

**AUDITOR'S CERTIFICATE REGARDING MONTHLY STATUS REPORT OF  
 UTILIZATION OF FUND AGAINST INITIAL PUBLIC OFFERING (IPO) OF  
 KATTALI TEXTILE LIMITED (KTL)  
 FOR THE MONTH OF APRIL 30, 2023**

This is to certify that Kattali Textile Limited has received Tk. 340,000,000 (Taka Thirty Four Crore) only as Initial Public Offering (IPO) proceeds through subscription from August 28, 2018 to September 13, 2018 in the company separate Bank Account (Account number 1501203618441001) has been 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-263 2017 549 on dated July 31, 2018 of Bangladesh Securities and Exchange Commission (BSEC), fund utilization status as on April 30, 2023 is as follows:

Sl. No.	Purpose of Utilization	Allotment as per IPO (Tk.)	Fund Utilization (Tk.) up to March 31, 2023	Fund utilized for the month of April 30, 2023	Total Utilization of Fund up to April 30, 2023	Unspent Balance (Taka)
1	IPO Expense	19,124,000	19,124,000	-	19,124,000	-
2	Construction of Factory Building Expansion Unit	172,779,916	100,142,125	13,300,000	113,442,125	59,337,791
3	Construction of Dormitory of Employee	25,312,794	16,000,000	-	16,000,000	9,312,794
4	Acquisition of New Machinery for Expansion Unit	89,787,540	17,335,000	8,425,000	25,760,000	64,027,540
5	Electric Installation of Transformer & Generator	7,995,750	7,995,750	-	7,995,750	-
6	Bank Loan Repayment (One Bank Limited)	25,000,000	25,000,000	-	25,000,000	-
	<b>Total IPO Proceeds</b>	<b>340,000,000</b>	<b>185,596,875</b>	<b>21,725,000</b>	<b>207,321,875</b>	<b>132,678,125</b>
7	Interest Income upto the month of April 30, 2023	-	49,124,987	1,624,965	50,749,952	50,749,952
8	TDS on Interest Income upto the month of April 30, 2023	-	(4,877,183)	(294,992)	(5,172,175)	(5,172,175)
9	Bank interest up to the month April 30, 2023	-	(361,426)	(6,267)	(355,166)	355,166
	<b>Total IPO Proceeds &amp; Interest Income/ (Bank Charges)</b>	<b>340,000,000</b>	<b>229,483,254</b>	<b>23,048,713</b>	<b>252,544,487</b>	<b>178,611,068</b>

Total unutilized fund excluding Interest income of Tk.132,678,125 only and including Interest income / (Bank Charges) Taka 178,611,068 as on April 30, 2023 lying with BRAC Bank Limited, Gulshan Branch, Gulshan-1, Dhaka-1212 (Account number 1501203618441001) and remaining unspent balance has been maintaining as FDR with Islamic Finance and Investment Limited. We have collected relevant information and required documents and found in order from bank statement, as per bank statement. Enclosed herewith the Status Report as Annexure-A for utilization of fund which has been prepared by the management.



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

- 1) The management of Kattali Textile Ltd. has been paid the amount of Taka. 113,442,125 as advance upto the month of April 30, 2023 for Construction of Factory Building Expansion Unit in which Taka 13,300,000 as advance to CSN Holdings during the month of April 30,2023 No withholding Tax and VAT was deducted from the advance.
- 2) The Company has paid amount of Tk.28,900,000 (Taka: Two Crore Sixty Lac ) against Construction of Dormitory of Employee out of sanction amount of Taka 2,53,12,794 (Taka: Two Crore Fifty Three Lac Twelve Thousand and Seven Hundred Ninety Four) in which Tk 12,900,000 as advance during the month from which withholding Tax and VAT was not deducted.
- 3) The Company has kept Tk.13,73,17,056 only as FDR with Islamic Finance and Investment Limited, Chottogram for twelve month. The company has been encashed FDR the amount of Tk 1,71,61,911 during the month of April 30 2023.
- 4) The Company earned interest income of BDT. 47,892,421/- (Taka: Four Crore Seventy Eight Lac Ninety Two Thousand and Four Hundred Twenty one) from FDR on IPO proceeds deposits and Foreign Exchange gain of BDT. 58,897 (Taka: Fifty Eight Thousand Eight Hundred and Ninety Seven). As against Interest income, bank has been deducted "Advance Income Tax" of BDT. 4,630,683. KTL also have a balance on Tk. 1,077,661/- (Taka: Ten Lac Seventy Seven Thousand and Six Hundred Sixty One) included Bank balance for suspense A/C (unadjusted refund) and bank charges BDT. 645,589/- (Taka: Six Lac Forty five Thousand and Five Hundred Eighty Nine) up to July 30, 2022
- 5) The Company received IPO Proceeds within November 11, 2018, as per prospectus the last date of fund utilization was October 31, 2020. Since the company couldn't utilize the IPO proceed fund within the due time, therefore the company had applied for time extension for further 12 (twelve) months through letter reference no. KTL/BSEC/2020/054 dated: October 31, 2020. But approval from respective authority has not yet been received.
- 6) The management of Kattali Textile Ltd. has paid Taka. 25,760,000 as expense upto the month of April 30, 2023 for Acquisition of New Machinery for Expansion Unit in which Taka 17,335,000 as advance within previous month and Taka 84,25,000 as expense during the month of April 30, 2023
- 7) The management of Kattali Textile Ltd. had previously paid Tk 4,827,750 for Electric Installation of Transformer & Generator but which amount wrongly included in Acquisition of New Machinery for Expansion Unit. The amount of Taka 3,168,000 as expenses has been paid during the month of March 31, 2023. No withholding Tax and VAT was deducted from the Expenses
- 8) According to the fund utilization monthly report of IPO Proceeds, report submission time line has been ended on October 2020 as per Prospectus. We have received a letter from the company, reference no. KTL/BSEC/2021/035 on dated October 31, 2021, where the company has applied to Bangladesh Securities and Exchange Commission (BSEC) for 2nd time, time extension for 12 months up to October 31, 2022 and BSEC has received the letter on dated November 01, 2021, But there is no approval letter available from BSEC as of today.

**We also report that:**

- i. the expenses/utilization has been made during the month of April 30, 2023 from the fund of Initial Public Offering (IPO);
- ii. the expenses/utilization made in line with the condition 4, part C of consent letter of Initial Public Offering (IPO);
- iii. the expenses/utilization Taka 207,321,875 of IPO proceeds have been completed up to April 30, 2023 according to the mentioned time schedule/ implementation schedule as specified Initial Public Offering (IPO) documents;
- iv. the expenses/utilization made is accurate /for the purpose of the company as mentioned in Initial Public Offering (IPO) documents; and
- v. we also confirmed that: (i) expenses have been procured/ incurred by maintaining proper procedure as well as at a reasonable price; and (ii) books and records including vouchers are found correct in support of utilization of Initial Public Offering (IPO) fund.

Dated: May 15, 2023  
Place: Dhaka

  
FAMES & R  
Chartered Accountants



**REPORT ON UTILIZATION OF IPO PROCEEDS**  
For the month of April 30, 2023

Name of the Company : Kattali Textile Limited  
Amount(BDT) of Capital raised through IPO : Tk. 340,000,000  
Date of close of Subscription : September 13, 2018  
Proceeds Receiving Date : October 23, 2018 to November 11, 2018  
Last Date of Full Utilization of Fund as per Prospectus : October 2020 (With in 24 Months of receiving IPO Fund)

Name of the Company : Kattali Textile Limited  
Amount(BDT) of Capital raised through IPO : Tk. 340,000,000  
Date of close of Subscription : September 13, 2018  
Proceeds Receiving Date : October 23, 2018 to November 11, 2018  
Last Date of Full Utilization of Fund as per Prospectus : October 2020 (With in 24 Months of receiving IPO Fund)

Annexure-A

Sl.	Purpose Mentioned in the Prospectus	Time Line as per Prospectus	Amount as per Prospectus	Status of Utilization			Utilized (%)	Total Un-utilized Amount	Un-utilized (%)	Remarks
				Fund Utilization (Tk.) up to March 31, 2023	This Month	Total Utilized Amount				
1	IPO Expense	Within	19,124,000	19,124,000	-	19,124,000	100.00%	-	0.00%	
2	Construction of Factory Building Expansion Unit	24 Months	172,779,916	100,142,125	13,300,000	113,442,125	65.66%	59,337,791	34.34%	
3	Construction of Dormitory of Employee	24 Months	25,312,794	16,000,000	-	16,000,000	63.21%	9,312,794	36.79%	
4	Acquisition of New Machinery for Expansion Unit	24 Months	89,787,540	17,335,000	8,425,000	25,760,000	28.69%	64,027,540	71.31%	
5	Electric Installation of Transformer & Generator	24 Months	7,995,750	7,995,750	-	7,995,750	100.00%	-	0.00%	
6	Bank Loan Repayment (One Bank Limited)	24 Months	25,000,000	25,000,000	-	25,000,000	100.00%	-	0.00%	
<b>Total Taka</b>			<b>340,000,000</b>	<b>185,596,875</b>	<b>21,725,000</b>	<b>207,321,875</b>		<b>132,678,125</b>		

**Notes:**

\*\* Bank Balance as on April 30, 2023 with BRAC Bank Limited, (Account number No. 1501203618441001) BDT. 51,596 (Account number No. 1501203618441002) (USD) 519.87, (Account number No. 1501203618441003) (GBP)00.00; and (Account number No. 1501203618441004) EUR. 206.24 ,and Al-Arafah Islami Bank Ltd. A/C No.00510200223251 on current account BDT 63,353/- and IFIL BDT.13,73,17,056 as FDR.

*NASREEN HOQ*  
Chairman

*[Signature]*  
Managing Director

*[Signature]*  
Chief Financial Officer

*[Signature]*  
Company Secretary

Dated: May 15, 2023  
Place: Dhaka

