



The ACME Laboratories Ltd.
MANUFACTURERS OF ETHICAL DRUGS & MEDICINES

ISO 9001:2008
CERTIFIED COMPANY
www.acmeglobal.com

o/c

Ref. No. ACME/CA/CS/0695/2016

14 December 2016



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 67th Meeting held on 12 December 2016 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

Corporate Office:

Court de la ACME
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Auditors' Report



Name of Client

The ACME Laboratories Ltd.

Utilization of IPO Proceeds
for the month ended 30 November 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 30 November 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 30 November 2016 and comply with the prospectus.

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

1. The Company has utilized cumulative amounting to Tk.101,967,306 up to 30 November 2016 out of which amounting Tk. 13,171,782 is utilized during the month of November 2016 in respect of Civil Construction of Steroid and Hormone project.
2. The Company has also utilized cumulative amounting to Tk. 68,291,870 up to 30 November 2016 as IPO expenses and during the month of November 2016, no IPO expenses incurred from IPO proceeds fund.



3. The Shareholders of the Company have approved the Partial Changes in use of IPO Proceeds in its 40th Annual General Meeting (AGM) held on Monday, 7 November 2016. Earlier, the estimated total project cost and IPO expenses were Tk. 431.28 crore out of which amounting Tk. 409.60 crore were supposed to be used from IPO proceeds. The comparative statement of revised utilization of IPO proceeds as per resolution of 40th AGM approved and the prior utilization of IPO proceeds as per prospectus have been mentioned hereunder :

SL #	Particulars	Estimated Cost (BDT in crore)	
		Approved in 40 th AGM	As per prospectus
i	Steroid and Hormone	135.80	135.80
ii	Penicillin	40.00	-
iii	Active Pharmaceuticals Ingredients (API)	135.52	-
iv	Repayment of Bank Borrowings	136.00	-
v	Oncology	-	114.10
vi	Ayurvedic, Modern Herbal and Nutraceuticals	-	174.55
vii	IPO expenses	6.83	6.83
	Total	454.15	431.28

Of the above amount, Tk. 409.60 crore including repayment of bank borrowing to be used from IPO proceeds and the balance amount to be used from the organic sources of the fund of the Company. Accordingly, the Company has prepared the Utilization of IPO Proceeds report for the month of November 2016.

4. An amount of Tk.23,000 was inadvertently debited by the Bank which is supposed to be credited in following month.

We also state that:

- IPO proceeds have been utilized for the purposes as specified in the prospectus;
- IPO proceeds have been utilized in line with the conditions of the BSEC's consent letter for the IPO;
- Utilization of IPO proceeds is being under completion within the time frame as specified in the prospectus;
- Utilization of IPO proceeds is accurate for the purpose of the company as mentioned in the prospectus;
- 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 : 12.12.2016

Dhaka.

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Pinaki & Company
Chartered Accountants

The ACME Laboratories Ltd.
Statement of Utilization of IPO Proceeds
For the month ended 30 November 2016

Statement on Utilization of Funds for the month ended 30 November 2016												
Sl No.	Projects	Estimated cost for Project Implementation as per resolution of 40th AGM		Estimated Time as per resolution of 40th AGM	Investment/Expenses so far made (up to 30 November 2016)				Investment/Expenses Yet to be made		Remarks	
		Cost Breakdown	Amount		Amount		%	%	Amount			
					Upto previous Month	During the Month				Upto this Month		
1	Steroid and Hormone	Civil Construction	335,800,000	Within 2 years of receiving of IPO fund	85,670,524	13,171,782	-	29.43%	236,957,694	70.57%		
		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		3,125,000	-	62.50%	1,875,000	37.50%			
		Contingencies	26,300,000		-	-	-	-	26,300,000	100%		
		Sub Total	1,358,000,000		88,795,524	13,171,782	101,967,306	7.51%	1,256,032,694	92.49%		
2	Penicillin	Civil Construction	116,000,000	Within the month of March 2018	-	-	-	-	-	-		
		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%		
		Contingencies	5,963,780		-	-	-	-	5,963,780	100%		
		Sub Total	400,000,000		-	-	-	-	5,000,000	100%		
3	Active Pharmaceuticals Ingredients (API)	Civil Construction	347,860,000	Within 2-3 years after getting permission from the Ministry of Industries	-	-	-	-	-	400,000,000	100%	
		Machinery & Equipment	493,000,000		-	-	-	-	347,860,000	100%		
		Utility	409,400,000		-	-	-	-	493,000,000	100%		
		Warehouse	38,500,000		-	-	-	-	409,400,000	100%		
		Vehicle	3,000,000		-	-	-	-	38,500,000	100%		
		Contingencies	23,635,200		-	-	-	-	3,000,000	100%		
		Sub Total	1,355,228,292		-	-	-	-	23,635,200	100%		
4	Repayment of Bank Borrowing	Initial Working Capital	26,915,492	N/A	-	-	-	-	-	12,917,600	100%	
		Sub Total	1,360,000,000			-	-	-	-	26,915,492	100%	
5	Grand Total	Sub Total	4,541,520,162		-	-	-	-	-	1,355,228,292	100%	
		Sub Total	1,360,000,000		-	-	-	-	-	1,360,000,000	100%	
5	Grand Total	Sub Total	4,541,520,162		68,291,870	-	68,291,870	100.00%	-	-	0%	
		Sub Total	4,541,520,162		157,087,394	13,171,782	170,259,176	3.75%	4,371,260,986	96.25%		

On Behalf of Board

(Fazlia Haquey FCA)
Independent Director & Chairman of the Audit Committee

(Mizanur Rahman Sinha)
Managing Director

(Afzalur Rahman Sinha)
Chairman

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Pinaki & Company
Chartered Accountants

The ACME Laboratories Ltd.

**Reconciliation Statement of IPO Proceeds
For the Month Ended 30 November 2016**

Cash at Bank as at 30 November 2016

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

Workings-1 14,236,948.68

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

Workings-2 426,837,111.77

Workings-1

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

Particulars	Amount in BDT
Opening Balance as per Bank Statement as at 01 November 2016	14,236,948.68
Add : Received	-
Less: Payment	-
Closing Balance as per Bank Statement as at 30 November 2016	14,236,948.68

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 November 2016	440,031,893.77
Add : Received	-
Less: Payment for the Purpose of	13,194,782.00
- Civil Construction of Steroid and Hormone Project	13,171,782.00
- Inadvertently debited by the Bank which is supposed to be credited in following month	23,000.00
Closing Balance as per Bank Statement as at 30 November 2016	426,837,111.77


(Fouzia Haque, FCA)
Independent Director &
Chairman of the Audit Committee


(Mizanur Rahman Sinha)
Managing Director


(Afzalur Rahman Sinha)
Chairman


12.12.2016
Pinaki & Company
Chartered Accountants