



The ACME Laboratories Ltd.

MANUFACTURERS OF ETHICAL DRUGS & MEDICINES

ISO 9001: 2015 CERTIFIED COMPANY

0/c

Ref. No. ACME /CA/CS/0093/2019

13 June 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 103rd Meeting held on 12 June 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

Bangladesh Securities and Exchange Commission

13 JUN 2019

SL No. Received by Signature

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 May 2019

পিনাকী এণ্ড কোম্পানী
Pinaki & Company

REGD. OFF : 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 May 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 International Standards on Auditing (ISA), 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 May 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 in respect of Steroid & Hormone Project. During the month from February 2019 to May 2019, no amount has been spent regarding the project through IPO fund.



2. The Company has utilized cumulative amount of Tk. 400,000,000 up to 31 January 2019 in respect of Penicillin Project. During the month from February 2019 to May 2019, no amount has been spent regarding the project through IPO fund.
3. The Company has also utilized cumulative amounting to Tk. 161,347,324 up to 31 May 2019 in respect of API Project. During the month of May 2019, amounting Tk. 3,598,300 has been utilized out of IPO fund in respect of Active Pharmaceuticals Ingredients (API) Project.

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 June 2019
Dhaka.

Pinaki & Co
Pinaki & Company
Chartered Accountants



Report on Utilization of IPO Proceeds

For the Month of May 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 4,095,000,000 (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
1	Steroid and Hormone Project	Within 2 years of receiving IPO fund, i.e., 2018	Civil Construction	335,800,000	334,934,878	334,934,878	-	334,934,878	100.00%	-	0.00%	
			Machinery & Equipment	598,600,000	933,900,000	933,900,000	-	933,900,000	100.00%	-	0.00%	
			Utility	339,600,000	353,700,000	353,700,000	-	353,700,000	100.00%	-	0.00%	
			Warehouse	39,500,000	21,986,000	21,986,000	-	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%	
2	Penicillin Project	Within the month of March 2018	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	1,660,591,186	-	1,660,591,186	100.00%	-	0.00%	
			Civil Construction	116,000,000	142,922,303	142,922,303	-	142,922,303	100.00%	-	0.00%	
			Machinery & Equipment	132,299,520	79,768,602	79,768,602	-	79,768,602	100.00%	-	0.00%	
			Utility	117,154,000	146,345,797	146,345,797	-	146,345,797	100.00%	-	0.00%	
			Warehouse	20,582,700	21,641,545	21,641,545	-	21,641,545	100.00%	-	0.00%	
3	Active Pharmaceuticals Ingredients (API)	Within 2-3 years after getting permission from the Ministry of Industries	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	400,000,000	-	400,000,000	100.00%	-	0.00%	
			Civil Construction	347,860,000	355,637,304	157,749,024	3,598,300	161,347,324	45.37%	194,289,980	54.63%	
			Machinery & Equipment	493,000,000	250,495,241	-	-	-	0.00%	250,495,241	100.00%	
4	Repayment of Bank Borrowing at 40th AGM	N/A	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	-	-	-	-	-	-	-	-
5	IPO Expenses	N/A	Sub Total	1,355,228,292	606,132,545	157,749,024	3,598,300	161,347,324	26.62%	444,785,221	73.38%	
				1,360,000,000	1,360,000,000	1,360,000,000	-	1,360,000,000	100.00%	-	0.00%	
Total				68,291,870	68,291,870	68,291,870	-	68,291,870	100.00%	-	0.00%	
				4,541,520,162	4,095,015,601	3,646,632,080	3,598,300	3,650,230,380	89.14%	444,785,221	10.86%	

On Behalf of Board

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

(Mizanur Rahman Sinha)
Managing Director

(Nagin Afzal Sinha)
Chairman

Pinaki & Company
Chartered Accountants