



The ACME Laboratories Ltd.

MANUFACTURERS OF ETHICAL DRUGS & MEDICINES

ISO 9001: 2015 CERTIFIED COMPANY

o/c

Ref. No. ACME /CA/CS/0106/2019

15 July 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 105th Meeting held on 14 July 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

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E-mail : plant@acmeglobal.com

Auditors' Report



Name of Client

The ACME Laboratories Ltd.
Utilization of IPO Proceeds
for the month ended 30 June 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 30 June 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 June 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 started commercial operation of Steroid and Hormone project in the month of June 2019, which has been completed within the time limit approved by the shareholders in its 42nd AGM. Total project cost of BDT 1,660,591,186 is generated from the IPO fund.



2. The Company has started commercial operation of Penicillin project in the month of June 2019, which has been completed within the time limit approved by the shareholders in its 42nd AGM. Total project cost of BDT 400,000,000 is generated from the IPO fund.
3. The Company has also utilized accumulative amount of Tk.161,828,599 up to 30 June 2019 in respect of API Project. During the month of June 2019, an amount of Tk.481,275 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) API project, for which IPO fund was raised, will be completed 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 July 2019
Dhaka.

Pinaki & Co
Pinaki & Company
Chartered Accountants

Report on Utilization of IPO Proceeds

For the Month of June 2019

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

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

| 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% | |
| 2 | Penicillin Project | Within the month of March 2018 | Within June 2019 | 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% | |
| | | | | 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% | |
| 3 | Active Pharmaceuticals Ingredients (API) | Within 2-3 years after getting permission from the Ministry of Industries | Within June 2022 | 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% | |
| 4 | Repayment of Bank Borrowing at 40th AGM | N/A | N/A | 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 | 355,637,304 | 481,275 | 161,828,599 | 45.50% | 193,808,705 | 54.50% | |
| | | | | Machinery & Equipment | 493,000,000 | 250,495,241 | 250,495,241 | - | - | 0.00% | 250,495,241 | 100.00% | |
| | | | | Utility | 409,400,000 | - | - | - | - | - | - | - | |
| | | | | Warehouse | 38,500,000 | - | - | - | - | - | - | - | |
| 5 | IPO Expenses | N/A | N/A | 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 | 606,132,545 | 481,275 | 161,828,599 | 26.70% | 444,303,946 | 73.30% | |
| Total | Total | Total | Total | 4,541,520,162 | 4,095,015,601 | 4,095,015,601 | 481,275 | 3,650,711,655 | 89.15% | 444,303,946 | 10.85% | | |
| | | | | | | | | | | | | | 481,275 |

Percentage (Interest on FDR to be matured on 27 September 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

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

(Mizanur Rahman Sinha)
Managing Director

(Jahanara Milan Sinha)
Director

218,258,613

662,582,559