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AUDITOR'S CERTIFICATE REGARDING MONTHLY STATUS REPORT OF UTILIZATION OF FUND AGAINST INITIAL PUBLIC OFFERING (IPO) OF M.L. DYEING LIMITED
FOR THE MONTH OF SEPTEMBER-2020

This is to certify that M.L. DYEING LIMITED has received Tk. 200,000,000.00 (Taka Twenty Crore) only as Initial Public Offering (IPO) proceeds through subscription from 08 July 2018 to 19 July 2018 in the separate Bank Account (Account number 0021360002882, FC A/C # 0021680000018, A/C # 0021680000019 & A/C # 0021700000011 respectively) maintaining with Social Islami Bank Limited, Principal Branch, 15, Dilkusha C/A, Dhaka-1000. In line with the condition number 4, Part C of the consent letter number BSEC/CI/IPO-152/2011/395 dated: 10 June, 2018 of Bangladesh Securities and Exchange Commission (BSEC) as well as approval of shareholders in 18th AGM dated 19/12/20 for revised utilization of IPO fund, utilization status as on 30 September, 2020 is as follows:

Sl. No.	Purpose of Utilization	Allotment as per IPO (Tk.)	As per Revised Utilization plan approved in the 18th AGM dated 19/12/2019	Fund utilization (Taka) up to August, 2020	Fund utilized (Taka) for the month of September, 2020 (**)	Total Utilization of Fund (Taka) upto September 30, 2020	Balance (Taka)
1	Acquisition of Machineries and Equipments	178,300,000	181,611,244	168,938,170	12,673,074	181,611,244	-
2	IPO Expenses	21,700,000	18,388,756	18,388,756	-	18,388,756	-
	Total IPO Proceeds	200,000,000	200,000,000	187,326,926	12,673,074	200,000,000	-

Exchange Loss /Interest Income/Bank Charges related to IPO fund:

Interest Income	10,868,973
Bank Charges	73,580
Exchange Loss	97,160

Use of Fund for September 2020 are as follows:

Cost/Payment:

Total Cost of Acquisition of Machineries	**13,766,399**

Allocation of Payment:

From IPO Fund (**)	12,673,074	
Fund from Company's Own source	1,093,325	
Total		**13,766,399**

Total utilized IPO fund Tk. 200,000,000.00 (Tk. Twenty Crore) only and total unutilized fund is Tk. nil. 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 M.L. Dyeing Limited has shown Tk. 18,195,196.00 as IPO expenses of which Tk. 10,167,086.00 had expended earlier from Company's own source which has transferred to SBAC Bank Ltd. (SND A/C No. 0002130000763) during the month of October-2018 from Social Islami Bank Ltd. (A/C # 0021360002882) for adjusting the same.

(b) the management of M.L. Dyeing Limited has transferred Tk. 34,051,000.00 (Taka : Three Crore Forty Lac and Fifty One Thousand) only during the months of October 2018 to Islami Bank Bangladesh Ltd. (MSND A/C No. 20501020900029211) for making LC payment for Importing Machineries. Balance of this account is Tk. 33,918,182.00 on 31 October, 2018. Tk. 328,818.00 has already expended in this regard as LC Opening charge, Bank charges and C & F cost which were made Tk. 132,818.00 from Islami Bank Bangladesh Ltd. (A/C # 20501020900029211) and Tk. 196,000.00 from Social Islami Bank Ltd. (A/C # 0021360002882).

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(c) the management of M.L. Dyeing Limited has transferred Tk. 6,400,000.00 (Taka : Sixty Four Lac) only during the months of November 2018 from Social Islami Bank Ltd account no:MND 0021360002882 to Islami Bank Bangladesh Ltd. (MSND A/C No. 20501020900029211) for making LC payment for Importing Machineries. Balance of this account is Tk. 25,194,264.00 on 30 November, 2018. During the month of November 2018, total fund utilized Tk. 15,281,918.00 of which Tk. 158,000.00 expended from Social Islami Bank Ltd. (A/C # 0021360002882) rest of the amount were expended from IBBL for the purpose of LC payment for Importing machineries.

(d) the management of M.L. Dyeing Limited has deposited as FDR amount in Tk. 135,000,000 (Taka : Thirteen Crore and Fifty Lac) only. FDR with Islami Bank Bangladesh Ltd., Local Branch, Dhaka for the term 1-6 Months and rate of interest at not mention. We also noted that the management has enchased Tk. 1.5 crore on April 07, 2019 out of Tk. 13.5 crore. Total encashment amount was Tk. 1,51,70,853.33 where profit included Tk. 1,70,853.33 net of Tax.

(e) the management of M.L. Dyeing Limited has paid Tk. 4,481,319 during the month of December 2018 against L/C opening charges, L/C payment, erection & installation expenses for acquisition of Machineries and Equipments from IPO Proceeds.

(f) the management of M.L. Dyeing Limited incurred Foreign Exchange conversion Loss amounting Tk. 97,160 during the month of December 2018 for realizing NRB IPO Proceeds account maintaining with Social Islami Bank Limited.

(g) the management of M.L. Dyeing Limited have received as interest amounting Tk. 7.71 net off withholding tax during the month of December 2018 from Islami Bank Bangladesh Limited.

(h) the management of M.L. Dyeing Limited has paid Tk. 2,096,161 during the month of January 2019 against L/C payment, Insurance premium, erection & installation (partial), carrying charges, duties and C & F expenses for acquisition of Machineries and Equipments from IPO Proceeds.

(i) the management of M.L. Dyeing Limited has paid Tk. 58,22,420 during the month of February 2019 against L/C Openning Commission & Margin for Fork Lift and erection & installation (partial) under acquisition of Machineries and Equipments from IPO Proceeds.

(j) the management of M.L. Dyeing Limited has paid Tk. 3,67,000 during the month of March 2019 against carrying charges, duties and C & F expenses for acquisition of Machineries and Equipments from IPO Proceeds.

(k) the management of M.L. Dyeing Limited has paid Tk. 2,66,25,377 during the month of April 2019 against L/C opening charges, L/C payment, carrying charges, erection & installation, Duties and C & F expenses for acquisition of Machineries and Equipments from IPO Proceeds.

(l) During the month of April 2019, the management of M.L. Dyeing Limited has expended Tk. 75,000.00 for Audit as pertial payment of fees for IPO utilization. The Company has paid for IPO expenses total amounting Tk. 1,82,68,756 upto the month of April 2019.

(m) the management of M.L. Dyeing Limited has utilized Tk. 60,000 during the month of May 2019 against erection & installation from IPO Proceeds.

(n) the management of M.L. Dyeing Limited has utilized Tk. 491,839 during the month of June 2019 against erection & installation from IPO Proceeds.

(o) During the month of July 2019, the management of M.L. Dyeing Limited has utilized Tk. 60,000.00 for utilization Audit purpose for the period of March '19 to June ;19 as partial payment of fees for IPO utilization. The Company has paid for IPO expenses total amounting Tk. 1,83,28,756 upto the month of July 2019.

(p) During the month of August 2019, the management of M.L. Dyeing Limited has utilized Tk. 15,000.00 for utilization Audit purpose for the period of July 2019 as partial payment of fees for IPO utilization. The Company has paid for IPO expenses total amounting Tk. 1,83,43,756 upto the month of August 2019.

(q) During the month of September 2019, the management of M.L. Dyeing Limited has utilized Tk. 15,000.00 for utilization Audit purpose for the period of August 2019 as partial payment of fees for IPO utilization. The Company has paid for IPO expenses total amounting Tk. 1,83,58,756 upto the month of September 2019.

(r) During the month of October 2019, the management of M.L. Dyeing Limited has utilized Tk. 15,000.00 for utilization Audit purpose for the period of September 2019 as partial payment of fees for IPO utilization. The Company has paid for IPO expenses total amounting Tk. 1,83,73,756 upto the month of October 2019.

(s) the management of M.L. Dyeing Limited has utilized Tk. 3,02,865 during the month of October 2019 against Insurance premium from IPO Proceeds.

(t) During the month of November 2019, the management of M.L. Dyeing Limited has utilized Tk. 15,000.00 for utilization Audit purpose for the period of October 2019 as partial payment of fees for IPO utilization. The Company has paid for IPO expenses total amounting Tk. 1,83,88,756 upto the month of November 2019.

(u) the management of M.L. Dyeing Limited has utilized Tk. 86,935 during the month of November 2019 against L/C opening charges and Insurance premium from IPO Proceeds.

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(v) During the month of December 2019, the management of M.L. Dyeing Limited has utilized Tk. 15,000.00 for utilization Audit purpose for the period of November 2019 as partial payment of fees for IPO utilization.

(w) the management of M.L. Dyeing Limited has utilized Tk. 72,000 during the month of December 2019 against Carrying charges of Machineries.

(x) the management of M.L. Dyeing Limited has utilized Tk. 32,000 during the month of February 2020 against Duties and C & F expenses of Machineries.

(y) the management of M.L. Dyeing Limited has transferred Tk. 2,300,071.00 (Taka : Twenty Three Lac Seventy One) only during the months of June 2020 from Social Islami Bank Ltd account no: MND 0021360002882 to Islami Bank Bangladesh Ltd. (MSND A/C No. 20501020900029211) for utilization purpose.

(z) During the month of July 2020, Tk. 4,849,920.00 (Tk. Forty Eight Lac Forty Nine Thousand Nine Hundred Twenty) only refunded and deposited in A/C # MSND A/C No. 20501020900029211 as reversal of Security Deposit against 100% L/C Margin due to cancellation of L/C # 086219010123 which was shown as fund utilization earlier.

The management of M.L. Dyeing Limited has transferred Tk. 7,000,000.00 (Tk. Seventy Lac) only during the month of July 2020 from MSND A/C No. 20501020900029211 to AWCA No. 20501020101224605 for utilization purpose.

The management of M.L. Dyeing Limited has utilized Tk. 6,972,308 during the month of July 2020 from AWCA No. 20501020101224605 against L/C Opening Commission & Margin for Acquisition of Machineries and Equipments.

(aa) the management of M.L. Dyeing Limited has encashed of FDR Tk. 12 crore on August 13, 2020. Total encashment amount was Tk. 130,556,068.60 where profit included Tk. 10,556,068.60 net of Tax.

(ab) the management of M.L. Dyeing Limited has transferred Tk. 123,568,252.00 (Taka : Twelve Crore Thirty Five Lac Sixty Eight Thousand Two Hundred Fifty Two) only and Tk. 10,000,000.00 (Tk. One Crore) only including IPO fund Tk. 123,440,204.00 during the month of August 2020 from MSND A/C No. 20501020900029211 to AWCA No. 20501020101224605 for utilization purpose.

The management of M.L. Dyeing Limited has utilized Tk. 110,767,130 during the month of August 2020 from AWCA No. 20501020101224605 against L/C Opening Commission, Charges & Margin for Acquisition of Machineries and Equipments. This L/C has been opened with 100% margin. However, this fund could have been kept lien as FDR with the bank and later paid against L/C at the time retirement of documents. Also, interest could have been earned for this time period.

(ac) The management of M.L. Dyeing Limited has utilized Tk. 13,766,399.00 during the month of September 2020 from AWCA No. 20501020101224605 against L/C Opening Commission & Margin for Acquisition of Machineries and Equipments of which Tk. 12,673,074.00 is out of IPO fund and Tk. 1,093,325.00 paid from Company's Own source. This L/C has been opened with 100% margin. However, this fund could have been kept lien as FDR with the bank and later paid against L/C at the time retirement of documents. Also, interest could have been earned for this time period.

We also report that:

i. the expenses/utilization has been made in line with the provision of Initial Public Offering (IPO) documents as well as approval of shareholders in 18th AGM dated 19/12/2019 for revised utilization of IPO fund;

ii. the expenses/utilization made in line with the condition 4, part C of consent letter of Initial Public Offering (IPO) as well as approval of shareholders in 18th AGM dated 19/12/2019 for revised utilization of IPO fund;

iii. the total expenses/utilization Tk. 200,000,000 of IPO proceeds have been completed as on September 30, 2020 after the receiving of IPO fund. The company utilized Tk. 69,602,488 within 18 months as mentioned in time schedule/ implementation schedule as specified in IPO implementation schedule as well as approval of shareholders in 18th AGM dated 19/12/2019 for revised utilization of IPO fund. The company utilized Tk 6,972,309 from IPO proceeds in the month of July 2020, Tk. 110,767,130 in August 2020 and Tk. 12,673,074 in the month of September 2020 which exceeds the implementation time schedule as per IPO declaration. The management of M.L. Dyeing Limited has represented us that the company could not utilized the full IPO fund within the declared time schedule as specified in prospectus due to the global impact of COVID-19 Pandemic and the utilization which exceeds the declared time and implemation schedule will be placed before the shareholders for approval in the company's upcoming AGM.

iv. the expenses/utilization made is accurate for the purpose of the company as mentioned in Initial Public Offering (IPO) documents as well as approval of shareholders in 18th AGM dated 19/12/2019 for revised utilization of IPO fund; 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.

Dated: 14 October, 2020
Place: Dhaka

SHIRAZ KHAN BASAK & CO. Dhaka Chartered Accountants

Ramendra Nath Basak, FCA
Partner
Shiraz Khan Basak & Co.
Chartered Accountants

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Report on Utilization of IPO Proceeds for the month of September, 2020

Name of the Company : **M.L. DYEING LIMITED**
Amount (BDT) of Capital Raised Through IPO : BDT. 200,000,000.00
Date of Close of Subscription : July 19, 2018
Proceeds Receiving Date : September 23, 2018
Last Date of Full Utilization of Fund as per Proceeds : March 22, 2020 (within 18 Months after obtaining IPO proceeds)

Annexure-A

Sl. No.	Purpose Mentioned in the Prospectus	Time line as per prospectus	Amount as per prospectus	Status of Utilization					Remarks
				As per Revised Utilization plan approved in the 18th AGM dated 19/12/2019	Fund utilization (Taka) up to August, 2020	Fund utilized (Taka) for the month of September, 2020	Total Utilization of Fund (Taka) upto September 30,	Utilized %	
1	Acquisition of Machineries and Equipments	18 Months	178,300,000	181,611,244	168,938,170	12,673,074	181,611,244	100.00%	L/C Opening & Payment, Carrying & erection charges, Duties and C & F expenses.
2	IPO Expenses	As and when required	21,700,000	18,388,756	18,388,756	-	18,388,756	100.00%	
Total IPO Proceeds			**200,000,000**	**200,000,000**	**187,326,926**	**12,673,074**	**200,000,000**		

Note:

* BDT 170,740 has incurred upto September 2020 as Bank Charges and foreign currency Loss of which Tk. 97,160 as Foreign Exchange conversion Loss, and the amount have been spent from company's own source. The Bank account(s) has been maintaining with Social Islami Bank Ltd., Islami Bank Bangladesh Limited.
* the management of M.L. Dyeing Limited has received interest total amounting to Tk. 10,868,973 net off withholding tax upto the month of September 2020 of which Tk. 10,726,921 received from FDR encashment.
* the total expenses/utilization Tk. 200,000,000 of IPO proceeds have been completed as on September 30, 2020 after the receiving of IPO fund. The company utilized Tk. 69,602,488 within 18 months as mentioned in time schedule/ implementation schedule as specified in IPO implementation schedule as well as approval of shareholders in 18th AGM dated 19/12/2019 for revised utilization of IPO fund. The company utilized Tk 6,972,309 from IPO proceeds in the month of July 2020, Tk. 110,767,130 in August 2020 and Tk. 12,673,074 in the month of September 2020 which exceeds the implementation time schedule as per IPO declaration. The company could not utilized the full IPO fund within the declared time schedule as specified in prospectus due to the global impact of COVID-19 Pandemic and the utilization which exceeds the declared time and implemation schedule will be placed before the shareholders for approval in the company's upcoming AGM.

Chairman | **Managing Director** | **Chief Financial Officer** | **Company Secretary**

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