plant and Machinery	177,403,108	22,403,108	-	22,403,108	155,000,000
2	Partial Payment of Term Loan	25,092,728	25,092,728	-	25,092,728	-
3	IPO Expenses	17,504,164	17,447,244	-	17,447,244	56,920
	Total IPO Proceeds	220,000,000	64,943,080	-	64,943,080	155,056,920
4	Exchange Loss /Bank Charges	-	56,920	-	56,920	(56,920)
	Total IPO Proceeds & Exchange Loss /Bank Charges	220,000,000	65,000,000	-	65,000,000	155,000,000

Total unutilized of fund excluding Exchange Loss /Bank Charges Tk. 15,50,56,920 (Taka: Fifteen Crore Fifty Lac Fifty Six Thousand Nine Hundred and Twenty) only and including Exchange Loss /Bank Charges Tk. 155,000,000 as on 30 November 2018 as at Bank with BRAC Bank Limited (Account number 1501203089179001), Gulshan Branch, Gulshan-1, Dhaka-1212 (including FDR amount maintain with separate Bank). We have collected relevant information and required documents for all disbursements made and we have also checked and enclosed Status Report (Annexure-A) of utilization of fund prepared by the management.



During the course of our certification, we have found that:

(a) the management of VFS Thread Dyeing Limited had paid Tk. 1,74,47,244 during the months of September-2018 for IPO expenses from the allotment as per IPO which Tk. 92,57,024 transferred to Mercantile Bank Limited. (Current A/C No. 014711100004101) for adjusting IPO expenses which were previously paid from the company's bank account.

(b) the management of VFS Thread Dyeing Limited has transferred Tk. 25,092,728 To Sonali Bank Current A/C No. 0002633133402 for payment of Loan and subsequently term loan was adjusted.

(c) the management of VFS Thread Dyeing Limited has deposited as FDR amount in Tk. 5,00,00,000 (Taka : Five Crore) only FDR A/C No. 00020330356108 with NCC Bank Ltd., Motijheel Branch, Dhaka for 3 Months and rate of interest at 06.75% per annum & FDR amount in Tk. 5,50,00,000 (Taka : Five Crore and Fifty Lac) only FDR A/C No. 20501910500811416 with Islami Bank Bangladesh Ltd., Mohakhali Branch, Dhaka for 3 Months and rate of interest at not mention and FDR amount in Tk. 5,00,00,000 (Taka : Five Crore) only FDR A/C No. 1071430000000024 with United Commercial Bank Ltd., Bijoyagar Branch, Dhaka for 3 Months and rate of interest at 05.25% per annum which is included in the total unutilized fund.

(d) the management of VFS Thread Dyeing Limited have transferred Tk. 2,24,03,108 to Sonali Bank Limited, Local Office (A/C No. 0002633133402) for opening letter of credit (L/C). The management opened a LC USD 16,94,976 for which Tk. 2,24,03,108 was paid as L/C margin and L/C opening charge, L/C No. 033018010254 dated 09 October 2018 for Acquisition of Plant and Machinery from the allotment as per IPO.

We also report that:

- i. the expenses/utilization has been made in line with the provision of Initial Public Offering (IPO) documents (Not applicable for the month of November 2018);
- ii. the expenses/utilization made in line with the condition 4, part C of consent letter of Initial Public Offering (IPO) (Not applicable for the month of November 2018);
- iii. the expenses/utilization Tk. 6,49,43,080 of IPO proceeds have been completed 3 (Three) Months (After Receiving of IPO fund) within 18 (Eighteen) Months mentioned the time schedule / implementation schedule as specified Initial Public Offering (IPO) documents (Not applicable for the month of November 2018);
- iv. the expenses/utilization made is accurate /for the purpose of the company as mentioned in Initial Public Offering (IPO) documents (Not applicable for the month of November 2018); and
- v. we also confirmed that: (i) expenses have been procured/incurred maintaining proper procedure as well as at a reasonable price; and (ii) books and records including vouchers in support of utilization of Initial Public Offering (IPO) proceeds are found correct (Not applicable for the month of November 2018).

Dated: 05 December 2018
Place: Dhaka

AHMAD & AKHTAR
Chartered Accountants



Report on Utilization of IPO Proceeds for the month of November-2018

Name of the Company : VFS THREAD DYEING LIMITED
 Amount (BDT) of Capital Raised Through IPO : BDT. 220,000,000.00
 Date of Close of Subscription : July 02, 2018
 Proceeds Receiving Date : 23 July 2018 to 06 September 2018
 Last Date of Full Utilization of Fund as per Proct : March 05, 2020 (within 18 Months of obtaining IPO proceeds)

Sl. No.	Purpose Mentioned in the Prospectus	Time line as per prospectus	Amount as per prospectus	Status of Utilization				Remarks			
				Fund utilization (Taka) upto the month of October 2018	Fund utilized (Taka) for the month of November 2018	Total Utilized Amount	Utilized %		Total Un-utilized Amount	Un-utilized %	
1	Acquisition of Plant and Machinery	18 Months	177,403,108	22,403,108	-	22,403,108	12.63%	155,000,000	87.37%	IPO Utilization proceeds Certified by AHMAD & AKHTAR, Chartered Accountants	
2	Partial Payment of Term Loan	15 Days	25,092,728	25,092,728	-	25,092,728	100.00%	-	0.00%		
3	IPO Expenses	As or when required	17,504,164	17,447,244	-	17,447,244	99.675%	56,920	0.32518%		
Total IPO Proceeds				220,000,000	-	64,943,080		64,943,080	155,056,920		

Note: The Company did not utilize any amount during the month of November 2018.

SARWAT KHALED

Chairman

[Signature]

Managing Director

[Signature]

Company Secretary

[Signature]

Chief Financial Officer

