



The ACME Laboratories Ltd.

MANUFACTURERS OF ETHICAL DRUGS & MEDICINES

ISO 9001: 2015 CERTIFIED COMPANY

O/e

Ref. No. ACME /CA/CS/0078/2018

08 August 2018

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 91st Meeting held on 06 August 2018 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 July 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 July 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 July 2018 and comply with the resolution of 40th AGM of the company.

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

1. The Company has utilized cumulative amount of Tk. 1,254,320,071 up to 31 July 2018 in respect of Steroid & Hormone Project. During the month no amount has been spent regarding the project through IPO fund. Referring our comment in earlier report, there appeared certain developments in the Steroid & Hormone Project out of company's own fund due to the restriction for use of IPO fund.

2. The Company has utilized cumulative amount of Tk. 246,711,345 up to 31 July 2018 in respect of Penicillin Project. During the month no amount has been spent regarding the project through IPO fund. Referring our comment in earlier report, there appeared certain developments in the Penicillin Projects out of company's own fund due to the restriction for use of IPO fund.
3. The Company has also utilized cumulative amounting to Tk. 102,818,652 up to 31 July 2018 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 40th 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 is being under completion within the time frame as specified in the resolution of 40th AGM of the company whereas Steroid & Hormone and Penicillin Projects are awaiting completion.
- d) Utilization of IPO proceeds is accurate for the purpose of the company as mentioned in the resolution of 40th 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: 08 August 2018
Dhaka.

Pinaki & Co.

Pinaki & Company
Chartered Accountants

Report on Utilization of IPO Proceeds
For the Month of July 2018

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 prospectus/40th AGM

: The ACME Laboratories Ltd.

: BDT 4,096,000,000 (Received amount BDT 4,095,015,001.38 net of foreign currency conversion loss)

: 21 April 2016

: 11 April 2016 to 21 April 2016

: As stated in time line as per prospectus and revised time line columns

(Amount in BDT)												
Purpose mentioned in the Prospectus/40th AGM	Time line as per Prospectus	Revised Time line	Cost Breakdown	Amount as per Prospectus	Amount as per revised utilization Plan	Opening	During the Month	Total Utilized Amount	Utilized %	Total un utilized amount	Un utilized %	Remarks
1 Steroid and Hormone Project	Within 2 years of receiving IPO fund, i.e., 2018	N/A	Civil Construction	335,800,000	335,800,000	334,934,878	-	334,934,878	99.74%	865,122	0.26%	Machinery & Equipment Utility Warehouse Vehicle Consultancy fee Contingencies Sub Total
			Machinery & Equipment	598,600,000	598,600,000	562,412,729	-	562,412,729	93.95%	36,187,271	6.05%	
			Utility	339,600,000	339,600,000	339,600,000	-	339,600,000	100.00%	-	0.00%	
			Warehouse	39,500,000	39,500,000	1,302,156	-	1,302,156	3.30%	38,197,844	96.70%	
			Vehicle	5,000,000	5,000,000	5,000,000	-	5,000,000	100.00%	-	0.00%	
			Consultancy fee	26,300,000	26,300,000	1,200,000	-	1,200,000	4.56%	25,100,000	95.44%	
2 Oncology project converted into Penicillin Project (Revised)	Within 2.5 years of receiving IPO fund	Within the month of March 2018	Contingencies	13,200,000	13,200,000	9,870,308	-	9,870,308	74.78%	3,329,692	25.22%	Sub Total
			Civil Construction	1,358,000,000	1,358,000,000	1,254,320,071	-	1,254,320,071	92.37%	103,679,929	7.63%	
			Machinery & Equipment	367,000,000	367,000,000	116,000,000	-	116,000,000	100.00%	-	0.00%	
			Utility	350,000,000	350,000,000	117,154,000	-	117,154,000	100.00%	-	0.00%	
			Warehouse	50,000,000	50,000,000	20,582,700	-	3,406,448	16.55%	17,176,252	83.45%	
			Vehicle	5,000,000	3,000,000	2,901,503	-	2,901,503	96.72%	98,497	3.28%	
3 Ayurvedic, Modern Herbal and Neurochemicals converted into Active Pharmaceutical Ingredients (API) (Revised)	Within 2.5 years of receiving IPO fund	Within 2-3 years after getting permission from the Ministry of Industries	Consultancy fee	22,100,000	5,963,780	1,420,250	-	5,963,780	23.81%	4,543,530	76.19%	Contingencies Sub Total
			Contingencies	11,100,000	5,000,000	5,000,000	-	5,000,000	100.00%	-	0.00%	
			Civil Construction	417,500,000	347,860,000	102,818,652	-	246,711,345	61.68%	153,288,655	38.32%	
			Machinery & Equipment	857,200,000	493,000,000	102,818,652	-	102,818,652	29.56%	245,041,348	70.44%	
			Utility	404,000,000	409,400,000	-	-	-	0.00%	409,400,000	100.00%	
			Warehouse	11,000,000	38,500,000	-	-	-	0.00%	38,500,000	100.00%	
4 Repayment of Bank Borrowing (Revised)	N/A	N/A	Vehicle	5,000,000	3,000,000	-	-	-	0.00%	3,000,000	100.00%	Chartered Accountants
			Consultancy fee	33,900,000	23,635,200	-	-	-	0.00%	23,635,200	100.00%	
			Contingencies	16,900,000	12,917,600	-	-	-	0.00%	12,917,600	100.00%	
			Initial Working Capital	-	26,915,492	-	-	-	0.00%	26,915,492	100.00%	
			Sub Total	1,745,500,000	1,355,228,292	102,818,652	-	102,818,652	7.59%	1,252,409,640	92.41%	
				N/A	1,360,000,000	1,360,000,000	-	1,360,000,000	100.00%	-	0.00%	
5 Total	N/A	N/A		68,291,870	68,291,870	68,291,870	-	68,291,870	100.00%	-	0.00%	
				4,312,791,870	4,541,520,162	3,032,141,938	-	3,032,141,938	66.76%	509,378,224	33.24%	

Percentage (Interest on FDR to be matured on 27 September 2018)

Interest on IPO Proceeds in BDT (from FDR & SND)

Un-Utilized IPO Proceeds with Interest Income in BDT

On Behalf of Board

(Fazila Haque, FCA)

Independent Director & Chairman of the Audit Committee

(Kazi Sanaul Haq)
Nominee Director

(Mizanur Rahman Sinha)
Managing Director

177,996,028
1,240,869,691