



The ACME Laboratories Ltd.
MANUFACTURERS OF ETHICAL DRUGS & MEDICINES

ISO 9001: 2015 CERTIFIED COMPANY

O/c

Ref. No. ACME /CA/CS/0082/2019

15 May 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 102nd Meeting held on 13 May 2019 for your kind perusal and record please.

Thanking you and assuring of our best attention for all the time to come.

Md. Rafiqul Islam, FCS
Company Secretary

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

Auditors' Report



Name of Client

The ACME Laboratories Ltd.
Utilization of IPO Proceeds
for the month ended 30 April 2019

পিনাকী এণ্ড কোম্পানী
Pinaki & Company

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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 April 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 30 April 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 months of February, March and April 2019, no amount had 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 months of February, March and April 2019, no amount had been spent regarding the project through IPO fund.
3. The Company has also utilized cumulative amounting to Tk. 157,749,024 up to 30 April 2019 in respect of API Project. During the month of April 2019, amounting Tk.6,462,000 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: 14 May 2019
Dhaka.

Pinaki & Co
Pinaki & Company
Chartered Accountants

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

Name of the Company: The ACME Laboratories Ltd.
Amount (BDT) of capital raised through IPO: BDT 4,096,000,000 (Received amount BDT 4,095,015,601.38 net of foreign currency conversion loss)
Date of Close of Subscription: 21 April 2016
Proceeds Receiving 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	Time Line		Cost Breakdown	Amount as per 40th AGM	Amount as per 42nd AGM	Status of Utilization			Total un utilized amount	Un utilized %	Remarks	
		As per 40th AGM	As per 42nd AGM				Opening	During the Month	Total Utilized Amount				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. Pinaki and Company, Chartered Accountants
				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%	
				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%	
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%	
				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%	
				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%	
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	6,462,000	157,749,024	44.36%	197,888,280	55.64%	
				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	6,462,000	157,749,024	26.03%	448,383,521	73.97%	
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	3,640,170,080	6,462,000	3,646,632,080	89.05%	448,383,521	10.95%	

Percentage (Interest on FDR to be matured on 27 June 2019 & 07 July 2019)
Interest on IPO Proceeds in BDT (from FDR & SND)
Un-Utilized IPO Proceeds with interest income in BDT

On Behalf of Board

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

(Mizanur Rahman Sinha)
Managing Director

(Nagina Afzal Sinha)
Chairman

Pinaki & Company
Chartered Accountants