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# **PRIVATE & CONFIDENTIAL**

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



**K. M. ALAM & CO.**  
CHARTERED ACCOUNTANTS

**Est 1967**

**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 31 March 2024 ("utilization statement").

In our Opinion, the IPO (Initial Public Offering) proceeds utilization statement of Asiatic Laboratories Limited ("the Company") for the quarter ended 31 March 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**

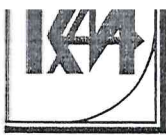
The utilization statement is prepared to assist the Company to meet the requirements of Bangladesh Securities and Exchange Commission ("BSEC"). As a result, the utilization statement may not be suitable for another purpose. Our report is intended solely for the Company and the BSEC and should not be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

) The management of Asiatic Laboratories Limited has transferred Tk. 15,454,225 from IPO account during the quarter/ period ended 31 March, 2024 to its entity's bank account for adjustment of previously paid IPO expenses from Company's own fund. It is to be mentioned here that, as on 31 March 2024, Tk. 3,597,347 is unutilized from this fund. The entity paid Tk. 11,856,878 for IPO expenses from own fund before receiving of IPO fund which is adjusted during the period.

) The management of Asiatic Laboratories Limited has paid Tk. 9,000,000 issue Management after deducting TDS during the Quarter/ period ended 31 March 2024. However, the Company has not yet deposited TDS & VDS total amount of Tk 2,500,000 to the government exchequer till to reporting date.

) The management of Asiatic Laboratories Limited has made an advance of Tk. 25,000,000 during the Quarter/ period ended 31 March, 2024 to F.A Engineering & Construction, R. K. Mission Road, Motijheel, Dhaka for construction of factory building. This advance will be adjusted after finding final bill & finishing the Construction of the factory building as per agreement. Till to reporting date the contractor has not yet started the work. No deduction was made for TDS and VDS at the time of payment as per Income Tax and VAT Act.





The management of Asiatic Laboratories Limited has made an advance of Tk. 118,460,000 during the quarter/ period ended 31 March, 2024 as advance for Acquisition and Installation of Plant & Machineries which comprising Tk. 37,820,000 to Best Machineries & Technology Co., Banasree, Rampura, Dhaka and Tk. 80,640,000 to Bismillah Industrial Automation & Engineering Co., Banasree, Rampura, Dhaka. The suppliers Bismillah Industrial Automation & Engineering Co & Best Machineries & Technology Co. has yet not opened the letter of credit (LC) for purchase of said machineries. No deduction was made for TDS and VDS at the time of payment as per Income Tax and VAT Act.

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 payment Tk. 880,000 from which TDS and VDS were not deducted and deposited to the Government Treasury till to reporting 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 banking channel during the Quarter/ Period ended 31 March, 2024.

The management of Asiatic Laboratories Limited has received Tk. 21,269,575 as Interest Income on IPO account up to March 31, 2024, Bank has deducted Tk. 4,253,915 as TDS on Interest and Charges Tk. 102,630. On 31 March, 2024 the net Interest Income received Tk. 16,913,030 during the period.

#### **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 scepticism throughout the audit. We also:



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.

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.

Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

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: 03 September, 2024





# Report on Utilization of IPO Proceeds for the Quarter (January 2024 to March 2024) ended or as on 31 March, 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) before Jan-2024 To Mar-2024	Fund utilized for the quarter ended Jan-2024 To Mar-2024	Total Utilized Amount up to the quarter ended Jan-2024 To Mar-2024	Utilized %	Total Un-utilized Amount
1	Construction of Factory Building	24 Months	61,469,800	-	-	-	0.00%	61,469,800
2	Acquisition & installation of New Plant & Machinery	24 Months	580,496,056	-	-	-	0.00%	580,496,056
3	Bank Loan Repayment	6 Months	280,000,000	-	278,760,593	278,760,593	99.56%	1,239,407
4	IPO Related Expenses	As or when required	28,034,144	-	20,856,878	20,856,878	74.40%	7,177,266
Total IPO Proceeds			950,000,000	-	299,617,471	299,617,471	31.54%	650,382,529
								100.00%
								100.00%
								0.44%
								25.60%
								68.46%

## Note:

- \* Tk. 102,630 has been charged by the bank as Bank Charge & maintenance fee, Tk. 4,253,915 has been charged as Tax on Interest Income and Tk. 21,269,575 has been received as Interest Income on IPO account up to the quarter ended 31 March, 2024 and net off Balance Tk. 16,913,030 up to and as on 31 March, 2024.
- \* Balance as at bank as on 31 March, 2024 with Brac Bank Limited, Principal Branch, Gulshan-1, Dhaka (Account number 1501202435158001) Tk. 520,238,212.51 and the rest of the fund are in form of Advance to Party for Installation & Acquisition of Plant & Machinery Tk. 118,460,000, Tk. 25,000,000 as Advance to Party for Factory Building Construction and Tk. 3,597,347 on Companies own Bank account from which Un-utilized Fund will be adjusted.

*Yahmina Begum*

Chairman

*[Signature]*

Managing Director

*[Signature]*

Company Secretary

*[Signature]*

Chief Financial Officer

*[Signature]*  
 Md. Belayet Hossain, FCA  
 Partner

Enrollment Number : 1480  
 K.M. Alam & Co  
 Chartered Accountants



Place: Dhaka  
 Date: 03 September, 2024

