



The ACME Laboratories Ltd.

MANUFACTURERS OF ETHICAL DRUGS & MEDICINES

ISO 9001:2008 CERTIFIED COMPANY

o/c

Ref. No. ACME /CA/CS/0022/2019

14 February 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 98th Meeting held on 12 February 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
1/4, Kallayanpur, Mirpur Road
Dhaka-1207, Bangladesh.
Phone: +88-02-9004194-6
Fax: +88-02-9016872
E-mail: headoffice@acmeglobal.com

www.acmeglobal.com

Plant:
Dhamrai, Dhaka, Bangladesh
Phone: +88-02-7730881-2
88-02-7730816-7, 7730142
Fax: +88-02-7730141
E-mail: plant@acmeglobal.com

Auditors' Report



Name of Client

The ACME Laboratories Ltd.

**Utilization of IPO Proceeds
for the month ended 31 January 2019**

পিনাকী এণ্ড কোম্পানী
Pinaki & Company

REGD. OFF : AHSANDELL, 2/A, Mymensingh Road (2nd Floor), Shahbag, Dhaka-1000, Bangladesh
Tel # 966-0944, 966-5095, Cell: 01317-201224, 01711-106302
E-mail : pinaki_co@yahoo.com, website: www.pinaki.com.bd



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 January 2019.

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 January 2019 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. 1,660,591,186 up to 31 January 2019 of this amount Tk. 78,535,147 has been reimbursed from IPO fund to Company's own Fund during the month of January 2019 which was used earlier from the company's own business proceeds for the purpose of acquisition of Machinery & Equipment, Utility and Warehouse of Steroid and Hormone project. This reimbursement has been done as per resolution of 42nd AGM of the company.



2. The Company has utilized cumulative amount of Tk. 400,000,000 up to 31 January 2019 out of this amount Tk. 126,366,352 has been reimbursed from IPO fund to Company's own Fund during the month of January 2019 which was used earlier from the company's own business proceeds for the purpose of acquisition of Machinery & Equipment, Utility and Warehouse of Penicillin Projects. This reimbursement has been done as per resolution of 42nd AGM of the company.
3. The Company has also utilized cumulative amounting to Tk. 151,287,024 up to 31 January 2019 in respect of API Project. During the month of January 2019 no amount has been utilized out of IPO fund in respect of Active Pharmaceuticals Ingredients (API) Project.
4. It has been observed that the company is utilizing the IPO fund in accordance with the shareholders' approval in its 42nd Annual General Meeting (AGM) held on Thursday, 6 December 2018 as mentioned in our earlier report.

We also state that:

- a) IPO proceeds have been utilized for the purposes as specified in the resolution of 42nd AGM of the company;
- 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 regarding Steroid and Hormone project as well as Penicillin Project had been completed during the month of January 2019. On the other hand API project is being under completion within the time frame as specified in the resolution of 42nd AGM of the company.
- d) Utilization of IPO proceeds is accurate for the purpose of the company as mentioned in the resolution of 42nd AGM of the company;
- 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: 13 February 2019
Dhaka.

Pinaki & Co
Pinaki & Company
Chartered Accountants



Report on Utilization of IPO Proceeds
For the Month of January 2019

Name of the Company:

Amount (BDT) of capital raised through IPO:

Date of Close of Subscription:

Proceeds Received Date:

Last Date of Full Utilization of IPO Fund as per 40th AGM/42nd AGM

: The ACME Laboratories Ltd.

: BDT 4,096,000,000 (Received amount BDT 4,095,015,601.38 net of foreign currency conversion loss)

: 21 April 2016

: 11 April 2016 to 21 April 2016

: As stated in time line columns

S.L	Purpose mentioned in the 40th AGM/42nd AGM	Time Line		Cost Breakdown	Amount as per 40th AGM	Amount as per 42nd AGM	Status of Utilization				Remarks		
		As per 40th AGM	As per 42nd AGM				Opening	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	335,800,000	334,934,878	334,934,878	-	334,934,878	100.00%	-	0.00%	Rearrangement of Utilization Plan has been approved in 42nd AGM as on 6 December 2018 and IPO Utilization Proceeds certified by M/s. Phnaki and Company, Chartered Accountants
				Machinery & Equipment	598,600,000	933,900,000	890,148,697	43,751,303	933,900,000	100.00%	-	0.00%	
				Utility	339,600,000	353,700,000	339,600,000	14,100,000	353,700,000	100.00%	-	0.00%	
				Warehouse	39,500,000	21,986,000	1,302,156	20,683,844	21,986,000	100.00%	-	0.00%	
				Vehicle	5,000,000	5,000,000	5,000,000	-	5,000,000	100.00%	-	0.00%	
				Consultancy fee	26,300,000	1,200,000	1,200,000	-	1,200,000	100.00%	-	0.00%	
				Contingencies	13,200,000	9,870,308	9,870,308	-	9,870,308	100.00%	-	0.00%	
				Sub Total	1,358,000,000	1,660,591,186	1,582,056,039	78,535,147	1,660,591,186	100.00%	-	0.00%	
2	Penicillin Project	Within the month of March 2018	Within June 2019	Civil Construction	116,000,000	142,922,303	142,922,303	-	142,922,303	100.00%	-	0.00%	Rearrangement of Utilization Plan has been approved in 42nd AGM as on 6 December 2018 and IPO Utilization Proceeds certified by M/s. Phnaki and Company, Chartered Accountants
				Machinery & Equipment	132,299,520	79,768,602	829,144	78,939,458	79,768,602	100.00%	-	0.00%	
				Utility	117,154,000	146,345,797	117,154,000	29,191,797	146,345,797	100.00%	-	0.00%	
				Warehouse	20,582,700	21,641,545	3,406,448	18,235,097	21,641,545	100.00%	-	0.00%	
				Vehicle	3,000,000	2,901,503	2,901,503	-	2,901,503	100.00%	-	0.00%	
				Consultancy fee	5,963,780	1,420,250	1,420,250	-	1,420,250	100.00%	-	0.00%	
				Contingencies	5,000,000	5,000,000	5,000,000	-	5,000,000	100.00%	-	0.00%	
				Sub Total	400,000,000	400,000,000	273,633,648	126,366,352	400,000,000	100.00%	-	0.00%	
3	Active Pharmaceuticals Ingredients (API)	Within 2-3 years after getting permission from the Ministry of Industries	Within June 2022	Civil Construction	347,860,000	355,637,304	151,287,024	-	151,287,024	42.54%	204,350,280	57.46%	Rearrangement of Utilization Plan has been approved in 42nd AGM as on 6 December 2018 and IPO Utilization Proceeds certified by M/s. Phnaki and Company, Chartered Accountants
				Machinery & Equipment	493,000,000	250,495,241	-	-	-	0.00%	250,495,241	100.00%	
				Utility	409,400,000	-	-	-	-	-	-	-	
				Warehouse	38,500,000	-	-	-	-	-	-	-	
				Vehicle	3,000,000	-	-	-	-	-	-	-	
				Consultancy fee	23,635,200	-	-	-	-	-	-	-	
				Contingencies	12,917,600	-	-	-	-	-	-	-	
				Initial Working Capital	26,915,492	-	-	-	-	-	-	-	
				Sub Total	1,355,228,292	606,132,545	151,287,024	-	151,287,024	24.96%	454,845,521	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	3,435,268,581	204,901,499	3,640,170,080	88.89%	454,845,521	11.11%	

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

(Fouja Haque, FCA)

Independent Director & Chairman of the Audit Committee

(Mizanur Rahman Sinha)
Managing Director

(Nagina Afzal Sinha)
Chairman

Pinaki & Company
Chartered Accountants