

Bangladesh Securities and Exchange Commission

BSEC/CI/IPO-322/2021/974

September 21, 2022

Managing Director

Asiatic Laboratories Limited
42-43, Siddeshwari Circular Road,
Treasure Island (5th Floor) Shantinagar,
Dhaka-1217

Manager to the Issue:

Chief Executive Officer

Shahjalal Equity Management Limited
Al -Razi Complex, Suite 901, Level-9, Block-C,
166-167, Shaheed Syed Nazrul Islam Sarani,
Dhaka-1000.

Registrar to the issue

Managing Director

BMSL Investment Limited
Shareef Mansion (4th Floor),
56-57 Motijheel C/A Dhaka-1000,

Subject: Consent for raising of capital through Initial Public Offer (IPO) and issuance of prospectus by Asiatic Laboratories Limited

This refers to your application dated 28 October, 2021 and subsequent submission of draft prospectus 'Due Diligence Certificates' and the audited Financial Statements of the Issuer Company as on 30 June, 2021 along with Auditor's Report thereon by the Company's Auditors, namely, **Ashraf Uddin & Co. Chartered Accountants**.

The Commission hereby accords its consent under section 2A, sub-sections (2)(a) and (2)(b), read with section 2B of the Securities and Exchange Ordinance, 1969 and rule 15(4) of the Bangladesh Securities and Exchange Commission (Public Issue) Rules, 2015, based on documents and information provided to the Commission, for raising of capital of **Tk. 950,000,000.00 (taka ninety five crore) through Initial Public Offer from which 25% of securities will be reserved for Eligible Investors (EIs) including Mutual Funds and CISS (EIs), asset manager of any Exchange Traded Fund (ETF) shall get 1% (one percent) quota and rest 24% (twenty percent) shall be distributed among the EIs (provided further that in case of under subscription for the said 1% quota, under subscribed portion shall be added to the quota for EIs) at their own bid price and quantity on highest to lowest bid basis in a descending order of individual bid price till exhaustion of the quota for EI category, and the remaining 75% of securities will be offered for General Public (GP) including NRB at an issue price which is 30% discounted (at nearest integer) from the cut-off price or Tk.20/- (taka twenty) which is lower under book-building method through**

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publication of Prospectus of Asiatic Laboratories Limited (hereinafter referred to as ‘Issuer’ or ‘Company), subject to the following condition imposed under section-2CC of the said Ordinance, as mentioned under Part-A,B,C,D & E namely:

PART-A

(Commence electronic bidding by the eligible investors to determine the cut-off price)

The Commission hereby imposes further conditions under 2CC of the Securities and Exchange Ordinance, 1969, to determine the cut-off price of ordinary shares of Asiatic Laboratories Limited in adherence to Rules 4(2)(c) of the Bangladesh Securities and Exchange Commission (Public Issue) Rules, 2015:

1. Each Eligible Investor (EI) who intends to submit application through the Electronic Subscription System (ESS) of the exchange(s) shall maintain a minimum investment of **Tk. 1.50 crore (Taka one crore fifty lac only)** for approved pension funds, recognized provident funds and approved gratuity funds and **other EIs of Tk. 3.00 crore (Taka three crore only)** in the listed securities (matured securities) including open-end mutual fund at market price (the close price of both Exchanges whichever is higher) as on the end of a working day which is immediately preceded by 5 (five) working days from the first day of starting the bidding as per clause (e) of sub-rule (1) of rule 2 of the Bangladesh Securities and Exchange Commission (Public Issue) Rules, 2015. The minimum bid value for bidding shall be Tk. 50,00,000.00 (Taka Fifty Lac only). Exchanges shall send the list of BO Accounts who have applied in the IPO to the Central Depository Bangladesh Limited (CDBL). CDBL shall send a report to the Exchanges on the basis of the list of BO Accounts provided by the Exchanges regarding holding of EIs in listed securities and the Exchange shall ensure the compliance in this regard.
2. Within 5 (five) working days of completion of the bidding process, the Issuer and Issue Manager shall **jointly** submit the following papers/documents to the Commission:
 - a) 10 (ten) copies of draft prospectus duly signed by the issuer and issue manager containing among others, the cut-off price and offer price for general public as discovered through the bidding process, number of shares to be allotted to each category of investors and a statement of shares to be allotted to each of the eligible institutional investors;
 - b) Statement of the designated bank account evidencing deposit of full bid amount by the eligible investors; and
 - c) Hard copy and soft copy of the bidding results.
3. The Company along with the Issue Manager and Registrar to the Issue shall ensure compliance of the above and the Bangladesh Securities and Exchange Commission (Public Issue) Rules, 2015 and subsequent amendments made there under;
4. Within 5 (five) working days of completion of the bidding period, the concerned Exchange(s) shall report to the Commission whether the bidding has been successfully completed or not and also furnish a summary report thereof;

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5. The concerned Exchange(s) shall extend cooperation to the Issuer and Issue Manager for compliance of condition No. 3 of this letter and Rule 4(2)(c)(xii) of the Bangladesh Securities and Exchange Commission (Public Issue) Rules, 2015;
6. The Commission's Directive No. BSEC/CMRRCD/2021-389/04 dated 01 February 2021 shall be complied with;
7. Electronic bidding shall be started **within 15 (fifteen) working days** from the date of issuance of this letter;
8. The fund collected through electronic bidding by the eligible investors shall not be utilized prior to listing with the Exchange(s) and that utilization of the said fund shall be effected through banking channel, i.e. through account payee cheque, pay order or bank drafts etc.; and
9. Upon completion of bidding process, the Issuer shall submit the prospectus for vetting and publication along with consent fee in advance @ 0.40% on the public offer amount by way of pay order/demand draft in favor of the 'Bangladesh Securities and Exchange Commission' **within 5 (five) working days of completion of such bidding.**

PART-B

(raising of capital through Initial Public Offer (IPO) for General Public including NRB)

1. According to the compliance with the conditions of Part-A of this letter, the Company shall go for Initial Public Offering (IPO) for raising of Tk. 950,000,000.00 (taka ninety five crore) from which 25% of securities are reserved for Eligible Investors (EIs) including Mutual Funds and CISs (EIs) at their own bid price and quantity on highest to lowest bid basis in a descending order of individual bid price till exhaustion of the quota for EI category and the remaining 75% of securities will be offered for General Public including NRB at an issue price which is **30% discounted (at nearest integer) from the cut-off price or Tk.20/-(taka twenty) which is lower** totalling Tk. 950,000,000.00 (taka ninety five crore) approximately following the Securities and Exchange Ordinance, 1969, the Bangladesh Securities and Exchange Commission (Public Issue) Rules, 2015, the Depository Act 1999 and rules made there under.
2. The abridged version of the prospectus, as approved and vetted by the Commission, shall be published by the issuer in 4 (Four) national daily newspapers (two in Bangla and two in English), **within 5 (Five) working days** of submission of compliance report of bidding to the Commission according to the conditions of Part-A of this letter. The issuer shall post the full prospectus in the issuer's website and shall also put on the websites of the Commission, stock exchanges, and the issue manager, **within 2 (two) working days** of publication of abridged version of prospectus in the newspaper and shall remain posted till the closure of the subscription list. The issuer shall submit to the Commission, the stock exchanges and the issue manager a diskette containing the text of the vetted prospectus in "MS- Word" format.

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3. The Company shall submit **40 (Forty)** copies of the printed prospectus to the Commission for official record within **5 (Five) working days** from the date of publication of the abridged version of the prospectus in the newspaper.
4. The issuer company and the issue manager shall ensure the transmission of the prospectus and its abridged version for NRBs through email to the Bangladesh Embassies and Missions abroad within **5 (Five) working days** from the date of publication of the abridged version of the prospectus in the newspaper. A compliance report shall be submitted in this respect to the Commission jointly by the Issuer and the Issue Manager within **2 (Two) working days** from the date of said transmission of the prospectus.
5. The following declaration shall be made by the Company in the prospectus, namely:-

“DECLARATION ABOUT LISTING OF SHARES WITH THE STOCK EXCHANGE(S):

None of the stock exchange(s), if for any reason, grants listing within **20 (twenty) working days** from the closure of subscription, any allotment in terms of this prospectus shall be void and the company shall refund the subscription money within **15 (Fifteen) days** from the date of refusal for listing by the stock exchanges, or from the date of expiry of the said **20 (twenty) working days**, as the case may be.

In case of non-refund of the subscription money within the aforesaid **15 (Fifteen) days**, the Directors of the company, in addition to the issuer company, shall be collectively and severally liable for refund of the subscription money, with interest at the rate of 2% (two percent) above the bank rate, to the subscribers concerned.

The issue manager, in addition to the issuer company, shall ensure due compliance of the above-mentioned conditions and shall submit compliance report thereon to the Commission within **7 (Seven) days** of expiry of the aforesaid **15 (Fifteen) days'** time period allowed for refund of the subscription money.”

The stock exchanges shall complete the listing procedure and start of trading of securities within 20 (Twenty) working days from the closure of subscription.

6. Each General Applicant (General Public and Non-resident Bangladeshi applicants) who intends to submit application through the Electronic Subscription System (ESS) of the exchange(s) shall maintain a minimum investment of Tk. 50,000/- (Taka fifty thousand only) for General Public (GP) and Tk.100,000/-(taka one lac) for Non-Resident Bangladeshi (NRB) in the listed securities (matured securities) including open-end Mutual fund at market price (the close price of both Exchanges whichever is higher) as on the end of a working day which is immediately preceded by 5 (five) working days from the first day of starting the subscription. The application amount shall be Tk. 10,000/- (Taka ten thousand only). Exchanges shall send the list of BO Accounts who have applied in the

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IPO to the Central Depository Bangladesh Limited (CDBL). CDBL shall verify the list of BO Accounts provided by the Exchanges regarding investment of general applicants in listed securities.

7. The IPO shall stand cancelled in case of under- subscription in GP category above 35%. In such an event, the issuer and issue manager shall inform the Commission **within 2 (two) working days** and release the subscription money **within 7 (Seven) working days** after receiving verification report from CDBL and the information from exchanges regarding subscription.
8. In case of under-subscription under any of sub-categories of General Public category, the unsubscribed portion shall be added to other sub-category of the General Public category. In case of over subscription in the general public category, the securities shall be allotted on pro-rata basis, any fraction shall be considered to the nearest integer and accumulated fractional securities shall be allotted on random basis.
9. An applicant cannot submit more than two applications, one in his/her own name and the other jointly with another person. In case, an applicant submits more than two applications, all applications will be treated as invalid and will not be considered for allotment purpose. In addition, 15% (fifteen) of the application money will be forfeited and deposited to the Commission by the exchanges and the balance amount will be refunded to the applicant.
10. The applicants who have applied for more than two applications using the same bank account, their application will not be considered for allotment purpose. In addition, 15% of their subscription money shall be forfeited and deposited to the Commission by the exchange and the balance amount will be refunded to the applicant.
11. Making of any false statement or giving any incorrect information or suppressing any relevant information in the application shall make the application liable to rejection and subject to forfeiture of 25% of the application money and/or forfeiture of share (unit) before or after issuance of the same by the issuer. The said forfeited application money or sell proceed of forfeited shares (units) will be deposited in the account of the Bangladesh Securities and Exchange Commission (BSEC) by the exchange. This is in addition to any other penalties as may be provided for by the law.
12. The company shall furnish the list of allottees simultaneously to the Commission and the stock exchange(s) in which the shares will be listed, **within 24 (Twenty-Four) hours** of allotment.
13. Shares which are not allotted at the time of according this consent, but allotted after listing, in favor of sponsors, directors or shareholders having 10% or more shares, other than alternative investment funds, through stock dividends, shall be subject to a lock-in period of 2 (two) years **from the first trading day at the exchange**.
14. If any share of Sponsors/Directors/Promoters is in paper format, it shall be handed over to



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securities custodian registered with the Commission and shall remain held till completion of lock-in period and the name of the securities custodian shall be furnished to the Commission jointly by the issuer and issue manager, along with a confirmation thereof from the custodian, within one week of listing of the shares with the stock exchange(s).

Otherwise, those shares (shares of Sponsors/ Directors/ Promoters) can be dematerialized and shall remain in lock-in under CDBL system and the issuer shall submit a dematerialization confirmation report generated by CDBL system and attested by Managing Director of the company along with the lock-in confirmation to the Commission within one week of listing of the shares with the stock exchange(s). In

respect of shares other than Sponsors/Directors/Promoters, the issuer will ensure their lock-in of those shares and submit a statement to this effect to the Commission.

15. **The company shall not declare any dividend/bonus shares before listing with any Exchange from the date of this letter.**
16. **The company shall issue shares to the General Investors (GI) at 30% discount of Cut-off price or Tk.20/-(taka twenty) which is lower;**
17. **The company shall not provide/sanction any Inter company loan from the date of this letter until further order of the Commission;**
18. The company shall not engage itself into any merger/amalgamation or acquisition activities without taking “No Objection” from the Commission, on the scheme of the said merger/amalgamation or acquisition, as recommended by the Board of Directors, before approval by the shareholders in the General Meeting, and
19. **The Issuer shall not increase its paid-up capital within 4 (four) years from the first trading day at the exchanges through issuance of bonus shares;**

PART-C **Application Process**

Step-1 (Applicant)

1. An applicant for public issue of securities shall submit an application/buy instruction to the Stockbroker/ Merchant Banker where the applicant maintains customer account, within the cut-off date (i.e. the subscription closing date), which shall be **commenced after 20 (twenty) working days and remain open up to 25th (twenty fifth) working days** from the date of publication of an abridged version of the prospectus.
2. The application/buy instruction may be submitted in prescribed paper or electronic form, which shall contain the Customer ID, Name, BO Account Number, Total Amount and

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Category of the Applicant. At the same time:

- a) Non Resident Bangladeshi (NRB) applicants shall:
 - Apply to Stockbroker/ Merchant Banker through BDT/NITA and provide bank certificate evidencing remit of foreign currency in the ESS;
 - Provide relevant documents in ESS in supporting of NRB.
- b) Eligible investors shall submit an application through the electronic subscription system of the exchange(s) and deposit the full amount intended to subscribe by the method as determined by exchange(s).
- c) The General Public and Non-resident Bangladeshi (NRB) applicants shall submit the application in the electronic subscription system of the exchange(s) through the Stockbrokers/Merchant Bankers where the applicant maintains customer account.

Step-2 (Intermediary)

3. The registered Stock broker/Merchant Banker in the ESS shall:
 - a) Post the amount separately in the customer account equivalent to the application money;
 - b) Accumulate all the applications/buy instructions received up to the cut-off date and transfer the amount to their respective Consolidated Customer Account;
4. The registered Stockbroker/Merchant Banker in the ESS shall prepare category wise lists of the applicants containing Customer ID, Name, BO Account Number and within **3 (three) working days** from the cut-off date, upload to the ESS, the lists of applicants in electronic (text format with tilde '~' separator) format, deposit the full amount received from the General Public and Non-Resident Bangladeshi (NRB) applicants by the method as determined by exchange(s).
5. The application/buy instructions shall be preserved by the Stock broker/Merchant Bankers up to **6 (six) months** from listing of the securities with the exchange.
6. The Exchanges shall prepare a consolidated list of the applications and send the applicants' BOIDs in electronic (text) format in a CDROM to CDBL for verification **on the next working day**. Simultaneously, the Issuer shall post the consolidated list of applicants on its website and websites of the Exchanges. CDBL shall verify the BOIDs as to whether the BO accounts of the applicants are active or not, verify more than two applications by an individual, verify more than two applications using same bank account and investment

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criteria.

7. **On the next working day**, CDBL shall provide the Exchanges with an updated database of the applicants containing BO Account Number, Name, Addresses, Parent s' Name and Joint Account information along with the verification report.
8. After receiving verification report and information from CDBL, the Exchanges shall scrutinize the applications, prepare category wise consolidated lists of valid and invalid applications **within 5 (five) working days**.
9. **On the next working day**, the Exchanges shall provide the Commission, Issuer and Issue Manager with the soft copy of subscription result.

Step-3 (Issuer)

10. The Issuer and issue manager shall post the final status of subscription on their **websites within 6 (six) hours** and on the websites of the Commission and Exchanges **within 12 (twelve) hours** of receiving information by the Commission and the Exchanges.
11. **Within 3 (three) working days** of receipt of the subscription result, the Issuer and Exchanges shall:
 - a) Process pro-rata allotment of securities to the General Public and Non-Resident Bangladeshi (NRB) applicants;
 - b) Prepare category wise lists of invalid applicants who are subject to penal provisions as per conditions of the consent letter issued by the Commission in electronic (text format with tilde '~' separator) format mentioning the penalty amount against each applicant;
 - c) Issuer shall issue allotment letters in the names of allottees in electronic format, and
 - d) Issuer shall credit the allotted shares to the respective BO accounts on the basis of allotment data (BOID and number of securities) via their CDBL VeDAS Terminal.

Step-4 (Intermediary)

12. **On the next working day**, Exchanges shall:
 - a) remit the amount of allotted applicants to the Issuer's respective Escrow Account opened for subscription purpose.
 - b) send the penalty amount who are subject to penal provisions to the Issuer's respective Escrow Accounts along with a list.
 - c) distribute the information and allotment letters to the stock broker/Merchant Bankers concerned in electronic format with a request to refund the balance application money.
13. **On the next working day** of receiving the documents from the Exchanges, the

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Stockbrokers/Merchant Banker shall refund the excess application money in the customer accounts and inform the applicants about allotment of securities.

Miscellaneous:

14. The Issuer, Issue Manager(s), Stockbrokers and Merchant Bankers shall ensure compliance of the above.
15. The Issuer shall pay the costs related to process the Eligible Investors allotment if claimed by the Exchange concerned up to an amount of Tk. 2,00,000/- (Taka Two Lac) only and Tk. 8,00,000/- (Taka Eight Lac) only for processing the applications of General Public and Non-Resident Bangladeshi (NRB) applicants.
16. The Stockbroker/Merchant Bankers shall be entitled to a service charge of Tk. 5/- (Taka five) only per application irrespective of the amount or category for the service provided till withdrawal of the money. The service charge shall be paid by the applicant at the time of submitting an application.
17. The Exchanges shall provide the Issuer with a statement of the remittance.
18. The exchange shall send the penalty amount to the Commission through a bank draft/payment order issued in favor of the Bangladesh Securities and Exchange Commission.
19. The concerned Exchange is authorized to settle any complaints and take necessary actions against any Stockbroker/ Merchant Banker in case of violation of any provision of the public issue application process with intimation to the Commission.

PART-D

1. The issue manager(s) shall carefully examine and compare the published prospectus and its abridged version on the date of publication with the copies vetted by the Commission. If any discrepancy is found, both the issuer and the issue manager shall jointly publish a corrigendum immediately in the same newspapers concerned, simultaneously endorsing copies thereof to the Commission and the stock exchanges concerned. In this regard, the issue manager shall submit a compliance report to the Commission within **5 (five) working days** from the date of such publications.
2. The fund collected through Public Offering shall not be utilized prior to listing with Exchange(s) and that utilization of the said fund shall be affected through banking channel, i.e. through account payee cheque, pay order or bank drafts etc.
3. The company shall furnish a status report on the utilization of Public Offering proceeds



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audited by foreign-affiliated auditors and authenticated by the Board of Directors of the Company to the Commission and the Exchanges within 15 (Fifteen) days of the closing of each quarter until such fund is fully utilized, as mentioned in the schedule contained in the prospectus. The issuer shall simultaneously post the status report on its website and Exchanges shall also post the same in company information contained in websites of the Exchanges. In the event of any irregularity or inconsistency, the Commission may employ or engage any person to examine whether the issuer has utilized the proceeds for the purpose disclosed in the prospectus.

4. While auditing the utilization of IPO proceeds, the auditors will perform their jobs under the following terms of reference (TOR) and confirm the same in their report/certificate:
 - (a) Whether IPO proceeds have been utilized for the purposes/heads as specified in the prospectus;
 - (b) Whether IPO proceeds have been utilized in line with the condition (if any) of the Commission's consent letter;
 - (c) Whether the utilization of IPO proceeds have been completed within the time schedule/implementation schedule as specified in the published prospectus;
 - (d) Whether utilization of IPO proceeds is accurate and for the purpose of the company as mentioned/specified in the published prospectus; and
 - (e) The auditors should also confirm that: (i) assets have been procured/imported/constructed maintaining proper/required procedure as well as at a reasonable price; and (ii) auditors' report has been made on verification of all necessary documents/papers/vouchers in support of IPO proceeds making reconciliation with Bank Statement.
5. All transactions, excluding petty cash expenses, shall be affected by crossed cheques or bank transfers.
6. Proceeds of the public offering shall not be transferred to any other bank account before listing with the Exchange(s). The proceeds shall not be used for any purpose other than those specified in the prospectus without any valid ground. **Any material deviation in this respect must have prior approval of at least 51% of the public shareholders, other than sponsors and directors, in a general meeting through a board-approved agenda and due notification to the shareholders. Before the said general meeting, such deviation as recommended by the Board of Directors shall be published as price-sensitive information with detailed description and reasons for such deviation. If approved by the shareholders, the meeting resolution shall be submitted to the Commission along with reasonable explanations and the decision shall be published as price-sensitive information.**
7. If any quarter of the financial year-end after publication of the abridged version of prospectus and before listing of its securities with any exchange, the company shall



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disseminate/transmit/submit the said quarterly financial statements in accordance with the Commission's Notification BSEC/CMRRCD/2006-158/208/Admin/81 dated 20 June 2018 and Rules 15 of the Securities and Exchange Rules, 2020.

8. In the event of rising issues concerning Price Sensitive Information as defined under the সিকিউরিটিজ ও এক্সচেঞ্জ কমিশন (সুবিধাভোগী ব্যবসা নিষিদ্ধকরণ) বিধিমালা ১৯৯৫ after publication of the abridged version of prospectus and before listing of its securities with any exchange, the company shall disseminate/ transmit/ submit the information as price-sensitive in accordance with the Commission's Notification No. SEC/SRMI/200-953/1950 dated October 24, 2000.

PART-E

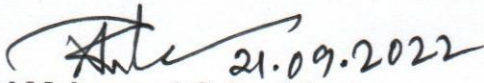
1. As per provision of the Depositories Act, 1999 & Regulations made thereunder, shares will only be issued in dematerialized condition. All transfer/ transmission/ splitting will take place in the depository system of Central Depository Bangladesh Ltd. (CDBL) and any further issuance of shares (including rights/bonus) will be made in dematerialized form only.

2. The issuer and the issue manager shall ensure due compliance of all the above conditions, the 'Bangladesh Securities and Exchange Commission (Public Issue) Rules, 2015' and subsequent amendments along with the listing regulations of the Exchanges:

Provided that the Board of Directors of the issuer along with the Issue Manager(s) shall conduct a quarterly meeting with the Capital Issue Department of the Commission regarding compliance status of its business plan as mentioned in the Prospectus.

3. The Commission may impose further conditions/ restrictions etc. from time to time as and when considered necessary which shall also be binding upon the issuer company.

By order of the Bangladesh Securities and Exchange Commission,

 21.09.2022

Syed Muhammed Golam Mowla

Joint Director (CI)

Tel: +880-2-55007131, Ext-1907

E-mail: gmowla@sec.gov.bd

Distribution (Not as per seniority):

- i. Managing Director, Dhaka Stock Exchange Limited;
- ii. Managing Director, Chittagong Stock Exchange Limited;
- iii. Managing Director & Chief Executive Officer, CDBL;
- iv. Managing Director & Chief Executive Officer, CCBL;
- v. Ashraf Uddin & Co, Chartered Accountants;
- vi. Office of the Chairman, BSEC;
- vii. Office of the Commissioner (CI), BSEC and
- viii. Office copy.