



**AUDITORS' REPORT**  
**On IPO Proceeds Utilization**

We have audited the annexed Statement of Initial Public Offering (IPO) Proceeds Utilization of **Queen South Textile Mills Ltd.** as on September 30, 2018.

**Management's Responsibility for the IPO Proceeds Utilization**

Management is responsible for the preparation and fair presentation of this IPO Proceeds Utilization Statement and its related documents in accordance with Bangladesh Securities and Exchange Commission (BSEC) guidelines.

**Auditor's Responsibility**

Our responsibility is to express an independent opinion on this Initial Public Offering (IPO) Proceeds Utilization Statement based on our audit. We conducted our audit in accordance with International Standards on Auditing (ISA) and Bangladesh Securities and Exchange Commission (BSEC) guidelines.

We believe that the audit evidence we have obtained as provided by the management of the company is sufficient and appropriate to provide a basis for our audit opinion.

**Opinion**

In our Opinion, the Statement of Initial Public Offering (IPO) Proceeds Utilization prepared in accordance with Bangladesh Securities and Exchange Commission (BSEC) guidelines presents fairly in all material respects, of the statement as on 30 September 2018 and complies with the prospectus.

**We draw attention to the following matters,**

1. The Company has utilized a total amount of Tk.37,174,228 from IPO proceeds as described in the prospectus and revised IPO Utilization plan as approved by the shareholders in respect of Acquisition & installation of machineries for Tk. 17,830,312 against L/C payment; Repayment of short term bank loan for Tk. 6,343,916 against L/C Payment and IPO Expenses for Tk. 13,000,000.
2. During the month, the company has utilized total amount of Tk. Nil.
3. The Company has been maintaining Fixed Deposit Receipt (FDR) of Tk. 112,800,000 with Premier Bank Limited, Gulshan Branch, (FDR A/C NO. 010224300052606 & 0102 24300052679) as per bank certificate No. Premier/Gulshan/GB/2018/670 dated October 08, 2018 and approval for renewal of the FDR ( NO 0102 24300052679 ) as per Board of Directors' Meeting held on September 10,2018.

**We also state that referred to above:**

- a) IPO proceeds have been utilized for the purposes as specified in the prospectus and revised IPO Utilization plan;
- b) IPO proceeds have been utilized in line with the conditions as stipulated in the BSEC's Consent letter for the IPO;
- c) Utilization of IPO proceeds is being under completion within the time frame as specified in the prospectus;
- d) Utilization of IPO proceeds is accurate for the purposes of the company as mentioned in the prospectus;
- e) The annexed audited Statement of IPO Proceeds Utilization has been made upon verification of all necessary documents/papers/vouchers in support of utilization of IPO Proceeds making reconciliation with the Bank statement as submitted by the management of the company for the purpose.

Place: Dhaka;  
Date: October 10, 2018.

  
**Ahmed Zaker & Co.**  
Chartered Accountants



## Report on Utilization of IPO Proceeds

for the month of 30 September 2018

: Queen South Textile Mills Ltd.

: Tk. 150,000,000

: January 15, 2018

: January 25, 2018

: Within 18 Months of receiving IPO Fund

Name of the Company  
Amount (BDT) of Capital Raised Through IPO  
Date of Close of Subscription  
Proceeds Receiving Date  
Date of Full Utilization of Fund as per Prospectus

S. No.	Purpose Mentioned in the Prospectus	Time line as per prospectus	Revised time line (Up to.....)	Amount as per Prospectus	Utilized Amount		Un-utilized (%)	Remarks
					This month	Total Utilized Amount		
1)	Construction of Automatic warehouse System	Within 12 months of receiving IPO fund	-	74,644,050	-	-	100.00%	
2)	Acquisition & Installation of Machineries for modernization of existing factory	Within 12 months of receiving IPO fund	-	56,012,034	17,830,312	17,830,312	68.17%	
3)	Repayment of short term bank loan	Within 3 months of receiving IPO fund	-	6,343,916	6,343,916	6,343,916	100.00%	
4)	IPO Expenses	As and when required	-	13,000,000	13,000,000	13,000,000	100.00%	
<b>Total</b>					<b>150,000,000</b>	<b>37,174,228</b>		

Interest on IPO Proceeds	2,768,215
1-Utilized IPO Proceeds	112,825,772
<b>Total Un-Utilized IPO Proceeds with Interest Income</b>	<b>115,593,987</b>

Interest on IPO Proceeds  
1-Utilized IPO Proceeds  
**Total Un-Utilized IPO Proceeds with Interest Income**  
percentage:

Interest on IPO Proceeds: 1.85%  
1-Utilized IPO Proceeds with Interest Income: 77.06%

Notes:

1) During the month, The company utilized Tk. Nil.  
2) The Company has been maintaining Fixed Deposit Receipt (FDR) of Tk. 112,800,000 with Premier Bank Limited, Gulshan Branch, (FDR A/C NO. 010224300052606 & 0102 24300052679) as per bank certificate No. Premier/Gulshan/GB/2018/670 dated October 08, 2018 and approval for renewal of the FDR ( NO. 0102 24300052679 ) as per Board of Directors' Meeting held on September 10,2018.

Chief Financial Officer

Chief Executive Officer

Company Secretary

Ahmed Zaker & Co.  
Chartered Accountants