



Proud Member of
AlliottGlobalAlliance

PRIVATE & CONFIDENTIAL

Independent Auditor's Report
and
Audited IPO Proceeds Utilization Statement
of
Asiatic Laboratories Limited
As at and for the Quarter Ended
30 June 2024



K. M. ALAM & CO.
CHARTERED ACCOUNTANTS

Independent Auditors' Report

To Asiatic Laboratories Limited and Bangladesh Securities and Exchange Commission
Report on the Audit of IPO (Initial Public Offering) Proceeds Utilization Statement

Opinion

We have audited the annexed IPO (Initial Public Offering) proceeds utilization statement of Asiatic Laboratories Limited for the quarter ended 30 June 2024 ("utilization statement").

In our Opinion, the IPO (Initial Public Offering) proceeds utilization statement of Asiatic Laboratories Limited ("the Company") for the quarter ended 30 June 2024 is prepared, in all material respects, in accordance with the Securities and Exchange Rules 2020, conditions laid down in the clause 3 & 4 of PART-D of the consent letter BSEC/CI/IPO-322/2021/974 Dated September 21, 2022.

Basis for Opinion

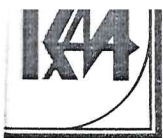
We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the IPO (Initial Public Offering) proceeds utilization statement section of our report. We are independent of the Company in accordance with the ethical requirement that are relevant to our audit of the utilization statement in Bangladesh, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Matters – Basis of Preparation and Restriction on Distribution

The utilization statement is prepared to assist the Company to meet the requirements of Bangladesh Securities and Exchange Commission ("BSEC"). As a result, the utilization statement may not be suitable for another purpose. Our report is intended solely for the Company and the BSEC and should not be distributed to parties other than the Company or the BSEC.

a) The management of Asiatic Laboratories Limited has paid Tk. 900,000 from IPO fund received account during the period ended 30 June, 2024 for Register to the issue Fee expenses after deducting TDS during the Quarter/period ended 30 June 2024. However, the Company has not yet deposited these TDS & VDS amount of Tk. 250,000 to the government exchequer and Tk.100,000 has paid for newspaper bill for publishing prospectus from its entity's bank account during this period as on 30th June 2024 quarter without deducting TDS & VDS. It is to be mentioned here that, Tk. 6,177,266.00 is un-utilized as on/upto 30 June 2024. It is also noted that Tk. 15,454,225 has transferred on march 2024 quarter(previous quater) from IPO fund received account to its entity's bank account to meet IPO related expenses and remained balance of Tk. 3,497,347.00 as unutilized for IPO related expenses.

b) The payable amount of TDS & VDS, total Tk. 2,500,000 deducted from the payment of Manager to the Issue fee on 30.03.2024 and Some payments were made during the March quarter ended 2024 for Publication of Prospectus, for Issue of Notice of Prospectus in daily newspaper, for Audit Fee for Certification, Assets valuation and Corporate Governance and for Credit rating of total Tk. 880,000 respectively from which TDS and VDS were not deducted from payment(Reported in March 2024 quarter ended)which is still due and pending.



Payment has made for Publication of Tk 100,000 for notice of Prospectus in daily newspapers during the quarter ended 30th June 2024 but TDS and DVS have not deducted from the payment and deposited to the Government treasury.

The factory building Construction contractor has not yet started work since advance had been paid Tk. 5,000,000 on 13.03.2024 which was reported on March 2024 ended quarter. No TDS and VDS were not deposited till to date.

Letter of Credit (LC) for Machineries has yet not opened by the suppliers" Bismillah Industrial Automation & Engineering Co & Best Machineries & Technology Co. since advance has period on 27 March 2024 Tk. 118,460,000 & 09 May 2024 Tk. 372,580,000. No TDS and VDS were not deposited till to date.

The management of Asiatic Laboratories Limited has Paid total Tk. 278,760,593 as Repayment of Bank Loan to One Bank Limited out of which Tk. 250,000,000 Hajj Finance Limited Tk. 5,400,000 & Fareast Finance Limited Tk. 23,360,593 respectively through bank channel during the Quarter/ Period ended 31 March, 2024.

The management of Asiatic Laboratories Limited has received Tk. 30,155,128 as Interest Income on IPO Account up to June 30, 2024, Bank has deducted Tk. 6,031,026 as TDS on Interest and Charges Tk. 102,975. On 30 June, 2024 the net Interest Income received Tk. 24,021,127.

Responsibilities of Management and Those Charged with Governance for the IPO (Initial Public Offering) Proceeds Utilization Statement

Management is responsible for the preparation and fair presentation of the IPO (Initial Public Offering) proceeds utilization statement prepared in accordance with the Securities and Exchange Rules 2020, condition laid down in the clause 3 & 4 of PART-D of the consent letter BSEC/CI/IPO-322/2021/974 Dated September 21, 2022 and with other applicable laws and regulations.

In preparing the utilization statement, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the IPO (Initial Public Offering) Proceeds Utilization Statement

Our objectives are to obtain reasonable assurance about whether the IPO (Initial Public Offering) proceeds utilization statement as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this utilization statement.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:



- a) Identify and assess the risks of material misstatement of the IPO (Initial Public Offering) proceeds utilization statement, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- b) Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- d) Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the utilization statement or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Md. Belayet Hossain, FCA
Partner
Enrollment Number : 1480
K.M. Alam & Co
Chartered Accountants

Place: Dhaka
Date: 04 September, 2024



Report on Utilization of IPO Proceeds for the Quarter (April 2024 to June 2024) ended or as on 30 June, 2024

Name of the Company : Asiatic Laboratories Limited
Amount (BDT) of Capital Raised Through IPO : BDT. 950,000,000/-
Date of Close of Subscription : February 08, 2024
Proceeds Receiving Date : February 25, 2024
Last Date of Full Utilization of Fund as per Proceeds : February 24, 2026

Sl. No.	Purpose Mentioned in the Prospectus	Time line as per prospectus	Amount as per prospectus	Status of Fund Utilization						Remarks
				Fund utilized (Taka) up to Jan-2024 To Mar-2024	Fund utilized (Taka) for the quarter ended April-2024 To June-2024	Total Utilized Amount up to the 30 June-2024	Up to Utilized % from 01 January to 30 June 2024	Total Un-utilized Amount	Un-utilized %	
1	Construction of Factory Building	24 Months	61,469,800	-	-	-	0.00%	61,469,800	100.00%	
2	Acquisition & installation of New Plant & Machinery	24 Months	580,496,056	-	-	-	0.00%	580,496,056	100.00%	
3	Bank Loan Repayment	6 Months	280,000,000	278,760,593	-	278,760,593	99.56%	1,239,407	0.44%	
4	IPO Related Expenses	As or when required	28,034,144	20,856,878	1,000,000	21,856,878	77.97%	6,177,266	22.03%	
Total IPO Proceeds			950,000,000	299,617,471	1,000,000	300,617,471	31.64%	649,382,529	68.36%	

Note:

- * Tk. 102,975 has been charged by the bank as Bank Charge & maintenance fee, Tk. 6,031,026 has been charged as Tax on Interest Income and Tk. 30,155,128 has been received as Interest Income on IPO account up to the quarter ended 30 June, 2024 and net off Balance Tk. 24,021,127 as on 30 June, 2024.
- * Balance as at bank as on 30 June, 2024 with Brac Bank Limited, Principal Branch, Gulshan-1, Dhaka (Account number 1501202435158001) Tk. 153,866,310 and the rest of the fund are in form of Advance to Party for Installation & Acquisition of Plant & Machinery Tk 491,040,000, Tk. 25,000,000 as Advance to Party for Factory Building Construction and Tk. 3,497,347 on Companies own Bank account from which Un-utilized Fund will be adjusted.

Sahmina Luqman
Chairman

Managing Director

[Signature]
Company Secretary

Chief Financial Officer

[Signature]
Md. Belayet Hossain, FCA
Partner
Enrollment Number : 1480
K.M. Alam & Co
Chartered Accountants



Place: Dhaka
Date: 01 September, 2024

