



The ACME Laboratories Ltd.

MANUFACTURERS OF ETHICAL DRUGS & MEDICINES

ISO 9001:2008 CERTIFIED COMPANY

O/C

Ref. No. ACME /CA/CS/0066/2018

11 July 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 90th Meeting held on 08 July 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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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 30 June 2018

পিনাকী এণ্ড কোম্পানী
Pinaki & Company

AHSANDELL, 2/A, Mymensingh Road (2nd Floor), Shahbag, Dhaka-1000, Bangladesh
Tel # 966-0944, 966-5095, Fax # 88-02-9672726
E-mail : pinaki_co@yahoo.com



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 June 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 30 June 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 a total amount of Tk. 1,254,320,071 up to 30 June 2018 out of which Tk. 113,999,129 is utilized during the month of June 2018 in respect of Steroid and Hormone Project. In spite of company's earnest initiative for Steroid & Hormone Project, the completion of the same could not be made within targeted date. We would suggest for approval of the general members specifying the unforeseen delay arising out of the way for the project.



2. The Company has utilized cumulative amount of Tk. 246,711,345 up to 30 June 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 30 June 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: 11 July 2018
Dhaka.

Pinaki & Co
Pinaki & Company
Chartered Accountants



Report on Utilization of IPO Proceeds

For the Month of June 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 4,095,000,000 (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 as per prospectus and revised time line columns

(Amount in BDT)

S.L	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	Status of Utilization			Total un utilized amount	Un utilized %	Remarks	
							Opening	During the Month	Total Utilized Amount				Utilized %
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	598,600,000	598,600,000	448,413,600	113,999,129	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%	
				Contengencies	13,200,000	13,200,000	9,870,308	-	9,870,308	74.78%	3,329,692	25.22%	
				Sub Total	1,358,000,000	1,358,000,000	1,140,320,942	113,999,129	1,254,320,071	92.37%	103,679,929	7.63%	
2	Oncology project converted into Penicillin Project (Revised)	Within 2.5 years of receiving IPO fund	Within the month of March 2018	Civil Construction	335,800,000	335,800,000	116,000,000	-	116,000,000	100.00%	0.00%	Revised Utilization Plan has been approved in 40th AGM as on 7 November 2016 and IPO Utilization Proceeds certified by M/s. Pinaki and Company, Chartered Accountants	
				Machinery & Equipment	367,000,000	367,000,000	829,144	-	829,144	0.63%	131,470,376		99.37%
				Utility	350,000,000	350,000,000	117,154,000	-	117,154,000	100.00%	-		0.00%
				Warehouse	50,000,000	50,000,000	3,406,448	-	3,406,448	16.55%	17,176,252		83.45%
				Vehicle	5,000,000	5,000,000	2,901,503	-	2,901,503	96.72%	98,497		3.28%
				Consultancy fee	22,100,000	22,100,000	1,420,250	-	1,420,250	23.81%	4,543,530		76.19%
				Contengencies	11,100,000	11,100,000	5,963,780	-	5,963,780	100.00%	-		0.00%
			Sub Total	1,141,000,000	400,000,000	246,711,345	-	246,711,345	61.68%	153,288,655	38.32%		
3	Ayurvedic, Modern Herbal and Nutraceuticals converted into Active Pharmaceuticals Ingredients (API) (Revised)	Within 2.5 years of receiving IPO fund	Within 2-3 years after getting permission from the Ministry of Industries	Civil Construction	417,500,000	347,860,000	102,818,652	-	102,818,652	29.56%	245,041,348	70.44%	
				Machinery & Equipment	857,200,000	493,000,000	-	-	-	0.00%	493,000,000	100.00%	
				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%	
				Vehicle	5,000,000	3,000,000	-	-	-	0.00%	3,000,000	100.00%	
				Consultancy fee	33,900,000	23,635,200	-	-	-	0.00%	23,635,200	100.00%	
				Contengencies	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%		
4	Repayment of Bank Borrowing (Revised)	N/A	N/A		N/A		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	100.00%	-	0.00%	
Total					4,312,791,870	4,541,520,162	2,918,142,809	113,999,129	3,032,141,938	66.76%	1,509,378,224	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

(Folzia Haque, FCA)

Independent Director & Chairman of the Audit Committee

(Dr. Jabbar Rahman Sinha)

Deputy Managing Director

(Mizanur Rahman Sinha)

Managing Director

177,956,718

1,240,870,381