



UTILIZATION OF IPO PROCEEDS  
HALF YEARLY PROGRESS  
REPORT DECEMBER 31, 2022



CITI PHARMA LIMITED

## INTRODUCTION

This annual progress report is being submitted in compliance with the requirement of Clause 16(i)(ii) of post issue reporting and disclosures of the Public Offering Regulations, 2017 and in pursuance of the requirement specified in the clause 4(ii)(2)(b)(2) of the prospectus to the issue of the Company.

The Company carried out a successful IPO in July 2021, to finance its expansions, at estimated costs, as detailed below:

Description	Funds Required (Rupees)	Allocation (%)
<b>API Segment</b>		
Civil Works	150,000,000	7%
Procurement of Plant and Machinery	405,194,500	20%
	<b>555,194,500</b>	<b>27.28%</b>
<b>Formulation Segment</b>		
Civil Works	250,000,000	12%
Procurement of Plant and Machinery	307,630,000	15%
	<b>557,630,000</b>	<b>27.40%</b>
<b>Hospital Facility</b>		
Civil Work of Hospital Building (incl. Electrical and Mechanical work)	668,000,000	33%
Plant and Machinery for Hospital	254,551,500	13%
	<b>922,551,500</b>	<b>45.33%</b>

## SUMMARY OF FUNDS GENERATED

Description	Rupees
Issuance of 72,692,000 shares at a floor price of Rs. 28 per share	2,035,376,000
Excess funds received Share Premium at Rs. 4 per share	290,768,000
Less: IPO Expenses	(127,667,864)
<b>Net IPO Proceeds</b>	<b>2,198,476,136</b>
Less: Funds utilized for repayment of borrowings and for working capital	(163,100,136)
<b>Net Funds Available</b>	<b>2,035,376,000</b>

## IMPLEMENTATION STATUS

### I. SUMMARY OF IPO FUNDS UTILIZED

The status of the expansion project as of the close of December 31, 2022 is given below on prescribed format:

Description	Funds Required (Rupees)	Allocati on (%)	Actual Expenditure (Rupees)	Excess/ (Less) Incurred (Rupees)
<b>API Segment</b>				
Civil Works	150,000,000	7%	82,355,978	(67,644,022)
Procurement of Plant and Machinery	405,194,500	20%	196,047,744	(209,146,756)
	<b>555,194,500</b>	<b>27.28%</b>	<b>278,403,722</b>	<b>(276,790,778)</b>
<b>Formulation Segment</b>				
Civil Works	250,000,000	12%	110,854,595	(139,145,405)
Procurement of Plant and Machinery	307,630,000	15%	169,954,802	(137,675,198)
	<b>557,630,000</b>	<b>27.40%</b>	<b>280,809,397</b>	<b>(276,820,603)</b>
<b>Hospital Facility</b>				
Civil Work of Hospital Building (incl. Electrical and Mechanical work)	668,000,000	33%	-	(668,000,000)
Plant and Machinery for Hospital	254,551,500	13%	-	(254,551,500)
	<b>922,551,500</b>	<b>45.33%</b>	<b>-</b>	<b>(922,551,500)</b>
<b>Utilization of Excess Proceeds</b>				
Repayment of Borrowings	54,197,497	19%	54,197,497	-
Working Capital	108,902,639	37%	108,902,639	-
IPO Expenses	127,667,864	44%	127,667,864	-
	<b>290,768,000</b>	<b>100%</b>	<b>290,768,000</b>	<b>-</b>

## 2. Expansion in API Segment

As of December 31, 2022, Civil work for new multi-purpose API facility for new APIs Ascorbic acid was completed and Civil work for new APIs i.e., Chloroquine Phosphate and Hydroxy Chloroquine Phosphate is under progress and expected to be completed before the end of financial year ended June 30, 2023.

In Plant and Machinery, eight Reactors 10T, three Reactors 7T, Boilers and three Fluid Bed dryer was procured. These addition in Plant & Machinery increased the capacity of Paracetamol's existing plant. CPL's in-house engineering team is doing for civil, electrical and mechanical work for both API and formulation.

### *Implementation Status*

Particulars	Start Date (As per Prospectus)	Completion Date (As per Prospectus)	Current Status	Rationale for Delay if any
Civil Work of API Segment	3QFY21	2QFY22	59% Completed	Will be completed in this Financial Year.
Plant & machinery for API Segment	3QFY21	3QFY22	54% Completed	Will be completed in this Financial Year.
Trial Production of New APIs	1QFY22	3QFY22	33%	Expected to be completed before financial year 2023.

### 3. Expansion in Formulation Segment

As of December 31, 2022, Civil work for Cephalosporin has been completed. Civil work has been completed by our in-house engineering team. Construction work for Psychotropic & Narcotics and Penicillin is under progress and expected to be completed before the end of financial year 2023.

Further following list of Plant and Machinery has been procured which was committed prospectus:

- Clean Rooms for Machinery Vial Filling, Stoppering Machine, Vial Capping Machine
- High performance Liquid Chromatography HPLC
- Vial Capping Machine
- HPLC
- Automated Capsule Filling Machine
- Rotary Tablet Press Machine ZP41A
- Automated Blister Packing Machine
- Tropical Blister Packing Machine
- Rotary Tablet Press Machine ZP29D
- Lab Equipment

#### *Implementation Status*

Particulars	Start Date (As per Prospectus)	Completion Date (As per Prospectus)	Current Status	Rationale for Delay if any
Civil Work of Formulation Segment	3QFY21	2QFY22	49% Completed	Will be completed in this Financial Year.
Plant & Machinery of Formulation Segment	1QFY22	1QFY23	58% Completed	Will be completed in this Financial Year.
Trial Production of New Formulation Drugs	3QFY22	4QFY22	33% Completed	Will be completed in this Financial Year.

#### 4. Establishment of Hospital

State of the Art Hospital Project is in approval process. Once the company got approval from all the relevant departments, the civil work same will be started.

#### *Implementation Status*

<b>Particulars</b>	<b>Start Date (As per Prospectus)</b>	<b>Completion Date (As Current Status per Prospectus)</b>	<b>Not Started</b>	<b>Rationale for Delay if any</b>
Completion of Civil Work	1QFY22	1QFY23	Not Started	Project is under approval stage.
Procurement of Medical Equipment	3QFY22	1QFY23	Not Started	Project is under approval stage.
Procurement of Fixtures and Fittings	4QFY22	1QFY23	Not Started	Project is under approval stage.

5. INVESTMENT IN WORKING CAPITAL

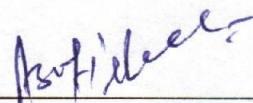
The Company had evaluated its working capital requirement based on previous trends, requirements and future business outlook and the expected amount was allocated in the prospectus.

As at December 31, 2022, the funds allocated for the working capital have been fully utilized, and have been rolled over multiple times in the working capital cycle.



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**Muhammad Riaz**  
Company Secretary



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**Asif Iqbal**  
Chief Financial Officer