



The ACME Laboratories Ltd.
MANUFACTURERS OF ETHICAL DRUGS & MEDICINES

ISO 9001:2008
CERTIFIED COMPANY

www.acmeglobal.com

Ref. No. ACME /CA/CS/0008/2016

08 January 2017

The Chairman

Bangladesh Securities and Exchange Commission (BSEC)
Jibon Bima Tower (15th, 16th & 20th Floor)
10, Dilkusha Commercial Area
Dhaka-1000

Subject: Audited Status Report on utilization of Initial Public Offering proceeds of The ACME Laboratories Ltd.

Dear Sir,

In compliance with the clause 3 & 4 of Part-C of the Letter of Consent vide no. BSEC/CI/BB-03/2014/143; dated: 15 March 2016 accorded by your esteemed organization, we are pleased to enclose herewith the Audited Status Report on utilization of Initial Public Offering proceeds of The ACME Laboratories Ltd. duly authenticated by the Board of Directors in its 68th Meeting held on 5 January 2017 for your kind perusal and record please.

Thanking you and assuring of our best attention for all the time to come.


(Mizanur Rahman Sinha)
Managing Director

Enclosure: As stated above

Copy to: 01. The Managing Director, Dhaka Stock Exchange Limited
02. The Managing Director, Chittagong Stock Exchange Limited
03. The Chief Executive Officer, ICB Capital Management Limited



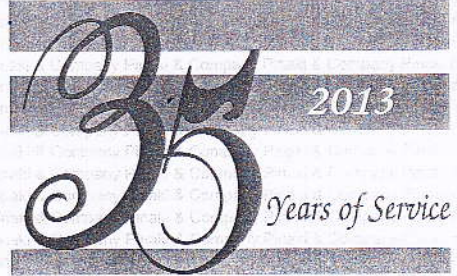
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Auditors' Report



Name of Client

The ACME Laboratories Ltd.

Utilization of IPO Proceeds

for the month ended 31 December 2016

পিনাকী এণ্ড কোম্পানী
Pinaki & Company

AHSANDELL, 2/A, Mymensingh Road (2nd Floor), Shahbag, Dhaka-1000, Bangladesh

Tel # 966-0944, 966-5095, Fax # 88-02-9672726

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AUDITORS' REPORT
on
Utilization of IPO Proceeds

We have audited the annexed Statement of Initial Public Offering (IPO) Proceeds Utilization of The ACME Laboratories Ltd. for the month ended 31 December 2016.

Management's Responsibility for the IPO proceeds Utilization

Management is responsible for the preparation and fair presentation of these IPO proceeds utilization statement in accordance with Bangladesh Securities and Exchange Commission Rules 1987, Condition laid down in clause 3 & 4 of PART-C of consent letter # BSEC/CI/BB-03/2014/143, Dated March 15, 2016 and other applicable laws and regulations.

Auditor's Responsibility

Our responsibility is to express an independent opinion on these Initial Public Offering (IPO) proceeds utilization statement based on our audit. We conducted our audit in accordance with Bangladesh Standards on Auditing (BSA), Bangladesh Securities and Exchange Commission Rules 1987, Condition laid down in clause 3 & 4 of PART-C of consent letter # BSEC/CI/BB-03/2014/143, Dated March 15, 2016 and other applicable laws and regulations.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our Opinion, the Statement of Initial Public Offering (IPO) Proceeds Utilization, Prepared in accordance with Bangladesh Securities and Exchange Commission Rules 1987 and Condition laid down in clause 3 & 4 of PART-C of consent letter # BSEC/CI/BB-03/2014/143, Dated March 15, 2016 gives a true and fair view of the statement for the month ended 31 December 2016 and comply with the prospectus.

As per TOR, We draw attention to the following matter:

1. The Company has utilized cumulative amounting Tk. 114,677,225 up to 31 December 2016 out of which amounting Tk. 12,709,919 is utilized in respect of Civil Construction of Steroid and Hormone during the month of December 2016.

2. The Company has started civil construction work of Penicillin project during the month December 2016 and during the month the company has utilized amounting to Tk. 9,417,365 as construction of same project.
3. The Company has utilized cumulative amounting Tk. 68,291,870 up to 31 December 2016 as IPO expenses and during the month of December 2016 no IPO expenses incurred from IPO proceeds fund.
4. The company has en-cashed FDR amounting Tk. 1,500,000,000 during the month of December 2016 and deposited the same in SND A/C.
5. The Company has also utilized from SND A/C amounting Tk. 1,360,000,000 to repay Bank borrowing during the month of December 2016.
6. An amount of Tk. 23,000 is credited by the bank during the month December 2016 which was inadvertently debited by the bank in previous month.

We also state that:

- a) IPO proceeds have been utilized for the purposes as specified in the prospectus;
- b) IPO proceeds have been utilized in line with the conditions of the BSEC's consent letter for the IPO;
- c) Utilization of IPO proceeds is being under completion within the time frame as specified in the prospectus;
- d) Utilization of IPO proceeds is accurate for the purpose of the company as mentioned in the prospectus;
- e) Audit statement has been made on verification of all necessary documents/papers/vouchers in support of utilization of IPO proceeds making reconciliation with bank statements.

Date : 08.01.2017

Dhaka.

Pinaki & Co
Pinaki & Company
Chartered Accountants

The ACME Laboratories Ltd.
Statement of Utilization of IPO Proceeds
For the month ended 31 December 2016

Sl No.	Projects	Estimated cost for Project Implementation as per resolution of 40th AGM		Estimated Time for completion as per resolution of 40th AGM	Investment/Expenses so far made (up to 31 December 2016)				Investment/Expenses Yet to be made		Remarks
		Cost Breakdown	Amount		Upto previous Month	During the Month	Upto this Month	%	Amount	%	
1	Steroid and Hormone	Civil Construction	335,800,000	Within 2 years of receiving IPO fund	98,842,306	12,709,919	111,552,225	33.22%	224,247,775	66.78%	
		Machinery & Equipment	598,600,000		-	-	-	-	598,600,000	100%	
		Utility	339,600,000		-	-	-	-	339,600,000	100%	
		Warehouse	39,500,000		-	-	-	-	39,500,000	100%	
		Vehicle	5,000,000		-	-	-	-	5,000,000	100%	
		Consultancy fee	26,300,000		3,125,000	-	3,125,000	62.50%	1,875,000	37.50%	
		Contingencies	13,200,000		-	-	-	-	26,300,000	100%	
		Sub Total	1,358,000,000		101,967,306	12,709,919	114,677,225	8.44%	1,243,322,775	91.56%	
2	Penicillin	Civil Construction	116,000,000	Within the month of March 2018	-	9,417,365	9,417,365	8.12%	106,582,635	91.88%	
		Machinery & Equipment	132,299,520		-	-	-	-	132,299,520	100%	
		Utility	117,154,000		-	-	-	-	117,154,000	100%	
		Warehouse	20,582,700		-	-	-	-	20,582,700	100%	
		Vehicle	3,000,000		-	-	-	-	3,000,000	100%	
		Consultancy fee	5,963,780		-	-	-	-	5,963,780	100%	
		Contingencies	5,000,000		-	-	-	-	5,000,000	100%	
		Sub Total	400,000,000		-	9,417,365	9,417,365	2.35%	390,582,635	97.65%	
3	Active Pharmaceuticals Ingredients (API)	Civil Construction	347,860,000	Within 2-3 years after getting permission from the Ministry of Industries	-	-	-	-	347,860,000	100%	
		Machinery & Equipment	493,000,000		-	-	-	-	493,000,000	100%	
		Utility	409,400,000		-	-	-	-	409,400,000	100%	
		Warehouse	38,500,000		-	-	-	-	38,500,000	100%	
		Vehicle	3,000,000		-	-	-	-	3,000,000	100%	
		Consultancy fee	23,635,200		-	-	-	-	23,635,200	100%	
		Contingencies	12,917,600		-	-	-	-	12,917,600	100%	
		Initial Working Capital	26,915,492		-	-	-	-	26,915,492	100%	
		Sub Total	1,355,228,292		-	-	-	-	1,355,228,292	100%	
4	Repayment of Bank Borrowing		1,360,000,000	N/A	-	1,360,000,000	1,360,000,000	100.00%	-	0%	
5	IPO Expenses		68,291,870	N/A	68,291,870	-	68,291,870	100.00%	-	0%	
	Grand Total		4,541,520,162		170,259,176	1,382,127,284	1,552,386,460	34.18%	2,989,133,702	65.82%	

On Behalf of Board

(Fazila Haque, FCA)

Independent Director & Chairman of the Audit Committee

(Mizanur Rahman Sinha)
Managing Director

(Afzalur Rahman Sinha)
Chairman

Pinaki & Co. 8.1.17
Pinaki & Company
Chartered Accountants

The ACME Laboratories Ltd.

**Reconciliation Statement of IPO Proceeds
For the Month Ended 31 December 2016**

Cash at Bank as at 31 December 2016

Standard Chartered Bank Bangladesh, ESCREW A/C No: 02-1111195-03
Standard Chartered Bank Bangladesh, SND A/C No: 02-1111195-01

Workings-1 14,317,932.52
Workings-2 548,145,281.39

Workings-1

Standard Chartered Bank Bangladesh, ESCREW A/C No: 02111119503

Particulars	Amount in BDT
Opening Balance as per Bank Statement as at 01 December 2016	14,236,948.68
Add:	89,982.04
- Interest received	89,982.04
Less:	8,998.20
- TDS on interest received	8,998.20
Closing Balance as per Bank Statement as at 31 December 2016	14,317,932.52

Workings-2

Standard Chartered Bank Bangladesh, SND A/C No: 02-1111195-01

Particulars	Amount in BDT
Opening Balance as per Bank Statement as at 01 December 2016	426,837,111.77
Add :	1,503,814,615.13
- Encashment of FDR	1,500,000,000.00
- Interest received	3,791,615.13
- During the month bank credited the amount which was Inadvertently debited in previous month.	23,000.00
Less: Payment for the Purpose of	1,382,506,445.51
- Civil Construction of Steroid and Hormone Project	12,709,919
- Civil Construction of Penicillin Project	9,417,365
- Repayment of Bank Borrowing	1,360,000,000
- TDS on Interest received	379,161.51
Closing Balance as per Bank Statement as at 31 December 2016	548,145,281.39

(Fouzia Haque, FCA)

Independent Director &
Chairman of the Audit Committee

(Mizanur Rahman Sinha)

Managing Director

(Afzalur Rahman Sinha)
Chairman

Pinaki & Co. B.L. 17
Pinaki & Company
Chartered Accountants