

DOMINAGE STEEL BUILDING SYSTEMS LTD.

www.dominage.net



Ref: DSBSL/SD/2022/073
Dated: November 19, 2022

Ofc

To
The Chairman
Bangladesh Securities and Exchange Commission
Securities Commission Bhaban
E-6/C, Agargaon
Sher-E-Bangla Nagar Administrative Area,
Dhaka-1207



*Delivered
20-11-22*

Attention: Dr. A.T.M. Tariquzzaman, Executive Director,
Corporate Finance Department (CFD)

Subject: Application for 15 (Fifteen) months extension of time regarding IPO fund Utilization of Dominage Steel Building Systems Ltd.

Dear Sir,

This is in reference to BSEC's consent letter no. BSEC/CI/IPO-296/2019/204, dated: September 17, 2020 through which the Commission has accorded its consent under subsection (2) (a) and (2) (b) of section 2A, read with section 28 of the Securities and Exchange Ordinance, 1969 and the Bangladesh Securities and Exchange Commission (Public Issue) Rules, 2015 to Dominage Steel Building Systems Ltd. regarding issuance of 3,00,00,000 Ordinary Share of Tk.10.00 each at an issue price of Tk.10.00 each at par totaling Tk. 30,00,00,000 (Tk. Thirty Crore) only through a public offer.

According to the prospectus, (rescheduled as per IPO Utilization proceeds approved in the 15th AGM) of Dominage Steel Building Systems Ltd., net proceeds from the Initial Public Offering (IPO) would be utilized for the Building and Other Construction, Electric Installation, Acquisition of New Plant & Machinery and IPO Related Expenses. The details are stated as under:

Sl. No.	Particulars	Proceeds of Allotment as per IPO(Tk.)	Fund utilized (Tk.) up to October 2022	Percentage (%)	Unspent Balance of IPO (Tk.)	Percentage (%)	Implementation Schedule
1	Building and other construction	58,647,418	-	0.00%	58,647,418	100.00%	December 21, 2020 to November 22, 2022
2	Electrical Installation	22,690,000	-	0.00%	22,690,000	100.00%	
3	Acquisition of new plant & machinery	202,155,833	144,830,000	71.64%	57,325,833	28.36%	
4	IPO Related Expenses	19,576,000	19,576,000	100.00%	-	0.00%	
	Total IPO Proceeds	303,069,251	164,406,000		138,663,251		

20 NOV 2022
SL. NO. 2022/073

Received By: [Signature]
20 NOV 2022
Time: 2:50 PM
Sign: [Signature]
Dhaka Stock Exchange Ltd.



As per the latest update, Dominage Steel Building Systems Ltd. has completed IPO Related Expenses by 100%, and allocated expenses for the acquisition of new plant and machinery of the IPO fund as per the prospectus has been completed by 71.64%. Unfortunately, 28.36% of allocated expenses for new plant & machinery & 100% of allocated expenses for Building and other construction and Electric Installation works are still incomplete due to the following reasons:

Due to the outbreak of the COVID-19 pandemic just after receiving the IPO funds and the subsequent war between Russia and Ukraine, the business environment has become uncertain and unstable. As a result, the price of construction materials and required machinery have almost doubled from our estimated price during the IPO offering. Also, there is a significant increase in production cost due to increased fuel and electricity which in turn increased our production cost and subsequently attributed to falling demand for pre-fabricated steel building products in the market.

Under the above-mentioned circumstances, we need another 15 months i.e up to March 2024 to complete the construction of the building and other construction, electrical installation, and acquisition of the remaining plant machinery.

Therefore, we request you to allow us 15 (fifteen) months' time extension for utilization of the remaining IPO fund of Dominage Steel Building Systems Ltd.

Thanking Yours

A handwritten signature in black ink, appearing to read "R. Islam", is written over a large, faint watermark of a construction vehicle with gears.

Engr. Mohammad Rafiqul Islam
Managing Director

Copy to

1. Managing Director, Dhaka Stock Exchange Ltd. (DSE)
2. Managing Director, Chittagong Stock Exchange Ltd. (CSE)

DOMINAGE