



The ACME Laboratories Ltd.

MANUFACTURERS OF ETHICAL DRUGS & MEDICINES

ISO 9001:2008 CERTIFIED COMPANY

o/c

Ref. No. ACME /CA/CS/0009/2019

15 January 2019

The Chairman

Bangladesh Securities and Exchange Commission
Securities Commission Bhaban
E-C/6, Agargaon,
Sher-e-Bangla Nagar Administrative Area,
Dhaka-1207

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 (as per revised format) on utilization of Initial Public Offering proceeds of The ACME Laboratories Ltd. duly authenticated by the Board of Directors in its 96th Meeting held on 15 January 2019 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 31 December 2018

পিনাকী এণ্ড কোম্পানী
Pinaki & Company

AHSANDELL, 2/A, Mymensingh Road (2nd Floor), Shahbag, Dhaka-1000, Bangladesh
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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 2018.

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 2018 and comply with the resolution of 42nd AGM of the company.

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

1. The Company has utilized cumulative amounting to Tk. 1,582,056,039 up to 31 December 2018 of this amount Tk. 327,735,968 has been reimbursed from IPO fund to Company's own Fund during the month of December 2018 which was used earlier from the company's own business proceeds for the purpose of acquisition of Machinery & Equipment of Steroid and Hormone project. This reimbursement has been done as per resolution of 42nd AGM of the company.

Independent Associate Member of Thakur, Vaidyanath Aiyar & Co., Chartered Accountants, New Delhi, India.

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- The Company has utilized cumulative amount of Tk. 273,633,648 up to 31 December 2018 out of this amount Tk. 26,922,303 has been reimbursed from IPO fund to Company's own Fund during the month of December 2018 which was used earlier from the company's own business proceeds for the purpose of Civil Construction of Penicillin Projects. This reimbursement has been done as per resolution of 42nd AGM of the company.
- The Company has also utilized cumulative amounting to Tk. 151,287,024 up to 31 December 2018 out of which amounting Tk. 5,649,720 is utilized during the month of December 2018 in respect of Civil Construction of Active Pharmaceuticals Ingredients (API) Project.
- The Shareholders of the Company have approved the following rearrangement of use of IPO Proceeds in its 42nd Annual General Meeting (AGM) held on Thursday, 06 December 2018:

(Amount in BDT)

Project Name and Others	As per Prospectus		As per Approval of 40 th AGM		As per Approval of 42 nd AGM	
	Amount	Time line	Amount	Time line	Amount	Timeline
Steroid and Hormone Project	1,358,000,000	Within 2 years of receiving IPO fund	1,358,000,000	Within 2 years of receiving IPO fund, i.e, 2018	1,660,591,186	Within June 2019
Oncology project converted into Penicillin Project at 40th AGM	1,141,000,000	Within 2.5 years of receiving IPO fund	400,000,000	Within the Month of March 2018	400,000,000	Within June 2019
Ayurvedic, Modern Herbal and Nutraceuticals converted into Active Pharmaceuticals Ingredients (API) at 40th AGM	1,745,500,000	Within 2.5 years of receiving IPO fund	*Total project cost BDT 1,355,228,292 of which BDT 890,000,000 will be generated from IPO fund	Within 2-3 years after getting permission from the Ministry of Industries	606,132,545	Within June 2022
Repayment of Bank Borrowing	N/A	N/A	1,360,000,000	N/A	1,360,000,000	N/A
IPO Expenses	68,291,870	N/A	68,291,870	N/A	68,291,870	N/A
Total	4,312,791,870		4,541,520,162		4,095,015,601	

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- * As per approval of 40th AGM, total project cost of Active Pharmaceuticals Ingredients (API) was BDT 1,355,228,292 out of which BDT 890,000,000 will be utilized from IPO proceeds and balance amount would be generated from own business proceeds of the company. As per shareholders' approval in its 42nd AGM BDT 606,132,545 will be utilized from IPO proceeds and balance amount will be generated from own business proceeds of the company.

We also state that:

- IPO proceeds have been utilized for the purposes as specified in the resolution of 42nd AGM of the company;
- 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 resolution of 42nd AGM of the company.
- Utilization of IPO proceeds is accurate for the purpose of the company as mentioned in the resolution of 42nd AGM of the company;
- 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: 15 January 2019
Dhaka.



Pinaki & Company
Chartered Accountants

Report on Utilization of IPO Proceeds
for the Month of December 2018

Name of the Company: The ACME Laboratories Ltd.
Amount (BDT) of capital raised through IPO: BDT 4,095,015,601.38 net of foreign currency conversion loss)
Date of Close of Subscription: 21 April 2016
Proceeds Received Date: 11 April 2016 to 21 April 2016
Last Date of Full Utilization of IPO Fund as per 40th AGM/42nd AGM: As stated in time line columns

S.L	Purpose mentioned in the 40th AGM/42nd AGM	As per 40th AGM	As per 42nd AGM	Cost Breakdown	Amount as per 40th AGM			Amount as per 42nd AGM			Status of Utilization			Remarks
					Amount as per 40th AGM	Amount as per 42nd AGM	During the Month	Total Utilized Amount	Utilized %	Total un utilized amount	Un utilized %			
1	Steroid and Hormone Project	Within 2 years of receiving IPO fund, i.e. 2018	Within June 2019	Civil Construction Machinery & Equipment Utility Warehouse Vehicle Contingency fee Contingencies Sub Total	335,800,000 598,600,000 339,600,000 39,500,000 5,000,000 26,300,000 13,200,000 1,358,000,000	334,934,878 933,900,000 353,700,000 21,986,000 5,000,000 1,200,000 9,870,308 1,660,591,186	327,735,968 562,412,729 339,600,000 1,302,156 5,000,000 1,200,000 9,870,308 1,254,320,071	334,934,878 890,148,697 339,600,000 1,302,156 5,000,000 1,200,000 9,870,308 1,582,056,039	100.00% 95.32% 96.01% 5.92% 100.00% 100.00% 100.00% 95.27%	- 43,751,303 14,100,000 20,683,844 - - - - 78,535,147	0.00% 4.68% 3.99% 94.08% 0.00% 0.00% 0.00% 4.73%			
2	Penicillin Project	Within the month of March 2018	Within June 2019	Civil Construction Machinery & Equipment Utility Warehouse Vehicle Contingency fee Contingencies Sub Total	116,000,000 132,299,520 117,154,000 20,582,700 3,000,000 5,963,780 5,000,000 400,000,000	142,922,303 79,768,602 146,345,797 21,641,545 2,901,503 1,420,250 5,000,000 400,000,000	117,154,000 117,154,000 3,406,448 2,901,503 1,420,250 5,000,000 2,901,503 26,922,303	829,144 117,154,000 3,406,448 2,901,503 1,420,250 5,000,000 2,901,503 273,633,648	1.04% 80.05% 15.74% 100.00% 100.00% 100.00% 100.00% 68.41%	- 78,939,458 29,191,797 18,235,097 - - - - 126,366,352	0.00% 98.96% 19.95% 84.26% 0.00% 0.00% 0.00% 31.59%		Rearrangement of Utilization Plan has been approved in 42nd AGM as on 6 December 2018 and IPO Proceeds	
3	Active Pharmaceuticals Ingredients (API)	Within 2-3 years after getting permission from the Ministry of Industries	Within June 2022	Machinery & Equipment Utility Warehouse Vehicle Contingency fee Initial Working Capital Sub Total	493,000,000 409,400,000 38,500,000 3,000,000 23,635,200 12,917,600 26,915,492 1,355,228,292	250,495,241 - - - - - - 606,132,545	145,637,304 - - - - - - 5,649,720	145,637,304 - - - - - - 151,287,024	0.00% - - - - - - 24.96%	- - - - - - - 454,845,521	0.00% - - - - - - 75.04%			
4	Repayment of Bank Borrowing at 40th AGM	N/A	N/A		1,360,000,000	1,360,000,000	1,360,000,000	1,360,000,000	100.00%	-	0.00%			
5	IPO Expenses	N/A	N/A		68,291,870	68,291,870	68,291,870	68,291,870	100.00%	-	0.00%			
Total					4,541,520,162	4,095,015,601	3,074,960,590	3,435,268,581	83.89%	659,747,020	16.11%			

Percentage (Interest on FDR to be matured on 27 March 2019 & 06 April 2019)
Interest on IPO Proceeds in BDT (from FDR & SND)
Un-Utilized IPO Proceeds with interest income in BDT

On Behalf of Board


(Fouzia Haque, FCA)

Independent Director & Chairman of the Audit Committee


(Mizanur Rahman Sinha)

Managing Director


(Nagina Afzal Sinha)

Chairman


15.01.2019
Pinaki & Company
Chartered Accountants